



HIKAL

CREATING VALUE THROUGH
SUSTAINABILITY

SUSTAINABILITY REPORT 2022-23

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CREATING VALUE THROUGH SUSTAINABILITY

For over three decades, our commitment has been to drive growth through scale, efficiency, and quality. This year, we strengthened our commitment to sustainability, going above and beyond to extend the value we create beyond our products. Embracing sustainability aligns our Company's operations with environmental responsibilities and yields significant benefits in multiple aspects.

We firmly believe that sustainability and growth are intertwined. With sustainability as our north star, we have made significant investments in technology to ensure clean energy, reduce our carbon footprint, conserve natural resources, and minimise waste generation across all our sites. This, in turn, enhances our reputation and fosters stronger relationships with stakeholders, including colleagues, partners, and the communities in which we operate.

Our sustainability roadmap focuses on reducing our carbon footprint across the entire value chain. Prioritising sustainability leads to cost savings through optimised use of resources and energy efficiency. Furthermore, by adopting a 'molecular thinking' approach, we aspire to become the preferred partner for our global customers - passionate, future-ready, and committed to sustainability.



Message from the Chairman



JAI HIREMATH
Executive Chairman

Dear Stakeholders,

I am delighted to introduce our first-ever Sustainability Report. As you explore its contents, I am confident that you will witness the concrete outcomes of our efforts and the commitment to shaping our path toward a more sustainable and responsible future.

Sustainability stands as the firm foundation of our operations. Our business ethos embodies sustainable development at its core. In recent years, we have made notable achievements in crucial areas, such as augmenting energy efficiency and water conservation at the same time upholding impactful Corporate Social Responsibility (CSR) initiatives in healthcare and education. We acknowledge that lasting success necessitates executing our business strategy in a manner that benefits not just us and our shareholders but also society and the environment.

This year, we have taken meaningful strides to reaffirm our commitment towards sustainability, recognising its pivotal role in our value creation approach. Employing a systematic approach, we have conducted a materiality assessment. From enhancing energy efficiency to safeguarding data integrity and security, we have identified and prioritised topics that hold the utmost relevance for our organisation and all stakeholders.

Navigating the Landscape of Today

Over the last two years, we have encountered increasing range of interconnected global challenges. From the backdrop of political and economic instability and the troubling Ukraine-Russia conflict, our world confronted numerous obstacles.

Climate change stands as a defining challenge. We cannot disregard or downplay its global ramifications, which affect every sector of the economy and every human being. As a responsible Company, we must help local communities flourish. We are playing our part in addressing climate change risks to our business, involving stakeholders in shaping and executing our comprehensive sustainability strategy.

We recognise that sustainability acts as a gateway to innovation and enduring success. Rooted in a dedication to excellence, our focus extends beyond regulatory requirements, setting higher benchmarks for both ourselves and the industry.

Nurturing the Environment for the Generations Ahead

From bolstering energy efficiency to giving precedence to safeguarding biodiversity, we effectively implemented various measures to reduce our environmental impact.

We are proactively dedicated to making substantial progress in achieving net zero emissions, guided by a clear decarbonisation strategy. Our sustainability commitment tangibly manifests through significant investments in energy efficiency endeavours, resulting in savings of ₹35.43 million. Notably, our largest site proudly relies on 75% renewable energy. We take pride in sharing that our endeavours have earned recognition; securing a Bronze medal in EcoVadis stands as a testament to our efforts.

Pioneering Change, Together

We actively embrace our vision and mission, generating shared value while considering the needs of all stakeholders, both internal and external. We empower all stakeholders to benefit from the results of our collective efforts, fostering a sense of shared purpose and achievement.

Customer centricity is an important strategic imperative for us, propelling us to provide innovative and sustainable solutions. By consistently prioritising our customers' needs and ambitions, we not only address their current challenges but also anticipate future requirements, solidifying our role as a trusted partner for global innovators.

Above all, our employees occupy a central role within our organisation. Cultivating a culture of belonging and empowerment, we prioritise employee well-being through initiatives such as the 'Ojas' wellness programme, nurturing physical and mental health. This year, we took a significant step forward with the introduction of the Hikal Academy, a platform designed to provide our employees with extensive learning and growth opportunities, paving the way for their evolution as aspiring leaders.

Extending our commitment beyond our organisational boundaries, our 'Srijan' CSR programme is a testament to our resolve to create a positive societal impact. We focus our efforts on meaningful impact in pivotal areas such as education, healthcare, and environmental conservation, forging close collaborations with local communities and organisations.

Governance

Our Board of Directors is diverse, independent, and integrated into a balanced governance structure. Ethical, transparent, and fair governance has been a cornerstone of our long history. Various measures, including a significant representation of Independent Directors on key Committees, bolster our governance practices. In 2022-23, the Board took substantial steps to enhance transparency and communication by creating a range of external disclosures, including this very Report, to provide consistent and transparent updates on our Environmental, Social, and Governance (ESG) performance.

Advancing Growth through Sustainability

We commit to prioritising transparency, accountability, and collaboration. We aim to foster dialogue with stakeholders, encouraging their active participation in shaping our sustainability agenda. Together, we can drive innovation, harness emerging technologies, and devise solutions that tackle global challenges while delivering value to stakeholders.

My colleagues and I find encouragement in the rapid strides made toward establishing a framework for monitoring and reporting corporate sustainability progress. We are crafting a comprehensive internal ESG monitoring and reporting framework to guide our future efforts. We will continue sharing relevant updates as they unfold.

I extend my gratitude to the Board for their guidance and heartfelt appreciation to our stakeholders for their continued belief and support in our abilities and endeavours.

With Warm Regards,

JAI HIREMATH
Executive Chairman

Our Sustainability Approach

Winning Approach



Leading with Innovation

Our commitment to breaking barriers and introducing pioneering solutions remains evident in our ongoing research and technology (R&T) investments. During the year, we allocated 3-4% of our sales to R&T, aiming at innovative products for advancing our business.



Elevating Customer Satisfaction

Central to our approach is enhancing customer satisfaction across the life sciences value chain through innovative solutions, prompt resolution, and continuous enhancements. This ensures strong relationships, loyalty, and a positive brand image.



Maximising Stakeholder Value

Our focus centres on nurturing long-term growth, promoting transparency, embracing responsibility, and delivering value to all stakeholders' thus ensuring sustained success.



Aligning with Global Frameworks and Standards

We emphasise the integration of sustainability into our business operations, aligning with the Global Reporting Initiative (GRI) standards.



Our journey towards a greener future is a collective endeavour. We have made significant strides in setting bold ESG ambitions and have taken meaningful actions to achieve them - including transition to renewable energy sources, material circularity, water management, expanding our community outreach programmes and strengthening our governance.

SAMEER HIREMATH
Managing Director



Our blueprint for sustainability encompasses more than just resources; it's about relationships. While renewable energy sources and material circularity lay our foundation, our customers, employees, and vendors are the pillars. Through mindful ESG practices and the power of digital tracking, we collectively envision and work towards an interconnected, transparent, and sustainable journey.

ANISH SWADI
Senior President - Animal Health & Business Transformation

About the Report

Striving for Transparent Stakeholder Communication

This marks our first Sustainability Report, a testament to our dedication to transparent stakeholder communication. Within this Report, we articulate our identified material sustainability risks and opportunities, along with our strategic plans for mitigating and harnessing them.

How We Report

Reporting Principles and External Standards

Our sustainability reporting is aligned with the guidelines of the Global Reporting Initiative (GRI) and the 17 goals of the UN SDGs. This report has been prepared with reference to the GRI Standards.

Reporting Period

This Report encapsulates our sustainability performance in 2022-23, featuring relevant comparisons spanning the last three to five years, ensuring a comprehensive outlook.

Scope and Boundary

This Report covers operations across all our facilities (Jigani, Panoli, Talaja, and Mahad), Pune R&T, and corporate offices and headquarters during the reporting period.

Collaborating with Stakeholders

Stakeholder engagement fuels our growth ambitions. Through these interactions, we nurture enduring relationships that offer invaluable support during both prosperous and challenging times.

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Materiality

This Report focusses on factors significantly influencing our ability to create short, medium, and long-term value, of utmost importance to stakeholders. In 2022-23, we conducted our first ever materiality assessment, integrating sustainability issues into our long-term plans.

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Reporting Suite

Our Annual Reporting suite brings together the financial, non-financial, risk, and sustainability performance for the year.

Annual Report



[Click here](#)

Sustainability Report



[Click here](#)

Management Responsibility

The Board acknowledges its responsibility for the Report's integrity, believing it comprehensively addresses material topics influencing Hikal's value creation and provides an equitable portrayal of our performance.

Forward-Looking Statements

Certain statements in the Report regarding our business are forward-looking statements. These include all statements, other than those of performance highlights and historical facts, including those regarding the market and financial position, business strategy, and objectives for future operations.

Forward-looking statements shall be identified by words such as anticipates, expects, intends, may, will, believes, estimates, outlook, and other words of similar meaning in connection with a discussion of future operational, environmental, social and financial performance. Forward-looking statements are necessarily dependent on projections and trends and constitute our current expectations based on reasonable assumptions. Actual results could differ from the projected in any forward-looking statements due to risks and uncertainties and other external factors.

2022-23 Highlights

Creating Shared Value



ENVIRONMENT

Teaming up with a renowned global consultancy, we are crafting a roadmap for ambitious sustainability goals. This guides our non-financial performance measurement, management, and communication, propelling us as progressive business leaders.

7,97,758 GJ
RENEWABLE ENERGY USED

32,255 MT
WASTE RECYCLED

₹214.6 Mn
ENHANCED EFFLUENT TREATMENT INVESTMENTS



SOCIAL

Our identity is shaped by sustainability, innovation, and passion. We cultivate robust stakeholder relationships across our value chain.

0.3
LOSS TIME INJURY FREQUENCY RATE (LTIFR)

2,16,500
LIVES IMPACTED THROUGH CSR ACTIVITIES

100%
VALUE CHAIN PARTNERS ASSESSED ON SOCIAL AND HUMAN RIGHTS CRITERIA



Received the prestigious **'Great Managers Award'** and recognised as **'Companies with Great Managers'** by the People Business.



GOVERNANCE

Our operations are rooted in strong governance, ensuring transparency and long-term value for stakeholders. Our clear framework upholds ethics, values, and responsible corporate practices, fostering integrity and accountability.

Zero
COMPLAINTS ABOUT DIRECTOR IN RELATION TO ISSUES OF CONFLICT OF INTEREST

Two
WOMEN DIRECTORS



Recognised as one of the **'Most Preferred Workplace 2022-23'** by Marksmen Daily and India Today.

Who We Are

Trusted Partner for Growth

We create and deliver sustainable solutions for global innovator companies across the life sciences value chain.

Expanding Horizons

Our expertise lies in providing 'just the right chemistry', we empower our partners to thrive and make a positive impact worldwide.

Our Businesses



1988

STARTED OPERATIONS

₹9,079 Mn

REVENUE*

*For 2022-23

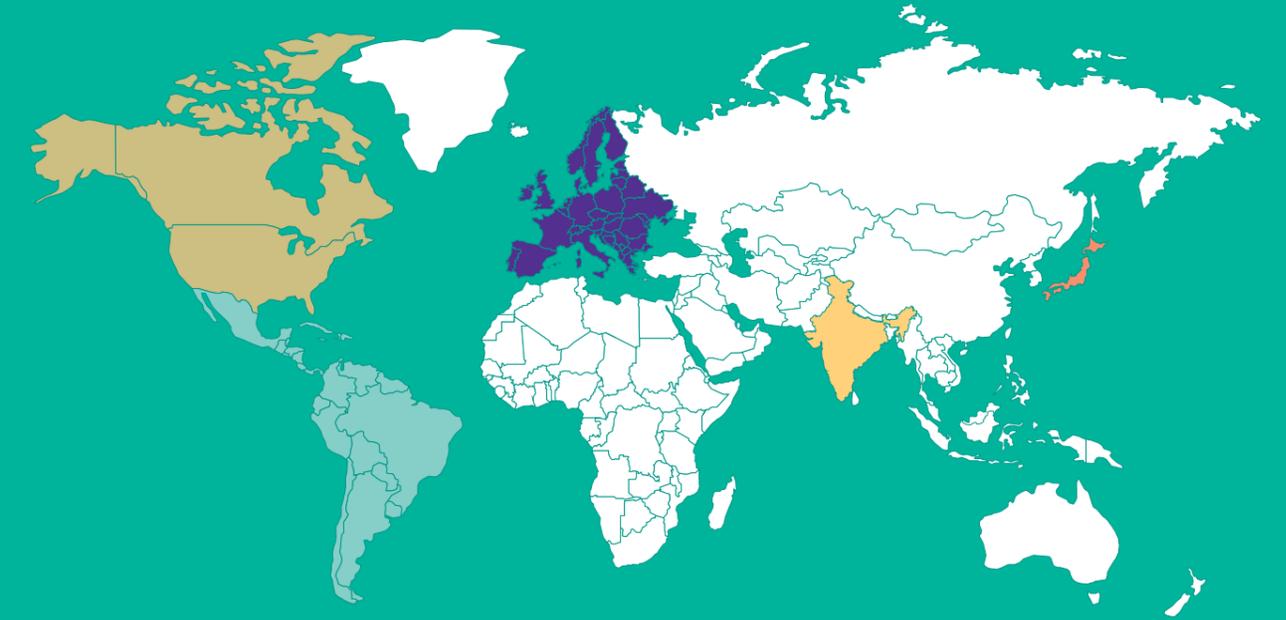


2001

STARTED OPERATIONS

₹11,152 Mn

REVENUE*



Process Development



STATE-OF-THE-ART R&D FACILITY, SIMULATION, AND KILO LAB

26

PhDs

30+

CHEMISTRIES

Commercial

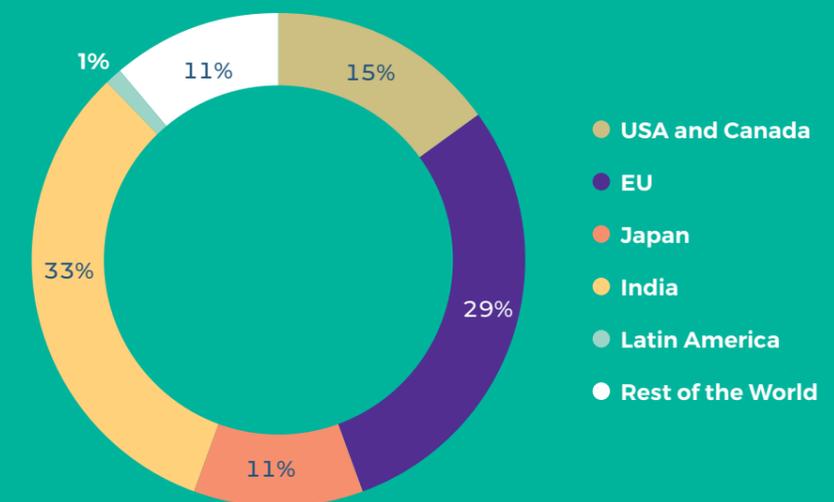


5

FLEXIBLE, HIGHLY AUTOMATED AND ISO-CERTIFIED MANUFACTURING SITES

4,100 m³

REACTOR CAPACITY



Note: Map not to scale

Creating Value for All

Transforming Expertise into Real-World Gains

Our approach to creating value beyond our products. We are committed to harnessing our resources and expertise to make a meaningful and lasting impact on scientific progress, healthcare, social well-being, and economic development, ultimately striving for sustainable growth for our stakeholders.

We strive to develop innovative solutions for our customers, while consistently aligning with environmental and social considerations, being guided by good governance principles.



Our Stakeholders



Values We Create



Sustainable Economic Performance

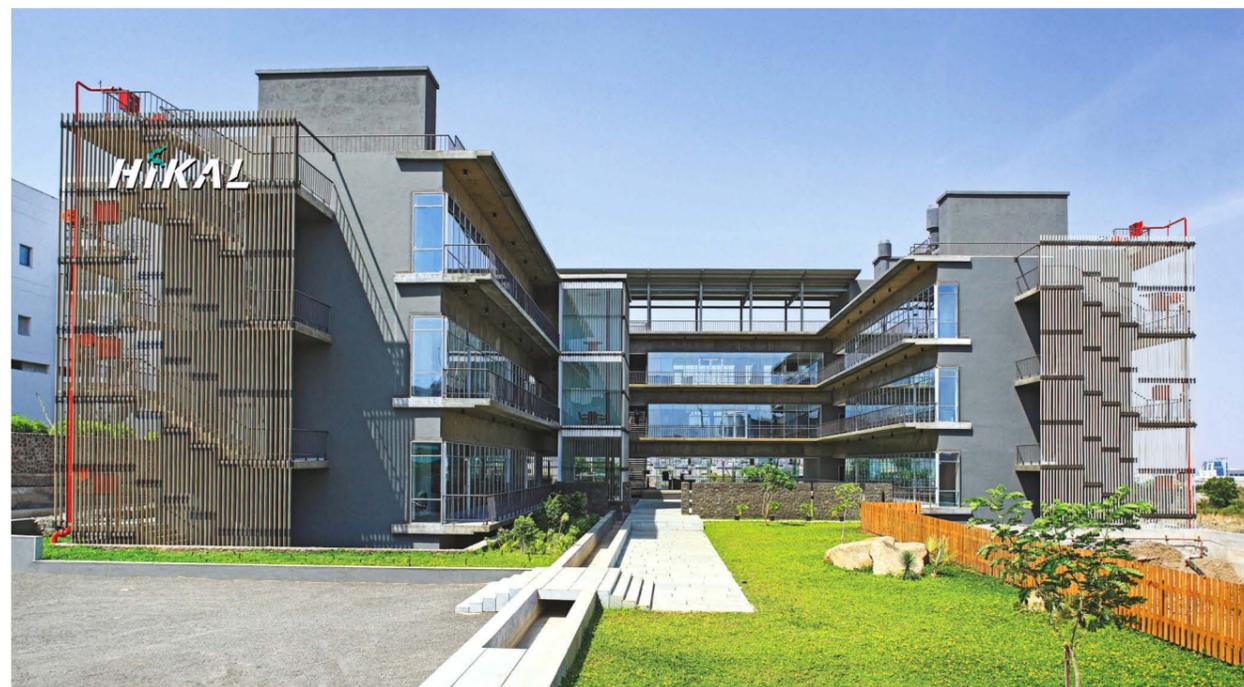
Adding Economic Value to Stakeholders

We focus on delivering sustainable value to our customers and the wider fraternity of stakeholders, despite challenges in our business environment. We are committed to doing business the right way, by adopting best practices, and continuously pursuing the path of sustainable growth.

Economic Value Contribution

(₹ mn)

Economic Value Generated and Distributed (EVG&D)	2022-23	2021-22
I. Economic Value Generated		
a) Consolidated revenue	20,284	19,476
II. Economic Value Distributed		
b) Operating Costs	16,507	14,932
c) Employee Wages and Benefits	2,204	2,014
d) Payments to Providers of Capital	481	312
e) Payments to Government	270	581
f) Community Investments	38	32
III. Economic Value Retained (I-II)	784	1,605



Sustainable Financial Performance

Investors



₹127 Mn
FREE CASH FLOW

Customers



3-4%
ANNUAL SALES DEDICATED TO R&D EXPENDITURE

Employees



₹69 Mn
INVESTMENT IN L&D

Value Chain Partners



34%
INPUT MATERIALS ASSESSED DIRECTLY
SOURCED FROM MSME/SMB PRODUCERS

Communities



2,16,500
LIVES IMPACTED THROUGH CSR ACTIVITIES

Government and Regulators



₹270 Mn
TAX PAID TO EXCHEQUER

Our Sustainability Journey

Tracking our Progress

2022-23 witnessed another significant milestone in our journey of sustainable value creation. Over the years, we have made noteworthy headway, and now we are utilising our expertise to reaffirm our commitment to sustainability.

• 2009-10

Introduced triple bottom line performance disclosure for the first time.

• 2011-12

Became India's first 'Responsible Care'^{*} custom manufacturing life sciences company.

Achieved a milestone of 4.77 million man-hours spanning 11 years, without any lost time injury (LTI) or accident at our Talaja facility.

Earned the distinction of being the first Indian company certified by Rx-360 for upholding world-class quality standards in the pharmaceutical and biotechnology supply chain.

• 2017-18

Initiated the adoption of solar power at our production facilities.

• 2016-17

Realised a 3.5% cut in total water consumption by implementing condensate reuse through the Condensate Polishing Unit (CPU) unit.

• 2015-16

Enhanced our CSR policy, shaping a holistic plan for 'Srijan' CSR activities.

• 2014-15

Activated a co-generation plant at our API facility, generating power and steam while reducing our carbon footprint.

• 2012-13

Received the Aditya Birla Award for 'Best Responsible Care Company' in India, the first-ever life sciences company.

Completed a US FDA audit and certification at our Panoli facility.

Invested in biomass boilers to replace furnace oil, enhancing energy conservation.

• 2018-19

Acknowledged with several awards including the 'Significant Achievement in HR Excellence' by the Confederation of Indian Industry (CII) for empowering our workforce.

Honoured with the 'ET Now CSR Leadership Award' for Best Corporate Social Responsibility Practices by the World CSR Congress.

• 2019-20

Certified as a 'Great Place to Work' and ranked 84th among India's '100 Indian Best Companies to Work for'.

Invested in Zero Liquid Discharge (ZLD) units for water discharge, prioritising Reduce, Reuse, and Recycle.

Launched 'Wealth from Waste' programme, converting waste residue into valuable products through approximately 10 projects aimed at reducing soil pollution.

• 2020-21

Allocated ₹150 million to enhance effluent treatment capacities across our sites.

Celebrated 10 consecutive years of 'Responsible Care' certification.

Investments in energy-saving projects exceeded ₹12 million.

• 2022-23

Achieved a 70% contribution of renewable energy to total fuel consumption (Briquette).

Extended healthcare access to 40,000 underprivileged patients.

Conducted our first materiality assessment, identifying pivotal value-creation topics.

Joined forces with a global consultancy to create a roadmap for our ambitious sustainability goals.

Initiated the development of an enterprise-level sustainability governance programme to ensure efficient implementation of sustainability initiatives.

Published our inaugural Sustainability Report.

• 2021-22

29% renewable energy integrated across our facilities.

Recycled 80% of hazardous waste from our Panoli site for co-processing in the cement industry.

Signed multiple long-term power purchase agreements (PPAs) for wind and solar energy across our Mahad, Talaja, and Panoli plants.

^{*}As certified by the International Council of Chemical Associations | [#]Note: RX is a global pharmaceutical supply chain consortium.

Our Stakeholders

Partnering for Shared Progress

We devote ourselves to nurturing and strengthening relationships with diverse stakeholders, addressing a broad spectrum of economic, environmental, and social concerns. Through this approach, we ensure that our business and stakeholders embark on a collective journey toward progress and prosperity.



Here's an Outline of our Stakeholder Engagement:

 Investors	 Customers	 Employees	 Value Chain Partners	 Communities	 Government and Regulators
WHO THEY ARE	WHO THEY ARE	WHO THEY ARE	WHO THEY ARE	WHO THEY ARE	WHO THEY ARE
Provide capital in exchange for ownership or debt instruments	Consumers of our products and services spanning diverse industries	All individuals directly or indirectly engaged in our operations as employees	Parties with direct working relationships, contracts, or mutual interest with us	Residents in regions where our assets are located, including locals, schools, and charities	Local, regional, and national regulatory bodies governing our actions
HOW WE ENGAGE	HOW WE ENGAGE	HOW WE ENGAGE	HOW WE ENGAGE	HOW WE ENGAGE	HOW WE ENGAGE
<ul style="list-style-type: none"> Analyst meets and management interactions Quarterly Earnings Call, financial reports, and presentations Annual General Meetings (AGMs) Annual Reports Official communication channels: advertisements, publications, website, and social media 	<ul style="list-style-type: none"> Customer meetings Official communication channels: advertisements, publications, website, and social media Conferences and events Customer feedback and satisfaction survey 	<ul style="list-style-type: none"> Timely internal communications Capability development programmes Performance appraisal Grievance redressal mechanisms Wellness programmes 	<ul style="list-style-type: none"> Supplier development initiatives Vendor assessment and review Training workshops and seminars Supplier audits Official communication channels: advertisements, publications, website, 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 compliances filings and meetings Official communication channels: advertisements, publications, websites, and social media Phone calls, emails, and meetings Regulatory audits/inspections
WHAT WE DO FOR THEM	WHAT WE DO FOR THEM	WHAT WE DO FOR THEM	WHAT WE DO FOR THEM	WHAT WE DO FOR THEM	WHAT WE DO FOR THEM
Deliver superior returns by optimally utilising resources	Provide best-in-class products and services	Create an empowering, inclusive, and safe workplace	Cultivate an inclusive ecosystem for growth	Empower beneficiaries through our CSR activities	Contribute to the creation of a sustainable growth ecosystem

Materiality Assessment

Identification and Prioritisation of Material Topics

Embarking on our first materiality assessment represents a significant milestone in our sustainability journey. By discerning topics that shape our value creation, we construct a bedrock for well-informed choices and impactful progress toward a sustainable future.

We conducted a comprehensive assessment to identify and prioritise our material topics. This prioritisation is twofold: we assess their impact on our value creation within our organisation and their impact on society, communities, and the environment externally.

This process has furnished us with invaluable insights into key areas that carry significant implications for our organisation and the wider stakeholders we serve. We intend to forge a positive influence on both our business operations and the communities we interact with, while concentrating on these crucial material topics.



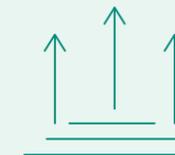
Methodology



Alignment with Global Standards and Reporting Principles

Review of material topics identified by SASB and GRI standards in the following industries:

- Chemicals
- Biotechnology
- Pharmaceuticals



Peer Benchmarking

- Review of peers' material topics
- Review of peers' sustainability reports



Selected of Topics

Identified and selected material topics based on:

- Common themes and ESG topics
- Linkages with SASB and GRI standards

Key External Stakeholder Groups



Investors



Customers



Employees



Value Chain Partners



Communities



Government and Regulators

Materiality Assessment Contd.

Material Topics

 <p>Energy Efficiency and Carbon Emissions</p>  <p>Page → 36</p>	 <p>Air Pollution</p>  <p>Page → 39</p>	 <p>Waste Management</p>  <p>Page → 40</p>
 <p>Water and Effluent Management</p>  <p>Page → 41</p>	 <p>Biodiversity Protection</p>  <p>Page → 42</p>	 <p>Green Chemistry</p> 
 <p>Employee Well-being, Benefits, and Retention</p>  <p>Page → 46</p>	 <p>Diversity, Inclusion, and Equal Opportunities</p>  <p>Page → 52</p>	 <p>Occupational Health and Safety</p>  <p>Page → 54</p>
 <p>Human Rights and Community Relations</p>  <p>Page → 58</p>	 <p>Sustainable Financial Performance</p>  <p>Page → 15</p>	 <p>Regulatory Compliance</p>  <p>Page → 29</p>

 <p>Data Integrity and Security</p>  <p>Page → 31</p>	 <p>Risk Management and Business Continuity</p>  <p>Page → 32</p>	 <p>Sustainable Supply Chain</p>  <p>Page → 33</p>
 <p>Product Quality, Safety, and Labelling</p> 	 <p>Research and Innovation</p> 	 <p>Customer Engagement</p> 



WAY FORWARD

We intend to establish specific goals within the identified material topics. By establishing well-defined targets in these areas, we aspire to make substantial advancements and ensure a comprehensive approach to sustainability across our operations.

Governance that Creates Value

At Hikal, we recognise that nurturing enduring, sustainable, and mutually beneficial relationships with all stakeholders hinges on sound governance practices. Our commitment to upholding the highest standards of ethical behaviour and transparency has enabled us to build strong and lasting partnerships.

20%

WOMEN DIRECTORS

Zero

INCIDENTS RELATED TO CORRUPTION REPORTED

Material Topics

- Regulatory Compliance
- Data Integrity and Security
- Risk Management and Business Continuity
- Sustainable Supply Chain

UN SDGs Impacted



Ethics, Business Practices, and Governance

Management Approach

We prioritise ethics, promoting transparent and responsible business practices. We integrate ethical principles into decision-making, ensuring a solid foundation for sustainable growth.

Governance Structure

At the heart of our governance structure lies the Management Committee, comprising of the Chief Executive Officer (CEO), Chief Strategy Officer (CSO), business heads, Chief Financial Officer (CFO), and Chief Human Resources Officer (CHRO). This Committee serves as the highest governing body, playing a pivotal role in shaping our values, mission, policies, and sustainable development objectives. The Management Committee actively provides strategic guidance, underpinned by leading sustainable business practices, acting as a compass to steer our course.

The Management Committee convenes monthly to evaluate our business progress. During these sessions, we rigorously assess our adherence to the fundamental principles of ethical business conduct. The senior leadership team communicates vital concerns during management meetings, and there were no reported critical concerns.

Additionally, our Management Committee shoulders the responsibility of evaluating significant business-related topics. These material topics are identified by the ESG Head in collaboration with stakeholders through an online survey. The findings are then presented to the Management Committee. With their strategic insights, the Management Committee offers guidance during this process. Once integrated, the finalisation and approval of these material topics take place.

Regular assessments of our business processes' effectiveness are carried out by the Management Committee. Their evaluation measures align with the principles embedded in our diverse business policies, Code of Conduct, and overarching business strategy.

Should the need arise, the Management Committee intervenes, offering support and direction to ensure steadfast adherence to the principles of sustainable business practices.

Delegation of Responsibilities

We have appointed dedicated senior executives for each functional area, including ESG, Quality, Finance, HR, Business, and Operations.

Our Company firmly upholds a comprehensive Delegation of Authority policy. Within this framework, the Management Committee members entrust responsibilities to the subsequent leadership tier. These assigned duties undergo monthly reviews, ensuring that our business operations consistently reflect the integration of our vision and mission.

Additionally, our review process consists of three hierarchical levels:

- Execution Committee
- Monthly Business Review
- Management Committee

At each level, a meticulous evaluation ensues to guarantee the alignment of our activities with our overarching goals. This cascading review mechanism ensures the integrity and effectiveness of our business processes.

Board of Directors



JAI HIREMATH
Executive Chairman



B.N. KALYANI
Non-Executive Director



SAMEER HIREMATH
Managing Director,
Executive Director



KANAN UNNI
Independent,
Non-Executive Director



PRAKASH MEHTA
Independent,
Non-Executive Director



SUGANDHA HIREMATH
Non-Executive Director



RANJIT SHAHANI
Independent,
Non-Executive Director



AMIT KALYANI
Non-Executive Director



SHIVANI SACHDEVA
Independent,
Non-Executive Director



SHRIKRISHNA KIRAN ADIVAREKAR
Independent,
Non-Executive Director

Committees

-  Chairman  Member
-  Nomination and Remuneration Committee
-  Corporate Social Responsibility Committee
-  Risk Management Committee
-  Audit Committee
-  Stakeholders' Relationship Committee



Ethics, Business Practices, and Governance

Management Committee



JAI HIREMATH
Executive Chairman



SAMEER HIREMATH
Managing Director



ANISH SWADI
Senior President - Animal Health & Business Transformation
Risk Management Committee - Member



MANOJ MEHROTRA
President - Pharmaceuticals



VIMAL KULSHRESTHA
President - Crop Protection



KULDEEP JAIN
Chief Financial Officer



RATISH JHA
President - Human Resources

Regulatory Compliance



Management Approach

We have formulated a range of policies and a Code of Conduct that reflects our commitment to responsible business practices. These policy commitments comprehensively envelop 100% of our organisational activities and business associations. We ensure the effective dissemination of these commitments within our internal teams through training initiatives and externally by prominently featuring them on our business website.

INTEGRATED MANAGEMENT SYSTEMS AT ALL SITES



Board Policies



Risk Management Policy



Dividend Distribution Policy



Whistle Blower Policy



Archival Policy



Policy for Determining Material Subsidiary



Policy on the Preservation of Documents



Policy for Determination of Materiality of any Events or Information



Remuneration Policy



CSR policy



Related party transactions policy



Code of Conduct for Board Members and Senior Management

→ To read our policies, please visit <https://www.hikal.com/documents/corporate-governance>



Regulatory Compliance



Code of Conduct

We have a Code of Conduct that extends to all our Directors, Senior Management personnel, employees, and business partners. This Code, founded on our core values and principles, outlines expectations concerning specific scenarios.

Our stance on corruption and unethical conduct is unequivocal. Notably, there were no confirmed cases of corruption throughout 2022-23.

Conflict of Interests

Our Code of Conduct distinctly outlines the responsibilities crucial for proactively averting potential conflicts of interest. Annually, we request a declaration from all Board members and Senior Management executives affirming their compliance with our Company's stipulations to prevent conflicts of interest. Notably, we have received no complaints regarding conflicts of interest, underscoring the efficacy of our measures.

Anti-corruption

Anti-corruption efforts are paramount. We meticulously assess 100% of our operations to identify potential corruption risks. Our comprehensive approach to tackling corruption is outlined in our Code of Conduct. We are steadfast in providing anti-corruption training for all employees. We are pleased to report that for 2022-23, there were zero instances of corruption within both our organisation and among our business partners.

100%

WORKFORCE TRAINED ON CODE OF CONDUCT



Implementing Policies

We have established a responsibility matrix to effectively implement our policy commitments throughout various tiers of our organisation. Every business decision is aligned meticulously with the principles outlined in our policies. In our business dealings, we incorporate clauses that firmly support these principles.

We actively encourage our business partners to familiarise themselves with our business ethics through our diverse range of readily available business policies on our website. In cases of non-compliance, we implement stringent measures, including blacklisting and the termination of business relationships.

Clear communication and comprehensive training for involved stakeholders take precedence to ensure adherence to our business policies, whether in formulating business procedures or making decisions. To ensure our employees' familiarity with our Code of Conduct, we have introduced an online training portal. This portal offers an annual online training course complete with assessments, ensuring that every employee undergoes this training at least once a year.

Public Policy Advocacy

We actively collaborate and align ourselves with national and international priorities, engaging in multi-stakeholder discussions and participating in public consultations when appropriate. Our associations with prominent industry bodies and government entities provide us with a platform to voice concerns and advocate for necessary changes that benefit the industry.

Data Integrity and Security



Management Approach

We acknowledge the critical significance of data integrity and security in safeguarding valuable assets and preserving stakeholder trust. To achieve this, we employ a range of security measures and implement employee awareness programmes to mitigate risks and protect our data assets.

Data Integrity and Security

We have implemented a multi-layered security solution in the IT systems to prevent any direct exposure or vulnerability to cyber-attacks.

This includes:

- Email gateway, antivirus, and anti-phishing measures to enhance email security
- Endpoint Detection and Response (EDR) solution with Advanced Threat Protection (ATP) engines for real-time monitoring and defence against known and zero-day attacks

- Anti-virus and zero-day attack protection for all end-user devices and servers
- Multi-factor authentication with OTP for server access, adding an extra layer of security
- Best-in-class web-security solutions for secure internet access

Zero

DATA BREACHES IN 2022-23



Risk Management and Business Continuity



Management Approach

We maintain a comprehensive risk management process that ensures timely risk identification, analysis of mitigation strategies, and potential areas of improvement to address unforeseen adverse events in our business.

Our performance relies on both known and unknown risks, uncertainties, and variable assumptions. These include the financial health of the global and domestic economies, industry performance in India and worldwide, external competition, regulatory risks, future growth and expansion levels, technological implementation, adverse changes in revenue, income, or cash flows, exposure to market risks, and other factors.

Recognising these risks, our formal and systematic approach to risk identification and management is crucial to achieving strategic objectives. At Hikal, all senior executives, guided by the Managing Director (MD), oversee the risk management process.

The following risk management processes are followed in sequence:

- Identify, assess, and escalate risks
Company objectives
- Define effective measures to respond to risks
- Monitor changes in identified risks
- Reporting risks and risk management measures to the Risk Management Committee
- Monitor the effectiveness of existing risk management measures

RISK MANAGEMENT GOVERNANCE STRUCTURE



Risk Management Committee
Set Risk Management Framework and ensure that we take the measures appropriately to balance risk and reward



Risk Co-ordinator
Assessing and monitoring risk, coordinating between the Executive Committee and Risk Management Committee



Executive Risk Committee
Identify risks, develop risk mitigation plans, and implement risk mitigation strategies

Sustainable Supply Chain



Management Approach

We have implemented a Green Supply Chain Policy that applies to all our value chain partners. This policy is a tangible demonstration of our commitment to ESG-responsible business practices. We expect that all our value chain partners adhere to our green supply chain requirements, reflecting our commitment to sustainability.

Supporting Local Suppliers

We actively support local and micro, small, and medium enterprise (MSME) suppliers as part of our commitment to promote inclusive growth and equitable development. In 2022-23, we sourced 34% of our input materials directly from MSME producers. By engaging with MSMEs, we strive to foster a thriving ecosystem that empowers smaller enterprises, stimulates local economies, and contributes to community well-being.

Supplier Assessment

We have established supplier evaluation criteria with a strong focus on Environment, Health, and Safety (EHS), quality, and statutory requirements for our critical value chain partners based in India. This evaluation process includes both onsite and offsite audits to ensure compliance with our stringent standards. None of our critical suppliers have been identified with significant actual and potential negative social impacts.

Looking ahead, we plan to conduct regular awareness sessions to enhance our suppliers' understanding of our expectations and foster continuous improvement.

	% of Assessed Value Chain Partners
SOCIAL CRITERIA	
Health and Safety Practices	100%
Working Conditions	100%
HUMAN RIGHTS CRITERIA	
Child Labour	100%
Forced/Involuntary Labour	100%
Sexual Harassment	100%
Workplace Discrimination	100%
Wages	100%



Preserving our Environment

To create sustainable value, we emphasise the efficient use of natural resources and consistently assess the ecological impact of our operations. Our efforts towards a greener future encompass energy efficiency, emission reduction, waste management, water conservation, and biodiversity protection.

4.21 MTCO₂e/₹
EMISSIONS INTENSITY

24,265 GJ
FUEL CONSUMPTION
REDUCTION

7,97,758 GJ
RENEWABLE ENERGY USED

75%
RENEWABLE ELECTRICITY AT
OUR LARGEST SITE

32,255 MT
WASTE RECYCLED

₹214.6 Mn
ENHANCED EFFLUENT
TREATMENT INVESTMENTS

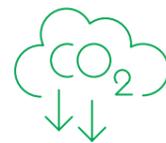
Material Topics

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

UN SDGs Impacted



Energy Efficiency and Carbon Emissions



Management Approach

We have formulated a decarbonisation strategy in alignment with our ambitions. To lower our carbon footprint, We have established an Environmental Management Cell for continuous air pollutant monitoring.

Our Decarbonisation Strategy

This strategy involves defining our unique approach to mitigate operational impact, setting baseline emissions for Scopes 1 and 2, and outlining a clear decarbonisation roadmap with specific targets.



Define Our Approach

We define our unique approach to mitigate the impact of our operations on the environment to work towards sustainability



Setting Baseline

We establish a baseline for Scope 1 and 2 emissions, allowing us to measure our current environmental impact accurately.



Climate Commitments

We commit to deliver on our climate goals by setting a well-defined decarbonisation roadmap, which includes specific targets for Scope 1 and 2 emissions reduction.

Energy Management

Our energy management strategy encompasses two key pillars:

Increasing Energy Efficiency

To minimise our carbon footprint, we have prioritised energy efficiency measures across our facilities and operations. These include process optimisation, employing energy-efficient technologies, and implementing energy management systems to monitor and reduce energy consumption. Our efforts have significantly curbed energy consumption by conserving and recovering energy, such as waste heat recovery.

Embracing Renewable Energy

Recognising the importance of cleaner energy sources, we have invested in solar and wind projects as part of our commitment to renewable energy. These investments have reduced our reliance on non-renewable sources and decreased our environmental impact.

Energy Consumption

	2022-23	2021-22
Total electricity consumption (GJ)	3,61,861	2,53,225
Total fuel consumption (GJ)	10,52,725	10,76,991
Total energy consumption (GJ)	14,14,586	13,30,216
Energy intensity per rupee of turnover (in GJ/₹ million)	70	68

Investing in Energy Efficiency

We prioritise energy efficiency across our facilities and operations, achieved through production process optimisation, equipment upgrades for enhanced energy efficiency, and the utilisation of energy management systems to monitor and reduce consumption.

Our Energy Conservation Committee (EnCon) spearheads sustainability initiatives across our facilities. Noteworthy initiatives in 2022-23 include process optimisation, equipment upgrades, and strategies for reducing energy consumption, all detailed below:

Crop Protection Division



₹23.16 Mn

INVESTED

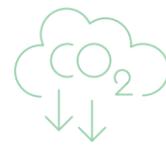
₹31.73 Mn

ANNUAL SAVINGS

Initiatives

- Furnace Oil (FO) boiler burner replacement for enhanced efficiency
- Waste heat recovery from flue gas with economiser installation
- Briquette boiler capacity and efficiency improvement
- Air compressor stoppage through optimised air flow
- Chiller performance enhancement with online condenser cleaning
- Water-saving initiatives for cooling tower blowdown
- Reviewed energy-intensive pumps for optimisation
- Replaced screw compressor with centrifugal compressor for chilling plant
- Revised utilities layout to optimise energy consumption in circulation pumps
- Prevented heat loss in steam pipes with appropriate pipe sizing
- Designed a new Hydrochloric Acid (HCl) scrubber for 32% concentration production
- Water-saving in cooling tower blowdown
- Energy-saving in chiller unit performance
- Installation of dry vacuum pumps
- Heat recovery through condensate recovery and hot water generation

Energy Efficiency and Carbon Emissions



Pharmaceutical Division

Initiatives

- Pumping power optimisation using various methods
- Waste heat recovery system installation
- Optimised pumping power for Reverse Osmosis (RO) pump
- Enhanced cooling tower usage
- Installed Variable Frequency Drives (VFD) in the cooling tower pump



₹0.2 Mn

INVESTED

₹3.7 Mn

ANNUAL SAVINGS

Harnessing Renewable Energy

We made substantial progress by securing long-term Power Purchase Agreements (PPAs) with two solar power developers, which added 9.5 MW and 3.2 MW of capacity to our Taloja and Mahad units, respectively. Additionally, we procured renewable energy from a 4.8 MW hybrid project to fuel our Panoli unit. Our focus remains resolute as we actively seek a partner for a renewable energy project for our Jigani unit, to further advance our pursuit of a greener future.

Further, we are in the process of converting our existing Low Sulphur Heavy Stock (LSHS) boiler into a Briquette-fired boiler. This type of boiler employs briquettes, which are organic materials like agricultural residues, wood chips, sawdust, and other biomass sources, as primary fuel. These briquettes serve as a renewable and eco-friendly alternative for conventional fossil fuels. This strategic shift will significantly increase the usage of green fuel in our operations.

Carbon Emissions

We take a proactive approach in calculating Scope 1 and 2 emissions for all our units, ensuring a thorough understanding of our greenhouse gases' (GHG) emissions. Nonetheless, we acknowledge the potential for improvement in the assessment of Scope 3 emissions, which includes indirect emissions related to our value chain.

Although we did not undertake Scope 3 accounting for the 2022-23 period, we have taken a significant step forward by initiating the data collection process. This crucial effort will empower us to holistically tackle and report on the indirect emissions intertwined with our value chain in the forthcoming years.

GHG Emissions

Particulars	(in MTCO ₂ e)	
	2022-23	2021-22
Scope 1 emissions	26,793.24	57,457.00
Scope 2 emissions	58,436.80	

Air Pollution



Management Approach

We have implemented comprehensive measures to manage air pollution stemming from our operations. Advanced systems are employed to effectively control emissions. Boilers, diesel generators, and scrubbers are outfitted with appropriate controls, ensuring minimal generation of air pollutants. Additionally, we utilise express feeders to maintain an uninterrupted power supply, thereby reducing reliance on diesel generators.

Continuous Air Monitoring at Pharma Units

We diligently monitor emissions both internally using online instruments and externally through an approved laboratory on a monthly basis. Our Pharma units in Bengaluru are equipped with Continuous Air Quality Monitoring Systems (CAQMS) that provide real-time data on Particulate Matter (PM), SO₂, and NO₂ levels. The Online Monitoring of Industrial Emission and Effluent (OCEMS) measures pH, COD, BOD, TSS, inlet flow, and outlet flow at Effluent Treatment Plant outlets.

parameters such as PM, SO₂, NO₂, NH₃, and carbon monoxide, among others. Continuous monitoring takes place at multiple locations within the factory premises.

Emissions, 2022-23, MT

Particulars	Units
SOx	4.74
NOx	33.24

Ozone-Depleting Substances

We incorporate ozone-depleting substances (ODS) into our GHG emissions calculations. ODS is a significant concern, and our operations involve the use of air conditioning (AC) units as one of the sources of these substances. To address this, we have implemented a predefined maintenance programme for all AC units across our facilities. The programme aims to prevent leakages from the AC systems, thereby reducing the need for topping up refrigerants in the units. In line with our commitment to sustainability and compliance with ODS regulations, we exclusively use the latest permissible refrigerant gases as per ODS rules.

Ambient Air Quality Monitoring at Crop Protection Units

Routine monthly monitoring of ambient air quality is conducted at our Crop Protection units. A Ministry of Environment and Forests (MOEF)-approved agency oversees this monitoring, assessing



Waste Management



Management Approach

Our waste management practices are deeply rooted in our circular economy approach, emphasising the 'Reduce, Reuse, and Recycle' (3R concept).

Reduce, Reuse and Recycle

We actively manage both actual and potential waste-related impacts, covering waste generated within our activities and across our value chain. To ensure transparency, we provide reports detailing the inputs, activities, and outputs that contribute to these impacts, offering valuable insights into our sustainability journey.

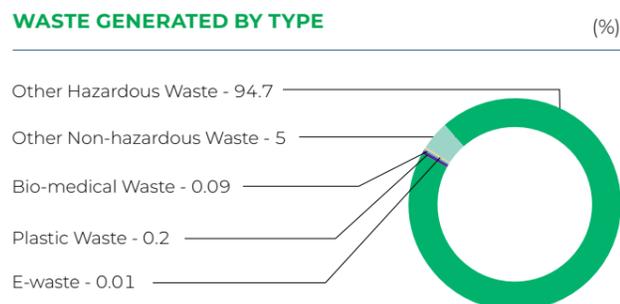
Our Sustainable Approach: The 3R Concept



Waste Generated

In the year 2022-23, our waste management efforts resulted in the generation of 32,255 metric tonnes of waste.

This breakdown comprises the following waste categories:



Waste Disposal

Our unwavering commitment to responsible waste management ensures the proper disposal of hazardous waste through environmentally responsible means. We collaborate with authorised recyclers, the cement industry, and Common Hazardous Waste Collection, Treatment, Storage and Disposal Facilities (CHWTSDF). All our e-waste is sold to authorised vendors, and plastic waste undergoes recycling through approved recyclers. Our approach to non-hazardous waste involves responsible disposal methods, including incineration (with or without energy recovery), landfilling, and other appropriate methods.

Waste-related Impacts

In our commitment to waste reduction, we implement various circularity measures throughout our operations and value chain. We collaborate with third-party partners who adhere to contractual and legislative waste management obligations to manage the significant impacts of waste generation.

Our dedicated laboratory conducts waste treatability studies, guiding informed decisions for enhanced efficiency and environmental sustainability. Regular inspections allow us to make necessary adjustments, ensuring continuous improvement in our waste management practices. As part of our responsible logistics approach, we have developed the capability to handle tankers (built according to ISO standards) instead of drums. This has enabled us to optimise transportation efficiency, reduce packaging waste, and minimise the environmental footprint of our shipments.

Water and Effluent Management



Management Approach

We prioritise water / effluent management, emphasising water recycling water via zero-liquid discharge (ZLD) and enhancing steam recovery.

Water Footprint

We have set an annual target to decrease our water footprint by 2%. We recognise the importance of responsible water consumption and have taken proactive measures to address this critical aspect. Our implementation of ZLD for water recycling and the enhancement of steam recovery have significantly decreased our reliance on freshwater.

Our responsible approach to water management extends to sourcing surface water from rivers or lakes under the guidance of the Government Industrial Development Authority (GIDA). All our manufacturing sites strictly adhere to safe groundwater usage practices, as confirmed by the Central Ground Water Authority (CGWA) Report.

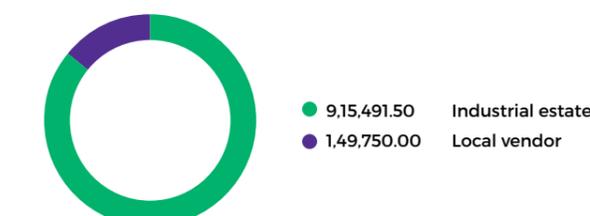
WATER DISCHARGED WITH TREATMENT (kL)



WATER INTENSITY (kL/₹ million)



WATER WITHDRAWAL 2022-23 (kL)



Biodiversity Protection



Management Approach

We are fully aware of the impact of our business operations on biodiversity. To mitigate this impact, we have established a green belt near our chemical manufacturing facility. This green belt serves as a sanctuary for diverse species, contributing to biodiversity conservation.

Biodiversity Conservation

We are committed to respecting the biodiversity of the environments where our operations take place. To this end, we diligently implement sustainable measures aimed at mitigating the negative impacts and reducing dependencies.

Our Jigani unit, situated near Bannerghatta National Park, recognises the potential influence on local biodiversity. In response, we take proactive steps to minimise adverse effects, guided by stakeholder engagement to identify and capitalise on opportunities for preserving the surrounding ecosystems. As the sole unit in proximity to this ecologically sensitive area, we hold ourselves accountable for biodiversity protection and the practice of sustainable operational methods. Importantly, our manufacturing locations have

no adverse effects on species listed by the International Union for Conservation of Nature (IUCN). Our facilities are strategically positioned within designated industrial estates, intentionally far from the natural habitats of conserved species of flora and fauna. Ensuring responsible environmental stewardship is paramount during any expansion or establishment of new manufacturing facilities.

As a testament to our dedication to biodiversity conservation, we engage competent agencies to conduct comprehensive ecological impact studies. This practice ensures the proactive identification and management of potential impacts on biodiversity, allowing us to strike a harmonious balance between industrial growth and the preservation of natural ecosystems.



CASE STUDY



Ecological Protection around Jigani Plant

We have taken significant steps to safeguard the ecology surrounding our Jigani plant. Collaborating with the International Association for Human Values (IAHV), we undertook the revitalisation of Yallammanadoddi Lake. This body of water is crucial to around 2,600 residents from three adjacent villages who rely on it for water needs. Unfortunately, the lake had become unsuitable due to mud, waste, and overgrowth of weeds. By partnering with the local community, we managed to enhance the lake's water-holding capacity fourfold, successfully restoring its usability and benefit to the villagers.

2,600

BENEFICIARIES IN 2022-23

30,000

PROJECTED BENEFICIARIES OVER A 15-YEAR LIFECYCLE



Navi Mumbai Afforestation Project

In response to the ecological consequences of urbanisation in Mumbai, we expanded our partnership with the IAHV to establish a sprawling urban forest covering 33 acres in Rabale, Navi Mumbai. This forest has been scientifically designed, featuring around 14,000 plants from a variety of species, each geo-tagged for efficient tracking and management. Our objective is to counteract Mumbai's ecological impact and cultivate a sustainable environment within the context of urban challenges.

200

SAPLINGS PLANTED IN 2022-23

50+

SPECIES PLANTED

1,000

ESTIMATED SAPLINGS TO BE PLANTED DURING PROJECT LIFECYCLE

Helping People Thrive

We regard our employees as our most valuable asset, recognising their pivotal role in driving our success. To foster a performance-driven culture, we have implemented comprehensive systems and procedures. We consistently nurture our workforce through ongoing competence development, performance assessments, and value enrichment.

80%

RETENTION RATE

6.2%

WOMEN AMONG TOTAL EMPLOYEES

0.3

LOST TIME INJURY FREQUENCY RATE (LTIFR)

100%

EMPLOYEES RECEIVED PERFORMANCE REVIEWS

8

TRADE AND INDUSTRY AFFILIATIONS

Material Topics

- Employees Well-being, Benefits, and Retention
- Diversity, Inclusion, and Equal Opportunities
- Occupational Health and Safety

UN SDGs Impacted



Employees Well-being, Benefits, and Retention



Management Approach

We have implemented a comprehensive Code of Conduct that ensures fair and impartial practices within our Company, promoting equitable hiring, promotions, and benefits for all. We have also pioneered creative initiatives to allure top-tier talent from renowned institutes, nurture their growth within our organisation, and provide them with continuous learning opportunities.

Employee Hiring and Retention

Our goal is to establish a culture rooted in quality, client-centricity, and innovation as we continue on our transformative journey. At the heart of our people management approach lies a commitment to enhancing employee capabilities and cultivating a sense of ownership, empathy, and excellence among our team members.

Recruitment Practices

We actively strive to hire employees from diverse age groups, genders, and regions, showcasing our commitment to implementing inclusive recruitment practices. As an equal opportunity employer, we firmly uphold gender equality and welcome talent from all backgrounds. We enthusiastically encourage candidates from different locations and local communities surrounding our operations to join our workforce.

Our approach to talent acquisition is inclusive, valuing the contributions of both experienced professionals and fresh graduates. To attract local talent, we organise recruitment drives within local communities. Innovative initiatives such as the self-managed teams' concept, Tarang initiative, and Hikal Academy are all designed to attract talent from tier 1 institutes and young aspirants.

We provide ample career growth opportunities to our employees to reduce employee turnover. A wide range of engaging initiatives fosters a sense of belonging and involvement among our team members. Our formal reward and recognition



programme ensures that exceptional efforts are acknowledged and celebrated. We have also designed a referral programme that offers higher rewards for referring women candidates.



Tarang – Campus to Corporate

Hikal Limited organised an industrial visit to our Mahad Site for students and faculty members from the ITI centre. Our main goal was to deliver a comprehensive briefing on the electrical systems employed in our industry to the students, providing them with a valuable hands-on and enriching practical learning experience.

New Hires by Age and Gender

Age Group	2022-23		2021-22		2020-21	
	Male	Female	Male	Female	Male	Female
<30	417	21	323	36	223	13
30-50	248	16	213	10	105	6
>50	8	0	8	1	8	0

Employee Attrition by Age and Gender

Age Group	2022-23		2021-22		2020-21	
	Male	Female	Male	Female	Male	Female
<30	212	16	179	9	159	11
30-50	174	12	159	6	122	4
>50	19	0	17	0	19	2

Details of Permanent and Other Permanent Employees and Workers

Sr. No.	Particulars	Total	Male		Female	
			No.	%	No.	%
Employees						
1	Permanent	2,015	1,889	94%	126	6%
2	Other than Permanent	15	11	73%	4	27%
3	Total Employees	2,030	1,900	94%	130	6%
Workers						
4	Permanent	127	127	100%	-	-
5	Other than Permanent	1,460	1,418	97%	42	3%
6	Total Workers	1,587	1,545	97%	42	3%

Note: All data for 2022-23.

Employee Welfare and Engagement

We wholeheartedly recognise that employee engagement and well-being are integral to our organisational success. Hence, we are dedicated to creating a work environment that cultivates a strong sense of belonging, empowers our employees, and prioritises their overall well-being.



Employees Well-being, Benefits, and Retention



Retirement Benefits

Benefits	2022-23			2021-22		
	Employees Covered	Workers Covered	Deducted and Deposited with Authority	Employees Covered	Workers Covered	Deducted and Deposited with Authority
Provident Fund	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
Employees' State Insurance (ESI)	100%	100%	Yes	100%	100%	Yes

Employee Wellness Programmes

Ojas is a wellness programme that embodies our commitment to prioritising the health and well-being of our valued employees. In pursuit of this goal, we have carefully curated a range of invigorating activities, such as yoga, Zumba, and diverse wellness programmes. Our mission is to cultivate an environment that encourages and empowers our employees to adopt healthy habits and attain their optimal levels of well-being.



↑ Annual health check-up at R&T



↑ Ergonomics session at Panoli



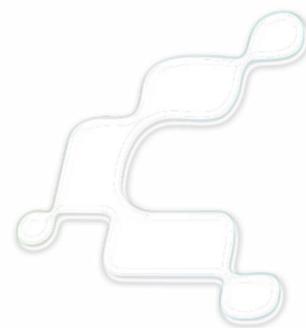
↑ Zumba session at Talaja



↑ Zumba and yoga session at CBD



↑ Yoga session at Jigani Unit 1



Employee Engagement Programmes

How We Engage our Employees

Company-wide Events



VALUES WEEK

SAFETY WEEK

Our Initiatives



Company-wide Events in 2022-23

8th Values Week Celebrations

We joyously celebrated 8th Values Week 2022, gathering together in person after a two-year hiatus. We added an extra special component to the festivities: an engaging training session focused on integrating values and culture.

10th Quality Week Celebrations

As we marked the significant milestone of our 10th Quality Week at Hikal, our theme revolved around the powerful mantra, 'Quality Means Making No Compromises'. To enhance the impact of this week, we introduced an exciting addition to our array of activities – the much-anticipated 'Kaizen Workshop'. This workshop brought together brilliant minds in a dynamic brainstorming session, focused on identifying immediate improvements for our Company.

Parigyaan – Employee Recognition

Parigyaan is a remarkable rewards and recognition programme that fuels a vibrant culture of acknowledging the outstanding accomplishments, relentless efforts, and remarkable achievements of our dedicated on-roll employees.

Uday – Employee Engagement Programme

At the heart of our journey lies Uday, a powerful initiative that breathes life into our organisational culture and core values. With relentless dedication, Uday propels us towards effective communication, forging a nimble, agile, and future-ready organisation that delivers immense value to our stakeholders. Through Uday, we have developed a comprehensive array of systems that foster employee communication, enhancing performance, nurture continuous learning and development, implement robust succession planning, and celebrate moments of achievement.

Awards under Parigyaan

- Spot Award
- Employee of the Month
- Innovation Award
- Team of the Month
- Department of the Month
- Lab of the Year
- Safety Champion of the Month
- Rising Star of the Month

Employees Well-being, Benefits, and Retention



Learning and Development

We strongly believe in investing in our employees' growth and skills to enhance productivity and deliver value to stakeholders. This year, we introduced the Hikal Academy, a comprehensive initiative to develop capabilities across all levels and sites. Organised into three distinct chapters – Technical, Leadership, and Excellence – the Academy equips our workforce with the necessary knowledge to excel and contribute to our success.

Technical Chapter

We conducted various technical training sessions encompassing diverse topics, such as first aid and uncertainty measurement. Our goal was to provide our employees with valuable skills and knowledge. These training initiatives are a part of our continuous commitment to enhancing our team's professional growth and readiness to address challenges in their roles.

Train the Trainer

We aimed to empower our internal subject matter experts to effectively share their knowledge within the organisation. We guided them in creating presentations tailored to their audience's needs.

mySetu Training

We conducted incident management training to enhance our employees' incident handling comprehension. The module encompassed raising and reviewing incidents, risk assessment, investigation techniques, and task performance.

IMS Internal Auditor Training

This comprehensive course equipped participants to proficiently plan, execute, and report internal audits. It emphasised the role of internal audits and expertise in conducting audits aligned with ISO standards.

2022-23 Initiatives

Transition Assistance Programmes

We offer transition assistance to ensure employees have successful career endings, after they leave our organisation. Our retainership practice provides ongoing employment opportunities to retired staff.

We also organise regular skill development training sessions across our facilities to empower employees with enhanced skills and knowledge, aiding them in pursuing new career paths after they leave our organisation.

Month-wise Technical Training

— Number of Trainings — Number of Training Man Days



Leadership Chapter

Unnati

We introduced a four-month mentoring programme at Taloja and Mahad plants to foster continuous learning and growth across the organisation.

Executive Coaching

We trained the fifth batch of executives, nurturing their talent development. This bespoke programme enhances self-awareness, competencies, and career aspirations.

Excellence Chapter

POSH Training

We held mandatory Prevention of Sexual Harassment (POSH) workshops for all employees to uphold a safe and respectful workplace. These sessions were designed to raise awareness and reaffirm our zero-tolerance policy towards sexual harassment.

Excel Training

We organised a comprehensive three-day modular training led by an external expert. The session covered the tool's functionalities applicable to our daily operations.

Performance Reviews

To support our permanent employees, we regularly conduct performance and career development reviews. These personalised sessions are vital for growth, allowing us to celebrate achievements, address challenges, and plan for fulfilling career aspirations. Through ongoing feedback and support, we create an environment that empowers our employees to excel and achieve their career goals.

Employees	2022-23		2021-22	
	Total No.	%	Total No.	%
Male	1,889	100%	1,658	100%
Female	126	100%	117	100%
Total	2,015	100%	1,775	100%

Diversity, Inclusion, and Equal Opportunities



Management Approach

Our employees are expected to uphold our Code of Conduct, which reflects our commitment to a culture of diversity and equal opportunity. At Hikal, we strongly believe in promoting a meritocratic environment, where decisions related to recruitment, compensation, and promotion are solely based on an individual's abilities, performance, experience, behaviour, and potential for the role.

Embracing Diversity

We wholeheartedly embrace Diversity and Inclusion (D&I) as a comprehensive strategy to create a workplace marked by authentic respect and loyalty from our valued team members. It transcends beyond mere hiring policies; it forms the bedrock of our culture of excellence. We firmly believe that nurturing an inclusive and diverse workplace enriches and strengthens our commitment to achieving greatness.

Our aim is to drive the growth and professional development of our employees, empowering them to realise their full potential. We treat any attempt to influence decisions, whether direct or indirect, with utmost seriousness, as it is deemed a severe breach of our Code of Conduct.

→ [Read More about our Code of Conduct.](#)

Hikal Women's Forum

The Hikal Women's Forum unites all women employees, fostering mutual support and advancement. Through collective efforts, we drive organisational progress, tapping into their full potential for our continued success.

Sexual Harassment

We have implemented a robust Code of Conduct and POSH policy to ensure a safe and inclusive workspace. Our goal is to eradicate prejudice, gender bias, and harassment. An Internal Complaint Committee (ICC) investigates complaints confidentially and recommends actions.

Confidentiality is maintained throughout the process, ensuring privacy and support for those involved. We uphold POSH principles to eliminate gender-based discrimination and preserve dignity. Our commitment shows our determination to create a secure and respectful environment for all.

Our Initiatives

- We recently hosted an impactful training session led by renowned expert Malti Joshi, covering menstrual cycle awareness, breast cancer, and thalassemia. This empowering training prioritised women's health
- Another workshop focused on financial investment empowered over 25 participants to achieve financial independence through personal investments. Topics included systematic investment plans (SIP), mutual funds, life and health Insurance, and more
- For women employees, we organised a comprehensive fire-fighting training session, providing essential self-defence techniques for women's safety and well-being



Occupational Health and Safety



Management Approach

Ensuring employee safety is our top priority. All our facilities hold ISO 45001, ISO 14001, and Responsible Care certifications to maintain the highest health and safety standards.

Ensuring Employee Health

To enhance our safety culture, we have introduced impactful programmes. 'Surakshapath' is a behaviour-based safety initiative to minimise behavioural risks. Our safety awareness efforts also include 'One Minute for Safety', 'EHS Induction', and 'Weekly Wet Drills', among others.



Hazard Identification

Our robust safety measures begin with a proactive approach in identifying and evaluating work-related hazards and risks. Routine and non-routine activities undergo thorough Hazard Identification and Risk Assessment (HIRA), while process-related hazards are addressed using Hazard Operability (HAZOP) techniques across all our facilities.

Each facility boasts a dedicated environment, health, and safety (EHS) team. These teams meticulously identify, evaluate, and mitigate risks, overseeing the implementation of safety measures. Regular safety inspections maintain our vigilant stance.

Our commitment to safety extends to chemical analysis, with accredited external laboratories generating safety-related data for facility design. Additionally, our R&T centre houses experts in process safety management, ensuring our operations adhere to the safety standards.

Further, continuous training enhances safety awareness among our employees and workers, cultivating a safety-oriented culture that prioritises their well-being.

2022-23 Initiatives

- Vertical fall arrestor for tankers and briquettes unloading area
- Lower Explosive Limit (LEL) sensors at raw material warehouses and storage tank farm areas
- Rescue kits for work in confined spaces
- Flood emergency control rescue kits procured, and training sessions conducted
- Fire-rated cabinets for storage of flammable solvents in laboratories
- Fixed oxygen sensors were installed in laboratories near nitrogen (N) connection points
- Fixed online sensors for hazardous and toxic gas like Cl₂ and NH₃ are installed for early detection
- All hazardous chemical storage is equipped with emergency equipment like spillage kits, sprinklers, dyke walls, etc.
- Emergency rescue team is constituted, and appropriate training is provided



Enhancing Safety Reporting and Measures

Our successful implementation of a safety reporting system, facilitated by mySetu software across all sites, empowers employees to conveniently report any work-related hazards, near misses, injuries, and incidents through an online platform.

Once a hazard is reported, we delve into a comprehensive root cause analysis to uncover underlying factors. From this analysis, effective corrective action plans emerge, closely monitored for their impact. The system tracks reported issues online until closure, offering full visibility of the corrective plan.

We further fortify our safety commitment with daily safety briefing sessions and toolbox talks. These engagements encourage worker input, yielding valuable insights that strengthen safety measures. This collective effort propels continuous enhancement of our safety standards and nurtures a secure and supportive work environment.

Training

Regular training sessions for shop floor workers are a cornerstone of our safety initiatives. These include toolbox talks, safety talks, and one-minute for safety sessions, among others. Such sessions significantly boost workers' awareness and understanding of safety practices and protocols.

Non-occupational Health and Service

Our commitment to employee well-being extends to comprehensive healthcare services. Access to non-occupational medical facilities is provided

to all employees and workers. On-site medical centres equipped with round-the-clock Operating Outpatient Department (OPD), staffed by qualified medical officers and support personnel, are available to handle emergencies and consultations for non-occupational health concerns.

To proactively promote healthcare, annual health checkup camps are organised across locations. Employees exposed to heat, noise, and chemicals undergo preventive health examinations every six months, detecting and addressing potential occupational diseases early.

Group accidental and medical insurance policies cover all employees. Contractors and workers are also prioritised, with mandates for accidental insurance policies, workmen compensation, Employee State Insurance Corporation (ESIC) coverage, ensuring comprehensive safety and well-being across the Board.

Health and Safety Performance*

	2022-23	2021-22
LTIFR	0.3	0
Total Recordable Work-related Injuries	1	0
Number of Fatalities	0	0
High Consequence Work-related Injury	0	0

*Note: For workers



Serving Communities

At the heart of our business ethos is a commitment to purposeful and impactful endeavours. We enhance our ability to create significant value in our operational areas by advocating for inclusive development and providing support to our communities.

2,16,500
CSR BENEFICIARIES

₹37.5 Mn
CSR SPEND

80%
PERMANENT EMPLOYEES
TRAINED IN HUMAN RIGHTS

100%
PERMANENT WORKERS
IN A UNION

Material Topics

- Human Rights
- Community Relations

UN SDGs Impacted



Human Rights



Management Approach

We firmly value human rights and uphold them as a fundamental principle. Our robust Code of Conduct forms the bedrock of our culture, promoting equality, respect, and dignity while prohibiting discrimination, harassment, child labour, or forced labour at all our facilities.

Respecting Human Rights

This commitment ensures a secure and inclusive atmosphere for all employees, enabling their growth and contribution. Regular audits, conducted by our internal audit and EHS teams, ensure adherence to this Code.

In line with our ongoing commitment, we are initiating human rights due diligence in collaboration with an independent agency. This process identifies and mitigates human rights-related risks in our operations, demonstrating our strong commitment to respecting and protecting human rights throughout our business.

Zero

COMPLAINTS ON DISCRIMINATION, CHILD LABOUR, AND FORCED LABOUR



Minimum Wages Paid to Employees and Workers in 2022-23

Category	Total	Equal to Minimum Wage		More than Minimum Wage	
		No.	%	No.	%
Employees					
Male	1,889	-	-	1,889	100%
Female	126	-	-	126	100%
Other than Permanent					
Male	11	-	-	11	100%
Female	4	-	-	4	100%
Workers					
Permanent					
Male	127	-	-	127	100%
Other than Permanent					
Male	1,427	1427	100%	-	-
Female	42	42	100%	-	-

Employee/Workers in Unions

We appreciate employee unions for safeguarding workers' interests. Our organisation fully supports their formation and joining as per international labour standards.

Category	2022-23			2021-22		
	Total Workers	No. of Workers in Unions	%	Total Workers	No. of Workers in Unions	%
Male	127	127	100%	131	131	100%

Mechanism to Address Grievances

We have set up internal mechanisms to address human rights concerns. Alongside our grievance redressal policy, we have policies like POSH and Whistle-blower policies, safeguarding human rights for all stakeholders.

→ [Read More about our Whistle Blower Policy.](#)

The Management Committee oversees policy implementation to ensure adherence.

Training on Human Rights

We are proud to provide our employees and workers with essential knowledge about human rights and our policies. Our comprehensive training ensures everyone is well-informed and aligned with our commitment to upholding human rights. This reflects our dedication to fostering a culture of respect, equality, and dignity for all.

Community Relations



Management Approach

We are deeply committed to creating shared value for the communities around our operating areas. 'Srijan', our CSR programme, plays a vital role in our journey toward sustainable growth and development.

CSR Programme

'Srijan' is an integral part of our organisation, driving impactful initiatives in collaboration with non-governmental organisations (NGOs) across various domains. Through 'Srijan,' we actively engage in projects focused on secondary education, skill development, employability, and infrastructure development. Additionally, we invest in healthcare, sanitation, environmental sustainability, and the preservation of our national heritage, art, and culture.

→ Read More about our [CSR Policy Srijan](#).

We have also established a comprehensive community grievance redressal policy that extends to all external stakeholders involved in our operational procedures. This policy underscores our firm dedication to addressing concerns and issues raised by the communities we engage with. We strive to maintain transparent communication, build trust, and foster positive relationships with the communities in which we operate.

→ Read More about our [Community Grievance Redressal Policy](#).



Tetvali Afforestation Project, Rabale

Partnering with the IAHV, we initiated an urban forest initiative in Tetvali, Rabale, Navi Mumbai. Our main objective is to improve the city's environmental well-being. Since August 2017, we have planted diverse tree species, with some geo-tagged for monitoring. Our ongoing commitment involves consistent tree plantation and conservation efforts, contributing to a greener future.

14,000

TREES PLANTED

District Level Sports Competition, Raigad

Collaborating with Aai Day Care Sanstha and the Social Welfare Department in Alibaug, we proudly supported a district-level sports competition in Pen, Raigad. This event, commemorating the International Day of Persons with Disabilities, included activities like 25, 50, and 100-metre races, and softball throw. Witnessing the immense enthusiasm and talent displayed by the children was both inspiring and heartening.

450

STUDENTS FROM 14 SCHOOLS PARTICIPATED

Appreciation of the Yallammanadoddi Lake Development Work, Jigani

In our Jigani team's CSR project, we focused on improving a nearby lake to provide clean water for the village. By increasing the lake's water holding capacity, we ensured a year-round supply. The villagers' heartfelt appreciation for the improvement in their lives is heart-warming. Our impactful effort was recognised by major Kannada newspapers like 'Anekal Suddi', 'Prajya Vani', 'Vijaya Vani', and 'Samyuktha Karnataka'.

Certificate of Appreciation

TO A TEAM MEMBER

Youth Leadership Training Programme (YLTP), Mahad

Over the past four years, our partnership with IAHV has resulted in impactful integrated development initiatives in Sutarkond village, Mahad. Together, we have observed significant transformations in the lives of the local community. By focusing on infrastructure, capacity building, and involving youth, we have achieved meaningful and positive outcomes.

24

VILLAGERS ATTENDED

Establishing Chemistry Lab at Zilla Parishad School, Varandh, Mahad

In collaboration with the IAHV team, we undertook a vital project to enhance the science lab of a local school. By supplying essential equipment like glassware and upgrading facilities, our goal was to create a better learning environment for students. This initiative aimed to expand students' access to practical, hands-on educational opportunities.

122

STUDENTS BENEFITTED

Provided Mid-day Meals to Underprivileged Children in Collaboration with the Akshaya Patra Foundation, Jigani

We are dedicated to addressing classroom hunger in government schools. As part of this mission, our contribution to providing mid-day meals is a source of pride. This effort was warmly embraced and appreciated by the community.

455

CHILDREN PROVIDED ACCESS TO SPONSORED MEALS

Community Relations



Infrastructure Development of the Dattawadi Nere Zilla Parishad School, Pune

Our dedicated efforts led to notable enhancements to the 'Anganwadi' centre. These enhancements included upgraded sanitation units and playfields equipped with outdoor playground equipment. The addition of broadband internet and a smart TV enriched children's learning experiences. The provision of furniture, tables, chairs, and essential equipment like weighing scales enhanced care services. The positive impact on children and families' well-being received high praise from the school administration.

160

STUDENTS BENEFITTED

Partnership with Ummeed – Child Development Center

We wholeheartedly support for Ummeed Child Development Center continues through the Ummeed Parent Programme for Autism (UPPA). This programme focuses on empowering parents to effectively engage with their children, enhancing attention, communication, and play routines within the child's daily activities. We look forward to a fruitful partnership with Ummeed, working towards these essential objectives and providing continuing assistance in the future.

Newborn Baby Kits distributed to Government Hospital, Jigani

We organised a distribution event to provide essential items to underprivileged families. Our focus was on distributing newborn baby kits, which included clothing, body care items, and gloves. Additionally, we distributed toys, fruit baskets, and protein powder to bring comfort and joy to the families and their newborns during their hospital stay.

Medical Camp for Zilla Parishad School Students, Taloja

Our Taloja team initiated a medical camp at the zilla parishad (ZP) school in Ghot camp village. With the participation of over 120 students and eight teachers, the camp offered essential healthcare services, aiming to raise awareness about the importance of maintaining a healthy lifestyle.

120

STUDENTS BENEFITTED

Distribution of School Bags & Notebooks at Nearby Govt School at Jigani

For the past ten years, Hikal has been carrying out activities to support the education and skill development needs of Government Schools near Jigani, Bangalore. These schools include government schools of Konasandra, Noosenoor & Dyvasandra villages. This year, we have committed to support two more schools in the Yallamma Doddi and Krishna Doddi areas.

Hikal has been supporting the faculty development program at one of the schools. This quarter, we also distributed School Bags and Notebooks to the children studying in these schools. All the students were happy and excited to receive these items. Hikal Jigani team also received a lot of appreciation from village residents and the Gram Panchayat members for this activity.

Children's Day Celebration, Taloja

In celebration of Children's Day, our Taloja team organised a vibrant event at the ZP school in Ghot camp village. Esteemed individuals, including the headmistress, dedicated teachers, and community members, joined in the festivities. The team distributed snack boxes and gifts to the children, creating a memorable and festive experience that brought smiles to their faces.

150

CHILDREN WERE PRESENT

Haldarva Prathmik Shala Visit, Panoli

Our Women's Forum in Panoli arranged a visit to Haldarva Prathmik Shala, a nearby government school. Girls from various groups engaged with the children, discussing important topics such as personal hygiene, road safety, and water conservation. Interactive sessions, including drawing activities, were conducted to reinforce their understanding. Water bottles were distributed to students and staff, underlining the importance of staying hydrated.

Support Extended to Tata Literature Live, Mumbai

We proudly sponsored a session titled 'Brush Folks' at the prestigious Tata Literature Live! The Mumbai Lit Fest as part of Srijan, our CSR programme. This captivating event, held at the National Centre for the Performing Arts (NCPA), Mumbai focused on celebrating and promoting of art and literature.

Blood Donation Camp, Jigani Units 1 and 2

In celebration of Kannada Rajyotsav, employee volunteers actively participated, donating blood to the Narayana Hrudayalaya Blood Centre. Certificates of appreciation were presented to the volunteers for their selfless contribution. The hospital staff acknowledged our commendable efforts, highlighting the critical value of donated blood in emergencies.

Support to the Mehli Mehta Music Foundation

Supporting the Mehli Mehta Music Foundation (MMMF), despite significant fundraising challenges, showcased our unwavering commitment. Our grant sustained their teaching staff and administrative framework, enriching the lives of children through the transformative power of music.

Support to the National Centre for the Performing Arts, Mumbai

For seven years, our consistent support has enhanced the NCPA, specifically benefitting underprivileged students through education and outreach. Our enduring partnership aligns with their vision to preserve India's artistic heritage.

Support to the Museum of Art and Photography (MAP), Bengaluru

We proudly support the Museum of Art and Photography (MAP), Bengaluru, reflecting our commitment to fostering a connection with art and culture within our community. This aligns with MAP's inclusive vision and our values, making us proud partners.

GRI Index

Statement of Use	Hikal Limited has reported with reference to the GRI Standards for the period between 1 April 2022 to 31 March 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Setor Standard(s)	None

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