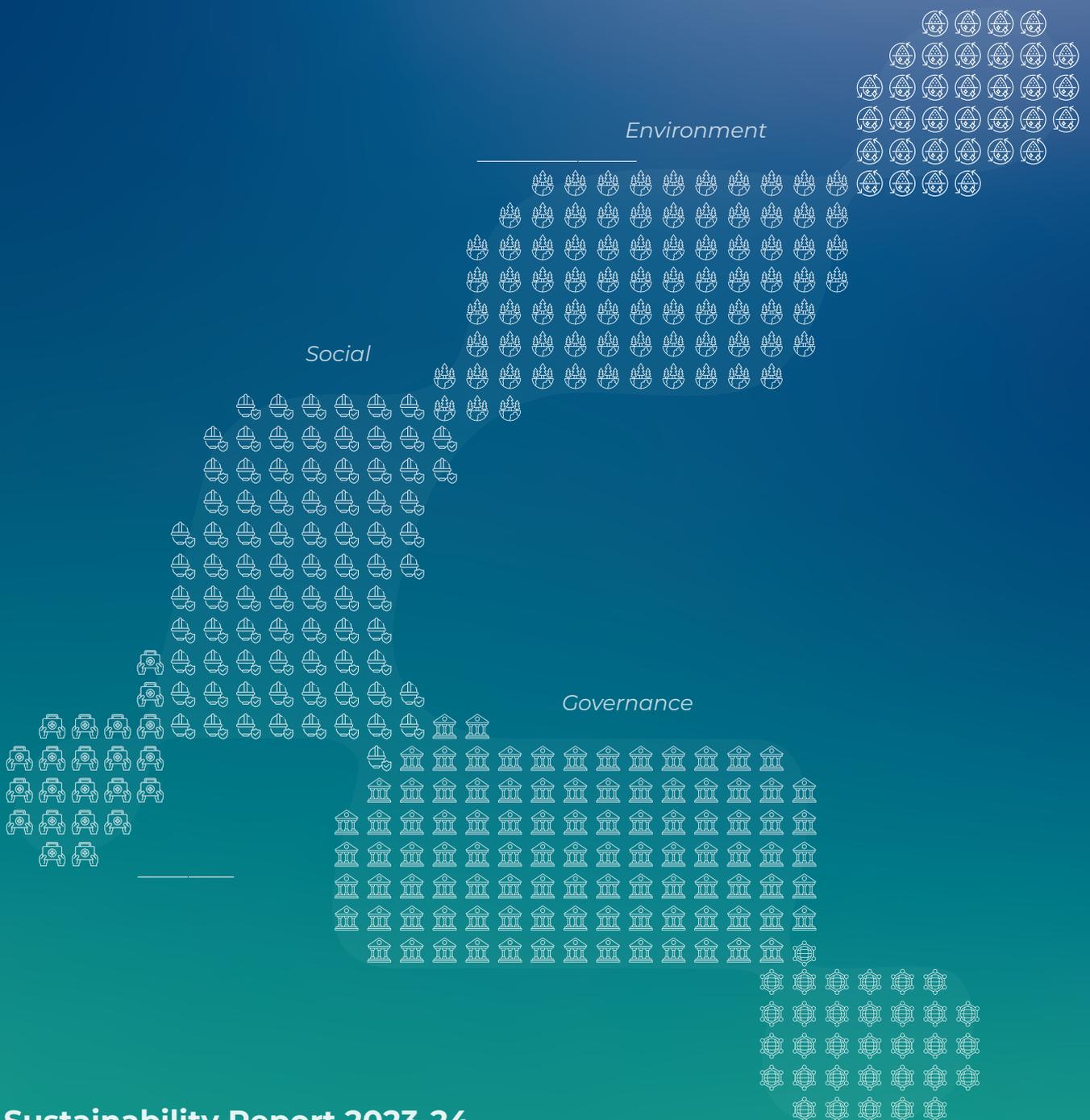


Pursuing Excellence through Sustainable Practices



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Pursuing Excellence through Sustainable Practices

This year's theme, **'Pursuing Excellence through Sustainable Practices'**, highlights our commitment to integrating sustainability with operational excellence. Our focus spans across Pharmaceuticals, Crop Protection, Animal Health and Specialty Chemicals, driven by our dedication to safety, people engagement and innovation.

Sustainability is woven into every aspect of our customer-centric operations, ensuring that our solutions have a lasting positive impact on the environment. Safety is a fundamental pillar, reinforcing our commitment to quality and continuous improvement.

Our governance practices, marked by zero cases of corruption, conflict of interest, or data privacy breaches, reflect our steadfast dedication to integrity and transparency. For us, excellence means going beyond standard practices to achieve the highest levels of performance and reliability.

We are equally committed to our people, offering continuous training and development through initiatives like 'Ojas', our wellness programme that supports overall well-being. All our employees received training on skill upgradation health and safety measures. Looking ahead, we will continue to drive sustainable innovation and uphold exceptional standards, underscoring our commitment to both sustainability and quality.

Building on the Foundation of Excellence



Dear Stakeholders,

It gives me great pride to present our Sustainability Report for 2023-24. For over three decades, we have made sustainability an integral part of our growth strategy as we established ourselves as a leader in innovation and consistently delivered value through our products. As a leading global company offering integrated solutions across Pharmaceuticals, Crop Protection, Animal Health and Specialty Chemicals, we are acutely aware of our responsibility towards the environment. We believe that true progress is achieved when our operations not only meet but exceed environmental standards.”

By embedding sustainability at the core of our business, we are ensuring that our growth is responsible and impactful, enhancing the value we bring to our multiple stakeholders, employers, value chain partners, and the communities that we operate in.

Building on this foundational principle, we have implemented a robust sustainability roadmap that prioritises clean energy, resource conservation, and waste reduction across all our sites. We continued our journey in replacing conventional energy with clean energy at our Crop Protection sites by signing a contract for 8 MW, helping to reduce the carbon footprint of our operations. By adopting advanced technologies and pioneering greener processes, we continue to decarbonise our operations, improve our operational efficiency, and produce sustainable products for our customers.

We are committed to embedding safety at the core of our operations. In line with this, ‘Safety Through Excellence’ month was celebrated, where employees across all levels and departments actively participated in various safety-related activities. This initiative reinforced our belief that achieving excellence in safety is integral to our business, ensuring that Environmental, Social, and Governance (ESG) principles remain central to our success. We made significant progress on these fronts in the past year, and these tangible outcomes underscore our dedication to environmental stewardship, social responsibility, and strong governance.

Commitment to a Greener Future

In 2024, we reinforced our commitment to environmental sustainability with a series of impactful initiatives. A remarkable 61.7% of our total energy

requirements were met through renewable sources, marking a significant step towards reducing our carbon footprint. Our use of renewable energy from projects at Mahad, Taloja, and Panoli resulted in a 25,268 tCO₂e emission reduction during the year. These mark our steady progress on the Company’s decarbonisation roadmap, which has set targets for the reduction of Scope 1 and 2 emissions by 2027-28.

We continued our journey to ensure we minimise our water footprint and, at the organisational level, we reduced our water footprint by 14.7%. In line with our focus on resource efficiency, we achieved a recycling rate of 60% for our waste, and 90% of the solvents used in our processes were recovered and reused. We go over the edge to ensure that waste generation is minimised in our operations and follow the 3R concept to ensure rightful disposal to protect the environment. Constant innovation has powerfully empowered us in this mission. Our Pune Research and Technology wing, for example, has implemented a 30 KLD Zero Liquid Discharge (ZLD) plant with advanced Mechanical Vapor Recompression (MVR) technology, efficiently recovering 100% of water and reducing energy use by over 90%.

These efforts are not merely about compliance; they are a testament to our dedication to sustainable practices that safeguard the environment for future generations. We adhere to the highest standards of sustainability during product development as well. In fact, our embrace of green chemistry is reducing risks associated with hazardous substances, strengthening supply chain resilience while opening new markets for our products. We encourage, motivate, and support our value chain partners to pursue the best ESG practices,

The year marked the launch of our ‘Safety through Excellence’ initiative, reinforcing a culture of safety across all our sites. We also promoted excellence in quality through initiatives like ‘Quality Means Excellence’, actively engaging employees. These efforts underscore our commitment to making safety and quality the bedrock of our operations, reflecting our fundamental dedication to operational excellence.

and we initiated a GHG emissions Scope 3 assessment, which shows our unwavering support and action towards the global challenge of GHG emissions leading to temperature and sea level rise.

We reaffirmed our environmental commitments through our ‘Pledge for Green Change,’ an initiative that demonstrated our dedication to promoting sustainable living and environmental responsibility. Celebrated both online and offline, the campaign resonated deeply within our organisation and the communities we serve, encouraging our employees and partners to contribute to our mission to foster ‘green change.’

14.7%
REDUCTION IN WATER FOOTPRINT

61.7%
OF THE TOTAL ENERGY REQUIREMENT MET FROM RENEWABLE SOURCES

Empowering Our People and Communities

As a socially responsible organisation, we place strong emphasis on the well-being of our people and our communities. Within the organisation, we foster a culture of care and respect, ensuring that every employee works in a safe, supportive environment. In 2023-24, we invested INR 34.8 million in our Corporate Social Responsibility (CSR) initiatives, positively impacting the lives of approx. 2,45,600 individuals. We are proud of the strides we have made to enhance the well-being of our communities and our workforce.

A key highlight of our social initiatives during the year was providing our employees with 26,575 hours of Occupational Health and Safety (OHS) training. This extensive training and rigorous safety protocols resulted in zero fatalities and a zero Loss Time Injury Frequency Rate (LTIFR) during the year. Prioritising safety and quality forms an intrinsic

part of our sustained pursuit of excellence. The year saw the launch of our 'Safety through Excellence' initiative, a programme designed to reinforce our safety culture across all our sites. We also emphasised quality through initiatives such as 'Quality Means Excellence' that saw active employee participation across all locations.

Through various learning and development programmes, we continued to promote knowledge-building and capacity development of our workforce. We proactively encourage gender diversity and inclusion, and in this, the Hikal Women's Forum has played a pivotal role in empowering our female employees. This forum provides a unifying platform for mentorship and collaboration, helping women at Hikal realise their full potential and contribute meaningfully to organisational growth. Our 'Ojas' wellness programme continued to be a cornerstone of our employee well-being strategy, offering a range of activities designed to promote physical and mental health.



Our CSR programme, 'Srijan', is fostering community development by supporting education, skill development, healthcare, and environmental sustainability, while also empowering women and providing medical aid to over 1,50,000 marginalised patients over a period of six years.

INR 34.8 Million
INVESTED IN CSR INITIATIVES



Through our CSR programme, 'Srijan', we serve our communities surrounding our operational sites. In collaboration with our CSR partners and select NGOs, the year saw us support initiatives in education, skill development, healthcare, environmental sustainability, and the preservation of heritage. Through our CSR programme, we continue to sponsor special needs children, provide essential resources to underprivileged communities, and resuscitate water bodies to ensure sustainable water access.

Our focused initiatives for women and schoolgirls through sessions on hygiene education and fitness are helping them challenge social stigma and build a supportive environment for them. We also provide extensive medical support to marginalised communities, aiding over 1,50,000 patients in six years. Our CSR programmes are fostering community development while promoting ecological preservation.

Upholding Integrity and Transparency

At the base of our ability to build trust and foster long-term relationships with our stakeholders are our strong governance practices that have helped us firmly establish our credibility. In 2023-24, we achieved significant milestones in strengthening governance. Women now represent 27.3% of our Board of Directors; 55% of our Board members are independent. These figures reflect our commitment to diversity and Board autonomy, which has contributed to robust decision-making.

Our resolute commitment to upholding ethical practices further strengthens our governance framework. We recorded zero complaints related to conflicts of interest, which stands as a testament to the integrity and transparency that underpin our operations. We are committed to the principles of the UNGC. We firmly believe in a principle-based approach to doing business, operating in ways that meet fundamental responsibilities in the areas of human rights, labour, environment, and anti-corruption.

Towards a Sustainable Future

As we look ahead, our focus remains on driving sustainable practices and upholding the highest performance standards across all facets of our business. Sustainability is a core priority, and we are embedding Environmental, Social, and Governance (ESG) principles into every aspect of our operations, which we regard as a key differentiator. We have implemented an ESG platform with clearly defined emission reduction targets aligned with the Science-based Targets initiative (SBTi) and regularly assess our performance against industry standards.

Our targets include reducing Scope 1 and 2 emissions by 30% by 2027-28 from 2022-23 levels, while a strategy for Scope 3 emissions is in development. Additionally, we plan to increase our renewable energy use to 80% by 2027-28 and achieve a 30% reduction in total waste disposal and a 15% reduction in water consumption.

Diversity and inclusion are integral to our ESG efforts, with women currently representing 22% of our corporate, and plans to significantly increase this figure in the coming years. Our commitment to sustainability has been recognised with a bronze rating from EcoVadis, and we aim to achieve a gold rating by 2025. Our recent signing of the United Nations Global Compact (UNGC) further reaffirms our dedication to ESG excellence. Through these focused initiatives, we continue to lead in responsible and sustainable business practices.

I sincerely thank our Board of Directors for their guidance and all our stakeholders for their continued support. Together, we will continue to forge ahead, ensuring Hikal's sustained success and resilience.

Sincerely,

Jai Hiremath
Executive Chairman, Hikal

Charting a Sustainable Course

We are driven by a relentless pursuit of innovation. We invest 4-5% of sales annually in R&T, driving advancements in Active Pharmaceutical Ingredients (APIs), and other innovative product development. Our Research and Technology division is dedicated to developing safe and cost-effective processes for new chemical entities (NCEs) and generic molecules.

Enhancing customer satisfaction is integral to our goals. We prioritise this goal through innovative solutions, swift resolution of customer issues, improvements in the quality and safety of our products. This ensures strong relationships, loyalty, and a positive brand image.



Stakeholder engagement is an essential element of our sustainability strategy. We engage with our stakeholders through regular and open dialogue and incorporate their feedback into our business strategies. This promotes transparency, accountability, and enhances the value we deliver to all stakeholders.

We endeavour to align our business operations with global standards and frameworks. We integrate sustainability into our practices by adhering to frameworks such as the Global Reporting Initiative (GRI) standards.



Sustainability is the firm foundation of our operations. We have set ambitious ESG goals and are taking decisive actions towards a greener future. Our focus on renewable energy, material circularity, water management, and community outreach strengthens our sustainability blueprint. The transition from conventional to clean energy has led to a significant reduction in our carbon footprint, reflecting our dedication to sustainable progress. Additionally, we place high importance on engaging with stakeholders to ensure that our actions foster a long lasting positive impact. Our commitment to sustainability drives us to achieve excellence in all we do."



Sameer Hiremath
Managing Director



Advancing growth through sustainability demands a strong commitment to transparency, accountability, and collaboration. By adhering to these principles, we can forge a more sustainable future. The integration of digitisation into our environmental, social, and governance (ESG) practices enables us to optimise resource utilisation, enhance efficiency, and make informed, data-driven decisions. These combined efforts not only strengthen our sustainability initiatives but also lay a solid foundation for a brighter and greener future."



Anish Swadi
Senior President – Animal Health & Business Transformation

About the Report

We are proud to present our second Sustainability Report, providing a thorough overview of our commitment to environmental, social, and governance aspects. This report highlights our accomplishments, outlines our goals and details the strategies we have implemented to advance our sustainability objectives.

How We Report

Reporting Principles and External Standards

Our sustainability reporting follows the Global Reporting Initiative (GRI) guidelines and is aligned with the United Nations Sustainable Development Goals (SDGs). This report has been prepared with reference to the GRI Standards.

Reporting Period

The information, performance indicators and achievements detailed in this Report pertain to 2023-24. It incorporates meaningful comparisons spanning the last three to five years, offering a thorough and insightful perspective.

Scope and Boundary

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

Reporting Suite

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



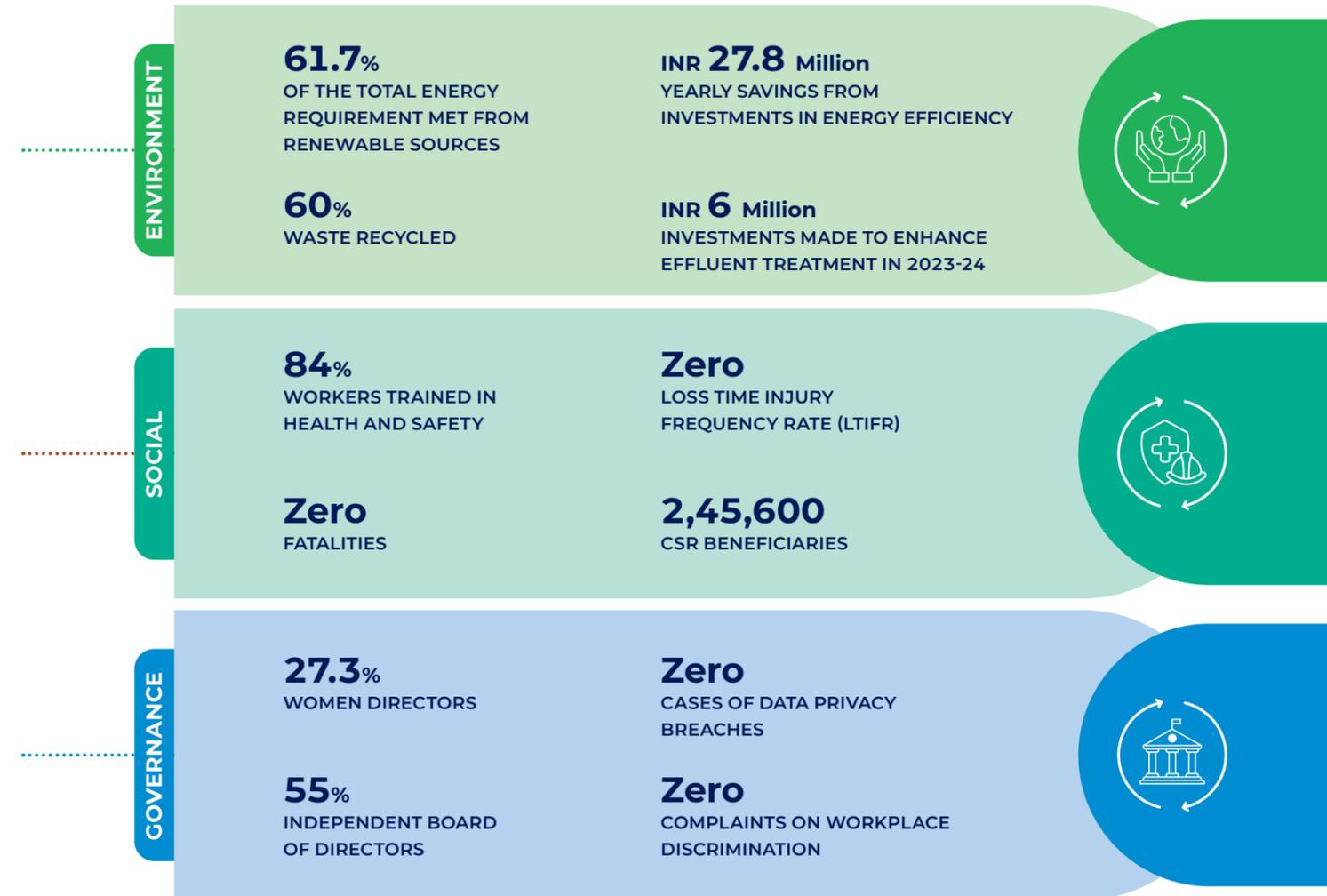
Board Assurance

The Board has evaluated the contents presented in the Report and accepts the responsibility for its integrity. The Board is of the opinion that the Report addresses material topics influencing Hikal's value creation and provides an equitable portrayal of our performance.

Forward Looking Statements

Certain statements in the Report are forward-looking and include discussions on market conditions, financial outlook, business strategy, and future performance. These statements use terms like anticipates, expects, intends, may, will, believes, estimates, and outlook. They reflect our current expectations based on reasonable assumptions, but actual results may differ due to risks, uncertainties, and external factors.

Key Highlights of 2023-24



UNGC Alignment

Hikal endorsed and became signatories to the UNGC program which is a key initiative to align our sustainability efforts with global standards and best practices. UNGC encourages to create a culture of integrity across business from strategies to operation and engagement of people. Hikal being a signatory to UNGC is committed voluntarily to:

1. Conduct business in alignment with global sustainable principles
2. Take actions to support society and community in which we operate
3. Commit to the effort from highest level, embracing sustainability into way of conducting business
4. Report transparently and annually about key performance indicators of sustainability
5. Engage internal and external stakeholders to achieve sustainability targets

We are committed and aligned to fundamental responsibilities in four areas:

1. Environment
2. Human Rights
3. Labour
4. Anti-corruption

As a commitment to UNGC program, we submitted our first Compliance to Principles (CoP) report to UNGC.

Your Trusted Partner at Every Step

We specialise in creating and delivering sustainable solutions for companies throughout the life sciences value chain. Our offerings include world-class active ingredients, intermediates, and R&D services tailored to meet the evolving needs of global pharmaceuticals, animal health, biotech, crop protection, and specialty chemicals companies. With a focus on excellence in our operations, we ensure that our solutions are of the highest quality and reliability, supporting the success of our partners worldwide.

Business Segments



Crop Protection Division
INR **6,844** Million REVENUE



Pharmaceuticals Division
INR **11,002** Million REVENUE

Operations

Process Development

1 R&D CENTRE	269 PERSONNEL IN R&T TECH (PHARMACEUTICALS)
6 PROCESS DEVELOPMENT LABS	73 PERSONNEL IN R&T TECH (CROP PROTECTION)

Commercial

4,100 m³ MANUFACTURING CAPACITY
5 FLEXIBLE, HIGHLY AUTOMATED AND ISO-CERTIFIED MANUFACTURING SITES

Mission

To create value through superior, chemical products and operate as a responsible Company.

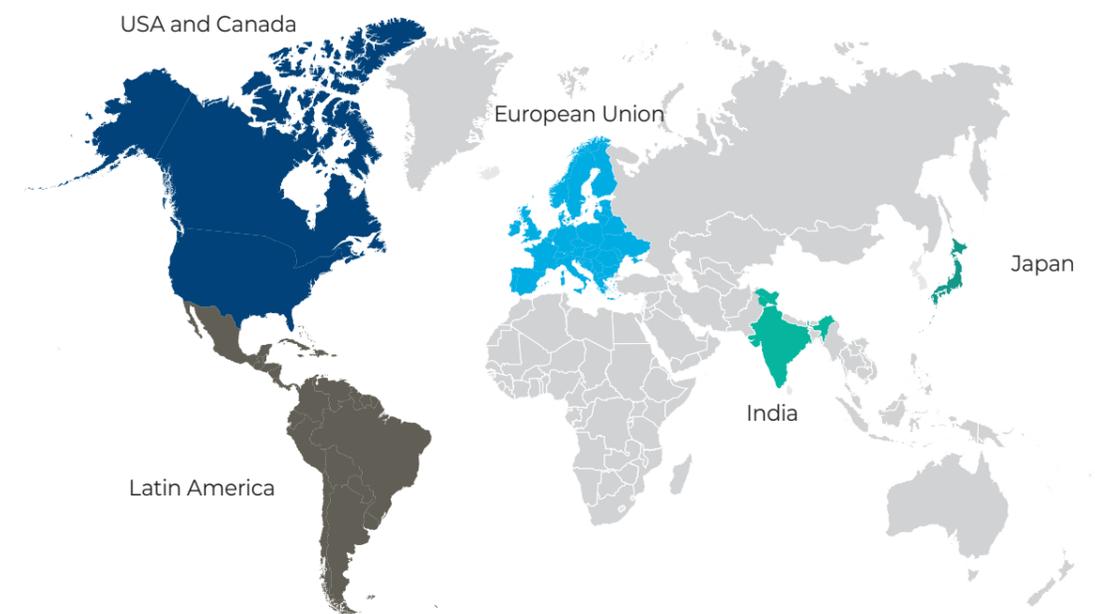
Building trust and respect of our customers, shareholders and employees using science, technology and sustainable processes in harmony with the environment.

Vision

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

Operating Across the Globe with Excellence

Our strength lies in combining scientific excellence with precision, delivering 'the right chemistry,' empowering our partners to drive positive global impact through our innovative solutions that meet the highest standards of quality and safety.

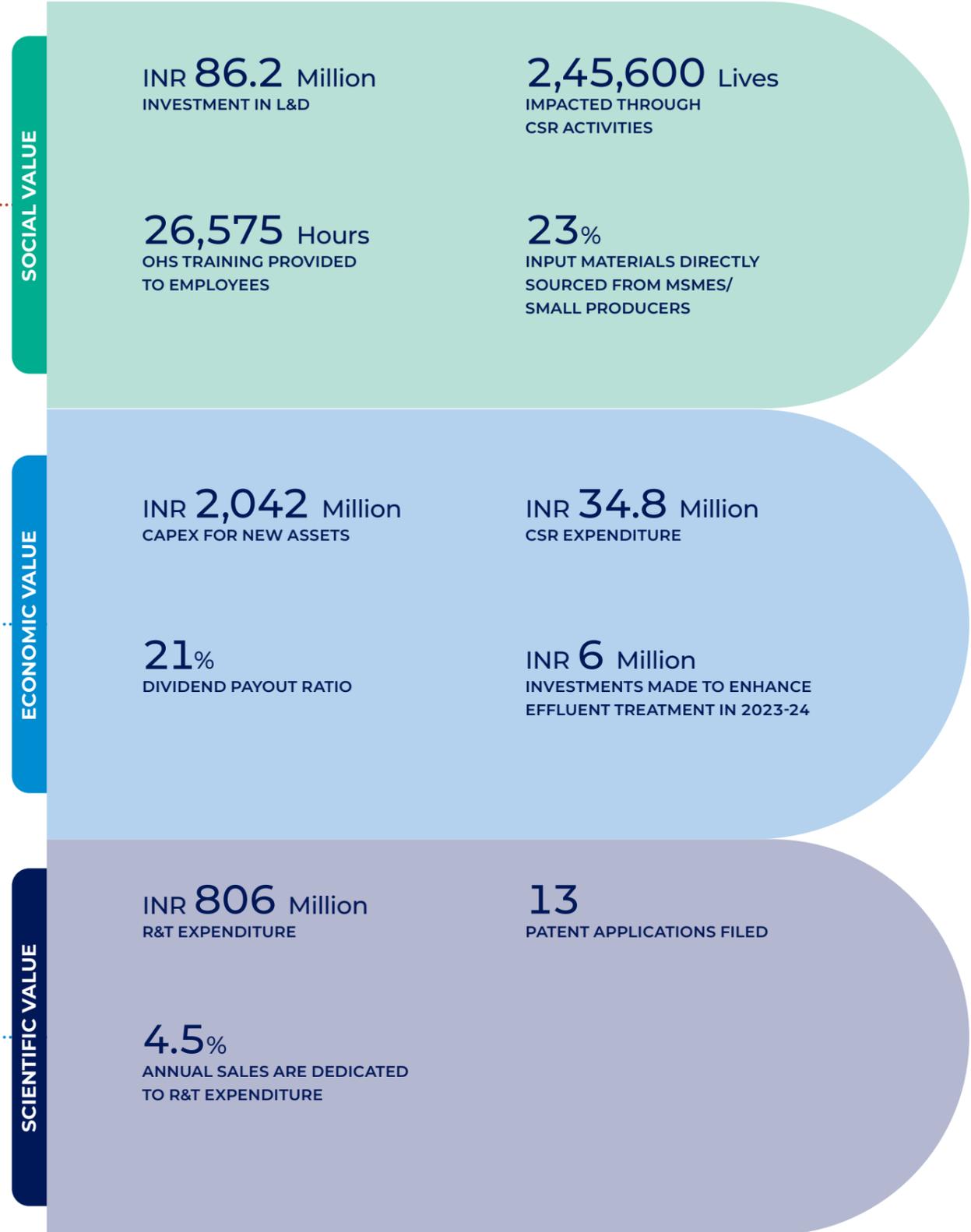


Note: Map not to scale.

Note: Not all countries and territories are labelled.

Harnessing Resources to Drive Positive Growth

We dedicate our resources and expertise to drive significant and enduring advancements in scientific progress, healthcare, social well-being, and economic development. We are committed to creating value that extends beyond our products. We innovate to deliver solutions that meet our customers' needs while prioritising environmental sustainability and social responsibility.



Moments of Honour

The World Wildlife Fund (WWF) recently recognised Jai Hiremath, our Chairman, for acknowledging Hikal's substantial contribution to their Nature Guardian programme. This programme aims to protect and preserve the natural environment and wildlife around the world.



Honoured with Annual Cyber Security Excellence Award for our robust IT Infrastructure and IT Strategy for 2023-24. This recognition underscores our commitment to excellence in IT and cyber security.



Awarded the 'Most Preferred Workplace' (Manufacturing Edition) 2023-2024 by Marksmen Daily and the esteemed 'Great Managers Award' 2023-2024 by People Business for the consecutive year. Hikal received this award for its commitment to provide a positive and healthy work environment for its employees.



Received two prestigious awards in Learning and Development – 'Best Corporate University in Pharma' and 'Coaching/ Mentoring Program in Pharma'.

Honoured by the Computer Society of India (CSI) for the exceptional cyber security team in the manufacturing sector during the CSI Cyber Security FIFC Awards 2023.



Innovating Today for Tomorrow's Challenges

Our commitment to leveraging science and technology enables us to deliver exceptional products and solutions, ensuring high quality and enhancing productivity and profitability. Our research and technology division collaborates with leading companies in pharmaceuticals, specialty chemicals, and animal health to develop innovative, cost-effective, and safe processes for NCEs and generic molecules. We also provide life cycle management for existing molecules, serving global clients effectively. We are expanding capacities and investing in new laboratories and cutting-edge equipment.

Aligned with our purpose of improving lives and serving the community, we are committed to integrating sustainability into all our operations. We engage with international rating agencies to gain global recognition for our ESG efforts, establishing it as a distinctive characteristic that sets us apart.

Our commitment has earned us the prestigious bronze medal from EcoVadis validating our dedication to sustainability.

Our production plants are compliant with international agencies like the US FDA, PMDA, EDQM, ANVISA, and other global agencies



Pharmaceuticals – Unit I (Bengaluru)

Aug 2019 – EIR Received
Previous inspection in Nov 2016, Apr 2014, Aug 2011, Mar 2008 & Mar 2004

Pharmaceuticals – Panoli

May 2023 – Zero 483s (EIR Received) for API Manufacturing
Previous inspection in Sep 2019 for intermediates and KSM

Our Research and Technology Infrastructure

15 SYNTHETIC LABORATORIES	4 INSTRUMENTATION LABS	1 HIGH PRESSURE LAB
6 PD LAB	1 KILO LAB (SCALE UP AND PILOT)	1 EFFLUENT TREATABILITY LAB
1 INNOVATION LAB	1 SIMULATION LAB	1 PROCESS SAFETY LAB
1 SOLID STATE CHEMISTRY LAB	>250 POST GRADUATES	26 PHD (INCLUDING 10 POST-DOC)

Showcasing Manufacturing Capabilities

R&T	Location	Site Area
 Pharmaceuticals	Bengaluru Unit 1, Karnataka » APIs and Advanced Intermediates	74,800 m²
	Bengaluru Unit 2, Karnataka » APIs and Intermediates	8,000 m²
	Panoli, Gujarat » APIs and Intermediates	84,600 m²
 Crop Protection	Taloja, Maharashtra » Fungicides, Insecticides and Intermediates	60,000 m²
	Mahad, Maharashtra » Fungicides, Herbicides and Intermediates	27,000 m²
	Panoli, Gujarat » Fungicides, Insecticides and Intermediates	36,700 m²

Our Journey of Environmental Stewardship

Our sustainability journey at Hikal reflects our commitment to innovation, responsibility, and excellence. Over the years, we have made remarkable strides in integrating sustainable practices and achieving excellence across our operations. By leveraging our expertise, we continually enhance our efforts to minimise environmental impact, promote social responsibility, and drive long-term value. Our dedication to sustainability is not just about meeting standards, it is about setting new ones with excellence, ensuring that our growth contributes positively to the world around us.



- » Introduced triple bottom-line performance disclosure
- » Became India's first 'Responsible Care' certified custom manufacturing life sciences company
- » Emerged as the first Indian company certified by Rx-360 for world-class quality standards in the pharmaceutical and biotechnology supply chain

- » Became the first life sciences company to receive the Aditya Birla Award for 'Best Responsible Care Company' in India
- » The Panoli facility underwent a USFDA audit and obtained certification
- » Started investments in biomass boilers as a substitute for furnace oil

- » Implemented a co-generation plant at our API facility to generate power and steam, thereby reducing our carbon footprint
- » Revamped our CSR policy, crafting a comprehensive plan for our 'Srijan' CSR activities
- » Achieved a 3.5% reduction in total water consumption through condensate reuse via the Condensate Polishing Unit (CPU)

- » Initiated the adoption of solar power at our production facilities
- » Received multiple awards, including the 'Significant Achievement in HR Excellence' from the Confederation of Indian Industry (CII) for empowering our workforce
- » Received the 'ET Now CSR Leadership Award' from the World CSR Congress for outstanding corporate social responsibility practices

- » Certified as a 'Great Place to Work' and ranked 84th among India's top 100 companies
- » Started investing in Zero Liquid Discharge (ZLD) units for water discharge, prioritising reduce, reuse and recycle
- » Implemented the 'Wealth from Waste' programme to convert residue into valuable products through 10 projects aimed at reducing soil pollution

- » Dedicated INR 150 million to improve effluent treatment capabilities across our sites
- » Marked a decade of continuous 'Responsible Care' certification
- » Investments in energy-saving projects surpassed INR 12 million

- » We endorsed and became signatories to UNGC program which is a key initiative to align our sustainability efforts with global standards and best practices
- » Published our second Sustainability Report
- » 61.7% of our total energy requirement is met from renewable sources and we are on track to reach 80% target by 2027-28

- » Renewable energy (briquettes) now accounts for 70% of our total fuel consumption
- » Extended healthcare access to 40,000 underprivileged patients
- » Completed our first materiality assessment, identifying critical topics for value creation
- » Partnered with a global consultancy to craft a strategic roadmap for our ambitious sustainability goals
- » Created a corporate-level sustainability governance program to ensure effective initiative implementation
- » Published the first Sustainability Report

- » 29% of our energy consumption across facilities was sourced from renewable energy
- » 80% of hazardous waste from the Panoli site was recycled for co-processing in the cement industry
- » Entered into several long-term power purchase agreements (PPAs) for wind and solar energy across our Mahad, Talaja, and Panoli facilities

Fostering Dialogue for Informed Decision-making

Stakeholders are integral to our operations, guiding our sustainability strategy alongside our broader business goals. By understanding their needs and concerns, we identify priorities and actions that drive positive impacts economically, environmentally, and socially.

INVESTORS

How We Engage

- » 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

Frequency of Engagement

- » Continuous engagement

Stakeholder Expectations

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

Our Response

- » Striving to achieve high standards of corporate governance with effective risk management and to provide sustainable growth



CUSTOMERS

How We Engage

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

Frequency of Engagement

- » Continuous engagement

Stakeholder Expectations

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

Our Response

- » Timely delivery of services
- » Developing a wide range of high-quality products that meet customer requirements
- » Striving for a competitive pricing
- » Proving post-sales support



EMPLOYEES

How We Engage

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

Frequency of Engagement

- » Continuous engagement

Stakeholder Expectations

- » Empowering, inclusive, and safe workplace
- » Fair wages and rewards
- » Good work-life balance
- » Training and skill development

Our Response

- » Striving to provide employee satisfaction and retain their motivation
- » Providing fair wages and rewards and improved work-life balance
- » Providing regular training and skill development for career growth
- » Ensuring a safe and secure work environment
- » Maintaining a healthy workplace



COMMUNITIES

How We Engage

- » 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

Frequency of Engagement

- » Continuous engagement

Stakeholder Expectations

- » Empower beneficiaries through our CSR activities
- » Funding for community programmes and livelihood programmes
- » Supporting local economy and livelihood generation

Our Response

- » Supporting in Infrastructure development projects
- » Providing funding for community development
- » Providing training and livelihood programmes
- » Giving contribution to the growth of the local economy



MEDIA AND ANALYSTS

How We Engage

- » Press releases, media interviews, email advisories
- » Website management
- » Social media posts and updates

Frequency of Engagement

- » Continuous engagement

Stakeholder Expectations

- » To provide regular updates on company performance and strategic initiatives
- » To provide insight into industry trends and company positioning

Our Response

- » Maintaining effective communication
- » Ensuring there is accountability and transparency
- » Providing accurate and timely information



GOVERNMENT AND REGULATORS

How We Engage

- » Statutory compliances filings and meetings
- » Official communication channels: advertisements, publications, websites, and social media
- » Phone calls, emails, and meetings
- » Regulatory audits/inspections

Frequency of Engagement

- » Continuous engagement

Stakeholder Expectations

- » Contribute to sustainable growth
- » Compliance with laws and regulations
- » Maintain transparency and to follow ethical business conduct
- » Collaboration on policy development
- » Contribute to economic development

Our Response

- » Aligning with the government to support economic growth and development
- » Continuing our contribution to the exchequer



VALUE CHAIN PARTNERS

How We Engage

- » Supplier development initiatives
- » Vendor assessment and review
- » Training workshops and seminars
- » Supplier audits
- » Official communication channels: advertisements, publications, website, and social media

Frequency of Engagement

- » Continuous engagement

Stakeholder Expectations

- » Cultivate an inclusive ecosystem for growth
- » Nurturing a mutually beneficial relationship, with trust, reliability, leading to shared success
- » Ethical business practices

Our Response

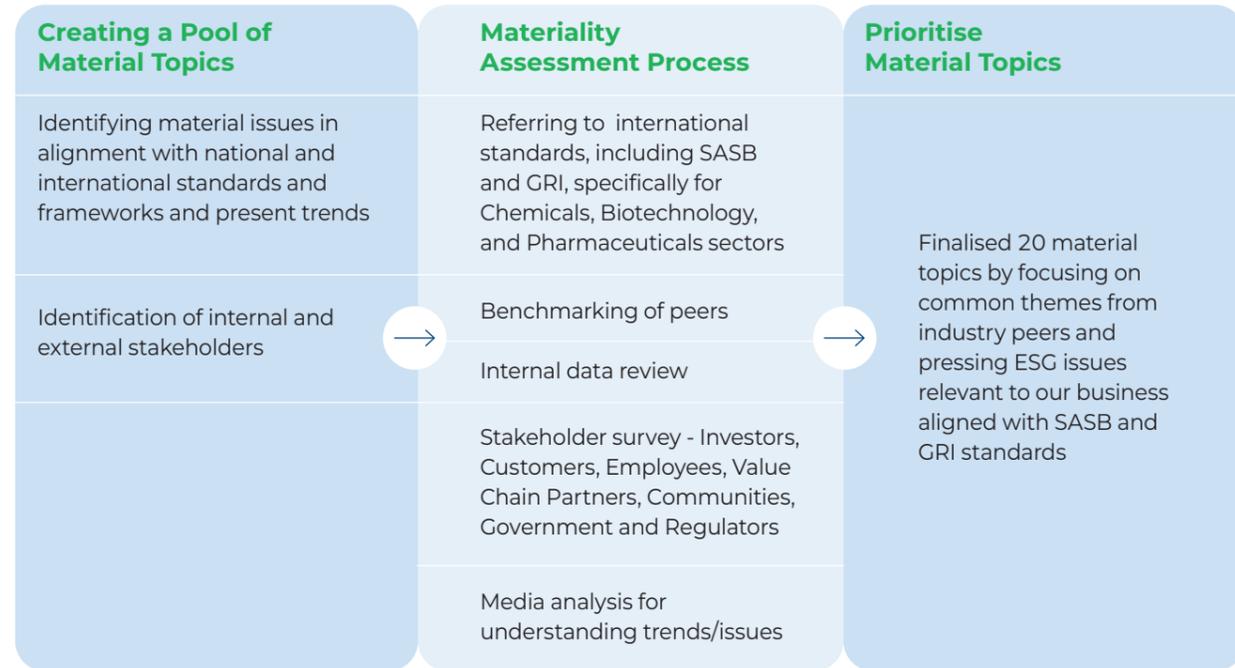
- » Proving timely payment
- » Maintaining a continuity of orders
- » Focussing on capacity building of value chain partners
- » Ensuring transparency



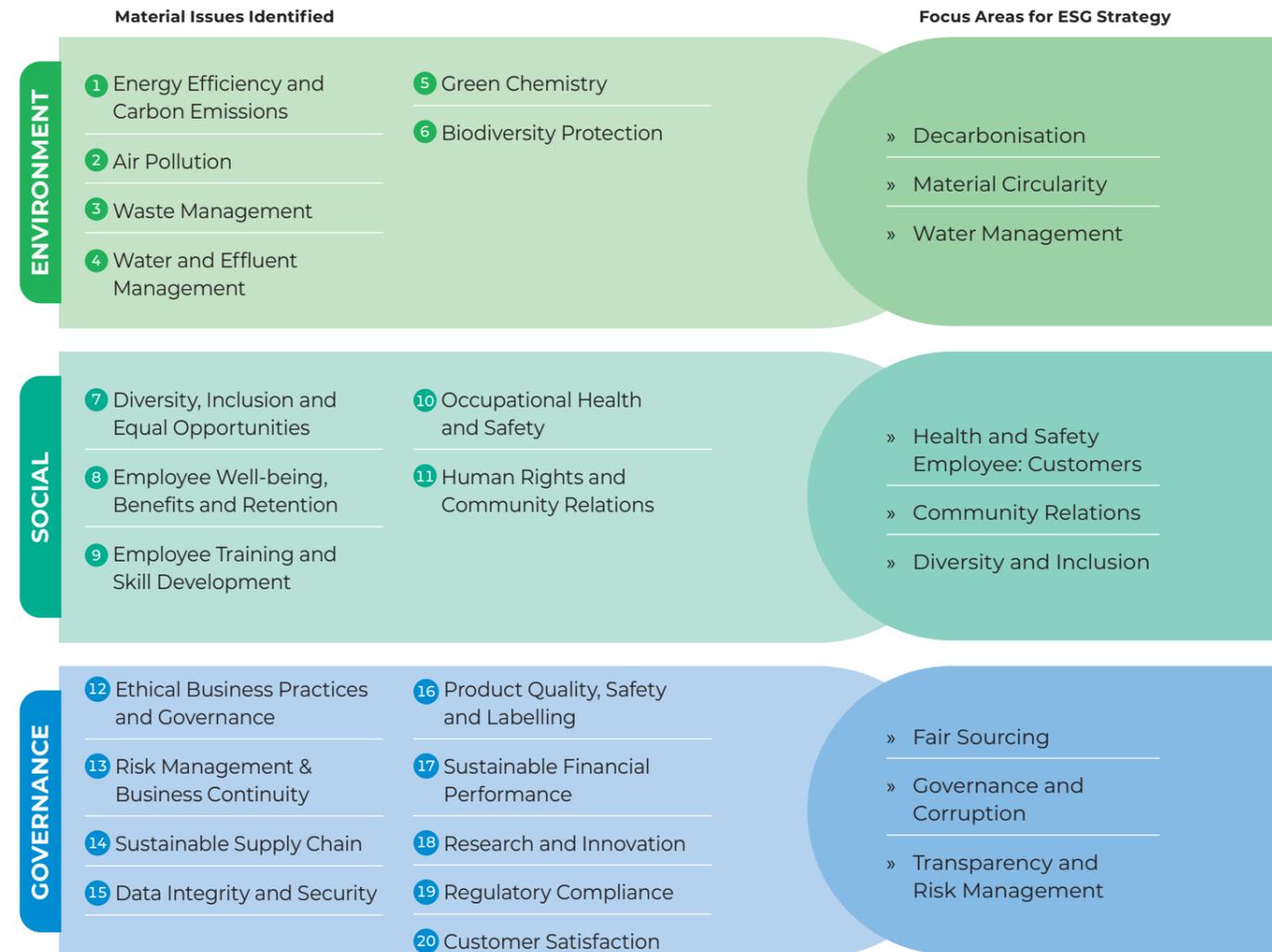
Focusing on What Truly Matters to Us

We embarked on the journey of our Materiality Assessment in 2021-22, marking a significant milestone in our sustainability efforts. This initiative was crucial in helping us understand and address key issues relevant to both our business and stakeholders. It allowed us to pinpoint critical topics, assess emerging risks and opportunities, and strategically allocate resources to drive our business forward while ensuring alignment with our broader sustainability goals.

Materiality Assessment Process



Hikal Limited's Materiality Matrix



Governance

The Way We Lead

Our success is built on strong corporate governance, ethical behaviours, and risk management. Our Management Committee, led by the Chief Executive Officer (CEO), plays a vital role in overseeing our strategic direction and performance. We integrate human rights, ethical conduct, and stakeholder concerns into decision-making at all levels.

Our Contribution to UN SDGs



27.3%
WOMEN DIRECTORS

Zero
CORRUPTION INCIDENTS
REPORTED

Zero
CASES OF DATA AND
PRIVACY BREACHES

55%
INDEPENDENT
DIRECTORS

Zero
CASES OF CONFLICT
OF INTEREST

Material Topics Covered



ETHICAL BUSINESS PRACTICES AND GOVERNANCE



RISK MANAGEMENT AND BUSINESS CONTINUITY



SUSTAINABLE SUPPLY CHAIN



SUSTAINABLE FINANCIAL PERFORMANCE



PRODUCT QUALITY, SAFETY, AND LABELLING



DATA INTEGRITY AND SECURITY



RESEARCH AND INNOVATION



REGULATORY COMPLIANCE



CUSTOMER SATISFACTION

Ethical Business Practices and Governance



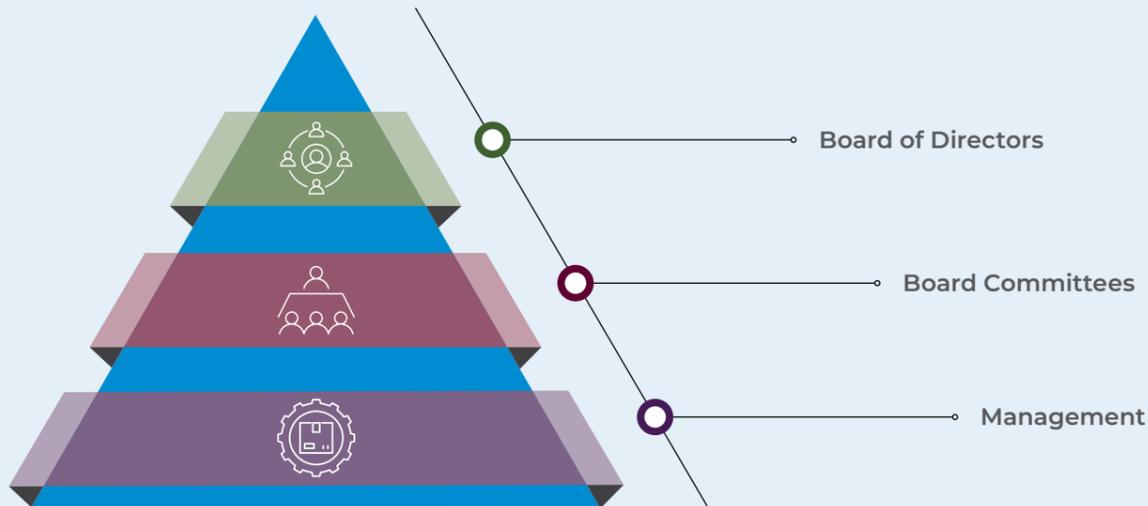
Ethics is a cornerstone of our business. At Hikal, we promote a culture of ethics and transparency, by doing so we ensure that our actions are aligned with our values and that our decision-making process is open and accountable. This commitment to ethical conduct not only guides our internal practices but also strengthens relationships with our stakeholders, reinforcing our reputation as a responsible industry leader.

Governance Structure

Our Board of Directors ensures transparency, integrity, and accountability at every level of the organisation. Our Management Committee is committed to implementing our value-creation strategy, with a focus on generating shared value for all stakeholders.

Our governance framework is built on three pillars to accomplish our mission.

Our Governance Structure



Board of Directors



NRC | CSR | RMC

Jai Hiremath
Executive Chairman

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

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



CSR | RMC

Sameer Hiremath
Managing Director

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



AC | SRC | CSR

Sugandha Hiremath
Non-Executive Director

Qualifications
B. Com



AC | NRC | RMC

V Ramachandra Kaundinya
Independent, Non-Executive Director

Qualifications
Undergraduate in agricultural sciences from Andhra Pradesh Agricultural University and PG Diploma in Management from IIM-A



AC | NRC

Berjis M Desai
Independent, Non-Executive Director

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



AC | SRC | NRC | RMC

Ravi B Kapoor
Independent, Non-Executive Director

Qualifications
Alumnus of the Mumbai University



Amit Kalyani
Non-Executive Director

Qualifications
Mechanical Engineering from Bucknell University, Pennsylvania, USA, Owner President Management Programme, Harvard University, USA



NRC

Shivani Bhasin Sachdeva
Independent, Non-Executive Director

Qualifications
MBA from the Wharton School, University of Pennsylvania, B.A. in Economics from Mount Holyoke College (Phi-Beta-Kappa, Magna Cum Laude, Sarah Williston Scholar)



NRC

Shrikrishna Adivarekar
Independent, Non-Executive Director

Qualifications
Chartered Accountant & Commerce Graduate



SRC | CSR

Ranjana S Salgaocar
Independent, Non-Executive Director

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



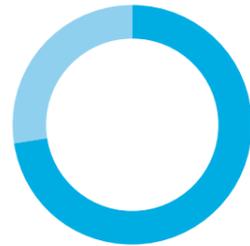
Sarangan Suresh
Whole Time Director

Qualifications
Postgraduate in Chemical Engineering from Indian Institute of Science Bangalore

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

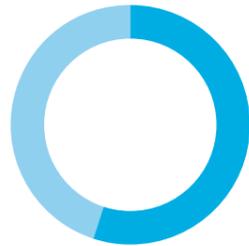
Board Composition

Board Diversity (%)



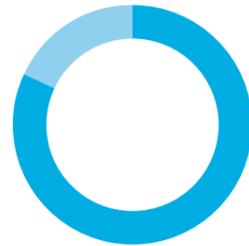
● Male - 72.7
● Female - 27.3

Board Independence (%)



● Independent - 55
● Non-Independent - 45

Board Age Profile (%)



● >50 years - 82
● 30-50 years - 18

Board Committees

The Board Committees support in fulfilling responsibilities by offering valuable perspectives, improving governance protocols, and delivering regular reports to the Board of Directors. Currently, the Board has five committees.

Nomination and Remuneration Committee

Chaired by Independent Director

6 MEMBERS
5 MEETINGS
83% INDEPENDENT

Audit Committee

Chaired by Independent Director

4 MEMBERS
7 MEETINGS
75% INDEPENDENT

Corporate Social Responsibility Committee

Chaired by Non-Independent Director

4 MEMBERS
2 MEETINGS
25% INDEPENDENT

Stakeholders' Relationship Committee

Chaired by Independent Director

3 MEMBERS
1 MEETING
66% INDEPENDENT

Risk Management Committee

Chaired by Non-Independent Director

5 MEMBERS
2 MEETINGS
40% INDEPENDENT

Management Team

The management team serves as the highest governing body, pivotal in shaping our values, mission, policies, and sustainable development objectives. The management team actively provides strategic guidance, underpinned by leading sustainable business practices. The material topics of concern for our business are identified by the ESG team in collaboration with stakeholders through an online survey and the findings are then presented to the management team.

The management team then evaluates these topics and helps in making informed decisions and viable business plans. The management team convenes monthly to evaluate the business progress. During these sessions, the management team rigorously assesses the actions and adherence of the team to the fundamental principles of ethical business conduct.



Jai Hiremath
Executive Chairman

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

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



Sameer Hiremath
Managing Director

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



Anish Swadi
Senior President – Animal Health and Business Transformation

Qualifications
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

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



Manoj Mehrotra
President – Pharmaceuticals

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



Vimal Kulshrestha
President – Crop Protection

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



Ratish Jha
President – Human Resources

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

Business Ethics and Transparency

We have developed a range of comprehensive policies to govern our business with ethics and transparency. Our management team ensures the application of these policies across all facets of our operations. These commitments are communicated internally to our employees through our online training programmes. Each year, they have to undergo a course and assessments. The code of conduct and policy are communicated externally by displaying them on our corporate website.

Our Policies

We have set up a responsibility matrix to implement our policies across all levels of our organisation. Our business agreements include clauses to uphold these principles. We urge our partners to understand our policies, as non-compliance may lead to blacklisting and termination.

Code of Conduct

Our Code of Conduct applies universally to Directors, senior management, employees, and business partners. It provides definitive guidelines for ethical behaviour in diverse situations, ensuring consistency, integrity, and accountability at every level of engagement. It urges directors and senior management to uphold honesty, integrity, and fairness, and to conduct themselves in alignment with Hikal's values, as well as to comply with all applicable rules, laws, and regulations.

100%
WORKFORCE TRAINED ON CODE OF CONDUCT

Conflict of Interests

Our Code of Conduct provides clear guidelines to proactively manage potential conflicts of interest. Every year our Board members and senior management needs to affirm their compliance with these policies. According to this policy, Directors must avoid any business practices that could create a conflict of interest with Hikal.

We have a compliance officer to guide and assist directors in navigating complex and challenging situations. Our efforts have resulted in zero reported complaints regarding conflicts of interest.

Zero
CASES OF CONFLICTS OF INTEREST REPORTED

Anti-Corruption Policy

Fighting corruption is a top priority for us. We evaluate all operations for potential corruption risks based on the guidelines provided in our Code of Conduct. We provide Anti-corruption training to our employees to enhance their awareness and vigilance.

Zero
CASES OF CORRUPTION REPORTED

Whistle Blower Policy

Our Whistle Blower Policy provides a secure channel for employees and stakeholders to report unethical behaviour, illegal activities, or violations of Company

policies. This policy ensures that concerns can be raised confidentially and without fear of retaliation. It outlines the process for submitting reports and guarantees that all reports will be investigated thoroughly. By fostering a culture of transparency and accountability, the policy helps maintain the highest standards of integrity within the company.

Community Grievance Redressal Policy

Our community grievance redressal policy offers a structured process for external stakeholders to raise concerns and ensures transparent handling of the issues. By addressing grievances effectively, the policy aims to minimise conflicts and enhance our relationships with external parties involved in our operations. It is specifically designed for external stakeholders and does not address issues raised by internal personnel, such as employees. This approach underscores our commitment to fair and open dialogue with the community.

Risk Management and Business Continuity



At Hikal, we consider risk management a crucial aspect of managing the Company effectively and efficiently. Our risk management policy, developed in compliance with applicable Indian regulations and tailored to our organisational context, outlines our risk management framework. This policy explains our approach to risk management and documents the roles and responsibilities of the Risk Management Committee, Chief Risk Officer, and risk owners.

Recognising the significance of risk management in achieving our strategic objectives, we adopted a formal and systematic approach to identify and manage potential risks. We view risk management as a critical element in effectively and efficiently managing the organisation, ensuring continued success in the face of challenges.

Risk Management Objectives

Ensure that all current and future material risk exposures are identified, assessed, quantified, mitigated, and managed

Ensure compliance with appropriate regulations, including ESG standards, through best practices

Ensure business continuity and sustainable growth with financial stability

Risk Management Governance Structure

Risk Management Committee

Establishes a risk management framework to ensure that we appropriately balance risk and reward by taking necessary measures.

Risk Co-ordinator

Evaluates and oversees risk, facilitating coordination between the executive committee and risk management committee.

Executive Risk Committee

Recognises risks, formulate mitigation plans, and execute strategies to mitigate risks.



Risk Management Process

Our risk management process includes the identification of risks, analysis of our mitigation strategies, focussed on continuous improvement efforts to address unforeseen challenges in our operations. We considered both known and unknown risks, uncertainties, and variable assumptions and evaluated factors such as the financial health of global and domestic economies, industry performance locally and globally, external competition, regulatory changes, future growth prospects, technological advancements, market risks, and other variables.

Risk Assessment

This involves identifying risks and their probable causes that could impact the Company's objectives. Risk evaluation compares the level of risk found during the analysis against predefined risk weightage to assess their potential severity and probability of occurrence.



Monitoring, Review, and Reporting

- » Monitoring involves tracking identified risks and the effectiveness of existing risk management measures
- » Reporting includes documenting risks and risk management measures to the Risk Management Committee
- » This process uses a risk matrix of probability and impact, key risk indicators (KRI), and key performance indicators (KPI), depending on applicability and criticality



Communication and Consultation

The Chief Risk Officer, along with Risk Owners and champions, conducts regular and mandatory risk management training programmes. This ensures that all employees proactively contribute to managing risk effectively.



Risk Treatment

This includes drafting and executing mitigation plans based on the Company's risk appetite

Risk and Response

Delay and Failure to Comply with Laws and Regulations

1. Verifying compliance with regulatory requirements before finalising any significant investment decision
2. Securing prompt approval for new CDMO products, licenced materials, process modifications, etc.

Non-Complying with PCB Consent and Hazardous Waste Guidelines

1. Capital investment has been made at all our sites to revamp the ETP facilities
2. Digital tools are used for monitoring compliance

Project Costs and Schedule Overruns

1. Enhanced measures to prevent duplication of efforts
2. Supervision at different organisational levels at specified intervals and use of digital tools for project assessment

Monopoly/ Limited Suppliers for Raw Materials

1. Developed vendors in accordance with the Alternate Vendor Development (AVD) Charter

Crisis & Risk Management

1. Ensured that our crisis and risk management processes are well-defined, and our teams have received training to effectively manage crises both within our organisation and with external stakeholders.

Frequent Updates in USFDA Requirements

1. Focused on being prepared for USFDA at all times

Dependence on China for Raw Materials Supplies

1. Expanded supplier base to introduce new geographic regions for key raw materials

Key Customers/Products Dependence

1. Established the key account management process
2. Ensured continued growth with current customers and products

● Decrease in Risk Profile ● Increase in Risk Profile

● Same as last year

Adverse Impact of Natural Calamities on Plant Operations

1. Strengthened the on-site emergency plan for all sites
2. Implemented a tool named SIREN for sending emails and SMS alerts to locations potentially impacted by a natural catastrophe event

Cyber Attack

Enhanced measures for safeguarding information security and preserving data integrity

Increasing Competition

1. Hibex initiatives for optimising costs
2. Improved customer interaction

High Employee Attrition Rates

1. Thorough employee engagement initiatives are implemented across all locations
2. Exceptional achievements are promptly acknowledged and rewarded
3. The SMT programme has been successfully introduced

Lack of IT Disaster Recovery Plan

1. Implemented IT system DRP and continuity plan
2. Created SharePoint site for PLC and Scada Backup upload

Internal Controls and their Adequacy

Our internal control systems are appropriate for the nature and size of our business. They include Entity-level controls, Information Technology General Controls, and Financial and Operating controls.

The Company's management is responsible for establishing and maintaining adequate internal controls. The Company's management and the internal Audit team continuously assess the effectiveness of its internal controls across all locations and functions.

In addition, the Audit Committee frequently holds independent sessions with the statutory auditor and the management to discuss the adequacy and effectiveness of internal controls.

Our Company implemented proper Internal Financial Controls, and these financial controls were adequate and effectively operated during 2023-24.

Sustainable Supply Chain

We have implemented a green supply chain policy that extends to all our value chain partners, underscoring our commitment to sustainability. We expect all partners to adhere to our stringent green supply chain requirements. Our supplier evaluation criteria emphasise ESG factors. We prioritise local procurement whenever possible to support community well-being.



Strategy for Sustainable Supply Chain

We are actively investing to develop self-reliance through



Challenges	Actions
Geopolitical rifts across the world	Initiated backward integration for KSMs and multi-sourcing to mitigate disruption
Concerns of geo-concentration risk	Partnering with suppliers in India, Europe, Japan, and Korea to ensure supply security
Lack of visibility into supply chain	Developing local vendors and providing support on compliance, process efficiency, etc.
Increased sustainability focus	Building real-time network visibility, maintaining safety stocks, and using analytics to identify weak links in supply chain



Supporting Local Suppliers

We actively support local and micro, small, and medium enterprise (MSME) suppliers as part of our commitment to promoting inclusive growth and equitable development. It helps us build resilient supply chains and reduces our carbon footprint by minimising transportation distances. In 2023-24, 23% of our input materials were sourced directly from MSME producers. By engaging with MSMEs, we aim to develop an ecosystem that empowers smaller enterprises, stimulates local economies, and enhances community well-being.



Supplier Assessment

We have established stringent supplier evaluation criteria for our critical value chain partners in India, emphasising Environment, Health, and Safety (EHS), quality, and statutory requirements. We conduct both on-site and off-site evaluations through comprehensive audits to ensure our suppliers meet our rigorous ESG standards. Our evaluation process includes monitoring for human rights violations, assessing health and safety practices, and ensuring safe working conditions. To date, none of our critical suppliers have been identified with significant actual or potential negative social impacts.

100%
CRITICAL VALUE CHAIN PARTNERS ASSESSED FOR HEALTH AND SAFETY PRACTICES AND SAFE WORKING CONDITIONS

Assessment of Value Chain Partners

		% of Value Chain Partners Assessed	
		in 2022-23	in 2023-24
Human rights criteria	Child labour	100	100
	Forced labour/involuntary labour	100	100
	Sexual harassment	100	100
	Discrimination at workplace	100	100
	Wages	100	100

Data Integrity and Security

We recognise that data privacy and cybersecurity can pose significant threats to our business operations. A data breach in our information technology systems could disrupt our operations and harm our reputation, leading to the loss of financial and non-financial resources. To safeguard our data and maintain stakeholder trust, we are employing a range of security measures and providing comprehensive training to our employees to mitigate these risks.

Zero
DATA BREACHES DURING 2023-24

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

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

Product Quality, Safety, and Labelling

We prioritise product quality, safety, and labelling to ensure compliance and transparency. Our employees receive thorough training and strictly adhere to procedures that support product quality. All our products are labelled with detailed information that meets statutory and customer requirements, ensuring safe handling. Each consignment includes safety instruction sheets.

We maintain quality agreements with our customers, providing comprehensive product information. Regular feedback from customers is taken to improve our services and meet their expectations. We periodically evaluate feedback forms to assess satisfaction levels and identify areas for enhancement.



Sustainable Financial Performance

At Hikal, sustainable financial performance is integral to our strategy. While some view environmental initiatives as a cost burden, we consider them valuable investments with substantial returns. Over the past two years, we have invested INR 4 million in clean energy, which has not only reduced GHG emissions

by 25,268 tCO₂e but also resulted in INR 27.8 million in cost savings.

We continually seek opportunities to reduce our environmental impact while improving financial outcomes, demonstrating that sustainability and profitability can work together to drive success.

Research and Innovation

Our commitment to research and innovation drives our sustained growth and competitive edge. We continuously invest in enhancing our technological and manufacturing capabilities, ensuring that we remain at the forefront of a rapidly evolving industry. Innovation is deeply integrated into our operations, particularly in our focus on sustainable practices such as green chemistry, which reduces environmental impact while maintaining the highest product quality.

Through initiatives like HiBEX projects and Project Pinnacle, we consistently launch new, customer-focused products while exploring cost-saving opportunities. These efforts have significantly expanded our reach in global markets, including Japan, Latin America, and the Middle East. By prioritising innovation and sustainability, we not only achieved operational excellence but also delivered advanced solutions that meet the diverse needs of our clients, solidifying our position as an industry leader.

Regulatory Compliance

Regulatory compliance is a core focus, with efforts centred on aligning with both national and international standards. By engaging in multi-stakeholder collaborations and participating in public consultations, we ensure that we contribute to shaping relevant regulations. Our active partnerships with leading industry and government bodies further enable us to voice concerns and drive necessary changes across the sector.

Industry Associations:

1. Confederation of Indian Industry (CII)
2. Federation of Indian Chambers of Commerce & Industry (FICCI)
3. Indian Merchants Chamber (IMC)
4. National Safety Council
5. Indian Chemical Council
6. Pesticides Manufacturers & Formulators Association of India (PMFAI)
7. Crop Care Federation of India
8. Agro Chem Federation of India

Customer Satisfaction

At Hikal, our business teams hold regular review meetings with our customers to address their concerns and explore opportunities for further service improvement. By fostering open communication, we ensure our offerings meet and exceed customer expectations. This proactive approach has enabled us to adapt to evolving needs and industry requirements.

Continuous dialogue with our customers has helped us in build strong, trust-based relationships, with our customers, reinforcing our commitment to excellence and innovation in the pharmaceutical sector. Through these engagements, we remain aligned with our customer's goals, driving mutual success and satisfaction.

Environment

Leading the Way to a Greener Future

We prioritise environmental stewardship as a core element of our business strategy. We are committed to reducing carbon emissions and tackling climate challenges by adopting a range of energy-efficient practices and increasing our reliance on renewable energy. Our ongoing efforts to integrate circularity into our operations are designed to further reduce our environmental footprint. The EcoVadis Bronze Medal awarded in 2023 highlights our dedication to environmental sustainability and our pursuit of operational excellence.

Our Contribution to UN SDGs



25,268
METRIC TONNES CO₂e
EMISSIONS REDUCTION DUE
TO RENEWABLE ENERGY
PROJECTS AT AT MAHAD,
TALOJA AND PANOLI

61.7%
TOTAL ENERGY
REQUIREMENT MET
FROM RENEWABLE
SOURCES

INR 27.8 Million
YEARLY SAVINGS DUE TO
INVESTMENTS IN ENERGY
EFFICIENCY

6%
WASTE REUSED

90%
PROCESS SOLVENT
RECOVERED AND
REUSED

Material Topics Covered



ENERGY EFFICIENCY AND
CARBON EMISSIONS



AIR POLLUTION



WASTE
MANAGEMENT



BIODIVERSITY
PROTECTION



GREEN CHEMISTRY



WATER AND EFFLUENT
MANAGEMENT

Energy Efficiency and Carbon Emissions



We have embarked on an ambitious decarbonisation journey, firmly aligned with our commitment to achieve a 30% reduction in Scope 1 and 2 emissions by 2027-28. Our strategy focuses on enhancing energy efficiency and reducing carbon emissions through optimising energy use, implementing waste heat recovery, and integrating renewable energy. This approach has already led to significant changes in our Crop Protection and Pharmaceutical divisions.

INR 27.8 Million
 YEARLY SAVINGS DUE TO INVESTMENTS IN ENERGY EFFICIENCY AND PROCESS OPTIMISATION MEASURES

INR 22.9 Million
 YEARLY INVESTMENTS IN ENERGY EFFICIENCY AND PROCESS OPTIMISATION MEASURES

Greenhouse Gas Emissions and its Intensity

Parameters	Units	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	21,410.71	26,793.24
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	67,287.01	67,737.30
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO ₂ equivalent/ INR million	4.97	4.67
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	Metric tonnes of CO ₂ equivalent/ USD million	113.72	106.92
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO ₂ equivalent/ Metric tonnes	8.22	8.74

Emissions

During the reporting period, we achieved a significant reduction of 5,832.82 MTCO₂e in our total emissions compared to the previous year. While Scope 3 emissions, which account for a substantial portion of our carbon footprint by including indirect emissions from our value chain such as purchased goods, services, transportation, and waste disposal were not included in this calculation, as we are currently in the process of data collection.

Decarbonising Roadmap

Our decarbonisation strategy focuses on defining a unique approach to mitigate operational impact and setting baseline emissions for Scope 1 and 2. We are in the process of outlining a clear decarbonisation roadmap to reduce Scope 1 and 2 emissions by 30% by 2027-28.

Phase 1

Initiation Programme (Completed)

- » Baselining for Scope 1 & 2 emissions
- » Material Topics Identification
- » GHG Reduction Targets (SBTis)
- » Deployment of ESG Platform
- » Evaluation of ESG Readiness and Performance vs Peers

Phase 2

Programme Governance (Ongoing)

- » Baselining for Scope 3 emissions
- » Signatory to SBTi
- » Setting Scope 1 and Scope 2 emissions target based on Phase 1 findings
- » Design of Decarbonisation Pathway
- » Energy Efficiency Audit
- » Renewable Energy Integration
- » Accounting of Scope 3 emissions

Phase 3

Actions and Impact (To commence)

- » Submission SBTi Targets
- » Deployment of Energy-saving project
- » Public Goals (Carbon neutrality, SBTi, RE100, other)
- » Verified Emissions Reductions
- » Renewable Energy and Cleantech (PPA/VPPA)

Energy Efficiency

Our Corporate-level Energy Conservation Committee (EnCon) led a series of initiatives to enhance energy efficiency across our facilities. We optimised production processes to lower energy consumption. Significant upgrades to equipment and machinery were undertaken to minimise energy wastage and to enhance overall operational efficiency. Advanced energy management systems were employed to monitor and control energy use across all sites. These measures enabled us to conserve energy during 2023-24.

Energy Consumption

Energy Consumption (GJ)	2022-23	2023-24
Total energy consumed from renewable sources	7,97,758.73	8,77,228.60
Total energy consumed from non-renewable sources	6,16,827.36	5,43,426.88
Total energy consumption (RE+Non-RE)	14,14,586.09	14,20,655.49
Energy intensity per rupee of turnover (total energy consumed / revenue from operations) GJ/INR million	69.93	79.61



Energy Efficiency Measures



Crop Protection Division



- » Replacement of FO boiler burners to improve efficiency
- » Back pressure turbine installation for electricity generation from biofuel boiler
- » Open access power investment with solar and wind power company for green energy
- » Optimising airflow to reduce air compressor downtime
- » Enhancing chiller performance through the installation of online condenser cleaning systems
- » Delta to star conversion of motors for selected big size motors
- » Replacement of conventional air compressor drains by zero air loss drains
- » Energy saving in Nitrogen plant by optimisation of change over time cycle
- » Using a centrifugal compressor instead of a screw compressor for the chilling plant
- » Initiatives to save water in cooling tower blowdown processes
- » Steam consumption reduction by replacement of steam ejector with dry vacuum pump in process
- » Steam consumption reduction by reaction temperature reduction from 50°C to 35-40°C
- » Energy saving in air compressor by optimisation of operating pressure
- » Initiatives to save energy in the chiller unit aimed at enhancing its performance

INR 22.4 Million
INVESTMENTS MADE

INR 14.4 Million
YEARLY SAVINGS

Pharmaceutical Division



- » Optimising pumping power through various methods
- » Installing Variable Frequency Drives (VFDs) in cooling tower pump
- » Replacement of 15-year-old UPS with new high-efficiency UPS
- » Reduction in cooling tower make up water and effluent treatment cost up to 20% by utilisation of RO reject water and reactor jacket recovery
- » Energy saving initiative in cooling tower and compressed air system
- » Debottleneck of 1,500 TR cooling tower connected to SRU plant
- » Reduction in steam consumption by utilisation of waste heat and efficiency improvement
- » Steam cost reduction by outsourcing steam supply on green fuel
- » Manual control replaced with cascade control system for energy efficiency improvement in BRU units

INR 0.50 Million
INVESTMENTS MADE

INR 13.4 Million
YEARLY SAVINGS

Pune Research and Technology (R&T)

- » VFD was installed in fume hood exhaust blower, and fume hood shutter opening was controlled to reduce draft flow of air which reduced energy consumption
- » A hot water system was installed to replace indirect hot water system with steam heating

Renewable Energy

We have significantly boosted our renewable energy consumption by partnering with two solar power developers through Power Purchase Agreements (PPAs). This added 8 MW and 3 MW of capacity to our Taloja and Mahad units in 2023-24, respectively. We have signed agreements for a hybrid renewable energy project combining wind and solar power sources which helped us to secure securing 2.8 MW for our Panoli unit in 2023-24. These initiatives are pivotal in reducing our reliance on fossil fuels. Currently, Mahad, Taloja and Panoli plant are using renewable energy for its operations.

We are currently converting our Low Sulphur Heavy Stock (LSHS) boiler to operate on briquettes. Briquettes, derived from organic materials such as agricultural residues, wood chips, sawdust, and other biomass sources, will serve as the primary fuel. This transition represents a renewable and environmentally friendly substitute for traditional fossil fuels. These changes have substantially enhanced our reliance on sustainable green fuels in operational processes.

8,77,228.60 GJ
RENEWABLE ENERGY USED

INR 104.70 Million
TOTAL COST SAVING IN MAHAD, TALOJA AND PANOLI PLANTS DUE TO USE OF RENEWABLE ENERGY

9.96%
INCREASE IN RENEWABLE ENERGY CONSUMPTION COMPARED TO 2022-23

80%
TARGETED RENEWABLE ENERGY CONSUMPTION BY 2027-28



Air Pollution

We are committed to managing air quality and minimising air pollution through rigorous monitoring systems. Our boilers and diesel generators are equipped with advanced technologies aimed at reducing emissions. Our online instruments continuously monitor emissions to ensure compliance with stringent environmental standards. We are incorporating ozone-depleting substances (ODS) into greenhouse gas (GHG) calculations to accurately assess and mitigate our environmental impact. These proactive measures underscore our dedication to maintaining air quality and sustainability in all aspects of our operations.

from boilers, diesel generators, and scrubbers across our operations. These measures include a bag house for boiler stack emissions control. Our Bengaluru pharmaceutical unit is equipped with Continuous Air Quality Monitoring Systems that provide real-time data on levels of Particulate Matter (PM), SOx, and NOx.

In our Crop Protection units, monthly ambient air quality monitoring is conducted by a MOEF-approved agency, assessing parameters like PM, SO₂, NO₂, NH₃, and CO. Continuous ambient air monitoring is also conducted around the clock at various points within factory premises. We use express feeder system at all industrial area factories to ensure uninterrupted power supply, thus reducing reliance on diesel generators.

Continuous Air Monitoring at Pharma Units

We are monitoring air quality both internally and externally to ensure environmental compliance. Internally, we are using advanced online instruments to continuously track air quality metrics. Externally, we are engaging with approved laboratories to conduct rigorous air quality assessments, ensuring comprehensive monitoring and regulation. We have implemented effective systems to regulate emissions

Other Emissions

Emissions (MT)	2023-24
SOx	39.90
NOx	85.9
PM	96.3

Waste Management



Waste Generated by Type

Waste Generated (Metric tonnes)	2022-23	2023-24
E-waste	8.84	3.23
Plastic waste	142.31	208.74
Bio-medical waste	0.06	0.06
Other non-hazardous waste	3,043.32	5,137.67
Other hazardous waste	57,693.74	57,438.13

Waste Disposal

We have a 'Wealth from Waste' programme, that embraces principles of reduce, reuse, and recycle (3R), promoting circularity in waste management practices. All our e-waste is sold to authorised vendors, and plastic waste is subjected to recycling through approved recyclers. We have collaboration with the cement industry, where our waste is recycled for co-processing. Non-hazardous waste is responsibly disposed of through incineration and landfilling when appropriate, adhering to strict guidelines to prevent any adverse environmental effects.

The hazardous waste produced by our operations is responsibly disposed of through authorised recyclers and Common Hazardous Waste - Treatment, Storage and Disposal Facility (CHW-TSDF).

As part of our responsible logistics approach, we have transitioned to using tankers built according to ISO Standards instead of drums. This shift has led to a reduction in packaging waste and minimised the environmental footprint of our shipments, while also optimising transportation efficiency.

Waste Recycled/Reused/Recovered

Process (Metric tonnes)	2022-23	2023-24
Re-used	2,399.20	3,984.00
Recycled	32,255.08	37,865.45
Other recovery option	64.64	1,839.00
Total waste recycled/reused/ recovered	34,718.92	43,688.45

At Hikal, we adhere to the principles of the 3R concept: Reduce, Reuse, and Recycle. We have a waste management system that prioritises resource conservation across our operations. We have established standard operating procedures for managing hazardous, non-hazardous, e-waste, and biomedical waste, ensuring compliance with regulatory requirements. Our dedicated laboratory conducts treatability studies to optimise waste management processes continually. Regular inspections are conducted to identify areas of improvement in our waste management process.

60%
WASTE RECYCLED IN 2023-24

6%
WASTE REUSED

90%
SOLVENT RECOVERED AND REUSED

Water and Effluent Management



Water Consumption

Water Consumption Quantity (Kilolitres)	2022-23	2023-24
Total water consumption	10,65,241.50	6,09,607.50

Water Intensity

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

We recognise the critical importance of water in our manufacturing process. We depend on water sourced from rivers or lakes managed by Government Industrial Development Authorities. At Hikal, we are committed to reducing freshwater consumption through advanced technologies like Zero Liquid Discharge (ZLD) and steam recovery process. All our manufacturing sites strictly adhere to guidelines for safe groundwater usage, underscoring our commitment to sustainability and responsible water management.

We have set ambitious targets to reduce our water footprint through our strategic initiatives. Implementing Zero Liquid Discharge (ZLD) technology for water recycling and enhancing steam recovery process has been instrumental in achieving this goal and has helped us decrease our reliance on freshwater. ZLD has been installed and commissioned in our R&T facility in Pune with a capacity of 30 KLD. At all other manufacturing facilities, we have installed ETPs and STPs. The treated water is reused as much as possible, and rest is discharged in compliance with legal requirement. We have installed Mechanical Vapor Recompression system in our units that uses energy recovered from the condensate to create a pure liquid distillate and a concentrated product/waste, reducing evaporation energy use by 90% or more.

Water Conservation Initiatives

Water Recycling Initiatives

- » Multi-Effect Evaporators and Reverse Osmosis units are installed at pharma sites
- » Process water is recycled for washing at Crop Protection sites
- » Zero Liquid Discharge facility
- » Reverse osmosis system at ETP outlet water

Water Conservation Initiatives

- » Optimising processes to minimise water consumption per batch
- » Rainwater harvesting
- » Reducing the amount of boiler and cooling tower blowdown through the implementation of an effective water treatment regimen
- » Providing training sessions to raise awareness about water conservation

Effluent Treatment

We have made significant investments to enhance our effluent treatment plant, ensuring advanced wastewater treatment and environmental compliance. We also have Online Monitoring of Industrial Emission and Effluent (OCEMS) system at the Effluent Treatment Plant outlet that measures pH, COD, BOD, TSS, Inlet Flow, and Outlet Flow.

INR 3.5 to 4.0 Million Per Annum

OPERATIONAL SAVINGS DUE TO PEDAL DRYER USE FOR ETP SLUDGE DRYING

INR 6 Million

INVESTMENTS MADE TO ENHANCE EFFLUENT TREATMENT IN 2023-24

Green Chemistry



Green chemistry at Hikal is the cornerstone of our commitment to sustainability, it includes design and implementation of chemical processes that minimise the use and generation of hazardous substances. By integrating green chemistry principles into our operations, we have not only improved efficiency but also enhanced our product differentiation, attracting customers who prioritise eco-friendly solutions. This approach has led to significant cost savings, reduced environmental impact, and strengthened our supply chain resilience.

Green chemistry has played a crucial role in reducing risks associated with hazardous materials, contributing to a safer workplace and a more sustainable business model. It has also positioned Hikal as a leader in the field, with our sustainable products setting us apart in the market. We are committed to green chemistry and

engineering, investing in processes and systems that ensure safe, responsible operations and meet global regulatory standards.

We integrated Green Chemistry principles into our Animal Health APIs development, upholding sustainability standards. Concurrently developing multiple APIs, we achieved successful plant-scale validation. Additionally, the completion of various other API developments highlights our proficiency. This dedication ensures our products provide effective solutions while being environmentally responsible, positively impacting our surroundings. Looking to the future, we plan to expand our sustainable product lines, continuously optimise our processes, and collaborate with industry partners to explore new green chemistry innovations.

Biodiversity Protection



At Hikal, we are dedicated to preserving biodiversity and mitigating the impact of our operations on the environment. We have established a green belt near our chemical manufacturing facility, creating a sanctuary for diverse species. We prioritise biodiversity protection by conducting ecological impact studies in collaboration with specialised agencies to better understand and reduce our environmental footprint.

At our Jigani unit near Bannerghatta National Park, we acknowledged the potential impact on local biodiversity and actively engaged with stakeholders to implement ecosystem preservation strategies. Given our unit's proximity to this sensitive area, we have taken proactive measures to protect biodiversity. Our manufacturing locations have no adverse effects on species listed by the IUCN, we ensure that our operations do not harm critical flora and fauna by conducting ecological impact studies.

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 for us during any expansion or establishment of new manufacturing facilities. We collaborate closely with accredited agencies to conduct thorough ecological impact studies, implementing proactive measures to maintain the delicate balance between industrial growth and the preservation of natural ecosystems.

#PledgeForGreenChange



This year, we celebrated Environment Week with great enthusiasm and vigour by launching #PledgeForGreenChange campaign. It was launched to promote sustainable living and environmental responsibility. This campaign, launched as an online and offline initiative, centred around the theme 'Living Sustainably in Harmony with Nature' to foster a sense of ownership and responsibility among Hikal's employees and stakeholders. The campaign saw huge participation on social media, particularly on LinkedIn.

100K+
CUMULATIVE ORGANIC
IMPRESSIONS
GARNERED IN A WEEK

2,500+
NEW VISITORS DRIVEN
TO HIKAL'S
LINKEDIN PAGE

2,617+
CUMULATIVE ORGANIC
ENGAGEMENT
RECEIVED IN A WEEK

400+
NEW LINKEDIN FOLLOWERS
ADDED WITHOUT ANY PAID
MEDIA OR PROMOTIONS



The leadership team set the tone of the campaign by sharing their green pledges on LinkedIn, sparking a chain reaction among our employees. Many came forward to post their pledges on LinkedIn to bring a small green change in their daily lives, creating a ripple effect that inspired others to follow suit. This public commitment not only demonstrated our collective dedication to sustainability but also formed a chain of responsibility, significantly expanding the campaign's reach and impact.



Across all Hikal sites, the week was marked by various eco-friendly activities. At Pune R&T, employees took an Environment Oath, with senior management providing valuable insights on conservation. The Mahad plant hosted a tree plantation drive, where around 500 saplings were planted, while Jigani Units 1 and 2 organised tree plantations, essay competitions, and poster-making events. At Panoli, the team engaged in quizzes, challenges, and training on environmental compliance. The #PledgeForGreenChange campaign successfully united the Hikal community in a shared commitment to sustainability, making a tangible impact on both our organisation and the environment.



Social

Growing Together

Our employees are our most valuable asset. At Hikal, we prioritise their professional growth through upskilling and comprehensive training programmes. Diversity is integral to our workforce. Our workforce constitutes women and individuals from diverse age groups, enriching our organisational culture with varied perspectives and experiences.

Our commitment to excellence in safety is reflected in our safety standards, protocols and training campaigns. During our 'Quality Week Celebration', centred around the theme 'Quality Means Excellence', our employees pledged their commitment to quality and safety, reinforcing our dedication to maintaining the highest standards of safety across all aspects of our operations. We also strive to foster excellence in the personal health of our employees through our dedicated wellness program, Ojas.

Our Contribution to UN SDGs



Zero FATALITIES

80% EMPLOYEE RETENTION RATE

97% PERMANENT EMPLOYEES PROVIDED TRAINING ON HUMAN RIGHTS

6% FEMALE EMPLOYEES

Zero LTI FREQUENCY

100% EMPLOYEES RECEIVED PERFORMANCE REVIEWS

8 TRADE AND INDUSTRY AFFILIATIONS

26,575 Hours OHS TRAINING PROVIDED

Material Topics Covered



DIVERSITY, INCLUSION, AND EQUAL OPPORTUNITIES



EMPLOYEE WELL-BEING, BENEFITS, AND RETENTION



EMPLOYEE ENGAGEMENT, TRAINING, AND SKILL DEVELOPMENT



HUMAN RIGHTS AND COMMUNITY RELATIONS



OCCUPATIONAL HEALTH AND SAFETY

Diversity, Inclusion, and Equal Opportunities



At Hikal, we foster an inclusive workplace where every employee feels valued and empowered. We celebrate the diversity within our workforce, which includes women and individuals from diverse age groups. Our meritocratic environment ensures that promotions and compensation are based solely on skills and performance, regardless of gender or age, promoting fairness and equality across the organisation. We support gender diversity through initiatives such as the Women's Forum, providing a platform to empower and advocate for female employees.

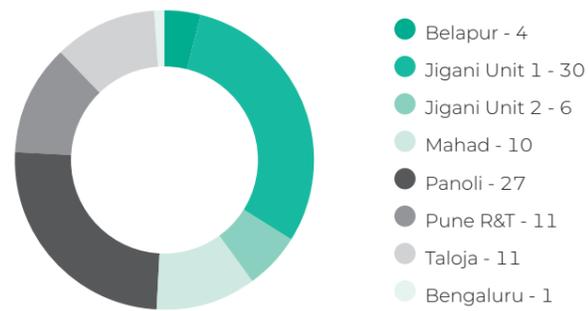
6%
WOMEN EMPLOYEES IN TOTAL WORKFORCE

27.3%
WOMEN DIRECTORS

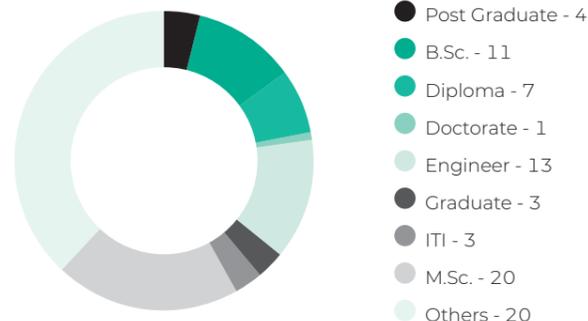
Zero
SEXUAL HARASSMENT COMPLAINTS REGISTERED IN 2023-24

All Units/Offices
ACCESSIBLE TO SPECIALLY-ABLED PERSONS

Our Workforce in India (%)



Qualification of Our People (%)



Embracing Diversity

At Hikal, we fully embrace Diversity and Inclusion as a foundational strategy for fostering an inclusive workplace culture. This commitment is prominently reflected at our Pune R&T Centre, which boasts one of the highest numbers of women employees within our organisation. Women hold significant roles across all levels, including leadership positions on the site management committee. Diversity and inclusion have always been at the forefront of our priorities at Hikal. We rigorously uphold our Code of Conduct, viewing any attempt to influence decisions—whether direct or indirect—with the utmost seriousness and as a severe breach of our ethical standards.

Hikal's Women's Forum

The Hikal Women's Forum serves as a unifying platform for all female employees, fostering mutual support and collaboration. This forum plays a pivotal role in nurturing personal and professional development by providing opportunities for women to mentor and advocate for each other. By creating a supportive network, the Women's Forum empowers women to tap into their full potential, contributing to our organisational progress and ensuring continued success through diverse perspectives and leadership.

Women's Forums Activities across Sites in 2023-24

The Women's Forum organises monthly meetings across all units, where activities are planned to foster bonding and trust among female employees. These gatherings often include training and awareness sessions.

Monthly Women's Forum Meeting

Jigani Unit 1 convenes monthly meetings as part of our women's forum initiative. During one of these sessions, a senior gynaecologist Dr. Sapna Raina, delivered an insightful talk on women's health issues, covering their causes and available treatments. This not only raised awareness but also encouraged women employees to take proactive steps towards their well-being.



Women Empowerment Training at Panoli Site

A women's empowerment training session was held at the Panoli site, providing female employees with both knowledge and practical skills. The session featured interactive activities, including role play, the knot game, and experience sharing. The role-play exercises recreated real-life scenarios, helping participants build confidence and develop practical skills. The knot game emphasised teamwork and problem-solving, symbolising collective strength. The experience-sharing session offered women an opportunity to exchange insights, discuss challenges in their professional and personal lives, and share strategies for overcoming these challenges.



Panoli Women's Forum – Trip to Atapi Wonderland

Following a successful USFDA audit, female employees were treated to a day trip to Atapi Wonderland. The trip included exhilarating experiences such as roller coaster rides and other attractions, which greatly enhanced their spirits. This outing strengthened team bonds and left a lasting impression.



Session on Financial Planning for Women

As part of our commitment to enhancing diversity and promoting economic empowerment, a financial planning session for women was organised at the Pune R&T facility. This session aimed to empower female employees with the knowledge and

guidance necessary to take control of their financial future. Participants were equipped with the tools to make informed financial decisions, invest wisely, and secure financial independence.

Women's Day Celebration at Hikal

International Women's Day was marked by a series of webinars and workshops centred on the theme 'Invest in Women: Accelerate Progress'. The event included various activities designed to empower women in the workplace. A key highlight was the presentation of a video titled 'Women @ Hikal', in which female employees shared their personal insights on the significance of Hikal to them. This video inspired and uplifted the female workforce while reinforcing our commitment to gender diversity and inclusion. A special workshop was held to celebrate the professional and personal achievements of our female employees.



Building a Safe Workplace

Training on Prevention of Sexual Harassment (PoSH)

To foster a safe and inclusive workplace, Compliance Training Program on Prevention of Sexual Harassment (PoSH) was conducted in multiple batches to ensure comprehensive coverage for all employees. Employees were encouraged to report any incidents of sexual harassment or discrimination to the designated committee for immediate and appropriate action.



Sexual Harassment Policy

Hikal has a stringent sexual harassment policy in place to ensure a safe, inclusive, and unbiased work environment. It adheres to PoSH guidelines to eliminate gender-based discrimination and uphold workplace dignity. Our Internal Complaint Committee (ICC) investigates complaints, maintains confidentiality, and recommends actions.



Employee Well-being, Benefits, and Retention



At Hikal, we are dedicated to the well-being of our employees by promoting health and wellness through various programmes and focused training initiatives. Our efforts are focused on fostering a supportive and healthy work environment.

Our Various Employee Engagement Initiatives



100%
OF EMPLOYEES COVERED IN WELL-BEING MEASURE

100%
OF OUR UNITS HAVE EMPLOYEE ENGAGEMENT PLAN

Employee Benefit Scheme

Scheme	Coverage of Employee
Health insurance	100%
Accident insurance	100%
Maternity benefits	100% (all females)
Paternity benefits	100% (all male)
Retirement benefits	100%

Ojas – Employee Wellness Programme

Ojas, our employee wellness programme, is dedicated to promoting the health and well-being of our employees. Through activities such as yoga, Zumba, annual health checkups, and various other wellness programmes, we aim to help our employees attain peak health. By prioritising wellness, we ensure that our workforce remains healthy, energised, and productive.



Initiatives under Ojas in 2023-24

Annual Medical Health Camp for Contract Workers

At Hikal Mahad, we arranged an annual medical health camp for our contract workers. The checkup included a thorough physical examination, review of occupational history, and clinical tests, including PEFR, vision tests, tuning fork tests, complete blood count, routine urine analysis, blood group typing, fasting and postprandial blood sugar tests, random blood sugar tests, and chest X-rays. Health cards were issued to all contract workers who participated in the medical checkup.



Eye Checkup Camp

The Taloja team organised an eye check-up camp for all employees, where over 100 participants were tested by eye specialists. During the camp, employees received valuable advice on the special care required when working on screens and the importance of regular eye checkups. The specialists also provided beneficial tips for protecting their eyes, which will help employees maintain better eye health and reduce the risk of strain or other vision-related issues. This initiative not only highlighted the significance of eye care but also contributed to the overall well-being of the workforce.

Employee Wellness through Health Checkups

A health talk and medical checkup was conducted in Taloja, where employees underwent blood sugar tests, ECGs, and BMI assessments, followed by personalised consultations with a doctor. This initiative, focused on promoting healthy lifestyles and illness prevention. Through these checkups, employees gained valuable insights into their health, enabling them to understand the importance of early detection of potential issues. The personalised medical advice empowered them to make better-informed decisions about their health, fostering a proactive approach to their overall well-being.



Employee Wellness through Yoga

On the occasion of International Yoga Day, Pune R&T, Taloja and Panoli sites organised Yoga sessions for their employees, with over 100 participants at Panoli alone. These sessions focused on practising yoga asanas, meditation, and mindfulness exercises, promoting overall health and well-being. The initiative emphasised the importance of maintaining a healthy body and mind, while also fostering a sense of community among employees. Participants benefitted from improved physical fitness, mental clarity, and stress relief, contributing to a more balanced and productive work environment.

Parigyaan – Employee Recognition

Parigyaan is our rewards and recognition programme, designed to honour individuals who consistently contribute to our organisation's success and growth with their hard work and dedication. It nurtures a culture of excellence and appreciation, boosting employee morale. Throughout 2023-24, we presented numerous Parigyaan Awards across our locations to recognise employees for their outstanding commitment and achievements.



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 |



Employee Retention and Succession Planning

We place significant emphasis on employee retention and succession planning. We conducted talent evaluation through a comprehensive technical questionnaire to assess the skills and potential. We prioritise continuous training to help employees refresh and enhance their knowledge, ensuring they remain engaged and motivated. Our talent evaluation and succession planning processes aim to assess current capabilities and facilitate career progression within the organisation. We actively seek feedback from employees to enhance our work environment, fostering a culture of continuous improvement and ensuring their voices are heard in shaping our Company's future.

Initiatives under Parigyaan in 2023-24

Talent Evaluation and Succession Planning

Talent evaluation and succession planning meetings were convened at Jigani Unit 1 by the Operations Head and Head of HR. The meeting was held to assess the current talent level of employees and to facilitate their progression to the next level by evaluating their knowledge and skills through an examination.

HR Helpdesk to Facilitate Employee Concerns

Pune R&T introduced the HR helpdesk to provide employees with a dedicated platform for discussing their queries and concerns directly with the site HR. This initiative was established to facilitate open, one-on-one communication, ensuring that employee issues are promptly addressed and resolved. The HR helpdesk has been well-received by employees, as it enhanced the support and fostered a more responsive and engaged workplace environment.

Employee Hour Programme

'Employee Hour', a closed-room discussion with the Site Head and Operations Head, was held at the Taloja, Jigani Unit 1 and Mahad sites. This platform provided employees with a secure environment to freely express their views, thoughts, and suggestions on various site-related matters. In Taloja, all participants actively shared their opinions and feedback, which contributed valuable insights for site

improvements. This initiative not only fostered open communication but also ensured that employee suggestions were considered and implemented wherever feasible, thereby enhancing overall site operations and employee engagement.

Talent Evaluation and Development by Business Excellence Team

The Business Excellence and HR teams conducted a critical talent evaluation by distributing a comprehensive technical questionnaire to employees. This initiative was designed to help participants refresh and enhance their knowledge across a broad range of topics. This not only provided valuable insights into employee's technical capabilities but also supported their continuous professional development.

Employee Referral Scheme

The HR department at Jigani Unit 1 conducted a PEP talk to reinforce the employee referral scheme. During the session, employees were educated about the referral process and how it operates, with a clear explanation of the steps involved in successfully referring candidates. The session highlighted the benefits employees can claim when their referrals result in new hires joining the organisation. This initiative aimed to encourage active participation in the scheme, further strengthening our talent acquisition efforts.



Employee Engagement, Training, and Skill Development



We believe that employee engagement and their training and development are pivotal to nurturing a supportive and productive workplace culture. We foster engagement through regular town hall meetings, sports events and by celebrating various festivals. Our diverse training programmes focus on upskilling our employees, supporting their holistic growth within the organisation. Through these initiatives, we strive for people excellence—creating an environment where our employees excel and contribute to the overall success of the Company.

Employee Engagement

To promote employee communication and collaboration, we conducted a series of town hall meetings across our various sites. These meetings encouraged employees to express their thoughts and ideas, fostering an open culture where employee voices are highly regarded. Deserving employees were recognised and rewarded under different categories during these meetings. Discussions regarding the previous quarter's performance and upcoming milestones were also held with employees.

Employee Engagement Initiatives 2023-24

Town Hall Meetings for Employee Collaboration

Town Hall Meetings at Panoli: To promote open communication and collaboration, town hall meetings were organised in Panoli. These meetings provided employees with the opportunity to share their thoughts and ideas freely, reinforcing a culture that values and respects their input. As part of our Parigyaan – Rewards and Recognition programme, outstanding employees were honoured in various categories, including Employee of the Month, Rising Star, and Team Excellence.

Town Hall Meetings by Pune R&T: Pune R&T hosted its quarterly town hall meeting, where functional heads reviewed the previous quarter's performance and shared upcoming milestones with the employees. A new suggestion box was introduced, enabling employees to submit queries, issues, and suggestions, a week prior to the meeting. These submissions were reviewed and addressed during the session, with action points established. The Site HR head, together with the SMC team, recognised and honoured winners of the Parigyaan awards, including Employee of the Month, Rising Star, and Team Excellence.

Team Collaboration Workshop

Hikal Academy organised a training session on team collaboration, with the help of an external faculty in Mahad. The workshop focused on essential aspects of team collaboration, such as leadership, effective communication, active listening, and teamwork through various activities. A key takeaway from the workshop was the team slogan 'One Team, One Voice', highlighting the importance of collaboration and teamwork in achieving organisational goals.

Celebrating Togetherness through Festivals and Sports

Various festivals, including Navratri, Dussehra, Diwali, Christmas, and New Year were celebrated across our sites to foster unity and camaraderie among employees. Highlights included Rangoli competitions, awards for best dressed and best dancer, and a diya decoration contest. These were complemented by fun activities like musical chairs and passing the pillow.

Navratri Celebration at Hikal Sites

Navratri, the festival dedicated to the worship of Goddess Durga, was celebrated with enthusiasm across Hikal sites. Employees gathered to participate in energetic and graceful Garba dances, which added a splendid touch to the festivities. The celebration was further enriched by employees donning traditional attire. Awards were given for the best Garba player and the best-dressed participants. This festive spirit not only highlighted the cultural richness of the celebration but also fostered a strong sense of belonging and unity among employees.

Christmas Celebration at Hikal Sites

The joyous spirit of Christmas was celebrated across Hikal sites with great enthusiasm. One of the highlights of the day was the Secret Santa game, where employees exchanged gifts anonymously. The element of surprise and intrigue added an extra layer of excitement to the festivities, making the event even more enjoyable. This playful exchange of gifts brought everyone closer together, fostering a strong sense of belonging and unity among colleagues during the holiday season.

Sports Celebration

Hikal's annual Sports Week, organised at Panoli, offered a vibrant mix of games including chess, carrom, volleyball, and cricket, drawing participation from over 300 employees across various departments. The highlight of the week was the cricket tournament, which generated significant excitement. The event proved to be a tremendous success, infusing joy and enthusiasm among participants and enhancing team spirit throughout the organisation.

Bharuch Marathon

The Bharuch Running Club organised the Bharuch Marathon, which saw around 90 Hikalites come together to run for a common cause. Participants from various walks of life joined for the marathon. A Zumba warm-up session set the tone for the event, energising everyone and creating an upbeat atmosphere. The marathon highlighted the unity and shared commitment of our team, strengthening bonds and fostering a deeper sense of belonging among all participants.

Hikal Premier League (HPL)

The Hikal Premier League (HPL) was organised, featuring teams from CBD Belapur, Mahad, Panoli, Pune, Taloja, and Jigani in a series of thrilling matches. The league featured gripping matches that allowed our employees to showcase their sporting skills. It served as an excellent platform for fostering healthy competition and reinforcing team spirit, reflecting the vibrancy of our work culture. The event highlighted how effective teamwork could lead to remarkable results, both on and off the field, demonstrating our commitment to nurturing a dynamic and collaborative work environment.

Employee Training and Skill Development

At Hikal, we prioritise employee growth and development through comprehensive training programmes aimed at fostering professional advancement. We are committed to equipping our employees with the skills they need to thrive and grow in their careers.

100%
OF EMPLOYEES PROVIDED TRAINING ON SKILL UPGRADATION

84%
OF EMPLOYEES PROVIDED TRAINING ON HEALTH AND SAFETY MEASURES

Training and Skill Development Programmes 2023-24

Training on Effective Communication

We organised a communication training session for our employees centred on the 7 Cs of effective communication: Clear, Concise, Concrete, Correct, Coherent, Complete, and Courteous. This training offered participants a deep understanding of these principles, equipping them with practical strategies and valuable tips to enhance their communication skills. The session aimed to improve interaction quality and ensure that employees could apply these principles effectively in their daily interactions.

Finance for Non-Finance Training

A training session titled 'Finance for Non-Finance' was recently organised for our senior leaders in Bengaluru, with the goal of enhancing their financial management skills. The session provided insights into the significance of effective financial management and its impact on organisational success, providing leaders with essential skills and practical knowledge to manage team finances more effectively.

Hikal Academy - Hi-Fi Learning

As part of our commitment to supporting employee development, we have launched Hi-Fi Learning, a digital platform on LinkedIn that provides access to over 2,000 courses for skill enhancement. This initiative marked a significant step forward in our dedication to continuous learning, equipping our team with the tools and resources to excel in an ever-evolving professional landscape.



Horizontal Learning Programme for Employee Development

The Panoli site hosted an impactful training programme centred on Horizontal Learning, spanning fifteen days and certifying twenty four employees from various business units. The programme aimed to facilitate cross-functional knowledge sharing by enhancing product expertise, understanding of processes, documentation practices, and safety protocols. The session encouraged interactions between employees from different units. The session enriched individual skill sets and promoted a holistic understanding of the organisation's operations.

Manager Training Programme

Pune R&T conducted a two-day workshop for first-time managers, designed to build crucial leadership and behavioural skills. Held on the Hikal Academy learning and development platform, the workshop addressed the specific needs of business managers and HR partners, with a focus on prioritising work, resolving conflicts, setting goals, and managing teams.

Collaborative Insurance Training

In partnership with our insurance provider, Prudent, we conducted an in-depth training programme on our insurance policy. The sessions were held to provide a thorough understanding of both the coverage and exclusions of the policy, as well as guidance on

how employees can make the most of its benefits. Expert trainers from Prudent delivered detailed insights into the key elements of the policy through structured sessions.

Music and Management Training

A 'Music and Management' training session was organised for all senior leaders, blending innovative leadership concepts with the transformative power of music. The workshop introduced management principles inspired by renowned singers, using musical elements—such as melody, harmony, lyrics, and performance styles—to illustrate how these principles can enhance teamwork and inspire our teams to work towards a common goal of achieving customer satisfaction. This unique approach highlighted the organisation's commitment to nurturing creativity, fostering innovation, and supporting personal development.

Masterclass on Presentation Skills

A virtual masterclass on presentation skills was organised for senior leaders and employees in the marketing and SCM departments. The session focused on equipping participants with techniques for delivering clear messages and optimising preparation time. The session stressed upon the significance of creating and delivering presentations effectively, the masterclass aimed to empower executives in their interactions with stakeholders.

Learning and Development – LinkedIn Learning

At Hikal, we recognise the crucial role of Learning and Development in enhancing our employees' skills. To address this, we have proactively partnered with LinkedIn to develop a suite of courses tailored to our operational needs. This collaboration has led to a variety of learning initiatives, from Construction Safety to Public Speaking, aimed at closing skill gaps and boosting expertise. Delivered through LinkedIn's platform, these specialised training programmes and professional development workshops engage learners, address their specific skill needs, and provide up-to-date content that ensures they remain at the forefront of industry standards.



Build Critical Skills

To upskill our workforce and address skill gaps through hands-on practice, advanced tech content, professional certificates, and skill evaluations.

Learner Engagement

To engage learners through their daily tools including a mobile-first learning experience and seamless LMS and SCIM integrations.

Objective

Support Leadership Development

To cultivate leadership within your organisation using AI-powered coaching, career goal setting, and modern management content.

Promote Career Development and Retention

To support employee careers and reduce attrition with role guides, customisation, and career insights reporting, while actively engaging interested internal candidates.

39,155

TOTAL VIDEO VIEWS

71%

REPEAT LEARNERS

65%

ENROLLED FOR CONSTRUCTION SAFETY COURSE

4.7%

AVERAGE COURSE RATING



In collaboration with LinkedIn, we developed diverse courses to enhance technical and interpersonal skills. Among these, one of the most prominent courses was Construction Safety, which saw the highest engagement with 65% of employees enrolling and receiving a rating of 4.7 out of 5. This course was instrumental in deepening participants' understanding of safety protocols, significantly contributing to improved workplace safety and compliance with industry standards. Another notable course was Construction Management: Safety and Health, which attracted 57% of employees and achieved the highest rating of 4.8 out of 5. This course provided advanced safety management skills, which have benefitted the participants' career development and effectiveness in

managing safety practices. The Occupational Safety and Health course had 53% enrolment, offering essential insights that have led to enhanced safety practices within the organisation.

In addition to our technical courses, we offered programmes such as Public Speaking, Quality Management, and Project Management to develop essential soft skills among employees. Although these courses aimed to enhance valuable interpersonal abilities, our recent analysis revealed a preference for technical courses over soft skills. This trend underscores employees' focus on advancing their technical expertise, aligning with the organisation's commitment to fostering essential technical skills and comprehensive professional development.

Skills That Set Hikalites Apart

Top Skills Hikal Learners are Developing



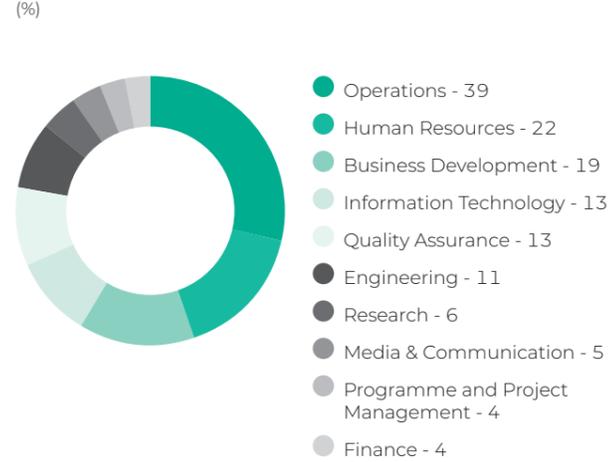
Top Skills Peer Learners are Developing



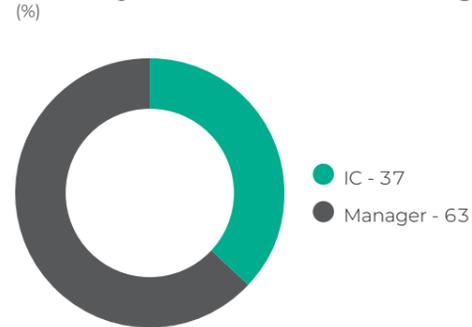
Our Top Courses with Ratings



People & Team Driving Learner Engagement



Seniority Breakdown - Learner Engagement



Digital and Social Media Growth

Our social media strategy has driven impressive engagement, and we are planning to enhance our presence with more business updates and CSR initiatives presented in innovative formats to establish our brand presence.

Our LinkedIn presence has demonstrated significant growth, with an engagement rate of 9.46% from April 2023 to date, surpassing the LinkedIn benchmark of 3.85%. This success is attributed to a diverse content mix of business updates, CSR activities, and team highlights, with posts featuring leaders achieving the highest engagement. However, since September, engagement has declined due to fewer posts. To address this, we plan to expand our content strategy by including more business news, team-centric updates, and CSR initiatives. We aim to experiment with video series featuring leaders, boost employee visibility through LinkedIn, and creatively showcase our CSR activities. This strategic expansion is crucial for maintaining high engagement levels and reinforcing our brand presence on social media.



+14.6k

FOLLOWER GROWTH
(↑ 45.8% y-o-y)

75k

ENGAGEMENT
(a total of 78 posts)

9.46%

ENGAGEMENT RATE
(+145% better than average benchmark for the platform)

Occupational Health and Safety



At Hikal, achieving excellence in safety is a top priority. Our facilities adhere to ISO 45001, ISO 14001, and Responsible Care certifications. We regularly conduct safety training and awareness campaigns to address workplace hazards and promote adherence to safety protocols. We strive to reinforce a culture of safety by conducting regular training and audits. We aim to continually enhance our Occupational Health and Safety (OHS) practices and ensure a safe working environment for all employees.

Ensuring Employee Health and Safety

We are committed to strengthening our safety culture through impactful programmes. The introduction of 'Surakshapath,' a behaviour-based safety initiative, has significantly mitigated behavioural risks. Initiatives such as 'One Minute for Safety,' 'EHS Induction,' and 'Weekly Wet Drills' have been instrumental in promoting safety awareness across our organisation.

Health and Safety Performance

Health and Safety Performance	2022-23	2023-24
LTIFR	0.3	0
Total recordable work-related injuries	1	0
Number of fatalities	0	0
High-consequence work-related injury	0	0

Hazard Identification

Our proactive safety measures start with identifying and evaluating work hazards and risks through routine Hazard Identification and Risk Assessment (HIRA). Process-related risks are managed using Hazard Operability (HAZOP) techniques at all facilities while routine and non-routine activities undergo thorough Hazard Identification and Risk Assessment (HIRA). Each site maintains a dedicated Environment, Health, and Safety (EHS) team, rigorously assessing and mitigating risks while overseeing safety measure implementations. Accredited external labs provide critical safety data for facility design, complemented by our Research and Technology Centre's expertise which ensures our operations adhere to the safety standards.

Enhancing Safety Reporting and Measures

We have implemented the 'mySetu' software for safety reporting across all sites, enabling employees to easily report work-related hazards, near misses, injuries, and incidents online. Each reported issue undergoes thorough root cause analysis to identify underlying factors, leading to effective corrective actions closely monitored for impact until resolution.

Training

Regular training sessions for shop floor workers, such as toolbox talks, safety talks, and one-minute safety sessions, were organised. These sessions greatly enhanced worker awareness and comprehension of safety practices and protocols.

Non-occupational Health and Service

We prioritise employee well-being with comprehensive healthcare services, including access to non-occupational medical facilities with round-the-clock medical officers and support personnel. Annual health checkup camps and preventive health examinations were conducted regularly. Group accidental and medical insurance policies covered all employees and workers, ensuring comprehensive safety and well-being of our employees and workers.



Safety Initiatives 2023-24 - Safety through Excellence

Driving Excellence: 11th Quality Week Celebration

We celebrated our 11th Quality Week in November, themed 'Quality Means Excellence', with active participation from all sites. Activities included an 'Excellence Quiz', 'Slogan Submission', and the 'Chaka-Chak' contest for site maintenance.

Over 300 employees joined the Hazard Hunt and other activities, and more than 350 employees pledged commitments to quality on the commitment walls. Face-to-face forums featured excellence stories from over 30 employees, highlighting the importance of quality in achieving overall success.



Fostering Safety Culture: Hikal's Month-long Safety Campaign

We conducted a month-long safety campaign to foster a safety-centric culture among our employees. Activities focused on raising awareness of safety protocols, encouraging proactive practices, and promoting

open communication about safety were organised. The campaign aimed to enhance safety awareness and preparedness, making safety a top priority at Hikal.

Event	Details	Outcome
Workshops on Safety Protocols	Expert-led interactive training sessions to educate employees on safety protocols, equipment safety, emergency response, and PPE usage were organised. Sessions on diet, nutrition, women's self-defence, and real-life safety case studies in chemical companies via documentaries were also conducted.	<ul style="list-style-type: none"> » Enhanced employee awareness and understanding of safety protocol » Better adherence to safety guidelines and fewer safety-related incidents » Improved communication and collaboration on safety concerns and best practices » Promotion of a safety-conscious culture integrating safety into daily operations » Deeper understanding of safety protocols and increased confidence in applying these practices effectively » Enhanced employee's understanding and preparedness for real-life situations
Hands-on Training	We organised practical training sessions for employees to familiarise them with safety equipment and emergency response procedures.	
Safety Demonstrations	Live demonstrations on equipment handling techniques were organised, along with insights into safety precautions, allowing employees to observe best practices firsthand.	
Safety Awareness Campaigns: Safety Through Excellence	Posters, banners, and digital displays with safety messages were placed across Hikal sites to remind employees of safety principles.	
Safety Competitions	Fun and interactive competitions, including safety quizzes, scenario-based challenges, and safety slogan contests, were organised to encourage active participation of employees and reinforce their learning.	
Employee Engagement	Employee engagement was fostered through photo booth contests, safety commitment activities.	
Recognition and Rewards	Employees who demonstrated outstanding safety practices were acknowledged and rewarded to reinforce positive behaviours and inspire others to uphold safety standards.	
Safety Marathon	Safety marathon was organised to raise awareness about the importance of safety.	
Media Coverage	Our safety campaign was covered by various media outlets, helping to spread the Company's safety message to a wider audience.	

Other Safety Initiatives in 2023-24

Boosting Concentration: Eye for Detail Training

The IT and HR teams conducted a training session titled 'Eye for Detail', which highlighted the importance of maintaining focus and managing distractions to achieve excellence. The session focused on fundamental principles designed to cultivate a mindset of excellence, including the importance of being fully present, achieving flow, and recognising potential distractions.

One Minute Safety Programme

Pune R&T conducted a one-minute safety review to address major unsafe acts, conditions, near misses, accidents, and incidents from the previous month. This forum also allowed employees to share personal safety experiences.

Celebration of National Road Safety Week

The IT and HR teams conducted a training session titled 'Eye for Detail', which highlighted the importance of maintaining focus and managing distractions to achieve excellence. The session focused on fundamental principles designed to cultivate a mindset of excellence, including the importance of being fully present, achieving flow, and recognising potential distractions.

Safety Training

The safety department provided mandatory training on fire prevention and safety measures, including emergency plan operations, risk assessments, chemical safety, and electrostatic hazard controls.



Human Rights and Community Relations



At Hikal, we strongly uphold human rights as a fundamental value. We uphold human rights through our Code of Conduct policy promoting equality, respect, and dignity. This includes strict prohibitions against discrimination, harassment, child labour, and forced labour across all facilities. Our 'No Child or Forced Labour Policy' ensures that individuals under the age of eighteen are not employed in any capacity.

Human Rights

We conduct human rights due diligence with the support of an independent agency to identify potential human rights risks in our operations. We perform annual audits overseen by our internal audit and EHS departments to ensure compliance. Appropriate actions are promptly taken to prevent or mitigate these risks.

97%
PERMANENT EMPLOYEES
PROVIDED TRAINING ON HUMAN RIGHTS

100%
PERMANENT WORKERS ASSOCIATED
WITH A UNION

Employee/Workers in Unions

Our organisation endorses the freedom of association and the right to establish and join unions, in accordance with international labour standards. We believe that employee unions help to safeguard the interests of our workers.

Year	Workers	Participation of Workers in Unions
2023-24	122	100%
2022-23	127	100%
2021-22	131	100%

Mechanism to Address Grievances

We are committed to addressing human rights concerns through internal mechanisms. Our grievance redressal policy provides a structured framework for employees and stakeholders to raise and resolve issues promptly and fairly. Policies such as PoSH (Prevention of Sexual Harassment) and Whistle Blower policies are in place to protect the rights of all individuals within our organisation.

Training on Human Rights

We take pride in equipping our employees and workers with essential knowledge about human rights and our organisational policies. Through training, we ensure everyone is informed and shares our commitment to upholding human rights. This underscores our dedication to cultivating a culture built on respect, equality, and dignity for all.



Community Relations



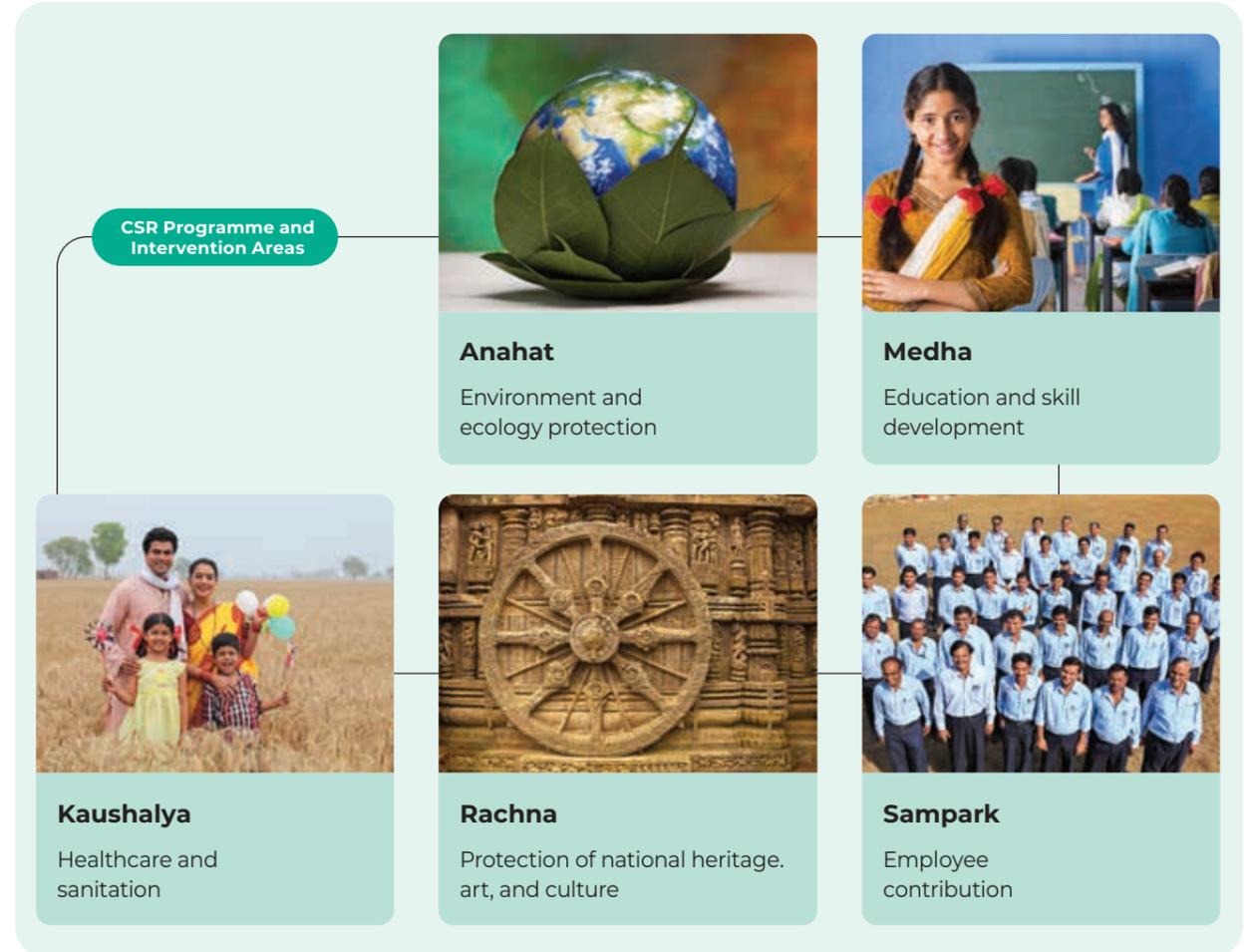
14,200
TREES PLANTED

2,45,600
CSR BENEFICIARIES

INR 34.8 Million
CSR EXPENDITURE

1,50,000
PATIENTS BENEFITTED
IN LAST 6 YEARS

Our commitment to CSR reflects our dedication to generating shared value for communities surrounding our operational sites. Our comprehensive CSR programme 'Srijan', focuses on five key areas: Education, Healthcare, Employee Contribution, Environmental Protection, and Natural Heritage Conservation. We collaborate with non-governmental organisations (NGOs) across various sectors to make a positive impact on communities and the environment.



Anahat

Supporting the Twin Glacier Foundation

We are supporting the Twin Glacier Foundation in its efforts towards green belt development and lake rejuvenation. Our aim is to provide potable water to nearby village residents, ensuring a reliable and clean water supply while also promoting ecological sustainability in the region.

Rejuvenation of Water Bodies

We have sponsored the rejuvenation of twenty-five water bodies across twenty-five villages in Bharuch as part of the Gujarat Government's 'Amrit Sarovar' scheme. This initiative aims to enhance water resources and ensure sustainable water availability for these communities.

Watershed Management Programme

We have provided support to IAHV for their watershed management programme in Pimpalkond Village, aiming to enhance water resources.

Water Distribution Pipeline Work

We are sponsoring the water distribution pipeline work in Sutarkond-Mahad village. This project aims to improve water accessibility and ensure a consistent and clean water supply for the local residents.

Continuation of Partnership for the Tetvali Afforestation Project at Rabale

We have initiated an afforestation project at Tetvali, Rabale, Navi Mumbai in collaboration with the International Association of Human Values (IAHV). The forest site, spanning thirty-three acres, includes a biodiversity park and butterfly park and is designed using a scientific approach. We have planted approximately 14,200 trees of fifty varieties and employs advanced technologies like drip irrigation to maintain it. This is now one of the largest urban afforestation projects in India.

Support to Worldwide Fund (WWF)

We have provided support to the Worldwide Fund (WWF) Nature Guardian Program, contributing to the conservation and protection of wildlife and ecosystems.



Medha

Distribution of School Bags, Notebooks and Groceries

For the past decade, we have been actively involved in enhancing education and skill development in Government Schools near Jigani, Bengaluru. We supported faculty development programmes at these schools. We distributed school bags and notebooks to the children studying there.

As part of this CSR activity, we provided groceries, essential clothing items, and lunch for the children Mathrubhoomi Foundation in Singasandra, Bengaluru as part of our mission of improving the lives of underprivileged children.

Infrastructure Development in Schools

We renovated a 110-year-old Government school in Anekal, Bengaluru. We played a crucial role in demolishing the old building, constructing a new one, painting, compound wall, playground, auditorium, and drainage repairs.

Kaushalya

Providing Access to Medical Facilities

We have extended our partnership with Bharuch-based NGO Seva Yagna Samiti at our Panoli unit. Together, we provided ICU/ICCU facilities, timely diagnosis, medications, and hospitalisation for underprivileged individuals. This initiative has supported over 1,50,000 patients in six years.

1,50,000

PATIENTS BENEFITTED IN LAST 6 YEARS

We undertook infrastructure development at Dattawadi Nere Zilla Parishad School in Pune, including constructing toilets and an approach road. We also restored essential infrastructure to resume school activities.

Financial Aid to Disabled and Marginalised Children

We are supporting Adarne Charitable Trust in providing financial assistance for the education of disabled and marginalised children. This initiative aims to ensure that these children have access to the educational opportunities they deserve.

Enriching the Lives of Underprivileged Children

We have extended support to the Raginiben Bipinchandra Seva Karya Trust, enriching the lives of underprivileged children and families through diverse initiatives focused on healthcare, education, nutrition, livelihoods, women's empowerment, and youth development.

Menstrual Awareness Session

In collaboration with IAHV, the Pune R&T held two sessions on menstrual awareness for adolescent girls from the Zilla Parishad School of Maan Village. The aim was to provide education on menstruation. The Site HR, alongside the IAHV team, distributed hygiene kits to the girls, essential for maintaining good hygiene during menstruation, thus reducing the risk of reproductive tract infections. Approximately 80 schoolgirls attended the sessions, which also incorporated yoga, meditation, and exercises to promote physical fitness and vitality during menstruation.

80

SCHOOL GIRLS BENEFITTED

Rachna

Promoting and Conserving Indian Performing Arts

We have provided support to the NCPA in promoting and conserving Indian performing arts and literature. This initiative aims to preserve our rich cultural heritage and encourage artistic expression among diverse communities.

Support to the Museum of Art and Photography

We have provided support to the Museum of Art and Photography (MAP) in Bengaluru with an aim to enrich cultural experiences and foster appreciation for art and history in the community.

Supporting the Theoretical Art Education

We have extended support to Jnanapravaha Foundation, which provides theoretical art education courses accessible to children from all backgrounds, nurturing creativity and cultural appreciation across diverse communities.

Support to Chhatrapati Shivaji Maharaj Vastu Sangrahalaya

We have provided support to Chhatrapati Shivaji Maharaj Vastu Sangrahalaya in its efforts to conserve and promote our rich cultural art and heritage, ensuring its preservation for future generations to appreciate and learn from.

Sampark

Blood Donation Camp

The Panoli team organised a blood donation camp, partnering with Red Cross Hospital. Approximately 60 employees participated, demonstrating compassion and solidarity.

About 60 units of blood were collected, contributing significantly to healthcare emergencies.

60

UNITS OF BLOOD COLLECTED

Voluntary Donation Drive

The Pune R&T team organised a voluntary donation drive with Goodwill India during 'Value Week'. The drive aimed to support underprivileged communities with essential supplies. Employees showed commendable response and participation, with some purchasing new items for donation.

Bicycle Library for New English School

We launched a bicycle library project for New English School in Mahad, aimed to tackle transportation hurdles encountered by students, especially those from tribal backgrounds. Nearly 59 bicycles were gifted to the school. The primary goal was to offer a sustainable solution to transportation challenges, facilitating easier commuting for students to and from school.

59

BICYCLES DONATED TO SCHOOL



Visiting Old Age Home

As part of the community outreach commitment, the Pune R&T team undertook a touching visit to Prerna Bhawan, an old-age home and orphanage. This initiative deeply touched the employees and left a lasting impression on the lives of Prerna Bhawan's 162 residents. Dedicated members of the R&T team participated in the visit, sharing a valuable experience as they treated the residents to lunch and engaged with them meaningfully.

162

OLD AGE HOME RESIDENTS VISITED



A Sustainable Watershed Development Initiative in Mahad, Maharashtra



Hikal, in partnership with IAHV, has successfully implemented and is currently progressing with the Watershed Management Project in the Pimpalkond micro-watershed, Mahad, Maharashtra. This project, running from April 2024 to July 2025, aims to enhance water availability for crops, livestock, and human consumption through a community-led sustainable watershed development programme.

Project Details

- » Project Duration: April 2024 to July 2025
- » Location: Pimpalkond micro-watershed, Mahad, Maharashtra
- » Target Area: 750 hectares
- » Beneficiaries: Approximately 5,000 people (2,000 direct beneficiaries within the watershed and 3,000 downstream)

Project Implementation: The project has been executed through a comprehensive process involving technical assessments and active community participation. A detailed technical assessment identified key interventions required for effective watershed management. The initiative includes leadership training for local youth and awareness programmes on water conservation, ensuring the community's capability to manage and sustain improvements in water availability.

2,000
DIRECT BENEFICIARIES

3,000
DOWNSTREAM



Expected Benefits

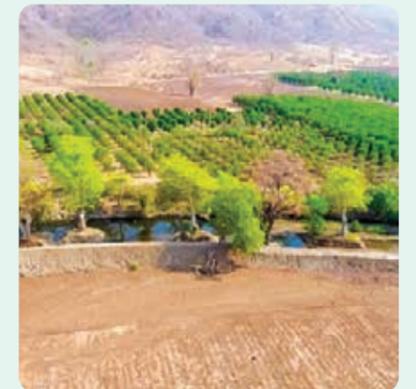
Enhanced Water Availability: Improved water resources for crops, livestock, and human consumption, addressing water scarcity in the region.

Rejuvenation of Water Bodies: Restoration of local water bodies, contributing to a healthier and more sustainable water ecosystem.

Community Empowerment: Leadership training and awareness programmes equip local communities with the knowledge and skills to maintain and sustain the watershed.

Long-term Sustainability: By fostering community involvement at every stage, the project ensures long-term sustainability, leading to a self-reliant and water-secure community.

Setting a Precedent: This project serves as a model for community-driven sustainable development, providing a blueprint for similar initiatives in the future. Upon completion, the Watershed Management Project is expected to significantly improve the local water ecosystem and set a precedent for sustainable, community-led environmental development. This initiative stands as a beacon of hope for the Mahad region, offering a pathway to a water-secure future.



GRI Content Index

Statement of use	Hikal Limited has reported the information cited in this GRI content index for the period 1 April 2023 to 31 March 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Section	Location
GRI 2: General Disclosures 2021	2-1 Organisational details	Who We Are	10-11
	2-2 Entities included in the organisation's sustainability reporting	About the Report	8
	2-3 Reporting period, frequency and contact point	About the Report	8
	2-6 Activities, value chain and other business relationships	Who We Are	10-11
	2-7 Employees	Growing Together, Diversity, Inclusion and Equal Opportunities	53-54
	2-9 Governance structure and composition	Ethical Business Practices and Governance	28-31
	2-11 Chair of the highest governance body	Board of Directors	29
	2-12 Role of the highest governance body in overseeing the management of impacts	Ethical Business Practices and Governance	28
	2-13 Delegation of responsibility for managing impacts	Our Policies	32
	2-15 Conflicts of interest	Message from the Chairman, The Way We Lead, Our Policies	5, 27, 32
	2-16 Communication of critical concerns	Our Policies, Mechanism to Address	33, 71
	2-17 Collective knowledge of the highest governance body	Board of Directors, Management Team	29, 31
	2-22 Statement on sustainable development strategy	Message from the Chairman, Our Sustainability Approach	2-5, 7
	2-23 Policy commitments	Our Policies	32
	2-24 Embedding policy commitments	Our Policies	32-33
	2-25 Processes to remediate negative impacts	Our Policies, Mechanism to Address Grievances	33, 71
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GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment	24
	3-2 List of material topics	Materiality Assessment	25
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Fostering comprehensive value	13
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Community Relations	72-76
	203-2 Significant indirect economic impacts	Community Relations	72-76
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainable Supply Chain	37
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-Corruption Policy	32
	205-2 Communication and training about anti-corruption policies and procedures	Anti-Corruption Policy	32
	205-3 Confirmed incidents of corruption and actions taken	Anti-Corruption Policy	32
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Energy Efficiency	43
	302-3 Energy intensity	Energy Efficiency	43
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water and Effluent Management	47
	303-5 Water consumption	Water and Effluent Management	47
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity Protection	49
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity Protection	49
	304-3 Habitats protected or restored	Biodiversity Protection	49
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity Protection	49
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy Efficiency and Carbon Emissions	42
	305-2 Energy indirect (Scope 2) GHG emissions	Energy Efficiency and Carbon Emissions	42
	305-4 GHG emissions intensity	Energy Efficiency and Carbon Emissions	42
	305-5 Reduction of GHG emissions	Energy Efficiency and Carbon Emissions	42
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Pollution	45
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management	46
	306-2 Management of significant waste-related impacts	Waste Management	46
	306-3 Waste generated	Waste Management	46
	306-4 Waste diverted from disposal	Waste Management	46
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainable Supply Chain	36-37



GRI Standard	Disclosure	Section	Location
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety	67-68
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	67-68
	403-3 Occupational health services	Occupational Health and Safety	69-70
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	69-70
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	403-6 Promotion of worker health	Occupational Health and Safety	69-70
	403-9 Work-related injuries	Occupational Health and Safety	67
	403-10 Work-related ill health	Occupational Health and Safety	67
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programmes	Employee Training and Development	63-65
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Training and Development	64-65
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Growing Together, Diversity, Inclusion and Equal Opportunities	53-54
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Key Highlights of 2023-24	9
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	Community Relations	72-76
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable Supply Chain	37
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Product Quality, Safety, and Labelling	38
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Integrity and Security	38



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