

## ESG AT HIKAL

# THE PURSUIT OF SUSTAINABLE GROWTH

We are committed to fostering enduring relationships and partnerships with our stakeholders. With a strong focus on good governance, we align our efforts with environmental and social considerations to drive meaningful outcomes.

## INSIDE THIS SECTION

Stakeholder Universe of Hikal	58
Materiality Assessment	60
Environment	68
Social	76
Governance	88

**Environment**

**75%**

OF THE TOTAL ELECTRICITY REQUIREMENT OF OUR BIGGEST SITE IS DERIVED FROM RENEWABLE RESOURCES

**Social**

**Zero**

SEXUAL HARASSMENT COMPLAINTS REGISTERED IN 2022-23

**Governance**

**20%**

WOMEN DIRECTORS

# Driving Change Together

WHO THEY ARE	 <h2>Investors</h2> <p>Provides capital to us in exchange for ownership or debt instruments.</p>	 <h2>Customers</h2> <p>Users of our products and services across a diverse set of industries.</p>	 <h2>Employees</h2> <p>Everyone either directly or indirectly employed by us to conduct our operations.</p>
HOW WE ENGAGE	<ul style="list-style-type: none"> <li>• Analyst meets</li> <li>• Quarterly calls, financial reports, and presentations</li> <li>• Annual General Meetings</li> <li>• Annual reports</li> <li>• Official communication channels: advertisements, publications, website, and social media</li> </ul>	<ul style="list-style-type: none"> <li>• Customer meetings</li> <li>• Official communication channels: advertisements, publications, website, and social media</li> <li>• Conferences and events</li> <li>• Customer feedback and satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>• Timely internal communications</li> <li>• Capability development programmes</li> <li>• Performance appraisal</li> <li>• Grievance redressal mechanisms</li> <li>• Wellness programmes</li> </ul>
WHAT WE DO FOR THEM	<p>Deliver superior returns through optimal utilisation of resources.</p> <ul style="list-style-type: none"> <li>• Sustainable growth</li> <li>• High standards of corporate governance and risk management</li> </ul>	<p>Provide best-in-class products and services.</p> <ul style="list-style-type: none"> <li>• Timely delivery</li> <li>• Wide range of high-quality products</li> <li>• Competitive pricing</li> <li>• Post-sales support</li> </ul>	<p>Create an empowering, inclusive, and safe workplace.</p> <ul style="list-style-type: none"> <li>• Fair wages and rewards</li> <li>• Improved work-life balance</li> <li>• Career growth</li> <li>• Safe, secure, and healthy work environment</li> </ul>



Our ability to generate lasting value relies on fostering enduring relationships with our stakeholders, built on mutual trust, respect, and transparency. We aim to cultivate, sustain, and enhance these relationships by addressing a variety of economic, environmental, and social concerns, thereby aligning our business and stakeholders toward a shared journey. Given below is a breakdown of how we engage with our stakeholders:



### Value Chain Partners

Those who have a direct working or contractual relationship or share mutual interest with us.

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

Create an inclusive ecosystem for growth.

- Timely payment
- Capacity building
- Transparency



### Communities

Those who live in areas where we have assets. For example, locals, schools, and charities.

- 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

Empower beneficiaries through our CSR activities.

- Infrastructure development
- Funding for community development
- Contribution to the local economies



### Government and Regulators

The local, regional, and national bodies regulate our actions.

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

Contributing towards creating a sustainable growth ecosystem.

- Aligning with the government to support economic development
- Continued contribution to the exchequer

# Matters that Shape Our Value Creation

We conducted a materiality assessment for the first time to identify topics that could potentially affect the value we create over time.

This assessment identifies and prioritises our material topics based on their impact on our ability to create value (inward-focused), as well as their impact on society, communities, and the environment (outward-focused). The outcome of this process guided the content of our ESG section in this year's Annual Report.

Below, we provide an overview of the assessment we conducted in 2022-23 to identify our material matters:

## MATERIALITY ASSESSMENT METHODOLOGY



## ENVIRONMENT



### ENERGY EFFICIENCY AND CARBON EMISSIONS

#### Capitals Impacted



#### Stakeholder Impacted



#### Why this is Important

Energy efficiency and carbon emissions pose risks and opportunities for us. Neglecting these issues leads to regulatory pressures, fines, and reputational damage.

However, embracing efficiency and reducing emissions enhances our reputation, attracts eco-

conscious customers, and improves competitiveness. Sustainable practices save costs and improve efficiency. Prioritising energy efficiency and emissions aligns with our environmental goals, driving growth and sustainability.



### WASTE MANAGEMENT

#### Capitals Impacted



#### Stakeholder Impacted



#### Why this is Important

Inadequate waste management poses risks to our organisation and the environment. Improper waste handling risks of environmental harm, health hazards, and non-compliance.

Addressing these risks is crucial to avoid penalties, reputation damage, and strained relationships. Effective management brings financial and environmental benefits, enhancing our position in the sector.



### WATER AND EFFLUENT MANAGEMENT

#### Capitals Impacted



#### Stakeholder Impacted



#### Why this is Important

Water scarcity and pollution pose risks to our organisation and the environment. Insufficient water availability disrupts operations, raises costs, and jeopardises well-being.

Addressing these risks is crucial to avoid penalties, reputation damage, and strained relationships. Effective management brings financial and environmental benefits, enhancing our position in the sector.

- |                      |                      |                                 |
|----------------------|----------------------|---------------------------------|
| Financial Capital    | Intellectual Capital | Social and Relationship Capital |
| Manufactured Capital | Human Capital        | Natural Capital                 |
| Investors            | Customers            | Employees                       |
| Value Chain Partners | Communities          | Government and Regulators       |



**BIODIVERSITY PROTECTION**

**Capitals Impacted**



**Stakeholder Impacted**



**Why this is Important**

We understand that business operations have an impact on biodiversity. Pollution and contamination worsen the situation, impacting species diversity and

ecological balance. Addressing these risks is crucial to safeguard biodiversity and promote responsible practices in our industry.



**AIR POLLUTION**

**Capitals Impacted**



**Stakeholder Impacted**



**Why this is Important**

Air pollution poses risks and opportunities for us. Neglecting these issues leads to regulatory pressures, fines, and reputational damage.

However, reducing emissions enhances our reputation, attracts

eco-conscious customers, and improves competitiveness.

Sustainable practices save costs and improve efficiency. Prioritising emission management aligns with our environmental goals, driving growth and sustainability.



**GREEN CHEMISTRY**

**Capitals Impacted**



**Stakeholder Impacted**



**Why this is Important**

Embracing green chemistry offers our organisation numerous opportunities. It showcases our commitment to sustainability, ensures compliance with regulations, brings cost savings through efficient processes, fosters innovation, and differentiates us in the market with sustainable products.

It opens doors to new markets and customers seeking eco-friendly options, reduces risk associated with hazardous substances, strengthens supply chain resilience, and contributes to long-term sustainability by conserving resources and minimising environmental impact.

- Financial Capital
- Intellectual Capital
- Social and Relationship Capital
- Manufactured Capital
- Human Capital
- Natural Capital
- Investors
- Customers
- Employees
- Value Chain Partners
- Communities
- Government and Regulators

## SOCIAL



### DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES

Capitals Impacted	Why this is Important	
	Embracing diversity, inclusion, and equal opportunities brings significant advantages to our Company.	ensures regulatory compliance, and drives research and development innovation.
Stakeholder Impacted	Prioritising these principles fosters innovation, expands our talent pool, improves decision-making, boosts employee engagement and retention, enhances our reputation,	By embracing diversity and inclusion, we cultivate a culture of success, competitiveness, and long-term sustainability while contributing to a more equitable and inclusive society.
		



### EMPLOYEE WELL-BEING, BENEFITS AND RETENTION

Capitals Impacted	Why this is Important	
	Prioritising employee well-being, benefits, and skill development offers significant opportunities for our organisation. By creating a positive work environment that supports physical and mental health, providing benefits and flexible arrangements, and offering skill	development opportunities, we enhance job satisfaction, retention, and engagement, and attract top talent. This fosters a culture of continuous learning and growth, boosting productivity, performance, competitiveness, and long-term success.
Stakeholder Impacted		
		



### OCCUPATIONAL HEALTH AND SAFETY

Capitals Impacted	Why this is Important	
	Occupational health and safety are critical risks for our organisation. Neglecting a safe working environment leads to accidents, injuries, and illnesses, impacting employee well-being, morale, productivity, and absenteeism.	Non-compliance results in legal liabilities, fines, penalties, and reputational damage. Investment in occupational health and safety ensures the well-being of our workforce and safeguards our success.
Stakeholder Impacted		
		

- |  |  |   |
|--|--|---|
|  Financial Capital    |  Intellectual Capital |  Social and Relationship Capital |
|  Manufactured Capital |  Human Capital        |  Natural Capital                 |
|  Investors            |  Customers            |  Employees                       |
|  Value Chain Partners |  Communities          |  Government and Regulators       |



HUMAN RIGHTS AND COMMUNITY RELATIONS

**Capitals Impacted**



**Why this is Important**

Human rights violations or perceived violations pose a significant risk to our organisation, causing reputational damage, legal consequences, and loss of stakeholder trust. Thus, respecting human rights, complying with laws, and addressing grievances transparently is crucial. On the other hand, community development

offers opportunities. Engaging in initiatives such as education, skills training, and infrastructure development builds relationships, enhances reputation, and creates a positive social impact, leading to community support, market access, and long-term sustainability.

**Stakeholder Impacted**



- Financial Capital
- Intellectual Capital
- Social and Relationship Capital
- Manufactured Capital
- Human Capital
- Natural Capital
- Investors
- Customers
- Employees
- Value Chain Partners
- Communities
- Government and Regulators

## GOVERNANCE



### PRODUCT QUALITY, SAFETY AND LABELLING

Capitals Impacted	Why this is Important	
 <b>Stakeholder Impacted</b> 	<p>In the chemical sector, product quality, safety, and labelling are significant risks. Inadequate control measures can lead to defects or hazards, causing legal liabilities and reputational damage.</p>	<p>Misleading labelling may result in consumer misuse. Implementing robust quality control, safety protocols, and accurate labelling ensures compliance and consumer trust.</p>



### RESEARCH AND INNOVATION

Capitals Impacted	Why this is Important	
 <b>Stakeholder Impacted</b> 	<p>Investing in research and fostering innovation keeps us ahead in technology, addressing market needs. Research improves operations and production efficiency.</p>	<p>Innovation differentiates us, attracting partners and investors, enhancing our reputation, and seizing business opportunities. Prioritising research and innovation drive sustainable growth and adaptability.</p>



### SUSTAINABLE SUPPLY CHAIN

Capitals Impacted	Why this is Important	
 <b>Stakeholder Impacted</b> 	<p>Focusing on supply chain sustainability enhances competitiveness, reduces risks, and aligns with consumer preferences. Sustainable practices minimise environmental impact, conserve</p>	<p>resources, and meet regulatory requirements. It fosters strong supplier relationships, innovation, and continuity. Embracing sustainability improves efficiency, reputation, and long-term success.</p>

- |  |  |   |
|--|--|---|
|  Financial Capital    |  Intellectual Capital |  Social and Relationship Capital |
|  Manufactured Capital |  Human Capital        |  Natural Capital                 |
|  Investors            |  Customers            |  Employees                       |
|  Value Chain Partners |  Communities          |  Government and Regulators       |

 SUSTAINABLE FINANCIAL PERFORMANCE

Capitals Impacted	Why this is Important	
 <b>Stakeholder Impacted</b> 	Integrating sustainability into financial strategies offers opportunities. It reduces costs, enhances reputation, attracts investors, and ensures long-term viability. Sustainable performance	anticipates market trends and regulatory requirements, building trust and competitiveness while creating value for stakeholders and society.

 REGULATORY COMPLIANCE

Capitals Impacted	Why this is Important	
 <b>Stakeholder Impacted</b> 	Regulatory compliance and ethical business practices offer opportunities to our organisation. Adhering to regulations enhances reputation, and attracts responsible investors and customers. Compliance mitigates legal risks and maintains a positive	image. Ethical practices foster trust, accountability, and governance, promoting sustainability and resilience. Prioritising compliance and ethics differentiates us, attracts opportunities, and earns stakeholder trust in the industry.

 DATA INTEGRITY AND SECURITY

Capitals Impacted	Why this is Important	
 <b>Stakeholder Impacted</b> 	Data integrity and security are crucial for protecting valuable assets and maintaining stakeholder trust. Breaches or unauthorised access can lead to financial losses, reputation damage, and legal liabilities. Data integrity issues undermine decision-	making and operational efficiency. Implementing robust security measures and employee awareness programmes mitigate risks and safeguard data assets, reputation, and competitive position.

-  Financial Capital
-  Intellectual Capital
-  Social and Relationship Capital
-  Manufactured Capital
-  Human Capital
-  Natural Capital
-  Investors
-  Customers
-  Employees
-  Value Chain Partners
-  Communities
-  Government and Regulators

 **RISK MANAGEMENT AND BUSINESS CONTINUITY**

Capitals Impacted	Why this is Important	
	Risk management and business continuity pose both risks and opportunities. Inadequate management can lead to accidents, disruptions, non-compliance, and reputational damage. Prioritising risk assessment, safety protocols, emergency plans, and supply chain	resilience minimises incidents, protects stakeholders, and enhances trust.
Stakeholder Impacted		Effective business continuity planning ensures swift response, essential operations, and efficient recovery, securing long-term sustainability and success.
		

 **CUSTOMER ENGAGEMENT**

Capitals Impacted	Why this is Important	
	Customer engagement presents a significant opportunity for our organisation. By actively engaging with customers, we can gain valuable	insights into their needs, preferences, and challenges. This enables us to develop products that meet specific customer requirements.
Stakeholder Impacted		
		



- |  |  |   |
|--|--|---|
|  Financial Capital    |  Intellectual Capital |  Social and Relationship Capital |
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|  Investors            |  Customers            |  Employees                       |
|  Value Chain Partners |  Communities          |  Government and Regulators       |

# COMMITTED TO A GREENER FUTURE

In line with our vision, we consistently strive to minimise our carbon footprint throughout our operations. We strive to offer green chemistry products, reduce resource dependence, conserve energy and water, control emissions and minimise waste.

## Material Topics Covered



**Energy Efficiency and Carbon Emissions**



**Waste Management**



**Water and Effluent Management**



**Biodiversity Protection**



**Air Pollution**



**Green Chemistry**

## Highlights 2022-23

**17,176** MTCO<sub>2</sub>e

EMISSIONS REDUCTION DUE TO RENEWABLE ENERGY PROJECTS

**₹35.43** mn

YEARLY SAVINGS DUE TO INVESTMENTS IN ENERGY EFFICIENCY

**32,255** GJ

WASTE RECYCLED





## Energy Efficiency and Carbon Emissions

Energy management is one of the key strategic areas in our pursuit of sustainability in our operations. Energy consumption is not only the main source of emissions but also has a direct implication on our operational costs. Our energy management strategy involves the following:

### **Increasing Energy Efficiency**

This primarily involves reducing the quantity of energy used in our operations by process optimisation, using energy-efficient technology, and conserving energy through activities like recovering waste heat among others.

### **Increasing the Share of Renewable Energy**

We have made significant investments in transitioning to renewable energy through solar and wind projects.

In 2022-23, total electricity consumption stood at 14,14,586 GJ, out of which 3,61,860 GJ was energy consumption and 10,52,725 GJ was fuel consumption.



**Transitioning to Net Zero**

Aligning our emissions management strategy with the global goals of minimising carbon footprint and mitigating climate change risks, we have formulated a decarbonisation strategy to streamline our

processes. Reducing GHG emissions is not only a business imperative for us at Hikal, but also forms a vital part of our environmental stewardship.

**Decarbonisation Strategy**

**1**

**Define**

Our unique approach to mitigating the impact of our operations.

**2**

**Setting Baseline**

Establish Scope 1 and Scope 2 emissions baseline.

**3**

**Deliver on our Climate Commitments**

Set well-defined decarbonisation roadmap with Scope 1 and Scope 2 targets.

**Tracking our progress**

**4.21**

TOTAL SCOPE 1 AND SCOPE 2 EMISSIONS PER RUPEE OF TURNOVER IN 2022-23

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

**Scope 3 Emissions**

During 2022-23, we have initiated the process for Scope 3 data collection.



## Energy Efficiency

We are implementing energy efficiency measures across our facilities and operations. This includes optimising our production processes, upgrading equipment and machinery, and implementing energy management systems to monitor and reduce energy consumption.

We have an Energy Conservation Committee (EnCon) at the corporate level, driving various initiatives across our facilities for achieving long-term sustainability.

## Crop Protection Division



**₹31.73 mn**  
 YEARLY SAVINGS

**₹23.16 mn**  
 INVESTMENTS MADE

### Initiatives

- FO boiler burner replacement for enhancing efficiency.
- Waste heat recovery from flue gas by Economiser installation.
- Briquette boiler capacity and efficiency improvement.
- Air compressor stoppage by optimising airflow.
- Chiller performance improvement by online condenser cleaning installations.
- Water saving initiatives in cooling tower blowdown.
- Energy-saving initiatives in the chiller unit to improve its performance.
- Installation of Dry Vacuum pumps.
- Heat recovery initiatives by condensate recovery and generation of hot water.
- Energy-intensive pumps were reviewed for its head and flow to optimise.
- Use of centrifugal compressor in place of screw compressor for chilling plant.
- Utilities layout was revised to optimise the energy consumption of circulation pumps of the cooling tower and chilling plant.
- Prevention of heat loss in steam pipes by choosing the right size of pipes.
- New system design of HCl scrubber to produce 32% concentration.

Pharmaceutical Division

**Initiatives**

- Pumping power optimisation by various means
- Installation of waste heat recovery system
- Pumping power optimisation in RO pump
- Cooling tower usage optimisation
- VFD installation in cooling tower pump

**₹0.2 mn**  
INVESTMENTS MADE

**₹3.7 mn**  
YEARLY SAVINGS



**Renewable Energy**

We have been constantly working on purchasing green energy at our locations. During 2022-23, we signed a long-term Power Purchase Agreement (PPA) with two solar power developers of 9.5 MW and 3.2 MW for Taloja and Mahad units respectively.

We also signed an agreement to procure renewable energy from a hybrid (wind and solar) project of 4.8 MW for our Panoli unit. For 2023-24, we have initiated the process to identify a renewable energy project partner for our Jigani unit.

**7,97,758 GJ**  
RENEWABLE ENERGY USED

**75%**  
OF THE TOTAL ELECTRICITY REQUIREMENT OF OUR BIGGEST SITE IS DERIVED FROM RENEWABLE RESOURCES



## Waste Management

We have been consistently enhancing our waste management practices and have embedded them within our circular economy approach. We follow the 3R concept of 'Reduce, Reuse and Recycle' and have defined standard operating procedures for handling hazardous, non-hazardous, e-waste, and bio-medical wastes.

During the year under review, we have started to use recovered solvents in the process to reduce fresh solvent consumption. We have a dedicated lab working exclusively on waste treatability studies. We also have been conducting periodic inspections to implement necessary changes, making them more efficient and environmentally friendly. We have implemented 'Wealth from Waste' programme which aims to identify waste that can be reduced, reused, or recycled.

**32,255 GJ**

WASTE RECYCLED IN 2022-23

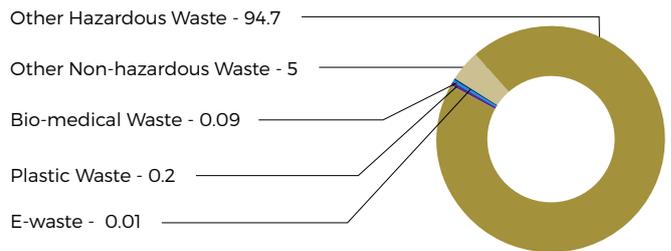
**₹214.6 mn**

INVESTMENTS MADE TO ENHANCE  
 EFFLUENT TREATMENT IN 2022-23



### Waste Generated by Type

(%)



The hazardous waste generated from our operations is disposed of in an environmentally sound manner to authorised recyclers, the cement industry, and Common Hazardous Waste collection, Treatment, Storage & Disposal Facilities (CHWTSDF). Similarly, 100% of the e-waste generated is sold to authorised vendors. Plastic waste is also recycled through authorised recyclers.



## Water and Effluent Management

Water is a critical natural resource that is important to our business operations, and we recognise the need of its responsible management for long-term sustainability.

We source surface water either from rivers or lakes from Government Industrial Development Authority. As part of our initiatives this year, we have reduced our freshwater consumption because of recycling through Zero Liquid Discharge (ZLD) and improving steam recovery.

### Water Recycling Initiatives

- Multi-Effect Evaporators and Reverse Osmosis units are installed at pharma sites to achieve ZLD
- At Crop Protection sites, process water is recycled for washing at an intermediate stage

### Water Conservation Initiatives

- Process optimisation to reduce water consumption per batch
- Rainwater harvesting
- Minimising quantity of boiler and cooling tower blowdown by using proper water treatment regime at our plants
- Imparting awareness training on water conservation
- Reverse osmosis system at ETP outlet water



### Biodiversity Protection

Our Jigani unit is in close proximity to an ecologically sensitive area - Bannerghatta National Park. We are cognisant of the impact that our operations can have on the local biodiversity and take proactive steps

to minimise any negative effects. Our stakeholder engagement process helps us to identify and act on opportunities to preserve the ecosystems near the areas where we operate.

#### Case study

##### Ecological Protection near Our Jigani Plant

To conserve the ecology near our Jigani plant, we continued our partnership with the International Association for Human Values (IAHV) for the development work of Yallammanadoddi Lake. About 2,600 people from three villages in the surrounding area are directly dependent on this lake for water. However, the accumulation of mud, waste, and weeds made the lake unfit for direct domestic use.

In collaboration with the villagers, we completed and inaugurated the project. This has resulted in an increase in the water capacity of the lake by four times.

**2,600**  
BENEFICIARIES  
IN 2022-23

**30,000**  
BENEFICIARIES OVER  
THE PROPOSED  
LIFECYCLE OF 15 YEARS

##### Afforestation Project at Navi Mumbai

Mumbai, a Tier I city, has a large ecological footprint because of population pressures and the demands of urbanisation.

In line with this concern, we continued our partnership with International Association for Human Values (IAHV) to develop an urban forest over 33 acres of land at Rabale, Navi Mumbai. The forest site has been designed using a scientific approach and around 14,000 plants of over 50 species have been planted and many of them have been geo-tagged.

**200**  
SAPLINGS PLANTED  
IN 2022-23

**1,000**  
SAPLINGS EXPECTED TO  
BE PLANTED OVER THE  
PROJECT LIFECYCLE

#### Lake Rejuvenation Project





## Air Pollution

We have installed appropriate systems to control the generation of emissions from boilers, diesel generators, and scrubbers at our operations.

These include a bag house for the boiler stack and the use of express feeder at all factories in the industrial area for uninterrupted power supply, thereby minimising the use of diesel generators.

We have continuous air monitoring systems at pharma units located in Bengaluru. Online Monitoring of Industrial Emission & Effluent (OCEMS) at the Effluent Treatment Plant outlet measures pH, COD, BOD, TSS, Inlet Flow, and Outlet Flow while OCEMS installed at boiler stack emission measures PM and SOx and NOx.

At Crop Protection units, we conduct ambient air quality monitoring on a monthly basis through MOEF approved agency to measure parameters such as PM, SO<sub>2</sub>, NO<sub>2</sub>, NH<sub>3</sub>, CO, etc. Ambient air monitoring is carried out on 24 hours basis at multiple locations inside the factory premises.

### Emissions, 2022-23, MT

Particulars	Units
SOx	4.74
NOx	33.24



# BUILDING ENDURING RELATIONSHIPS



Building harmonious relationships and partnerships on trust have been our guiding principles over the years. These principles have enabled us to create unparalleled, transformational value for our communities, partners, customers, and other stakeholders.

## Material Topics Covered



**Diversity, Inclusion,  
and Equal  
Opportunities**



**Employee  
Well-being, Benefits,  
and Retention**



**Occupational Health  
and Safety**



**Human Rights  
and Community  
Relations**



**Skill Development**

## Highlights 2022-23

**80%**

RETENTION RATE

**Zero**

FATALITIES

**80%**

PERMANENT EMPLOYEES  
HAVE BEEN PROVIDED TRAINING  
ON HUMAN RIGHTS



### Hikal Women's Forum

Hikal Women's Forum serves as a platform for the Company's female employees to unite, support one another in reaching new heights, and make deliberate efforts to advance the organisation as a whole.

#### Initiatives:

- The Women's Forum hosted an impactful training session on 22 December 2022, raising awareness on menstrual cycle, breast cancer, and thalassemia. The session was led by external expert Malti Joshi, who brings over 25 years of expertise in the field of medicine. This training empowered participants with crucial knowledge to promote women's health and well-being.
- An impactful Financial Investment session for women employees at Panoli's Women's Forum took place on 23 January 2023. Over 25 participants gained valuable knowledge on becoming financially independent and securing their future through personal investments. The session covered various investment platforms such as SIP, Mutual Funds, Life Insurance, Health Insurance, and more.
- The Forum also organised a training session on Fire Fighting for women employees at Panoli on 9 February 2023, aiming to train them with self-defense techniques.



### Employees

Our employees, whose passion and innovation power our Company, are key-value enhancers for us. We invest in developing a culture that recognises talent, and instil quality, client-centricity, and innovation as part of our transformational path. The cornerstones of our people management strategy are enhancing employee capacities and encouraging ownership, empathy, and excellence.

**6.2%**

WOMEN AMONGST TOTAL EMPLOYEES



### Diversity, Inclusion, and Equal Opportunities

We believe, diversity and inclusion is crucial in strengthening our culture of excellence. We nurture a diverse workplace irrespective of any social identifiers, providing equitable opportunity for all.

### Sexual Harassment

We have a strict sexual harassment policy in place. The purpose of the policy is to create a safe and inclusive work environment, free from prejudice, gender bias, and sexual harassment. We have established an Internal Complaint Committee (ICC) responsible for investigating complaints, maintaining confidentiality, and recommending appropriate actions. We maintain confidentiality throughout the investigatory process and pledge to provide necessary support to those affected. We also follow POSH to eliminate gender-based discrimination and ensure the dignity of individuals in the workplace.

**6.2%**

WOMEN AMONGST TOTAL EMPLOYEES

**21.8%**

WOMEN EMPLOYEES IN CORPORATE OFFICES

**Zero**

SEXUAL HARASSMENT COMPLAINTS REGISTERED IN 2022-23



## Employee Well-being, Benefits, and Retention

### Employee Welfare and Engagement

We recognise the importance of employee engagement and welfare as essential components of our organisational success. We are committed to foster a sense of belonging, and empower our employees, promoting their overall well-being.

#### Benefits

- Paid time off
- Flexible working hours
- Paid Parental leaves
- Health insurance



#### Tarang - Campus to Corporate

Under our Tarang - Campus to Corporate programme, an industrial visit for students and faculty members from ITI centre, was organised at our Mahad site. The agenda was to brief the students on electrical systems used in our industry, giving them an opportunity to have an enriching practical learning experience.

Employee Engagement Programmes

### How We Engage Our Employees

**Company-wide Events**

Values Week



Safety Week

**Our Initiatives**











### Employee Wellness Programmes

#### Ojas – Employee Wellness Programme

Ojas is dedicated to prioritising the health and well-being of our employees. With a targeted range of activities, including Yoga, Zumba, and other wellness programmes, Ojas aims to create an environment that nurtures good habits and supports our employees in achieving optimal health.


HIKAL

Creating a Culture of Healthy Workplace










HIKAL LIMITED ANNUAL REPORT 2022-23



Annual Health Check-up



Session on Stress Management



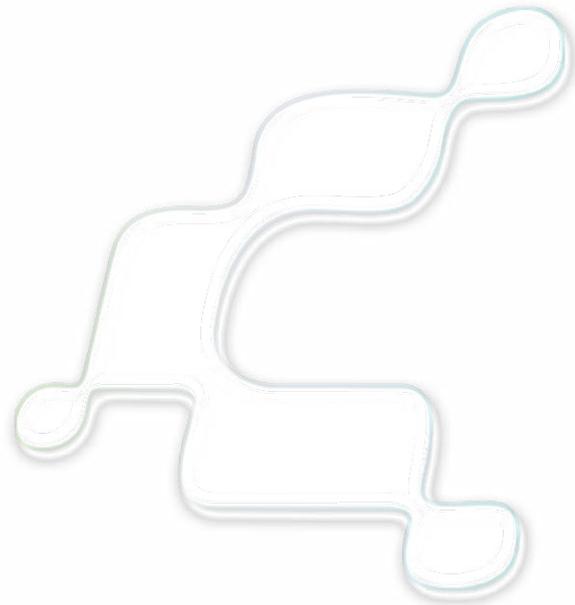
Yoga Session



Awareness Session on Diabetes



Zumba and Yoga Session



### Parigyaan – Employee Recognition

Parigyaan, our rewards and recognition programme, validates the collective accomplishments, efforts, and achievements of our on-roll employees.

#### Awards under Parigyaan

Spot Award

Innovation Award

Team of the Month Award

Safety Champion of the Month Award

Employee of the Month Award

Department of the Month Award

Lab of the Year Award

Rising Star of the Month Award



### Learning and Development (L&D)

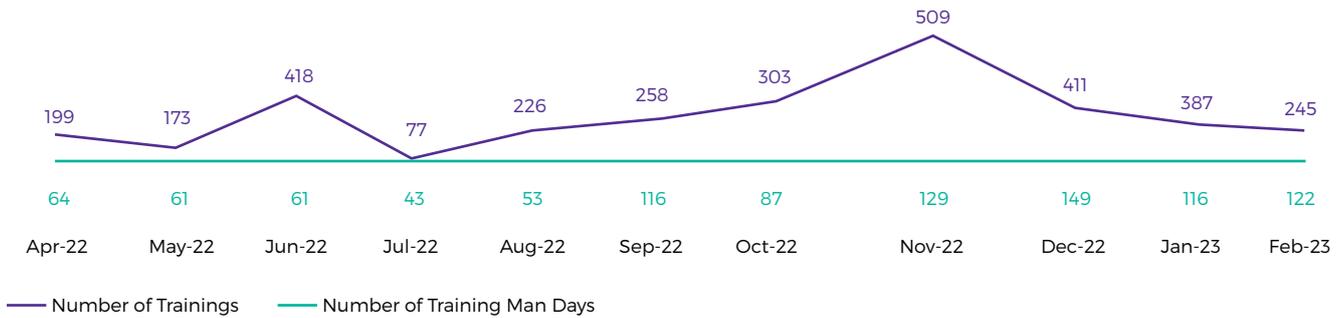
At Hikal, we believe that investing in our employees' growth and skill development is crucial for maximising productivity, capabilities, and creating value for all our stakeholders. Through various learning tools and interventions, we establish a culture of continuous learning and professional growth within our organisation.

During 2022-23, we launched Hikal Academy, a new L&D initiative, to drive capability building throughout the organisation across all sites and levels through our three chapters – Technical, Leadership, and Excellence.

## Technical Chapter

During the year under review, we conducted technical training on a wide range of topics varying from first-aid to uncertainty measurement.

### Technical Trainings - Month-wise



### Train the Trainer

With the intention of enabling our internal subject matter experts to share their knowledge throughout the organisation. We helped them in understanding the format of preparing a presentation, allowing them to tailor content to specific needs.

### mySetu Training

During 2022-23, we organised an incident management training module, to help our employees get a better understanding of raising and reviewing incidents, risk assessment, investigation, and task performance.

### IMS – Internal Auditor Training

This intensive course offered invaluable hands-on training for internal audit requirements. It provided participants with the necessary skills and practical experience to effectively plan, execute, and report internal audits. The training focused on understanding the role and acquiring expertise in conducting baseline audits based on key principles of ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018.

### Leadership Chapter

#### Unnati

During 2022-23, we launched a unique mentoring programme of four months at our Taloja and Mahad units to foster a positive feedback loop of learning throughout our organisation.

#### Executive Coaching

We continued training our fifth batch of executive coaching – a tailored intervention in talent development – for nine executives of Hikal. This programme will help leaders understand their competencies and enhance their focus on achieving their career goals.

## Excellence Chapter

### POSH Training

Multiple mandatory workshops on POSH - Prevention of Sexual Harassment - were rolled out for all Hikalites in the month of October and November 2022. The workshop is designed to create awareness about the organisation's zero-tolerance stand on sexual harassment in the workplace.

### Excel Training

A 3-day modular training was held to understand the functionalities and use of Excel. It was organised by the Hikal Academy, facilitated by an external trainer on Excel functions that can be used on a day-to-day basis were covered in this workshop.



## Occupational Health and Safety

At Hikal, we prioritise the safety and well-being of our employees. Our facilities have ISO 45001/ISO 14001/Responsible Care certification, ensuring the best standards of health and safety in our operations.

We have implemented various programmes such as 'Surakshapath' which is a behaviour-based safety programme to minimise behavioural risk. We have other safety awareness programmes such as 'One Minute for Safety', 'EHS Induction', and 'Weekly Wet Drills' among others to enhance safety at our workplace.

### How We Ensure the Health and Safety of Our Employees

#### Our Platforms/ Systems

mySetu EHS Portal

#### Our Initiatives

One Minute Safety Programme



**Hazard Identification**

At our organisation, we have established comprehensive systems to proactively identify and assess work-related hazards and risks. We employ a Hazard Identification and Risk Assessment (HIRA) process for both routine and non-routine activities, as well as Hazard Operability (HAZOP) techniques specifically tailored to address process-related hazards across all our facilities.

To ensure the utmost safety, we have a dedicated EHS team at each facility. These teams are responsible for identifying, assessing, and mitigating risks, as well as monitoring the implementation of safety measures. Regular safety inspections are conducted on a weekly basis, allowing us to maintain a vigilant approach to safety. Furthermore, we provide ongoing training to our employees and workers to enhance their awareness of safety aspects.

**Initiatives implanted in 2022-23**

- Vertical fall arrestor provided for tankers unloading area and briquettes unloading area
- Lower Explosive Limit 'LEL' sensors are provided at raw material warehouses and storage tank farm areas
- Confined rescue kits were provided for work in confined spaces
- Flood Emergency Control Rescue kits were procured, and training sessions were conducted
- Fire-rated cabinet provided for storage of flammable solvents in labs
- Fixed oxygen sensors were installed in labs near Nitrogen (N2) connection points
- Fixed online sensors for hazardous and toxic gas like Cl2, NH3 are installed for early detection
- All hazardous chemical storage is equipped with emergency equipment like spillage kits, sprinklers, dyke walls, etc.
- Emergency Rescue team is constituted, and appropriate training is provided.

**Health and Safety Performance\***

Particulars	2022-23	2022-21
LTIFR	0.3	0
Total recordable work-related injuries	1	0
Number of fatalities	0	0
High consequence work-related injury	0	0

\*Note: For workers



**Government and Regulators**

We collaborate and align with national and international priorities and participate in multi-stakeholder engagements and when relevant, respond to public consultations.

Our associations with top industry bodies as well as government bodies enable us to voice concerns as well as help initiate necessary changes. Some of the trade and industry chambers/associations we are associated with are:

- The Confederation of Indian Industry
- The Federation of Indian Chambers of Commerce & Industry
- Indian Merchants Chamber
- National Safety Council
- Indian Chemical Council
- Pesticides Manufacturers & Formulators Association of India
- Crop Care Federation of India
- Agro Chem Federation of India



**Human Rights and Community Relations**

**Respecting Human Rights**

At our organisation, we firmly believe in upholding human rights as a core value. Our 'No Child or Forced Labour Policy' ensures that individuals under 18 are not employed. We conduct annual audits, conducted by our internal audit and EHS departments, to verify compliance.

We recognise the importance of employee unions in safeguarding workers' interests. Our organisation fully supports the freedom of association and the right to form and join unions, as protected by international labour standards.

We are in the process of initiating human rights due diligence through an independent agency to identify potential human-rights related risks in our operations and implement necessary measures to prevent or mitigate the identified risks.

**80%**  
PERMANENT  
EMPLOYEES HAVE BEEN  
PROVIDED TRAINING  
ON HUMAN RIGHTS

**100%**  
PERMANENT WORKERS  
ARE ASSOCIATED  
WITH A UNION



## Community Development

We are committed to creating shared value for communities in the vicinity of our operating areas. Our CSR program, 'Srijan', is an integral part of the Company's sustainable growth and development. We partner with non-governmental organisations (NGOs)

in areas like secondary education, skill development, employability and infrastructure development, healthcare, sanitation, environmental sustainability, and the protection of national heritage, art, and culture.



### Anahat

Environment and ecology protection



### Medha

Education and skill development



### Kaushalya

Healthcare and sanitation



### Rachna

Protection of national heritage, art, and culture



### Sampark

Employee contribution

## Environment and Ecology Protection (Anahat)

### Continuation of Partnership for the Tetvali Afforestation Project at Rabale

In partnership with the International Association of Human Values (IAHV), we embarked on an afforestation initiative to establish an urban forest in Tetvali, Rabale, Navi Mumbai. Our primary goal in this project is to enhance the environmental well-being of the city.

The journey began in August 2017, when we initiated the planting of numerous trees, representing a diverse array of 50 different species. To ensure effective monitoring, some of the trees were geotagged, enabling us to keep a close watch on their growth and progress. Since January 2017, we have remained fully committed to this endeavour, actively engaging in tree plantation and conservation activities.

**14,000**  
TREES PLANTED

## Appreciation of the Yellammanadoddi Lake Development Work

As part of our CSR initiatives, our Jigani team took on a transformative project to enhance a nearby lake and provide a clean water source for the residents of the neighbouring village. Through our collective efforts, we successfully increased the water holding capacity of the lake, ensuring a sustainable and year-round water supply for the community. The villagers expressed their happiness and deep gratitude for our commendable endeavours in improving their living conditions.

The success of this impactful initiative garnered attention from prominent Kannada newspapers in Bengaluru, including Anekal Suddi Local News Channel, Praja Vani, Vijaya Vani, and Samyuktha

One of our team members, received recognition and appreciation from the Gram Panchayat Members for his significant contributions to the project. He was honoured with a Certificate of Appreciation for his dedication and hard work.



Karnataka, highlighting the positive impact we made in the community through our efforts.

**Education and Skill Development (Medha)**

We firmly believe that education and skill development have a transformative impact, unlocking the true potential of individuals. As part of our efforts to promote education and skill enhancement, we focus on initiatives in primary and secondary education, vocational training, and the improvement of school infrastructure.

**District-level Sports Competition**

In a heartwarming collaboration with Aai Day Care Sanstha and the Social Welfare Department in Alibaug, we proudly supported the organisation of a District-level Sports Competition, held in observance of the International Day of Persons with Disabilities and took place in Pen, Raigad. The event featured a range of sports activities, including races of 25, 50, and 100 meters among others. Witnessing the children's boundless enthusiasm and excitement as they showcased their talents was truly inspiring.

**450**

STUDENTS FROM 14 DIFFERENT SCHOOLS ACROSS THE RAIGAD DISTRICT

**Youth Leadership Training Programme at Mahad**

Over the past four years, we have collaborated with IAHV (International Association for Human Values) to implement integrated development initiatives in Sutarkond Village, Mahad. Through our joint efforts, we have witnessed transformative changes in the lives of the local community members. Our focus

on infrastructure building, capacity building, and engaging the youth in the development process has yielded substantial positive outcomes.

**24**

VILLAGERS ATTENDED THE YOUTH LEADERSHIP TRAINING PROGRAMME (YLTP)

**Support in Establishing Chemistry Lab at ZP School, Varandh at Mahad**

We partnered with the IAHV team to embark on a significant project aimed at supporting a local school in developing its science lab. The project's focus was on providing essential equipment, including glassware, and improving facilities to create an enriched learning environment for the students. Through our collaborative efforts, we sought to enable more students to have access to practical, hands-on learning experiences.

**122**

STUDENTS BENEFITTED

**Infrastructure Development of the Dattawadi Nere ZP School at Pune**

Our dedicated initiatives have resulted in remarkable improvements in the sanitation units and essential facilities at the Anganwadi centre, demonstrating their transformative power. Our focus on enhancing the sanitation units led us to develop and equip playfields



with outdoor playground equipment, providing a conducive environment for children's physical activities.

Moreover, we installed a broadband internet connection and a Smart TV with e-learning applications, further enriching the learning experience for the children. To ensure comfort and convenience, we provided tables and chairs for the centre, creating a conducive space for education and interaction. We also equipped the centre with weighing scales for mothers and children, along with a stadiometer, to enhance care and development services. These thoughtful additions have made a positive impact on the overall well-being of the children and their families.

The comprehensive development work undertaken has been met with immense appreciation from the school administration and staff, underscoring the

significance of our initiatives in promoting better facilities and opportunities for the community.

**160**  
 STUDENTS BENEFITTED

**Support to The Akshaya Patra Foundation for Providing Mid-day Meals to Underprivileged Children in Jigani**

In collaboration with the Akshaya Patra Foundation, we are actively engaged in a special initiative aimed at tackling classroom hunger among underprivileged children in government schools. This noble mission receives support from the government, corporations,



businessmen, and philanthropists, and we take immense pride in our contribution to this cause. Our efforts in providing mid-day meals have been warmly received and highly appreciated by the community.

**455** children  
 ACCESS TO SPONSORED MEALS

**Healthcare and Sanitation (Kaushalya)**

**Continuation of Partnership with Ummeed - Child Development Centre**

Our unwavering commitment lies in supporting Ummeed Child Development Centre UMMEED PARENT PROGRAMME FOR AUTISM (UPPA). This programme holds a special focus on empowering parents to effectively engage with their children at their

unique developmental level. Our goal is to strengthen attention, participation, communication, and play routines within the child's natural environment, seamlessly integrating these aspects into their daily activities. We eagerly anticipate a fruitful and fulfilling partnership with Ummeed, as we work together to achieve these significant objectives. Our dedication to supporting the UPPA remains steadfast, and we are determined to continue our assistance and contribution to this essential programme in the years ahead.

**Healthcare Kits Distributed to Govt. Schools at Jigani, Karnataka**

As part of our initiatives, we organised a special awareness session on women's health and hygiene for female students at a Government School in Jigani. The session aimed to equip the students with essential knowledge about

important aspects of women's health and hygiene. During the session, we also introduced the students to yoga asanas and basic pranayama techniques, promoting their overall well-being.

To further support their health needs, we distributed healthcare kits to all the female students and teachers at the school. Witnessing their happiness and gratitude upon receiving the healthcare kits was truly heartwarming.

**Newborn Baby Kits Distributed to Govt. Hospital at Jigani, Karnataka**

We organised a distribution event at a Government Hospital in Jigani, where we provided various items to underprivileged families. Our efforts focused on distributing newborn baby kits, each containing six sets of clothes and essential utility items such as body lotion, talcum powder, bath soap, and gloves. In addition to the baby kits, we also distributed toys, fruit baskets, and protein powder to the families. Our aim was to offer comfort, nourishment, and joy to these underprivileged families and their newborns. This initiative was designed to support the well-being and meet the basic needs of these families during their time at the hospital.

**Medical Camp for Zilla Parishad School Students at Taloja Site**

Our Taloja Team took the initiative to organise a Medical Camp at the Zilla Parishad School in Ghot Camp village. The camp successfully provided essential healthcare services to more than 120 students and 8 teachers, aiming to raise awareness about the importance of maintaining a healthy lifestyle.

**Employee Engagement through Volunteerism (Sampark)**

**Children's Day Celebration**

Our Taloja Team celebrated Children's Day with great enthusiasm at Zilla Parishad School in Ghot Camp village. It was a delightful event that brought together esteemed individuals, including the Head Mistress, Deepika Patkar, dedicated teachers, and influential community members. The atmosphere was filled with excitement as everyone actively took part in the festivities, creating a joyful and memorable experience for all. As a heartwarming gesture, the team distributed snack boxes and gifts to all the children, further adding to the festive spirit of the occasion. It was a pleasure for the team to bring smiles to the faces of these young students and celebrate their special day with them.

**150**

CHILDREN PRESENT

**Women's Forum, Panoli visited Haldarva Prathmik Shala**

Our Women's Forum, Panoli organised a visit to Haldarva Prathmik Shala, a neighbouring government school. It was a delightful experience as multiple groups of girls actively engaged with the children, conducting discussions on essential topics such as personal hygiene, road safety, and water conservation.

During the interactive sessions, the team encouraged the children to express their understanding of these subjects through drawings, promoting better comprehension and retention of the information





shared. As a gesture of support and care, the team distributed water bottles to both the students and teaching staff, emphasising the importance of staying hydrated and maintaining a healthy habit of drinking enough water.

### **Blood Donation Camp at Jigani Units 1 and 2**

During the Kannada Rajyotsav celebration, our Jigani Units 1 and 2, organised a Blood Donation Camp to mark the occasion. Their employee volunteers wholeheartedly participated in the camp, generously donating blood to the Narayana Hrudayalaya Blood Centre. In recognition of their selfless efforts, the volunteers received certificates of appreciation from the hospital. The hospital staff praised the commendable efforts of our Hikal Team, expressing gratitude for the donated blood that will be of immense value to those in critical need, especially in emergency accident cases.

### **Protection of National Heritage, Art, and Culture (Rachana)**

#### **Support Extended to Tata Literature Live**

As part of our CSR programme, Srijan, we had the privilege to sponsor a session titled "Brush Folks" at the prestigious Tata Literature Live! The Mumbai LitFest. This captivating event, held at NCPA Mumbai revolved around the celebration and promotion of art and literature.

#### **Support to the Mehli Mehta Music Foundation**

Despite the exceptional challenges we faced in raising funds for music education this year, we remained steadfast in providing crucial support to the Mehli

Mehta Music Foundation (MMMF) to sustain their teaching staff and administrative framework. Once again, we extended our grant to reinforce MMMF's outreach programme. The partnership between Hikal and MMMF is a source of immense pride for us as it aims to enrich the lives of aspiring children by instilling the transformative power of music.

#### **Support to the NCPA**

For past seven years, we have proudly maintained our commitment as a consistent supporter of the National Centre for the Performing Arts (NCPA). Our dedicated support is directed towards enhancing NCPA's education and outreach initiatives, with a special focus on engaging students from underprivileged backgrounds. We are aligned with NCPA's vision of preserving and promoting India's rich artistic heritage, and it fills us with pride to be able to contribute to this significant cause through our enduring partnership.

#### **Support to the Museum of Art & Photography (MAP) at Bengaluru**

We hold a strong belief in the significance of providing opportunities for our community to engage with art and culture, as it plays a crucial role in instilling Indian values and preserving our country's rich heritage for future generations. One such institution that we proudly support is the Museum of Art and Photography (MAP) in Bangalore. This newly established art museum is dedicated to making art accessible to a diverse audience, and we share its commitment to inclusivity. MAP's vision of becoming one of the most inclusive museums in the country aligns perfectly with our values, and we are honoured to be part of their journey.

# VALUE-DRIVEN GOVERNANCE

At Hikal, we recognise that good governance practices are essential to nurturing long-term, sustainable, and mutually beneficial relationships with all stakeholders. Our commitment to upholding the highest standards of ethical behaviour and transparency has enabled us to build strong and lasting partnerships.

## Material Topics Covered



**Data Integrity and Security**



**Risk Management and Business Continuity**



**Product Quality, Safety, and Labelling**



**Research and Innovation**



**Sustainable Supply Chain**



**Sustainable Financial Performance**



**Customer Engagement**



**Regulatory Compliance**

## Highlights 2022-23

**20%**

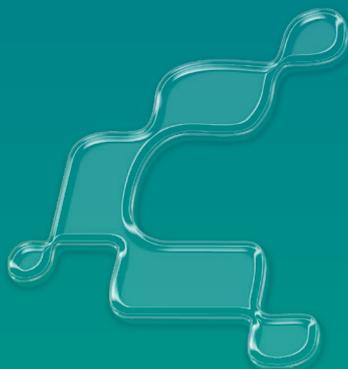
WOMEN DIRECTORS

**Zero**

CORRUPTION INCIDENTS REPORTED

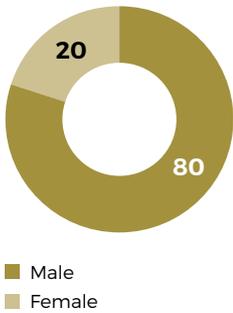
## A Balanced Governance Structure

Guided by our values and history, the Board is committed to promoting sustainable development. To enable this, our governance framework is built on three pillars that work together to ensure we deliver on our mission.

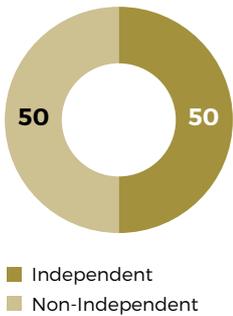


## Board Snapshot

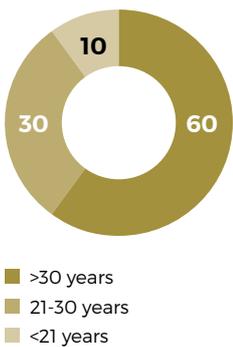
### Board Diversity (%)



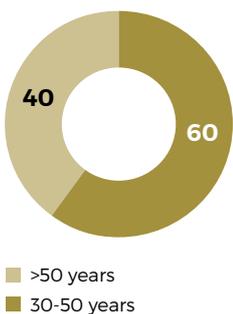
### Board Independence (%)



### Board Experience (%)



### Board Age Profile (%)



## Board Committees

Board Committees aid in discharging duties by providing valuable insights, enhancing governance policies, and submitting periodic reports to the Board of Directors.

### Board of Directors

Chaired by  
**Non-Independent Director**

**10**  
MEMBERS

**50%**  
INDEPENDENCE

### Audit Committee

Chaired by  
**Independent Director**

**4**  
MEMBERS

**75%**  
INDEPENDENCE

### Stakeholders' Relationship Committee

Chaired by  
**Independent Director**

**3**  
MEMBERS

**67%**  
INDEPENDENCE

### Nomination and Remuneration Committee

Chaired by  
**Independent Director**

**6**  
MEMBERS

**67%**  
INDEPENDENCE

### Corporate Social Responsibility Committee

Chaired by  
**Non-Independent Director**

**4**  
MEMBERS

**25%**  
INDEPENDENCE

### Risk Management Committee

Chaired by  
**Non-Independent Director**

**6**  
MEMBERS

**50%**  
INDEPENDENCE

### Board Policies

Risk Management Policy	Dividend Distribution Policy	Whistle Blower Policy	Archival Policy
Policy for Determining Material Subsidiary	Policy on the Preservation of Documents	Policy for Determination of Materiality of any Events or Information	
Remuneration Policy	CSR Policy	Related Party Transactions Policy	

### Code of Conduct

We have an established Code of Conduct applicable to all our Directors, senior management personnel, employees, and business partners at large. Our Code of Conduct is based on our core values and principles and spells out expectations in relation to specific situations. We have zero tolerance for corruption and unethical conduct. During 2022-23, there were no confirmed cases of corruption.

**100%**  
WORKFORCE TRAINED  
ON CODE OF CONDUCT

### Data Integrity and Security

We have implemented a multi-layered security solutions in the IT systems to prevent any direct exposure or vulnerability to cyber-attacks that includes:

- Email gateway, antivirus, and anti-phishing measures to enhance email security.
- Endpoint Detection and Response (EDR) solution with Advanced Threat Protection (ATP) engines for real-time monitoring and defence against known and zero-day attacks.
- Antivirus and zero-day attack protection for all end-user devices and servers.
- Multi-factor authentication with OTP for server access, adds an extra layer of security.
- Best-in-class web-security solutions for safe internet access.

**ZERO**  
DATA BREACHES DURING 2022-23



### Risk Management and Business Continuity

We have a comprehensive risk management process that ensures the timely identification of risks, the analysis of mitigation strategies, and the finding of potential areas of improvement to combat any unforeseen adverse event in our business.

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

Being cognizant of these risks, we have a formal and systematic approach to identifying and managing risk is instrumental to achieving its strategic objectives.

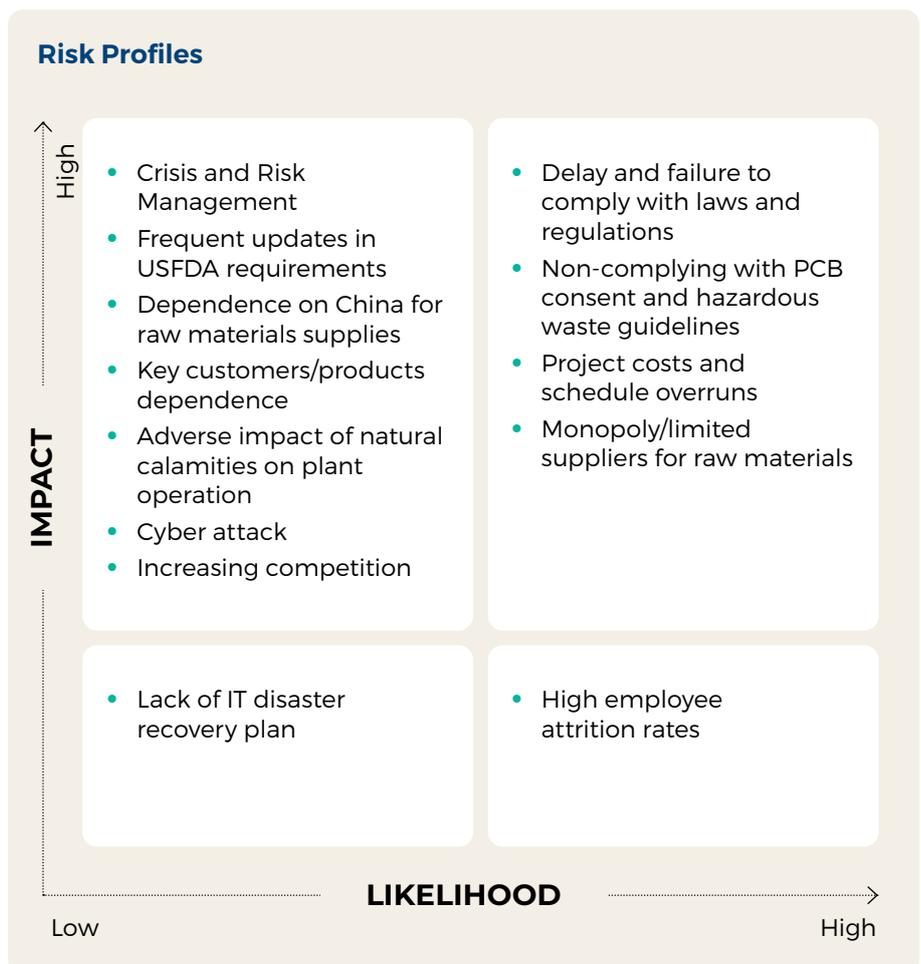
## Risk Management Governance Structure



## Risk Management Process

At Hikal, all the Senior Executives under the guidance of the Managing Director are responsible for overseeing the risk management process. The Risk Management processes mentioned in the sequence as follows:

- Identify, assess, and escalate risks impacting the objectives of the Company,
- Define measures to respond to the risks effectively,
- Monitor movement (if any) in the identified risks,
- Monitor the effectiveness of existing risk management measures,
- Report risks and risk management measures to the Risk Management Committee



## Risk Categories and Mitigation

Risk Categories	What Does It Mean for Us?	Mitigation
<b>Supply Chain</b>	Dependence on China for key raw materials has been an ongoing concern for the industry. We also depend on some raw materials supplies from China; in a few cases, there are monopolies or limited suppliers. Sometimes, we must obtain customer approval for alternative vendors, and any process changes for our existing operations further delay our alternate vendor development plan.	We periodically monitor our progress against the Alternate Vendor Development (AVD) charter and increase the technology budget for operation research on alternative options. We also maintain an adequate inventory of key raw materials and regularly check inventory to plan.
<b>Project</b>	We have undertaken various business expansion projects of approx. ₹400 crores value. Project completion within time and budget is critical for the success of our Business.	With the support of an expert project team, an effective project monitoring tool, improved project and purchase processes, and the coordinated efforts of all employees, we ensure projects are completed on time.
<b>Business Development</b>	Crucial for our exponential growth, which can only be achieved with increasing customers and products.	We are working on various new products and approaching new geographics/customers. We are diversifying in the business and expecting high growth in the coming future.
<b>Business Continuity</b>	Interruption of business due to catastrophes that are beyond our control.	<p>We maintain a robust onsite emergency plan at all sites to respond to natural calamities. Also, we ensure adequate insurance coverage for any business losses.</p> <p>Our information technology disaster recovery plan (IT DRP) with the business continuity plan is made to restore hardware, applications, and data in time to meet business recovery needs.</p> <p>We will soon roll out a comprehensive crisis management plan to deal with crises caused by internal and external events.</p>
<b>Cyber Security</b>	The growing sophistication and variety of cyberattacks have the potential to wreak havoc on our reputations, often resulting in disastrous financial impacts.	We have invested significant resources to ensure cybersecurity resilience and data protection. Our cybersecurity measures are aligned with the growth and diversification of the Company. We conduct periodic assessments to validate and improve resilience to cybersecurity attacks and conduct awareness training programmes for every employee.
<b>Human Resource</b>	We have complex manufacturing processes, and to operate them efficiently depends on the capability and experience of the operating staff.	<p>We endeavour to attract, motivate, and retain critical operating staff.</p> <p>We monitor attrition rates with a focus on junior and middle management cadres. We offer competitive compensation benefits and review them regularly. As part of employee engagement plans, we undertake various initiatives and periodically engage with the employees to sort out impending matters.</p>

Risk Categories	What Does It Mean for Us?	Mitigation
<b>Strategy</b>	Our competitive landscape in some product lines is still evolving, with conventional players reinventing themselves and emerging players investing heavily. The increased competition may reduce our market share and harm our ability to retain existing customers and acquire new customers.	We are proactive in our efforts to evaluate competitors and markets. We are investing heavily in technology to optimise operating costs and ensure servicing customers with the best product quality.
<b>Compliance</b>	We are exposed to hazard risk due to handling hazardous chemicals.	<p>We aim to eliminate potential workplace hazards, provide a safe and healthy work environment for our people, and seek to comply with all applicable occupational safety and health laws and standards. Our effluent plants at all sites are designed with the best technology and allocated a significant annual budget to upgrade facilities per the latest compliance requirement.</p> <p>We have adopted a digitally enabled comprehensive compliance management system. The responsibility matrix is cascaded down to a single point of responsibility. It is updated at regular intervals. Apart from assurance through the Company's three lines of defense, the Directors' Audit Committee ensures compliance through the well-established monitoring mechanisms.</p>
<b>Regulatory</b>	We operate in an increasingly complex environment, and many activities are subject to regulatory influence. New laws, interpretations of existing laws, changes to existing regulations, heightened regulatory scrutiny, and lingering approval processes could affect our operations and business expansion plans	We are working on the concept of all-time inspection readiness and maintaining adequate controls, viz. regular audits of the plants, dedicated compliance team, training, etc.

 **Sustainable Supply Chain**

At Hikal, selecting the right partners is crucial to achieving our business objectives, fulfilling our social and environmental commitments, and ensuring the sustainability of our Company.

Our management approach to managing our value chain partners is focused on aligning them with the values embedded in our Code of Conduct. As we look to the future, we are committed to aligning our value chain partners with our values and embedding technology into our supply chain functions.

During 2022-23, we defined a supplier evaluation criterion based focussed on EHS, quality, and statutory requirements for our critical value chain partners

that are based in India via onsite and offsite audits. Additionally, we are planning to conduct regular awareness sessions in 2023-24.

**Assessment of Value Chain Partners**

	% of value chain partners assessed
Child Labour	100
Forced Labour/Involuntary Labour	100
Sexual Harassment	100
Discrimination at Workplace	100
Wages	100

# Board of Directors

**Jai Hiremath**

*Executive Chairman*

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

Mr. Hiremath developed Hikal into one of the leading global development and manufacturing companies. A Chartered Accountant from the Institute of Chartered Accountants in England and Wales, he is a 2002 alumnus of Harvard University, USA. His contribution to the industry has been recognised across global forums. In 2005, he was presented with the Chemtech Business Leader of the Year Award (Chemicals). Mr. Hiremath was the former President of the Indian Chemical Council (ICC), as well as the Chairman of the Chemicals Committee of the Federation of Indian Chambers of Commerce and Industry (FICCI). He served as a board member of the Drug, Chemical, and Associated Technologies Association (DCAT) headquartered in New Jersey, USA. He is a board member of Novartis India Ltd. and a member of CII's Pharma Committee.

**Baba Kalyani**

*Non-Executive Director*

Chairman & MD of Bharat Forge Limited, the flagship company of the USD 3 billion Kalyani Group. Mr. Kalyani is B.E. (Hons) in Mechanical Engineering from the prestigious Birla Institute of Technology & Science, Pilani, and subsequently, earned an M.S. from the Massachusetts Institute of Technology, Boston, USA, in 1972. Mr. Kalyani has been conferred with the highest civilian awards from many countries, which include Padma Bhushan by the Government of India; Order of the Rising Sun, Gold and Silver Star (Japan); Cross of the Order of Merit (Germany); Commander First Class of the Royal Order of the Polar Star (Sweden); and Knight in the Order of the Legion of Honour (France).

Mr. Kalyani is a nominated member representing the Indian Industry in the Prime Minister's Science Technology and Innovation Advisory Council (PM-STIAC). He also serves as the Co-Chairman of the India-Japan Business Leaders' Forum and the India-Sweden Business Leaders' Roundtable. He is an active member representing Indian Industry in other such forums, including in the USA, UK, Israel, and France.

Mr. Kalyani is the Founding Chairman of Pratham Pune Education Foundation and supports various other NGOs and charitable institutes engaged in skilled development, sustainability, women empowerment, sports, and healthcare.



**Sameer Hiremath**

*Managing Director*

Mr. Hiremath oversees the day-to-day operations of the Company, which include Research & Technology, Manufacturing Operations, and Sales & Marketing. He has over 28 years of experience in technical plant operations, business development, and strategy. He has held several key positions at Hikal, including that of an Executive Director.

He holds a degree in Chemical Engineering and an MBA and MS degree in Information Technology from Boston University, USA. Sameer was conferred the 'Business Leader of the Year' award by the World Federation of Marketing Professionals and World Federation of Human Resources Professionals in 2019 and the 'CEO of the Year' award by The World Leadership Congress & Awards in 2021.



**Kanan Unni**

*Independent, Non-Executive Director*

Mr. Unni is a pioneer in crop protection with over 56 years of experience in the crop protection and animal health industry. He worked in multiple capacities in Hoechst, AgrEvo, Aventis Crop Science, and Bayer Crop Science Group. He was the Chairman and Managing Director of Bilag Industries, a 100% Bayer Crop Science-owned company. Mr. Unni has technical and commercial experience in the agricultural and animal health businesses, having worked in a variety of roles. He is the Chairman Emeritus of CropLife India.

Mr. Unni is a graduate of Agriculture and holds a degree in Business Administration from Jamnalal Bajaj Institute of Management, Mumbai, and a Diploma in Marketing from IMEDE, Switzerland.



**Prakash Mehta**

*Independent, Non-Executive Director*

Mr. Mehta has a degree in Law from University of Mumbai (1963) and qualified as a solicitor in 1966. He is the Managing Partner at Malvi Ranchoddas & Co. Advocates, and Solicitors, a law firm in Mumbai. He brings extensive experience in corporate and commercial legal matters. Mr. Mehta is on the board of several listed and unlisted companies in India.



**Sugandha Hiremath**

*Non-Executive Director*

Ms. Hiremath has more than 41 years of experience in Finance. She is an active participant in the Audit Committee at Hikal. She also serves on the board of several companies.



**Ranjit Shahani**

*Independent, Non-Executive Director*

Mr. Shahani has extensive experience in the life sciences industry. He started his career with ICI in the Fibres & Specialty Chemicals business. He then oversaw their Asia Pacific and Latin American operations for their Petrochemicals and Plastics division. He was the CEO at Roche Products Limited, after which he moved to Novartis in India in 1997, following the merger of Sandoz and Ciba-Geigy as CEO of Healthcare. He was the Vice-Chairman & Managing Director of Novartis India for 17 years.

Mr. Shahani brings with him diverse experience to drive strategic growth plans. Over his career span, he has delivered strong and successful business outcomes within complex environments. He is the President Emeritus of Swiss Indian Chamber of Commerce (SICC), the President Emeritus of Organisation of Pharmaceuticals Producers of India (OPPI), and the former President of the Bombay Chamber of Commerce and Industry. He was also on the Council of the International Federation of Pharmaceuticals Manufacturers Associations (IFPMA, Geneva).

Mr. Shahani is a Mechanical Engineer from IIT-Kanpur and has an MBA from Jamnalal Bajaj Institute of Management Studies.



**Amit Kalyani**

*Non-Executive Director*

Mr. Kalyani is a member of the management board and Deputy Managing Director of Bharat Forge Limited (BFL), the flagship company of the USD 3 billion Kalyani Group. He has been involved with driving the group's strategy and in the execution of its diversification over the past decade.

Mr. Kalyani has been a part of many committees of the Government of India on manufacturing, education, skill development, and bilateral relations. He serves as an Independent Director on the board of Schaeffler India Ltd., and he is also a member at USIBC and YPO.

He holds a BE degree in Mechanical Engineering from Bucknell University, Pennsylvania, USA, and is a graduate of the OPM Program at Harvard Business School.



**Shivani Sachdeva**

*Independent, Non-Executive Director*

Ms. Sachdeva is the Founder & CEO of India Alternatives, a reputable mid-market private equity fund focused on investing behind transformational themes in India. She has over 20 years of global private equity experience in the US and India at top private equity funds, including GE Equity, Lightyear Capital, and IDFC Private Equity.

Ms. Sachdeva has been an active member on the boards of all her portfolio companies, where she has been instrumental in guiding management teams and shaping strategy. She has previously served on the boards of HealthCare Global and Gokaldas Intimatewear, and currently serves on the boards of Brinton Pharmaceuticals and Seclre Technology. She is also an Independent Director at Emaar India.

She has received several accolades and recognition for being one of the top women leaders in finance in India, including winning an award for the Top 25 Women Leaders in Finance category by the Association of International Wealth Management of India as part of India's Top 100 Women in Finance campaign. She is a frequent speaker on private equity at domestic and international conferences, including Super Return Europe and Singapore and the Indian Venture Capital Association.

She received an MBA from the Wharton School, University of Pennsylvania, and a B.A. in Economics from Mount Holyoke College.



**Shrikrishna Adivarekar**

*Independent, Non-Executive Director*

Mr. Adivarekar is a qualified Chartered Accountant (Fellow member of the ICAI) with over 20 years of experience. He has been working with M/s Kunte & Vaidya Chartered Accountants since 2000 in various capacities and is now the Managing Partner.

Mr. Adivarekar has experience dealing with various corporate and legal matters under Direct Tax Laws, Company Law, FEMA, etc for various large corporate groups. Mr. Adivarekar serves as an Independent Director on several boards.

Mr. Adivarekar graduated in Commerce from University of Pune in 2002 and qualified as a Chartered Accountant in 2003.

# Management Committee



**Jai Hiremath**  
Executive Chairman

[Read Mr. Jai Hiremath's bio on Page 94](#)



**Sameer Hiremath**  
Managing Director

[Read Mr. Sameer Hiremath's bio on Page 95](#)



**Anish Swadi**  
Senior President – Animal Health & Business Transformation

Mr. Swadi is the Senior President – Animal Health & Business Transformation. He has 26 years of industry experience and is leading the "Business Transformation" initiative at the Company. He is also responsible for Corporate Strategy and Investor Relations. He served on the board of Rx-360, an international pharmaceutical supply chain consortium. Previously, he worked as an International Financial Portfolio Manager with Merrill Lynch in the US.

Mr. Swadi holds a bachelor's degree in International Business and Finance from Ithaca College, New York, USA, and completed the Management Development Program at the Wharton School.



**Manoj Mehrotra**  
President - Pharmaceuticals

Mr. Mehrotra is the President, of Pharmaceuticals Business. He has over 36 years of experience in the fine chemicals and pharmaceuticals industry. He has a B.Tech (Hons) in chemical engineering from IIT-Kharagpur and an MBA from XLRI, Jamshedpur. In his last assignment at Dr. Reddy's Laboratories, he was the global head of the Custom Pharmaceutical Services (CPS) business. Earlier, Mr. Mehrotra worked in companies such as Thermax and SRF Limited. At SRF, his last role was strategising and growing the fluoro-specialty business. At Hikal, he is responsible for strategy, sales, and operations of the pharmaceutical division.



**Vimal Kulshrestha**  
*President - Crop Protection*

Mr. Kulshrestha is the President, of Crop Protection Business. He has over 36 years of experience in the fine chemical and agrochemical industry. He completed his B. Tech in Chemical Engineering from H.B. Technical Institute, Kanpur, and Executive Management from IIM Kolkata. Mr. Kulshrestha has worked in companies such as Grasim Industries, Modipon Limited with a long stint in Jubilant Group Companies. He has experience in the B2B speciality chemicals and agrochemical industry, handling P&L and senior leadership roles. At Jubilant, Mr. Kulshrestha spent the first 8 years overseeing the technical and manufacturing aspects of the business and in his last assignment, he was the Sr. Vice President and SBU Head of the Ethanol division. He also led the Crop Protection business with the responsibility of strategy, sales, marketing, business development, and operations. At Hikal, he is responsible for the P&L of the Crop Protection division.



**Kuldeep Jain**  
*Chief Financial Officer*

Mr. Jain is the Chief Finance Officer with over 32 years of experience in financial operations and strategic planning and brings a wealth of experience in accounting, financial planning, analysis, taxation, and audits. He has been with Hikal for the past 24 years. Mr. Jain has played a key role in developing and implementing financial procedures to improve and maintain the financial health of the company while keenly overseeing the overall accounting/taxation processes. He is also responsible for investment analysis and analysing the Company's financial strengths and weaknesses. Kuldeep is a qualified Chartered Accountant and a Member of the Institute of Chartered Accountants of India, New Delhi.



**Ratish Jha**  
*President - Human Resources*

Mr. Jha is the President, Human Resources. He is a transformational leader with cross-industry experience of 28 years, having worked in different countries and multiple sectors like Pharma, Energy, Automotive, Metal & Mining, Packaging, Manufacturing, and Services. Mr. Jha is an alumnus of TISS Mumbai and has attended different business certifications program at IMD Switzerland, University of Michigan, AOTS Japan, ISB, IIM-A. Under his leadership, the companies that he worked for were listed in several forums and won multiple business awards such as - Great Place to Work Award, Companies with Great Managers Award, Most Innovative HR Practices Award by NHRD, Best in Class for Cultural Transformation and Best in Class for Most Innovative HR Practices by People Matters.

Mr. Jha has an enriching experience in talent management, culture change management, and capability building. learning & OD interventions, performance management, capability building, employee relations, employee engagement and retention programmes.