

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed Entity

1. Corporate Identity Number (CIN) of the Listed Entity	L24200MH1988PTC048028
2. Name of the Listed Entity	Hikal Limited
3. Year of incorporation	1988
4. Registered office address	717/718, Marker Chambers V, Nariman Point, Mumbai, 400021
5. Corporate address	Great Eastern Chambers, Sector-11, 6 th Floor, CBD Belapur, Navi Mumbai - 400614
6. E-mail	secretarial@hikal.com
7. Telephone	+91 22 6277 0299
8. Website	www.hikal.com
9. Financial year for which reporting is being done	1 April 2023 to 31 March 2024
10. Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) National Stock Exchange of India Limited (NSE)
11. Paid-up Capital	INR 246,601,500
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Jai Hiremath Designation: Executive Chairman DIN number: 00062203 Telephone number: 022 6277 0299 E-mail ID: secretarial@hikal.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its)	Disclosures made in this report are on a consolidated basis
14. Name of assurance provider	Not applicable
15. Type of assurance obtained	Not applicable

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	Percentage of Turnover of the entity
1	Manufacturing	Manufacturing of pharmaceuticals, animal health, crop protection and specialty chemicals	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacture of Basic Chemical Elements	20116	38%
2	Manufacture of Pharmaceutical Products	21001	62%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	5	3	8
International	0	3	3

Note: Hikal Limited has five manufacturing facilities and one Research and Technology (R&T) centre in India.

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Pan-India
International (No. of Countries)	Overseas office in Japan Overseas office in USA Representation in Europe

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Total contribution of exports as a percentage of the turnover is 62%.

c. A brief on types of customers

The company is working with leading agrochemicals and pharmaceuticals multinational companies.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1939	1829	94%	110	6%
2.	Other than Permanent (E)	15	10	67%	05	33%
3.	Total employees (D + E)	1954	1839	94%	115	6%
WORKERS						
4.	Permanent (F)	122	122	100%	-	-
5.	Other than Permanent (G)	1392	1323	95%	69	5%
6.	Total workers (F + G)	1514	1445	95.4%	69	4.6%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	3	3	100%	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	3	3			
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	Total differently abled workers (F + G)	-	-			

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11	3	27.3%
Key Management Personnel	7	0	0%

22. Turnover rate for permanent employees and workers

	Turnover rate in FY 2023-24			Turnover rate in FY 2022-23			Turnover rate in FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	24%	2%	26%	23%	23%	23%	23%	15%	22%
Permanent Workers	4%	0%	4%	3%	0%	3%	3%	0%	3%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / Subsidiary / associate companies / Joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Acoris Research Limited	Subsidiary	100%	No
2	Hikal LLC	Subsidiary	100%	No

VI. CSR Details

24. (i) **Whether CSR is applicable as per section 135 of Companies Act, 2013:** Yes

(ii) **Turnover (in INR):** 17,846.00 million

(iii) **Net worth (in INR):** 11,875.89 million

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	Not applicable	Nil	Nil	Not applicable
Investors (other than shareholders)	Yes	Nil	Nil	Not applicable	Nil	Nil	Not applicable
Shareholders	Yes	Nil	Nil	Not applicable	Nil	Nil	Not applicable
Employees and workers	Yes	Nil	Nil	Not applicable	Nil	Nil	Not applicable
Customers	Yes	Nil	Nil	Not applicable	Nil	Nil	Not applicable
Value Chain Partners	Yes	Nil	Nil	Not applicable	Nil	Nil	Not applicable
Others	NA	NA	NA	NA	NA	NA	NA

Weblink to Grievance Redressal Policy: <https://www.hikal.com/documents/corporate-governance>

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Energy efficiency & carbon emissions/ Air pollution	R/O	Energy efficiency, carbon emissions, and air pollution pose risks and opportunities for our organisation. Neglecting these issues leads to regulatory pressures, fines, and reputational damage. However, embracing efficiency and reducing emissions enhances our organisation brand, attracts eco-conscious customers, and improves competitiveness. Sustainable practices save costs and improve efficiency. Prioritising energy efficiency and emissions aligns with environmental goals, driving growth and sustainability.	Our organisation has implemented effective measures to address energy efficiency and carbon emissions/air pollution risks. These include dust collectors, bed scrubbers, and flue gas monitoring. We recycle organic vapors and have a green belt and environmental management cell for ongoing monitoring. These efforts demonstrate our commitment to environmental sustainability and regulatory compliance.	Positive/ Negative
2.	Water and effluent management/ Waste management	Risk	Water scarcity, pollution, and inadequate waste management pose risks to our organisation and the environment. Insufficient water availability disrupts operations, raises costs, and jeopardises well-being. Improper waste handling risks 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.	Our organisation prioritises waste and water/effluent management. We securely store and responsibly dispose of discarded containers, hand them over to authorised recyclers, and ensure proper recycling practices. Specific wastes are securely stored and safely disposed of in authorised incinerators. We reprocess spent solvents using environmentally sound technology and government-approved recyclers. These measures showcase our commitment to responsible waste management, reducing environmental impact, and complying with regulatory requirements.	Negative
3.	Biodiversity protection	Risk	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.	The green belt near our chemical manufacturing factory acts as a refuge for diverse species, conserving biodiversity. It serves as a buffer zone, reducing pollution impacts and improving air and water quality. The green belt acts as an environmental asset, fostering ecological resilience and mitigating risks associated with our operations.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Green Chemistry	Opportunity	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 risks associated with hazardous substances, strengthens supply chain resilience, and contributes to long-term sustainability by conserving resources and minimising environmental impact. Adopting green chemistry establishes us as leaders in sustainable chemistry, benefiting the environment and our long-term success.		Positive
5.	Diversity, inclusion, and equal opportunities	Opportunity	Embracing diversity, inclusion, and equal opportunities brings significant advantages to our company. Prioritising these principles fosters innovation, expands our talent pool, improves decision-making, boosts employee engagement and retention, enhances our reputation, ensures regulatory compliance, and drives research and development innovation. 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.		Positive
6.	Employee wellbeing, benefits & retention/ Skill development	Opportunity	Prioritising employee wellbeing, 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, engagement, and attract top talent. This fosters a culture of continuous learning and growth, boosting productivity, performance, competitiveness, and long-term success.		Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7.	Occupational health and safety	Risk	Occupational health and safety are a critical risk for our organisation. Neglecting a safe working environment leads to accidents, injuries, and illnesses, impacting employee wellbeing, morale, productivity, and absenteeism. Non-compliance results in legal liabilities, fines, penalties, and reputational damage. Prioritising comprehensive health and safety programs, training, and preventive measures is crucial to mitigate risks, protect employees, and maintain a safe workplace. Investment in occupational health and safety ensures the wellbeing of our workforce and safeguards our organisation's reputation and success.	The Company prioritises creating a safe work environment and preventing harm. It regularly identifies hazards and develops mitigation plans. Ongoing safety trainings are provided to employees and workers to safeguard their overall well-being. The goal is to maintain a holistic approach to safety and well-being.	Negative
8.	Human rights and community development	Risk/ Opportunity	Human rights violations or perceived violations pose a significant risk to our organisation, causing reputational damage, legal consequences, and loss of stakeholder trust. Failing to uphold labour rights can result in employee dissatisfaction, protests, and potential boycotts. Respecting human rights, complying with laws, and addressing grievances transparently are crucial. On the other hand, community development offers opportunities. Engaging in initiatives like 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.	We have well established systems to ensure that human rights of our internal and external stakeholders are secured. There are necessary policy frameworks implemented in this regard. We have been engaging with local communities through our various CSR initiatives to make a positive impact on their lives and foster sustainable development.	Positive / Negative
9.	Product, quality, safety, and labelling	Risk	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. Misleading labelling may result in consumer misuse. Implementing robust quality control, safety protocols, and accurate labelling ensures compliance and consumer trust.	To mitigate risks related to product quality, safety, and labeling, our organisation has implemented several measures. These include rigorous quality control procedures throughout the production process, adherence to safety protocols and standards, comprehensive testing and certification of products, accurate and transparent labeling practices in compliance with regulations, and ongoing monitoring and assessment to ensure continuous improvement. These measures aim to maintain high product standards, ensure consumer safety, and uphold our reputation for quality and reliability.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10.	Research and innovation	Opportunity	Investing in research and fostering innovation keeps us ahead in technology, addressing market needs. Research improves operations and production efficiency. Innovation differentiates us, attracting partners and investors, enhancing our reputation, and seizing business opportunities. Prioritising research and innovation drives sustainable growth and adaptability.		Positive
11.	Sustainable supply chain	Opportunity	Focusing on supply chain sustainability enhances competitiveness, reduces risks, and aligns with consumer preferences. Sustainable practices minimise environmental impact, conserve resources, and meet regulatory requirements. It fosters strong supplier relationships, innovation, and continuity. Embracing sustainability improves efficiency, reputation, and long-term success.		Positive
12.	Sustainable financial performance	Opportunity	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.		Positive
13.	Regulatory compliance/ Ethical business practices and governance	Opportunity/ Risk	Regulatory compliance and ethical business practices offer opportunities to our organisation. Adhering to regulations enhances reputation, attracts responsible investors and customers. Compliance mitigates legal risks, maintains 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.	We have implemented systems and processes to ensure compliance with applicable statutory requirements.	Positive/ Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
14.	Data integrity & security	Risk	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 programs mitigate risks and safeguard data assets, reputation, and competitive position.	To mitigate risks related to data integrity and security, our organisation has implemented robust measures. These include the implementation of encryption technologies to protect sensitive data, strict access controls and authentication protocols, regular data backups, ongoing monitoring of network and system vulnerabilities, comprehensive employee training on data security best practices, and the use of advanced firewalls and intrusion detection systems. These measures aim to safeguard our data assets, protect against unauthorised access or data breaches, and ensure the confidentiality, integrity, and availability of our data.	Negative
15.	Risk management & business continuity	Risk/ Opportunity	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. Effective business continuity planning ensures swift response, essential operations, and efficient recovery, securing long-term sustainability and success.	To address risk management and business continuity issues, our organisation has implemented various measures. These include conducting proactive risk assessments, implementing safety protocols and emergency response plans, ensuring supply chain resilience, establishing business continuity plans, regularly reviewing, and updating risk management strategies, and conducting drills and simulations to test preparedness. These measures help mitigate risks, enhance operational resilience, and ensure the continuity of our business operations in the face of potential disruptions.	Positive/ Negative
16.	Customer engagement	Opportunity	Customer engagement presents a significant opportunity to 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.		Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	The policies can be viewed on Company's website: www.hikal.com								
2. Whether the entity has translated the policy into procedures. (Yes/ No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, we expect all our value chain partners to comply with Hikal's Code of Conduct and responsible business conduct guidelines.								
4. Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<ul style="list-style-type: none"> • ISO 9001: 2018 • ISO 14001: 2015 • ISO 45001: 2018 • Responsible Care Certification 								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	We have internally defined the scope 1 and 2 emissions reduction targets and working towards defining scope 3 emissions reduction targets in line with the SBTi guidelines. We are committed to the ten principles of the United Nations Global Compact (UNGC) to create a culture of integrity and responsible conduct across our business operations.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	We have defined Key Performance Indicators (KPIs) across ESG parameters, and the performance is evaluated regularly.								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements Refer to page no. ##-## of the annual report – Message from the Chairman's desk.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Jai Hiremath Designation: Executive Chairman DIN number: 00062203								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/ No). If yes, provide details.	Hikal's Corporate Social Responsibility Committee is responsible for decision making on sustainability related issues. Executive Chairman and the Managing Director are a part of this committee.								

10 Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Annually and need basis							
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Ongoing basis								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
N	N	N	N	N	N	N	N	N
We internally assess the working of above-mentioned policies.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: Not applicable

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles materials to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURES

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors	We conduct familiarisation programs for the Board of Directors/KMPs regularly. The aim is to familiarise the Directors/KMPs with the strategy, operations, and functions of the Company. The key topics covered under the program are the Code of Conduct for Directors and senior-level employees, the Code of Conduct on Insider Trading, Corporate profile, Organisational structure, Mandates of various Committees, and updates on various other initiatives.		100%
Key Managerial Personnel (KMP)			100%
Employees other than BoD and KMPs	We have conducted multiple training sessions for our employees and workers across our facilities in the reporting period. Some of the key training includes Behaviour Based Safety Management, Prevention of Sexual Harassment at the Workplace (POSH), Office safety, Regulatory requirements, Risk management, IT and Cyber Security, Business communication, etc.		100%
Workers			100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

In the Financial year 2023-24, no cases were reported.

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred (Yes/No)
Penalty/Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred (Yes/No)	
Imprisonment	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable	Not applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, anti-corruption and bribery are included in the Company's Code of Conduct, which applies to all the stakeholders working for or acting on behalf of the Company or any of its subsidiaries, and such persons must adhere to responsible business conduct. The Code of Conduct prohibits any form of unethical behaviour and reiterates that under no circumstances shall any Hikal employee, agent, or representative make, offer, promise, or authorise any payment or gift.

The weblink of the code of conduct is <https://www.hikal.com/uploads/documents/hikal-code-of-conduct-2016.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24	FY 2022-23
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-24	FY 2022-23
Number of days of accounts payables	134	94

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	60%	60%
	b. Number of trading houses where purchases are made from	20	20
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	80%	80%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	0%	0%
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	0%	0%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0%	0%
	b. Sales (Sales to related parties / Total Sales)	0%	0%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	20	0
	d. Investments (Investments in related parties / Total Investments made)	0%	0%

Note: We are into institutional sales and providing our products directly to leading companies, where they convert intermediates into final products for the consumers. Therefore, sales through distributors do not apply to us.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

We have instituted an onboarding process for our value chain partners, through which we share our code of conduct to ensure their awareness. Additionally, we conduct desktop and on-site assessments of our critical value chain partners in India. As part of this review process, we communicate the ESG practices and responsible business conduct expected from Hikal Ltd.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

We have defined a Code of Conduct for the Board of Directors and Senior Management, which outlines the responsibilities to prevent any situation of conflict of interest. In addition, we obtain an annual declaration from the Board members and Senior Management executives on conformity with the Company's requirements to prevent conflict of interest.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	4.51%	4.01%	Not applicable
Capex			A Process Safety Lab was established at Pune Research and Technology (R&T) Center.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

We have a Green Supply Chain Policy, which is applicable for all our value chain partners. The policy outlines our commitment towards Environmental, Social and Governance (ESG) related responsible business practices. We expect all our value chain partners to adhere with our green supply chain requirements.

b. If yes, what percentage of inputs were sourced sustainably?

100% of inputs from critical suppliers in India is sourced in a sustainable manner.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Given the nature of our business, we have limited scope to reclaim our products for reusing, recycling, and disposal at the end of life. However, we have implemented a waste management system at all our facilities and have dedicated teams to ensure its effective implementation. All the categories of wastes are collected, segregated, stored, transported, and disposed of in accordance with applicable regulatory requirements and best industry practices. We have detailed SOP for collection, storage and disposal of various type of waste generated from process.

We are segregating all waste into two categories i.e., recyclable, and non-recyclable wastes. Recyclable waste is disposed of in an environmentally sound manner to authorised recyclers, and non-recyclable waste is disposed of via co-processing to the cement industry or incineration or secured landfill based on calorific value of waste. The packing material generated by raw materials and in-process material are being disposed to authorised plastic recycler or via Common Hazardous Waste Collection, Treatment, Storage & Disposal Facilities (CHWTSDF).

We have been consistently enhancing our waste management practices and have embedded them with our circular economy approach. In terms of process improvements, we have implemented systems to recover the organic solvents and reuse them in the same process. We have a dedicated lab working exclusively on waste treatability studies and have converted by-products into desired intermediates by using a simple process, which in turn reduced the hazardous organic waste to a great extent. In addition, we have initiated a process of reusing the plastic material used in the internal product transfer for the storage and disposal of hazardous waste and hence reduced the overall consumption of fresh plastic products and packaging material in our operations.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

EPR is applicable to us as an importer, HIKAL sought license from relevant statutory body to comply with the requirement under EPR.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

No, we will be conducting the life cycle assessment of our products in future.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not applicable, as we have not conducted the life cycle assessment of our products.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Given the nature of our pharmaceutical and specialty chemical products, we do not use recycled or reused input materials in the manufacturing process. However, we are recovering more than 90% of process solvents and reusing them in the manufacturing process of pharmaceuticals and agrochemicals products.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

We are into institutional sales and providing our products to leading companies and they convert intermediates in to final products for the consumers. Hence, the responsibility for reclaiming products and packaging material does not apply to us. However, we give instructions and guidelines to our customers for handling and disposal of the products.

In addition, the waste generated in our manufacturing process, raw material packaging and e-waste are being sent to authorised recyclers wherever possible in accordance with the statutory requirements. In the reporting period, we have initiated a process of reusing the plastic material used in the internal product transfer for the storage and disposal of hazardous waste and hence reduced the overall consumption of fresh plastic products and packaging material in our operations

	FY 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging) in Metric tonnes	67.31	124.22	7.73	Nil	142.31	Nil
E-waste in Metric tonnes	Nil	4.43	Nil	Nil	8.84	Nil
Hazardous Waste in Metric tonnes	Nil	40,762.56	15,831.41	Nil	32255.08	28045.22
Other waste in Metric tonnes	Nil	4,251.11	115.33	Nil	Nil	Nil

Note: The above-reported values are from Hikal's operations.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not applicable.

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	Percentage of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1829	1829	100%	1829	100%	-	-	1829	100%	-	-
Female	110	110	100%	110	100%	110	100%	-	-	-	-
Total	1939	1939	100%	1939	100%	110	100%	1829	100%	-	-
Other than Permanent employees											
Male	10	10	100%	10	100%	-	-	-	-	-	-
Female	5	5	100%	5	100%	5	100%	-	-	-	-
Total	15	15	100%	15	100%	5	100%	-	-	-	-

b. Details of measures for the well-being of workers

Category	Total (A)	Percentage of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	122	122	100%	122	100%	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	122	122	100%	122	100%	-	-	-	-	-	-
Other than Permanent workers											
Male	1323	1323	100%	1323	100%	-	-	-	-	-	-
Female	69	67	97%	67	97%	67	97%	-	-	-	-
Total	1392	1390	99.8%	1390	99.8%	67	97%	-	-	-	-

c. Details of measures for the well-being of workers:

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.24%	0.18%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	100%	100%	Yes	100%	100%	Yes
Others	NA	NA	NA	NA	NA	NA

Note: We have enrolled all our eligible employees and workers under the ESI. For the business locations that are outside the purview of ESI, we have obtained the Workmen's Compensation policy.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

All our facilities have the necessary infrastructure in place to provide easy access to differently-abled employees and workers at the workplace.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

We believe in promoting and maintaining a culture of diversity and equal opportunity for people based on merit, performance, and future potential to promote meritocracy. The Code of Conduct has been developed in line with our commitment to provide equal opportunities to everyone in the workplace.

Weblink: <https://www.hikal.com/documents/corporate-governance>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	NA	NA
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No	If yes, then give details of the mechanism in brief
Permanent workers	Yes	We have a well-defined grievance redressal mechanism in place. The grievance redressal policy outlines the procedure, responsibilities and timelines for addressing the concerns/ complaints. The policy applies to all employees and workers including the third-party workers deployed at the company's premises. We encourage our employees and workers to report any unethical incident or behaviour and ensure conformity with our non-retaliation principle, which is mentioned in our Code of Conduct. Appropriate records are maintained in accordance with the policy. We have also constituted a Works Committee at our manufacturing facilities that are unionised to discuss and address the issues related to working conditions and benefits concerning employees and workers. This committee meets periodically to discuss matters, which are documented, and action points are defined with specific roles and responsibilities.
Other than Permanent workers	Yes	
Permanent employees	Yes	
Other than Permanent employees	Yes	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Permanent employees						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total	-	-	-	-	-	-
Permanent workers						
Male	122	122	100%	127	127	100%
Female	-	-	-	-	-	-
Total	122	122	100%	127	127	100%

8. Details of training given to employees and workers

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees and Workers										
Male	We have maintained combined training records for permanent workers and employees.									
Female										
Total	1939	1627	84%	1939	100%	2043	1075	53%	968	47%

Note: Health and safety-related training sessions for workers are conducted on the shopfloor through various initiatives such as toolbox talks, safety talks, one minute for safety, etc. However, the numbers mentioned above are the formal records maintained for the training sessions conducted for permanent employees and workers.

9. Details of performance and career development reviews of employees and worker

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1829	1829	100%	1889	1889	100%
Female	110	110	100%	126	126	100%
Total	1939	1939	100%	2015	2015	100%

Note: We have considered only permanent employees in the performance review process.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, we have implemented Occupational Health and Safety Management System (ISO 45001) across our manufacturing facilities. All five manufacturing facilities are certified with ISO 45001:2018 management system and the research & technology center is in process of obtaining the certification.

We make our best efforts to ensure safe operations. We have implemented various programs like “Surakshapath” which is a behaviour-based safety program to minimise behavioural risk. We have other safety awareness programs like “One Minute for Safety”, “EHS Induction”, “Weekly wet drills”, “Mock drills” etc. to enhance safety at our workplace. In addition, we have also initiated cross-functional safety audits at all the sites by the Corporate EHS team. To create awareness we have initiated an EHS Theme program every month, where we are adopting a different EHS theme to design and execute various awareness programs for all levels of employees and workers.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We have well established systems to identify and assess work-related hazards and risks. We have implemented Hazard Identification and Risk assessment (HIRA) process for routine and non-routine activities, and Hazard operability (HAZOP) techniques for process related hazards at all our facilities. In addition, we have developed a guidance document in which, we have identified and documented all the hazards and risks associated with our operations to standardise implementation of safety measures.

At all our facilities, we have a dedicated EHS team to identify, assess and mitigate risks, monitor the implementation of safety measures, conduct a weekly safety inspection, and provide regular training on safety-aspects to employees and workers. Also, there are periodic internal and external audits conducted to assess the effectiveness of Occupational health and safety processes implemented at our facilities.

We analyze and generate safety related data of chemicals externally through recognised laboratory and use it in facility design to ensure inherent safety in infrastructure and operation. There are dedicated employees for process safety management at our R&T center.

We have set up a process safety laboratory at R&T Pune to carry out various safety-related tests of reaction calorimetry of new processes to ensure inherent safe processes in new projects.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, we have a well-defined system in place to identify and report work-related hazards. We have implemented a safety reporting system through MY SETU software at all the facilities through which employees can online report work-related hazards/risks such as near misses, unsafe conditions, injuries, and other serious incidents. This is followed by a detailed root cause analysis, development and implementation of corrective action plans, and monitoring of the effectiveness of safety measures. All the reported issues can be tracked online till its closure with the corrective action plan and any employee can access the portal through their login credentials. Apart from this, regular safety briefing sessions/toolbox talks take place on a daily basis, where workers actively participate to give suggestions for strengthening the safety measures at the sites.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all our employees and workers have access to non-occupational medical and healthcare services. We have onsite medical centers at our facilities that have a round-the-clock Operating Outpatient Department (OPD) with qualified medical officers and support staff for any medical emergencies and consultation for non-occupational health issues. As a standard process, annual health check camps are organised across our facilities. The employees and workers having exposure to heat, noise, and chemicals during their routine work are required to undergo preventive health examination every six months to diagnose any occupational disease in the initial stage. We have obtained Group accidental and medical insurance policies that cover our employees. At all our facilities, we ensure that contractors must obtain accidental insurance policy/workmen compensation policy and ESIC for workers.

11. Details of safety related incidents, in the following format:

Safety Incident/ Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0.3
Total recordable work-related injuries	Employees	0	0
	Workers	0	1
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

We have implemented a robust safety management system in accordance with guidelines and principles of the ISO 45001 management system to ensure a safe and healthy workplace. Maintaining the highest safety standards across our facilities is one of our top-most priorities, we conduct Industrial hygiene exposure quantitative assessment, Quantitative risk assessment (QRA), Hazard Identification and Risk assessment (HIRA), and implemented Hazard operability (HAZOP) techniques to identify the hazards and provide required engineering measures to minimise the risks.

As a standard practice, before starting any project, we conduct HIRA. PSSR (Pre Start Up Safety Review) and implement safety measures, provide safety training, conduct medical tests that are required for any specific activity, and conduct toolbox talks daily for each shift. Regular site inspections and safety audits are conducted by both internal teams and external auditors to assess the safety readiness at our facilities.

Mandatory safety training is a part of induction program and periodic refresher training sessions are conducted by internal teams and external experts on various safety and occupational health-related aspects. All our employees and workers are provided with Personal Protective Equipment (PPE) and there are safety Supervisors/Managers for regular inspection of activities and to issue work permits for any dangerous operations.

Pre-employment medical examinations and periodic medical examinations are conducted for employees and workers to identify any occupational disease at the initial stage and provide a necessary course of treatment.

There are various rewards and recognition programs to recognise the efforts of individuals and teams for ensuring safety at the workplace.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Not applicable	Nil	Nil	Not applicable
Health & Safety	0	0	Not applicable	Nil	Nil	Not applicable

Note: We have not received any complaints from employees and workers regarding working conditions and Health & safety-related issues in the reporting period. However, we conduct safety committee meetings regularly at all our sites, where employees/workers share their suggestions for improving the working environment.

14. Assessment for the year:

	Percentage of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

We have a defined process to thoroughly investigate all the incidents and share the learning across sites to ensure the non-occurrence of similar incidents. Through our awareness programs and employee connect sessions, we encourage our employees and workers, to report any unsafe acts and conditions. During the reporting period, no major safety incident occurred. However, certain first-aid incidents and unsafe acts were reported that have been investigated and necessary corrective and preventive measures were implemented. Some of the key measures implemented are listed below:

- The fall arrestor systems were provided at the Tanker Unloading Area to reduce the risk of free fall while collecting samples from the road tanker at all the sites.
- Cross-functional safety audits were initiated for all the manufacturing facilities by the Corporate EHS department.
- The day duty officer is available on all holidays and Sundays for overall safety monitoring at all sites.
- To ensure the safety of contract employees the Contractor Safety Performance System was implemented with monthly meetings with contractors at all sites.
- To enhance adequacy and uniformity for safety training of contract employees, a pre-recorded video-based training Kiosk system was installed.
- Continuous Earth Monitoring System installed at Jigani and Mahad units for monitoring the earth resistance.
- Fire prevention sprinkler systems are installed at Jigani units 1 and 2.
- Nitrogen Low-Pressure Alarm System is installed at Jigani units 1 and 2 to reduce asphyxiation risk.
- Continuous AAQMS installed to monitor the quality of air at Jigani unit 2.
- OHC upgradation was completed at Jigani unit 1 where separate rooms were provided for women employees.
- 30 KL RO Plant and ATFD Capacity (300 Kg/ Hr) for Single Effect Evaporator projects were completed for the ETP Plant in Jigani Unit-2 for the ZLD system.
- To strengthen the safety of a person while working in a confined space oxygen detectors are provided at the Panoli unit.
- Hazardous waste storage area upgradation with physical partition for segregation of waste based on compatibility. Smoke detectors were installed, and a leachate collection system was provided at the Panoli unit.
- Finished goods (API) storage area Smoke detector provided for fire prevention at Panoli site.
- An electrostatic charge hazard evaluation audit was performed to reduce the fire risk while handling chemicals at the Taloja unit.
- Installation of Flood management items at the Mahad unit.
- Protection relay earthing system provided for Kilo lab, solvent dispensing, and Hazardous waste shed by engineering at Pune R&T Centre.
- Upgraded the existing wastewater treatment facility including Softener, UF RO, MVR-based evaporator, etc. at Pune R&T Centre.
- Online Effluent monitoring system installed at Pune R&T Centre.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

We expect our value chain partners to abide by the statutory requirements and implement necessary operational controls to ensure timely deduction and deposition of applicable statutory dues.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, we provide the transition assistance to facilitate continued employability and the management of career endings resulting from retirement or termination of employment. We have a retainership practice to provide continued employment to our retired employees. There are skill development training sessions conducted periodically across our facilities that enable employees to enhance their skills, which assist them in pursuing new employment post-retirement or termination.

5. Details on assessment of value chain partners:

	Percentage of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices*	100%
Working Conditions *	100%

* We have defined a supplier evaluation criterion based on which we conduct the assessment of our critical value chain partners that are based in India via onsite and offsite audits. It primarily focuses upon responsible business principles, Environment, Health and Safety (EHS), quality ESG principles and statutory requirements.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

There were no significant risks/concerns related to health and safety practices and working conditions of value chain partners reported during the financial year.

We have standard operating procedure for EHS risk evaluation of our value chain partner. We have cross functional team which comprises employee from EHS, QA and production to carry out onsite/offsite audit of our value chain partner. We have systems to identify the EHS risk and define CAPA in consultation with our value chain partner and ensure the closure of identified risks.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

We believe that meaningful interactions with our stakeholders are essential for long-term value creation. We continuously engage with our stakeholders to understand their expectations and needs. Regular stakeholder engagements help in building credibility, minimising risks, and in realigning focus areas that are essential for business growth.

We identify our stakeholders as groups, institutions, and individuals who can impact or influence our business operations or / are impacted by our operations. It includes both internal and external stakeholders. During our materiality assessment activity, we have identified Customers, Employees, Investors and Shareholders, Community, Institutions and Industry Bodies, Suppliers, Government and Regulators, Media and Analysts, as our key stakeholders. We engage with them transparently at regular intervals or as and when required to provide them with the necessary information to foster our relationships and take their inputs for sustainable value creation.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	1. Customer meetings 2. Official communication channels: advertisements, publications, website, and social media 3. Conferences and events 4. Customer feedback and satisfaction survey	Ongoing	1. Timely delivery 2. Wide range of high-quality products that meet customer requirements 3. Competitive pricing 4. Easy availability through large distribution network 5. Post-sales support
Employees	No	1. Timely internal communications 2. Capability development programs 3. Performance appraisal 4. Grievance redressal mechanisms 5. Wellness programs 6. Town Hall Meeting 7. MD Connect 8. Women Forum	Ongoing	1. Satisfaction and motivation 2. Fair wages and rewards 3. Improved work-life balance 4. Regular training and skill development 5. Career growth 6. Safe and secure work environment Healthy workplace
Investors and Shareholders	No	1. Analyst meets 2. Quarterly calls. financial reports, and presentations 3. Annual general meetings Annual reports 4. Official communication channels: advertisements, publications, website, and social media	Quarterly/ need-based	1. Sustainable growth and returns 2. High standards of corporate governance and risk management
Community	Yes	1. CSR partnerships 2. Community welfare programmes Meetings and briefings 3. Training and workshops Impact assessment surveys 4. Official communication channels: websites and social media 5. Advertisements. publications. 5. Complaints and grievance mechanism	Ongoing	1. Infrastructure development 2. Funding for community development 3. Training and livelihood programmes 4. Contribution to the local economy

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Institutions and Industry Bodies	No	1. Conferences 2. Joint R&D initiatives 3. Internship opportunities for students	Need-based	1. Exchange of knowledge 2. Collaboration in R&D 3. Industry exposure for students
Suppliers	No	1. Supplier development initiatives 2. Vendor assessment and review 3. Training workshops and seminars 4. Supplier audits 5. Official communication channels: website, and social media 6. Advertisements, publications.	Ongoing	1. Timely payment 2. Continuity of orders 3. Capacity building 4. Transparency
Government and Regulators	No	1. Statutory compliances filings and meetings 2. Official communication channels: Advertisements, publications, websites, and social media 3. Phone calls, emails, and meetings 4. Regulatory audits/inspections	Need-based	1. Aligning with the government to support economic development 2. Continued contribution to the exchequer
Media and Analysts	No	1. Press releases, media interviews, email advisories 2. Website management 3. Social media posts and updates	Need-based	1. Effective communication 2. Accountability and transparency. 3. Brand image creation

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

We have defined mechanisms in place to undertake consultations with our stakeholder groups. Our site heads and business leaders engage with both internal and external stakeholders on various topics. There are dedicated forums for our employees to connect with the Management such as Town Hall sessions that are conducted by respective site heads, and CEO Connect sessions with the Managing Director. Based on the stakeholder consultation, relevant feedback is shared with the Board of Directors, whenever necessary.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, stakeholder consultation is used to support the identification and management of environmental, and social topics. We have engaged with internal and external stakeholder groups to identify and priorities the material ESG topics that are relevant for stakeholders and important for our business operations. We believe that regular engagement with stakeholders is essential for long-term value creation, and we keep enhancing our processes based on the suggestions received from stakeholders.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

We regularly engage with all our stakeholders to address their concerns and needs. We have been undertaking various Corporate Social Responsibility (CSR) initiatives that provided benefits to our stakeholders including the vulnerable/marginalised stakeholder groups. We undertake various CSR initiatives in the areas of health, education, environment, protection of national heritage, art, and culture.

PRINCIPLE 5: Businesses should respect and promote human rights
Essential Indicators
1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	1939	1879	97%	2015	1612	80%
Other than permanent	15	13	87%	-	-	-
Total Employees	1954	1892	97%	2015	1612	80%
Workers						
Permanent	122	120	98%	127	102	80%
Other than permanent	1392	Records not maintained		1469	Records not maintained	
Total Workers	1514	120	8%	1596	102	6%

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	1829	-	-	1829	100%	1889	-	-	1889	100%
Female	110	-	-	110	100%	126	-	-	126	100%
Other than Permanent										
Male	10	-	-	10	100%	11	-	-	11	100%
Female	5	-	-	5	100%	4	-	-	4	100%
Workers										
Permanent										
Male	122	-	-	122	100%	127	-	-	127	100%
Female	0	-	-	0	-	0	-	-	0	100%
Other than Permanent										
Male	1323	1323	100%	-	-	1427	1427	100%	-	-
Female	69	69	100%	-	-	42	42	100%	-	-

3. Details of remuneration/ salary/ wages, in the following format:
a. Median remuneration/wages

	Male		Female	
	Number	Median remuneration/ salary/ wages of the respective category in INR	Number	Median remuneration/ salary/ wages of the respective category in INR
Board of Directors (BoD)	8	14,90,000	3	18,90,000
Key Managerial Personnel	7	1,56,10,000	NA	NA
Employees other than BoD and KMP#	1822	5,81,880	110	4,57,598
Workers#	122	7,48,264	NA	NA

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	5%	5%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, Head of Human Resources department is responsible for addressing human rights impacts or issues caused or contributed to by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We have a well-defined internal mechanism in place to address the concerns related to human rights. Apart from the grievance redressal policy, which outlines the procedure, responsibilities, and timelines for addressing the concerns/ complaints. There are various other policy frameworks such as Prevention of Sexual Harassment (POSH) Policy, Whistle blower policy, and Code of conduct that have provisions to safeguard the human rights of both internal and external stakeholders. The Management Committee is the apex body which oversees practices related to human rights in our organisation.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced labour/ Involuntary labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Our Grievance Redressal policy, Prevention of Sexual Harassment (POSH) policy and Whistle-blower policy have defined mechanisms for addressing concerns/ complaints raised by both internal and external stakeholders in a time-bound manner. We maintain confidentiality during the investigation process and ensure the protection of the complainant. There is zero tolerance for retaliatory behaviour as mentioned in our Code of Conduct. We encourage our employees and workers to report any unethical incident or behaviour. No cases of harassment and discrimination were reported during the financial year 2023-24.

9. Do human rights requirements form part of your business agreements and contracts?

Yes

10. Assessments for the year:

	Percentage of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Sexual Harassment	100%
Discrimination at workplace	100%
Wages	100%
Others- please specify	Applicable statutory requirements.

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No issues related to above-mentioned aspects were identified during the assessment.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Not applicable.

2. Details of the scope and coverage of any Human rights due diligence conducted.

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. Internally, our Corporate and Site Human Resource teams are responsible for safeguarding the rights of all the employees working at our facilities. They periodically review the records of contractors working at our facilities to ensure compliance with statutory requirements and Hikal's Code of Conduct.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

All our facilities have the necessary infrastructure in place to provide easy access to differently abled employees and workers at the workplace.

4. Details on assessment of value chain partners:

We are conducting the assessment of our critical value chain partners that are based in India. The assessment cover aspects related to human rights, business integrity, Environment, Health, and Safety (EHS), ESG Principles and statutory compliance. Also, as per our code of conduct, we expect our suppliers to adhere with the principles of human rights.

	Percentage of value chain partners (by value of business done with such partners) that were assessed
Child labour	100%
Forced Labour/Involuntary Labour	100%
Sexual Harassment	100%
Discrimination at workplace	100%
Wages	100%
Others- Retention of any original documents	100%

Note: The above-mentioned values are limited to critical business value chain partners that are based in India.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameters	Units	FY 2023-24	FY 2022-23
From renewable sources			
Total electricity consumption (A)	Giga Joules (GJ)	149,791.56	65,561.43
Total fuel consumption (B)	GJ	727,437.04	732,197.30
Energy consumption through other sources (C)	GJ	0	Nil
Total energy consumed from renewable sources (A+B+C)	GJ	877228.606	797,758.73
From non-renewable sources			
Total electricity consumption (D)	GJ	294,036.22	296,299.25
Total fuel consumption (E)	GJ	249,390.66	320,528.11
Energy consumption through other sources (F)	GJ	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	GJ	543,426.88	616,827.36
Total energy consumption (A+B+C+D+E+F)	GJ	1,420,655.49	1,414,586.09
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	GJ/INR million	79.61	69.93
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	GJ/USD million	1821.55	1600.03
Energy intensity in terms of physical output	GJ/MT	131.61	130.79

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

2. Does the entity have any sites / facilities identified as the designated consumers (DCs) under Performance, Achieve and Trade (PAT) Scheme of the Government of India? yes (Y/N) If, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

Not applicable, since we do not have any site as the designated consumers (DCs) under Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameters	Units	FY 2023-24	FY 2022-23
Water withdrawal by source	kilolitre (kL)		
(i) Surface water	kilolitre (kL)	0	0
(ii) Groundwater	kilolitre (kL)	0	0
(iii) Third party water (Industrial Estate MIDC/GIDC)	kilolitre (kL)	908,509.50	915,491.50
(iv) Seawater / desalinated water	kilolitre (kL)	0	0
(v) Others	kilolitre (kL)	0	149,750.00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	kilolitre (kL)	908,509.50	1,065,241.50
Total volume of water consumption (in kilolitres)	kilolitre (kL)	609,607.50#	1,065,241.50
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	kL/INR million	34.16#	52.66
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	kL/USD million	781.63#	1204.89
Water intensity in terms of physical output	kL/MT	56.47#	98.49

We have updated the methodology for calculating water consumption for the present reporting year based on the description mentioned in Annexure 1 - Format of BRSR Core.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

4. Provide the following details related to water discharged:

Parameters	Units	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment			
To Surface water			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment - Please specify level of treatment	kilolitre (kL)	Nil	Nil
To Groundwater			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment - Please specify level of treatment	kilolitre (kL)	Nil	Nil
To Seawater			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment - Please specify level of treatment	kilolitre (kL)	Nil	Nil
Sent to third parties			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment - Tertiary treatment	kilolitre (kL)	298,902	311,060
Others			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment - ZLD	kilolitre (kL)	95,660.54#	Nil
Total water discharged	kilolitre (kL)	394,562.54	311,060

We have reported the water reused via the Zero Liquid Discharge plant (ZLD) in utilities.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, we have implemented a mechanism for 100% Zero Liquid Discharge (ZLD) at three out of five manufacturing facilities. During the reporting period, we have implemented a state-of-the-art ZLD system at our Research and Technology (R&T) facility in Pune. Our ZLD facilities across sites consist of primary treatment, secondary effluent treatment/MBR and MEE/MVRE with ATFD, and then reverse osmosis for tertiary treatment to reuse treated effluent for utility consumption. We also have a Sewage Treatment Plant (STP) at these facilities and the treated wastewater is used within the plant's premises for gardening and cooling tower make-up purposes.

At other manufacturing facilities, we have installed both Effluent Treatment Plants (ETPs) and STPs for treating effluents and wastewater as per the statutory guidelines. After treatment, we utilise treated water for internal usage to the extent possible and responsibly discharge the remaining treated water in compliance with legal requirements.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

We are monitoring the air emissions in accordance with the statutory requirements and monitoring across our sites are carried out by the laboratories approved the respective state pollution control boards. The concentration of all the parameters is within the permissible range and details of air emissions are submitted annually to the respective pollution control boards.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

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

Note: The scope 2 emissions for the previous year have been revised due to a change in methodology. We referred to the latest GRID emission factor published by the Central Electrical Authority. With the previous emission factor (0.71 tCO₂/MWh), the scope 2 value for FY 2022-23 was 58,436.80 tonnes CO₂e. However, with the latest market-based emission factor (0.823 tCO₂/MWh), the value has changed to 67,737.30 tonnes CO₂e.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Hikal has been following a systematic approach towards energy conservation program. EnCon (Energy Conservation) committee has been constituted at the corporate level in the year 2021 and Energy Conservation Policy has been revised in the financial year. The EnCon Committee drives the initiatives for conservation of energy and natural resources across the Company for achieving long-term sustainability. The EnCon committee meets every month and has implemented the following initiatives for energy conservation:

Crop Protection Business

The following energy saving initiatives have been implemented at Taloja, Mahad and Panoli site of Crop Business:

- Convention lights replacement with LED lights
- Delta to Star Conversion of motors for selected big size motors
- Steam Consumption reduction by replacement of Steam Ejector with Dry Vacuum Pump in process.
- Back pressure turbine installation for electricity generation from biofuel boiler.
- Replacement of conventional air compressor drains by zero air loss drains.
- Steam Consumption reduction by Reaction temperature reduction from 50°C to 35-40°C
- Open access power investment with Solar and wind power company for green energy
- Energy saving in Nitrogen plant by optimisation of change over time cycle.
- Energy Saving in Air compressor by optimisation of operating pressure.

Pharmaceuticals Business

The following energy saving initiatives have been implemented at Panoli and Jigani site of Pharma Business:

- VFD installation in Utility Cooling tower pumps.
- Energy Saving initiative in Cooling tower and Compressed air system.
- Steam Cost Reduction by outsourcing steam supply on green fuel.
- Reduction in Steam consumption by utilisation of waste heat and efficiency improvement.
- Reduction in Cooling tower make up water and effluent treatment cost up to 20 % by Utilisation of RO Reject water and Reactor Jacket recovery.
- Open access power Hybrid power (2.8MW) investment with Solar and wind power company for green energy for Panoli site
- Manual control replaced with Cascade control system for energy efficiency improvement in BRU units.
- ESP hopper heater isolation to reduce energy consumption.
- VFD was installed in dust collector of COGEN plant.
- VFD was installed in briquette crusher of COGEN plant.
- VFD was installed in SA fan of COGEN Plant
- VFD was installed in ATFD feed and OSLO stripper pump in effluent treatment plant.
- Replacement of 15-year-old UPS with new high efficiency UPS
- Debottleneck of 1500 TR cooling tower connected to SRU plant.
- 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 transition initiatives:

Hikal continued its journey to use clean fuel and energy in its operations at Mahad, Taloja and Panoli plant. CAPEX contract agreement has been made with M/s Radiance Renewables Pvt. Ltd. for supply to Taloja and Mahad. OPEX contract has been made with M/s Cleanmax - hybrid power green energy supply for our Panoli. These contracts were made in previous year, hence there is no CAPEX investment in current financial year, but we started using Solar and wind power at Mahad, Taloja and Panoli in current financial year.

There is significant cost saving due to use of alternative source of energy at our Mahad, Taloja and Panoli location.

- Total Cost saved is as follows.
- Panoli – INR 33.79 million
- Taloja – INR 53.35 million
- Mahad – INR 23.60 million

We have also made OPEX contract with M/s PR Eco energy for steam supply to our Panoli site. Briquette is used for steam generation which eliminated use of natural gas in our boiler.

9. Provide details related to waste management by the entity, in the following format:

Parameters	Units	FY 2023-24	FY 2022-23
Total Waste generated			
Plastic waste (A)	Metric tonnes	208.74	142.31
E-waste (B)	Metric tonnes	3.23	8.84
Bio-medical waste (C)	Metric tonnes	0.06	0.06
Construction and demolition waste (D)	Metric tonnes	0	0
Battery waste (E)	Metric tonnes	0	0
Radioactive waste (F)	Metric tonnes	0	0
Other Hazardous waste. Please specify, if any. (G)	Metric tonnes	57,438.13	57,693.74
Other Non-hazardous waste generated (H)	Metric tonnes	5,137.67	3,043.32
Total (A + B + C + D + E + F + G + H)	Metric tonnes	62,787.83	6 60,888.27
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	Metric tonnes / INR million	3.52	3.01
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	Metric tonnes / USD million	80.51	68.87
Waste intensity in terms of physical output	Metric tonnes/ Metric tonnes	5.82	5.63
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)			
Category of waste			
(i) Recycled	Metric tonnes	37,865.45	32,255.08
(ii) Re-used	Metric tonnes	3,984.00	2,399.20
(iii) Other recovery operations	Metric tonnes	1,839.00	64.64
Total	Metric tonnes	43,688.45	34,718.92
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
Category of waste			
(i) Incineration	Metric tonnes	2,789.98	8,569.86
(ii) Landfilling	Metric tonnes	10,568.57	10,428.39
(iii) Other disposal operations	Metric tonnes	9,297.04	9,046.97
Total	Metric tonnes	22,655.588	28,045.22

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Being a pharmaceutical and specialty chemical manufacturing company, responsible waste management is of utmost priority for us. We have been consistently enhancing our waste management practices and have embedded them with our circular economy approach. We follow the 3R concept of “reduce, reuse & recycle” and have defined standard operating procedures for handling hazardous, non-hazardous, e-waste, and biomedical wastes.

All our facilities have dedicated teams to ensure waste segregation at source, safe handling, storage, and disposal of waste in accordance with applicable regulatory requirements and best industry practices. 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 was sold to authorised vendors. Plastic waste was recycled through authorised recyclers.

The other non-hazardous waste such as scrap metal, wood waste, glass, cardboard, paper, etc. was disposed of via authorised recyclers.

In terms of process improvements, we are using recovered solvents in the process to reduce fresh solvent consumption. We have a dedicated lab working exclusively on waste treatability studies and have converted by-products into desired intermediates by using a simple process, which in turn reduced the hazardous organic waste to a great extent. Also, we are enhancing our effluent treatment plants to enhance wastewater/effluent recycling capabilities.

Apart from this, we have been conducting periodic inspections to evaluate the waste handling facilities and implementing necessary changes to make them more efficient and environmentally friendly.

We have implemented "Wealth from Waste" Program which aims to identify waste which can be recycled, reduced or reused.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Jigani Unit	Manufacturing of pharmaceuticals	Yes, as per the Environmental Clearance (EC) recommendation, we have already applied for the No Objection Certificate (NOC) from Bannerghatta National Park (Forest Department). We have been following up with the agency to get the NOC. In addition, we have defined a process to prevent any adverse impact on the ecology.

We have defined processes and implemented necessary pollution control mechanisms to prevent any adverse impact on the ecology. Our dedicated team ensure the operations of all the pollution controlling equipment, zero liquid discharge and proper waste management in accordance with statutory requirements and industry best practices.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

Not applicable.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No	Specify the law/ regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	The Water (Prevention and Control of Pollution) Act, and Environment Protection Act	There was an accidental leakage of acidic water in the effluent treatment plant (ETP) due to the structural failure of tank walls. However, spilled water was collected from the drain and recycled in the ETP for further treatment.	10 million INR of interim Environmental damage compensation was paid to Gujarat Pollution Control Board (GPCB)	The tank structure has been repaired with acid/alkali proof lining.

Leadership Indicators

1. Water withdrawal, consumption, and discharge in areas of water stress

For each facility / plant located in areas of water stress, provide the following information:

- I. **Name of the area:** Jigani, Bangalore
- II. **Nature of operations:** Manufacturing of pharmaceuticals

III. Water withdrawal, consumption, and discharge in the following format:

Parameters	Units	FY 2023-24	FY 2022-23
Water withdrawal by source			
(i) Surface water	kilolitre (kL)	Nil	Nil
(ii) Groundwater	kilolitre (kL)	Nil	Nil
(iii) Third party water	kilolitre (kL)	174,285.5	166,685.5
(iv) Seawater / desalinated water	kilolitre (kL)	Nil	Nil
(v) Others	kilolitre (kL)	Nil	Nil
Total volume of water withdrawal (i + ii + iii + iv + v)	kilolitre (kL)	174,285.5	166,685.5
Total volume of water consumption	kilolitre (kL)	174,285.5	166,685.5
Water intensity per rupee of turnover (Water consumed / turnover)		16.50	15.63
Water discharge by destination and level of treatment			
Into Surface water			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment – Please specify level of treatment	kilolitre (kL)	Nil	8,646
Into Groundwater			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment – Please specify level of treatment	kilolitre (kL)	Nil	Nil
Into Seawater			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment – Please specify level of treatment	kilolitre (kL)	Nil	Nil
Sent to third-parties			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment – Please specify level of treatment	kilolitre (kL)	Nil	Nil
Others			
- No treatment	kiloliter (kL)	Nil	Nil
- With treatment – Tertiary treatment	kiloliter (kL)	87,937.75	75,627
Total water discharged		Nil	Nil

Note: We have maintained zero liquid discharge status at our Jigani Unit. After the tertiary treatment of effluent, the treated water is used for utility and cooling tower make up process. Domestic wastewater is treated separately in Sewage Treatment Plant and is used for the gardening purpose.

We have updated the methodology for calculating water consumption based on the description mentioned in Annexure 1 – Format of BRSR Core.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

No

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameters	Units	FY 2023-24	FY 2022-23
Total Scope 3 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	-	-
Total Scope 3 emissions per rupee of turnover		-	-

We are in the process of calculating scope 3 emissions for all the applicable categories.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

We have only Jigani Unit, which is in proximity to Bannerghatta National Park. To conserve the ecology, we have partnered with the International Association for Human Values (IAHV) for the development work of Yallammanadoddi lake, which is near our Jigani Unit. 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.

We carried out lake desiltation work in collaboration with villagers and provided bunds and silt traps to prevent ingress of waste and silt. This has increased the water capacity of lake by four times. In addition, we carried out a plantation of more than 40 varieties of aquatic plants and removed water hyacinths from the lake. Development of flora in the area promoted suitable eco-system to flourish various local birds and butterflies in the area. This has improved the overall ecology and provided clean water to the local communities.

MAHAD lake check dam CSR project.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Renewable energy transition	Increased the renewable electricity consumption through power purchase agreement and on-site generation.	Achieved emissions reduction of CO ₂ e at Taloja, Mahad and Panoli site
2	Energy efficiency and process optimisation measures	Details of energy efficiency and process optimisation measures listed in the question number 8 of essential category	Achieved an annual operational savings of INR 27.8 million
3	Pedal dryer for ETP sludge drying	Implemented Pedal dryer system in the ETP for sludge drying, which reduces the moisture content from 70% to around 15%, which reduces the quantity of sludge generation that goes to landfill.	It reduces around 45 tonnes of ETP sludge per month and it provides operational savings of around INR 3.5 to 4.0 million per annum

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, we have a business continuity and emergency response plan for our facilities. We have defined a detailed standard operating procedure in which we have identified business-critical processes, potential operational and financial impacts, and contingency measures to minimise any business interruptions. To ensure its effective implementation, roles and responsibilities have been defined at different levels across the organisation. We revise our SOPs in every two years or as when required to make necessary amendments to handle any contingency scenario. In addition, all our manufacturing facilities have site-specific on-site and offsite emergency response plans. Regular training and mock drills are being conducted as per the statutory requirements.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No such incident took place in the reporting year FY 2023-24.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

In the reporting period, we have not evaluated any of our value chain partners to assess the environmental impact of their operations. However, we have defined a supplier evaluation criterion based on which we assess our critical value chain partners in India on applicable statutory, EHS, ESG Principles, and quality-related requirements.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. **a. Number of affiliations with trade and industry chambers/ associations: 8**
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:**

S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	The Confederation of Indian Industry	National
2	The Federation of Indian Chambers of Commerce & Industry	National
3	Indian Merchants' Chamber	National
4	National Safety Council	National
5	Indian Chemical Council	National
6	Pesticides Manufacturers & Formulators Association of India	National
7	Crop Care Federation of India	National
8	Agro Chem Federation of India	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities**

Name of authority	Brief of the case	Corrective action taken
Nil	Nil	Nil

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

We work closely with various trade and industry associations on topics related to governance, policy reforms and sustainable business principles.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
-	-	-	-	-	-

During the period, the Company has not undertaken any SIA under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Not applicable.

3. **Describe the mechanisms to receive and redress grievances of the community.**

Our Grievance Redressal policy and Whistle-blower policy have defined mechanisms for addressing concerns/ complaints raised by the external stakeholder in a time-bound manner. We maintain confidentiality during the investigation process and ensure protection of the complainant. There is zero tolerance to retaliatory behaviour as mentioned in our Code of Conduct. However, no such concern was reported during the financial year 2023-24.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	23%	34%
Directly from within India	78%	73%

Note: We evaluate the vendor based on merits that are defined in our procurement policy and we provide equal opportunities to all the vendors/suppliers irrespective of geographical boundary.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24	FY 2022-23
Rural	17%	14%
Semi-urban	59%	62%
Urban	24%	24%
Metropolitan	-	-

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not applicable.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Not applicable.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

No, we do not have any preferential procurement policy. As mentioned in our Code of Conduct, we provide equal opportunities to everyone and do not discriminate on any basis while selecting suppliers/vendors. We encourage working with local and MSME (Micro, Small & Medium Enterprises) suppliers. However, in our supplier/vendor selection process, we provide equal opportunities and have the same evaluation criteria for everyone.

(b) From which marginalised /vulnerable groups do you procure?

Not applicable.

(c) What percentage of total procurement (by value) does it constitute?

Not applicable.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not applicable.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not applicable.

6. Details of beneficiaries of CSR Projects:

CSR Projects	No. of persons benefitted from CSR project	% of beneficiaries from vulnerable and marginalised groups
Remuneration of teachers' salaries at a nearby govt school in Madhutara	120	100%
Support to Twin Glacier Foundation for towards infrastructure development	NA	100%
Remuneration of teachers' salaries at a nearby govt school in Tharadevi	120	100%
Furniture given to Nosenur Govt School	40	100%

CSR Projects	No. of persons benefitted from CSR project	% of beneficiaries from vulnerable and marginalised groups
Support Govt School children by providing them with stationery supplies, notebooks, and school bags	30	100%
Remuneration of teachers' salaries at a nearby govt school in Thara C	120	100%
Support to Twin Glacier Foundation for the Green Belt Development project		100%
Remuneration of teachers' salaries at a nearby govt school in Byrappa	120	100%
Support to ADARANE CHARITABLE TRUST for the empowerment of rural communities		100%
Installation of an outdoor GYM at Dr. Rajkumar Park by considering the health issue of the general public	2000	100%
Support to Matrubhumi Foundation by providing them with provisional items	20	100%
Support to Raginiben Bipin Chandra Seva Karya Trust	50	100%
Support to Tata Literature Live Lit Fest towards preserving cultural art and heritage	NA	100%
Support to WWF Nature Guardian Program	NA	100%
Support to Chhatrapati Shivaji Maharaj Vastu Sangrahalaya towards preserving our cultural art and heritage	NA	100%
Support to National Center for Performing Arts	NA	100%
Support to Marg Foundation	NA	100%
Support to Zirad Art Foundation	NA	100%
Support to JNANAPRAVAHA Foundation that offers Theory Art Education Postgraduate Diploma and Certificate Courses to children of all strata	20	100%
Support to Chhatrapati Shivaji Maharaj Vastu Sangrahalaya towards preserving our cultural art and heritage	NA	100%
Support to Mangalam Charitable Foundation	NA	100%
Support to Ummeed Child Development Center	30	100%
Support to Raginiben Bipinchandra Seva Karya Trust towards benefiting underprivileged children and their families through various projects on healthcare, education, nutrition	50	100%
Support to IAHV for Tetvali afforestation project	NA	100%
Contribution to Seva Yagna Samiti towards providing emergency medical services to the underprivileged	50	100%
Women's Forum Panoli Organised a special lunch for Seva Yagna Samiti	50	100%
Support to Karmaputra Charitable Trust Ngo in Ahmedabad, Gujarat focuses on child education, women empowerment, help needy people	25	100%
Support to Mahad Civil Hospital by facilitating medical equipment and medicines	30	100%
Support by providing bicycles to students from New English Medium school Valang, Mahad	60	100%
Rural Hospital Garnden development project	200	100%
Watershed Management Program in Pimpalkond Village	3000	100%
Donated Ambulance to Sanjeevani Samajik Charitable Trust, Mahad	200	100%
Support with Civil Work to better the infrastructure at Mahad Civil Hospital	2000	100%
Support to Taloja Police Station with Provisioning Racks at their Warehouse	30	100%
Support to Gavdevi Samajik Sanstha towards social upliftment work for the Ghot camp society	150	100%
Sponsorship of annual expenditure on therapeutic treatment, Teaching & learning Material and Transport of fifteen children with special needs at Aai Day Care	50	100%
Sponsorship annual Salary of two special teachers at Aai Day care	2	100%
Empowerment of Women Through Mhhap	120	100%
Donation For Shiv Jayanti Utsav	20	100%
Nere - Infrastructure Development of ZP School	68	100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

This is not applicable, as we are into institutional sales and not selling any product directly in the retail market. However, we have defined systems in place for the customer complaint management. Once we receive a complaint in our system, immediately an investigator will be assigned to address the concern and undertake the root cause analysis. Necessary corrective actions are implemented to rectify the issue and we provide an update about the cause and corrective actions implemented to our customers in a time-bound manner.

2. Turnover of products and/ services

	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	100%
Recycling and/or safe disposal	-

Yes, all our products are properly labelled with adequate details in accordance with the applicable statutory and customer requirements. We provide safety data sheets which contain all the necessary information about the safe handling of the products.

3. Number of consumer complaints in respect of the following:

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year			Remarks
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks	
Data privacy	Nil	Nil	Not applicable	Nil	Nil	Not applicable	
Advertising	Nil	Nil	Not applicable	Nil	Nil	Not applicable	
Cyber-security	Nil	Nil	Not applicable	Nil	Nil	Not applicable	
Delivery of essential services	Nil	Nil	Not applicable	Nil	Nil	Not applicable	
Restrictive Trade Practices	Nil	Nil	Not applicable	Nil	Nil	Not applicable	
Unfair Trade Practices	Nil	Nil	Not applicable	Nil	Nil	Not applicable	
Other	21	9	Not applicable	8	4	All the complaint are resolved. These complaints are related to operational issues such as quality, transportation, etc.	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Not applicable
Forced recalls	Nil	Not applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Hikal has the policy to address cyber security and risks related to data privacy, which is accessible to all employees in the company's internal portal. The company is in the process of Implementing ISO 27001:2022 Standard for Information Security Management Systems.

To strengthen cyber security and data privacy, the Company has implemented multi-layered security solutions in the IT systems to prevent any direct exposure or vulnerability to cyber-attacks. The multi-layered solutions consist of an E-mail gateway, antivirus-spam-anti phishing security solution, EDR solution with ATP Engines, antivirus and zero-day attack protection for all the end-user devices and servers. In addition, there are multi-factor authentication mechanisms with OTP for all servers and best-in-class web-security solutions for internet access.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable

7. Provide the following information relating to data breaches:

- a. **Number of instances of data breaches:** Nil
- b. **Percentage of data breaches involving personally identifiable information of customers:** Nil
- c. **Impact, if any, of the data breaches:** Nil

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

We have a dedicated page on our Company's website that provide information about the products and services. The website links for Pharmaceuticals and Crop Protection products are:

Pharmaceuticals: <https://www.hikal.com/page/apis-and-intermediates>

Crop Protection: <https://www.hikal.com/page/overview#capabilities>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

We have quality agreements with customers where we provide detailed information about the products. All our consignments have adequate labels, safety instructions and product information in accordance with the statutory requirements.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

This is not applicable as we are into institutional sales and not selling any product directly in the retail market. However, we have defined mechanisms to inform our customers about any major change or risk, which may disrupt the supply of essential services. During the financial year 2023-24, no such instance was reported.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

Yes, all our products (containers/drums) are properly labelled with adequate details in accordance with the applicable statutory and customer requirements. We believe in fair disclosures and maintaining transparency about our products. To ensure safe handling of products, all our consignments have safety instructions sheets as well.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, we take regular feedback from our customers to improve our services and fulfill their expectations. We evaluate customer feedback forms periodically to access the level of customer satisfaction. In addition, our business teams have regular review meetings with our major customers to address their concerns and identify areas for further enhancing our services.