Environment, Social, Governance (ESG) Policy

Overview:

Approving Authority	Board of Directors of Horizon Industrial Parks Pvt Ltd
Approval Date	January 1, 2025
Effective Date	This Policy on ESG ('ESG Policy' or 'Policy') shall come into effect from the Approval Date.

Scope of Policy:

This ESG Policy applies to all aspects of our business operations, including the acquisition, development, management, operation and maintenance of our industrial and logistics parks. It extends across or value chain, encompassing our tenants, service providers, contractors, and supply chain partners. All directors, executives, employees, consultants, vendors, property managers, and workers—whether part-time, full-time, fixed-term, or trainees—who have access to our systems, infrastructure, or operational sites are expected to adhere to this Policy.

APPLICABILITY

This Policy has been approved and adopted by the Governing Board and is applicable to all assets manage and operate by Horizon Industrial Parks Pvt Ltd. ("The company" or "HIP").

References Frameworks:

The said Policy is aligned with National Guidelines on Responsible Business Conduct (NGBRC), Sustainable Development Goals (SDGs), Universal Declaration of Human Rights (UDHR), United Nations Global Compact (UNGC), International Labour Organisation (ILO) Standards and other globally accepted frameworks and recommendations with respect to ESG metrics and performance.

Governance Framework:

We will devise and adopt an appropriate framework towards the enforcement of the commitments as mentioned in this Policy and its implementation framework will periodically be reviewed by the Company, to incorporate the evolving national and global frameworks. We will adopt appropriate measures to ensure ESG data integrity through internal and external assurances.

HIP ESG Framework and Focus Areas:

At Horizon Industrial Parks (HIP), our ESG framework is built around the core objective of developing sustainable, future-ready logistics and industrial infrastructure while promoting environmental stewardship, positive community impact, and responsible business governance. The framework is structured to align with our business priorities and the expectations of our stakeholders.

Under this framework, HIP has identified key strategic focus areas that materially influence our long-term value creation and operational resilience. Specific targets and performance indicators have been established to track and measure progress against these priorities.

The ESG strategy is anchored on three principal pillars:

A. **Resource Conservation and Operational Efficiency**
Optimizing the use of energy, water, and other natural resources, while integrating green building practices, renewable energy, and waste management solutions across our industrial & Logistics parks.

B. **Employee and Community Engagement**
Fostering a safe, inclusive, and engaging work environment for employees, while proactively contributing to the socio-economic development of the communities surrounding our parks through education, health, and infrastructure initiatives.

C. **Ethical and Responsible Business Practices**
Upholding principles of integrity, regulatory compliance, transparency, and accountability in all aspects of our operations, partnerships, and stakeholder relationships.

These pillars form the foundation of HIP's ESG strategy, guiding our efforts to create sustainable, responsible, and resilient business operations.

To advance our ESG commitments, HIP has outlined key focus areas aimed at integrating responsible, future-ready practices within our warehousing and industrial park operations, ensuring sustainable value for all stakeholders. These include:

1. Carbon Emission Reduction and Energy Optimization in Park Operations

2. Development of Sustainable, Future-Ready, and Resilient Warehousing Infrastructure

3. Employee Development, Welfare, and Capability Building

4. Community and Tenant Engagement for Inclusive & Sustainable Growth

5. Workplace Health, Safety, and Well-being at Parks and Sites

6. Ethical Conduct, Compliance, and Respect for Human Rights

7. Operational Efficiency and Asset Performance Management

8. Responsible Procurement and Supplier Partnership Practices

❖ Environmental Policy

A. Resource Conservation and Operational Efficiency

i) Climate Change Adaptation and Resilience

- HIP will integrate climate risk mitigation through weather-resilient infrastructure, energy efficiency, and disaster preparedness.

- Measures include flood-resistant structures, green buffer zones, water recycling, and renewable energy adoption.

- Regular climate risk assessments and emergency response plans will be implemented.

- Engagement with tenants and supply chain partners will ensure operational continuity amid climate-related disruptions.

- Compliance with national policies and international frameworks will be maintained, with annual policy reviews.

ii) Greenhouse Gas Emissions Management

- HIP will work towards achieving GHG reduction targets through process optimization, electrification, and adoption of cleaner energy alternatives.
- Emissions across Scope 1, 2, and relevant Scope 3 will be tracked and managed.
- Collaboration with tenants and suppliers will be strengthened to drive emission-reduction initiatives.
- Carbon offset programs and nature-based solutions will be evaluated for mitigating residual emissions.
- Regular monitoring and disclosure will be maintained for transparency and compliance.

iii) Renewable Energy Integration

- HIP will work towards increasing renewable energy adoption to reduce fossil fuel dependence.
- Solar panel installations on roof surfaces will be expanded to optimize energy efficiency.
- Partnerships and investments will be pursued to facilitate the transition to clean energy.
- Support will be provided to tenants in achieving their carbon reduction targets.
- Long-term energy sustainability and resilience will be prioritized.

iv) Energy Efficiency

- HIP will work towards optimizing energy consumption through advanced energy management systems and smart metering.
- Data-driven analytics will be utilized to monitor and enhance efficiency.
- Tenants will be encouraged to adopt energy conservation best practices through awareness programs and technical support.
- Regular energy audits and performance assessments will be conducted to track improvements and identify further reduction opportunities.

v) Water Consumption and Conservation

- HIP will work towards reducing water consumption through efficient technologies like low-flow fixtures and water-efficient landscaping.
- Water usage will be monitored regularly to identify reduction opportunities.
- Water recycling and reuse practices will be implemented where feasible.
- Tenants will be encouraged to adopt responsible water management practices to minimize wastage.

vi) Waste Management and Circular Economy Approach

- HIP will minimize waste generation and promote a circular economy.
- Responsible disposal, recycling, and waste recovery systems will be implemented to reduce landfill waste.
- Eco-friendly materials will be prioritized in construction for lifecycle sustainability.
- Onsite composting and tenant participation in recycling programs will be expanded.

- Innovative closed-loop waste management solutions will be explored to enhance waste efficiency.

vii)Sustainable Procurement and Material Sourcing

- HIP will prioritize environmentally friendly and ethically sourced materials.
- Procurement practices will align with circular economy principles and high ESG standards.
- Supplier evaluations will integrate sustainability criteria to ensure responsible sourcing.
- The supply chain will be regularly reviewed to enhance sustainability and minimize impact.

viii)   Pollution Prevention and Control

- HIP will implement measures to minimize emissions, effluents, and noise pollution.
- Air and water quality will be monitored to ensure regulatory compliance.
- Tenants will be engaged to adopt sustainable practices and reduce harmful substances.

ix) Indoor Environmental Quality Standards

- HIP will maintain high standards for air quality, ventilation, and lighting in common areas and infrastructure developed and managed by HIP.
- Low-emission, non-toxic materials and effective ventilation systems will be prioritized in park-level facilities.
- HIP will periodically monitor indoor air quality in common spaces and promote awareness on maintaining healthy indoor environments.
- Tenants will be encouraged to adopt best practices for indoor environmental quality management within their operational spaces through awareness campaigns, knowledge-sharing initiatives and technical support if required.

x) Biodiversity and Habitat Conservation

- HIP will integrate biodiversity conservation in park planning and development.
- Green spaces and natural habitats will be maintained to protect native species.
- Ponds and afforestation initiatives will be developed to enhance local ecosystems.
- Regular environmental assessments will identify and mitigate biodiversity risks.
- Tenants and partners will be encouraged to adopt habitat preservation practices.

xi) Resilience to Environmental Catastrophes and Natural Disasters

- HIP will implement disaster risk management strategies to mitigate climate-related risks.
- Infrastructure will be designed to withstand extreme weather events.
- Emergency preparedness plans will be maintained, with regular drills for stakeholders.
- Climate adaptation measures will be integrated to ensure operational continuity.

xii)Policy to address Net-zero

- HIP will adopt a phased approach to reduce emissions through energy efficiency, renewables, and process optimization.
- Regular carbon assessments and reduction targets will be set and monitored.
- Tenants and supply chain partners will be engaged to align with net-zero goals.
- Carbon offset programs will be explored to address residual emissions.

❖ Social Policy

B. Employee and Community Engagement

a. Employee Rights and Welfare

i) Freedom of Association and Collective Bargaining

- HIP will uphold employees' rights to association, union membership, and collective bargaining.
- No discrimination or retaliation shall occur for exercising these rights.
- Open communication with employee representatives will be maintained to address concerns fairly.

ii) Fair Employee Remuneration and Benefits

- HIP will ensure competitive, performance-based compensation aligned with market standards.
- Employees will receive benefits supporting health, well-being, and financial security.
- Remuneration policies will be regularly reviewed for fairness and industry alignment.

iii) Employee Health, Well-being, and Engagement

- HIP will promote employee health through wellness programs and mental health support.
- Work-life balance will be encouraged via flexible policies.
- Clear communication on wellness resources will be maintained.

iv) Diversity, Equity, and Inclusion

- HIP is committed to fostering a diverse, equitable, and inclusive work environment where every individual can thrive.
- Fair and unbiased recruitment, development, and promotion practices will be followed.
- Employees will participate in regular DEI training and awareness initiatives to strengthen an inclusive culture.
- HIP will uphold a workplace culture built on mutual respect, equal opportunity, and dignity for all.

v) Labor Standards: Working Conditions, Forced and Child Labor for Development sites

- HIP is committed to upholding high labor standards, safety, health, and well-being of all site workers through its appointed service partners.
- Zero tolerance for forced, bonded, and child labor is enforced.

- Regular safety audits, EHS trainings, and health screenings will be conducted via service partners.
- Fire safety systems, CCTV, and sanitation facilities will be maintained, with operational compliance ensured by partners.
- Periodic mock drills and emergency preparedness activities will be organized.
- HIP and service partners will maintain compliance with ISO 9001, 14001, and 45001 standards.

vi) Human rights Policy

- HIP is committed to upholding human rights across its operations and managed parks. While it does not directly engage with workers, HIP ensures its appointed service partners and facility teams strictly follow labor and human rights standards.
- All partners must comply with applicable labor laws, human rights provisions, and ethical workplace practices.
- Forced labor, child labor, discrimination, and harassment are strictly prohibited.
- Periodic audits and reviews will be conducted to monitor compliance.
- HIP promotes a respectful, fair, and dignified work environment for all individuals within its parks.

b. Health and Safety

i) Workplace Safety for Employees and Contractors

- HIP will ensure compliance with all safety regulations and standards.
- Safety training and regular audits will be conducted.
- Emergency response plans, fire prevention, and proper signage will be maintained.
- PPE and necessary safety equipment will be provided.
- HIP will ensure that contractors adhere to the same safety standards.
- Health and safety assessments will be conducted regularly, with prompt issue resolution.

ii) Tenant and Customer Safety Standards

- HIP will ensure a safe environment through regular inspections and compliance with safety regulations.
- Tenants will be required to follow workplace safety protocols, including emergency preparedness.
- Safety equipment will be maintained and accessible across all facilities.
- Safety measures will be reviewed and updated continuously.
- Regular safety drills and awareness programs will be conducted.

iii) Community Health and Safety

- HIP will mitigate health and safety risks arising from its operations.
- Compliance with local and national health and safety regulations will be ensured.
- Regular assessments will be conducted to monitor and address community impact.
- Open communication with local communities will be maintained.

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- Collaboration with authorities and stakeholders will support health programs and emergency preparedness.

c. Stakeholder and Community Engagement

i) Community Development

- HIP will engage local communities through initiatives in sustainability, decarbonization, safety, and education.
- Focus areas include resource conservation, carbon reduction, and social development.
- Programs will drive positive social impact and foster inclusive growth.
- Educational support initiatives will enhance opportunities and resources for local residents.

ii) Social Enterprise and Local Business Partnerships

- Collaboration opportunities will be fostered to support local enterprise growth.
- Fair, transparent processes will ensure alignment with operational and sustainability goals.

iii) Stakeholder Relations and Engagement Mechanisms

- HIP will maintain transparent and constructive engagement with all stakeholders.
- Regular interactions will ensure stakeholder concerns are integrated into decision-making.
- Clear communication channels will facilitate feedback and issue resolution.
- Engagement practices will uphold integrity, compliance, and inclusivity.
- Mechanisms will be periodically reviewed for effectiveness and continuous improvement.

Framework: Stakeholder Relations and Engagement Mechanisms Policy

Sr No.	Stakeholder	Goal of Engagement	Mode of Engagement	Frequency of Engagement
1	**Employees**	o Diversity, Equity and Inclusion o Health Safety and Wellbeing o Employee engagement o Human rights	o Employee engagement survey o Management reviews o Townhalls Meeting	Annually / As required
2	**Tenants**	o Operational performance o Park safety & services	o Regular meetings Tenant o feedback surveys	Quarterly / As required

Sr No.	Stakeholder	Goal of Engagement	Mode of Engagement	Frequency of Engagement
		o Sustainability initiatives o Community engagement	o Joint sustainability initiatives	
3	*Local Communities*	o Social development programs o Infrastructure support o Health, education & environment initiatives	o CSR projects o Community meetings o Site visits	Annually / As required
4	*Government Bodies*	o Regulatory compliance o Environmental clearances o Safety and operational approvals	o Regulatory submissions o Review meetings o Site audits	As per statutory requirement
5	*Suppliers and Contractors*	o Labor standards & safety compliance o ESG alignment o Fair business practices	o Vendor evaluation o Safety induction & trainings o Performance reviews	Annually / Project-based
6	*NGOs/Local Organizations*	o Community outreach programs o ESG partnerships o Social welfare initiatives	o Collaborative programs o Joint awareness drives o Health and education camps	As per program schedule

d. Customer and Tenant Relations

i) Customer Satisfaction and Feedback Mechanisms

- HIP will establish structured feedback channels, including surveys and direct communication.
- Feedback will be reviewed regularly to address concerns and enhance services.
- Timely issue resolution and continuous improvements will align with customer expectations.

ii) Ethical Business Practices in Tenant Engagement

- HIP will uphold transparency, fairness, and accountability in all tenant dealings.
- All agreements and contracts will comply with applicable laws and regulations.

- Ethical conduct and mutual trust will be promoted in tenant relationships.

❖ Governance Policy

C. Ethical and Responsible Business Practices

a. Ethical Business Conduct

i) Anti-Bribery and Anti-Corruption Policy

- HIP prohibits bribery, corruption, and unethical conduct across all operations.
- Clear guidelines and regular training will ensure compliance with applicable laws.
- Transparency, accountability, and integrity will be upheld in all business dealings.
- Violations will be investigated, and corrective actions will be enforced.

i) Fiduciary Duty and Responsible Business Conduct

- HIP will uphold fiduciary responsibility with diligence, care, and accountability.
- Ethical business conduct will be integrated into all operations.
- Decisions will align with long-term value creation and sustainability principles.
- Transparency and responsible growth will guide business objectives.

b. Transparency and Accountability

i) Fraud Prevention and Risk Management

- HIP will enforce strict internal controls and monitoring systems to prevent fraud.
- Regular risk assessments and employee training will be conducted to mitigate risks.
- External audits will be conducted periodically to assess and strengthen risk management.
- A culture of integrity and transparency will be maintained, with prompt reporting of fraud.

ii) Shareholder Rights and Governance Practices

- HIP will ensure transparency, fairness, and regulatory compliance in shareholder communications.
- Governance practices will include timely reporting, regular engagement, and business disclosures.
- The board will operate independently, prioritizing shareholder interests and accountability.

iii) Political Contributions and Lobbying Practices

- HIP will maintain political neutrality and refrain from political contributions or lobbying for corporate gain.
- All activities will comply with applicable laws and regulations.
- No company resources shall be used to influence political outcomes.
- Any political engagements will align with ethical standards, transparency, and sustainability commitments.

- Disclosures will be ensured for all interactions with political entities.

c. Cybersecurity and Data Privacy

i) Data Protection and Privacy Framework

- HIP has existing cybersecurity and data privacy policy.

ii) Cybersecurity Risk Management

- HIP will implement firewalls, intrusion detection systems, secure access controls, and encryption to prevent cyber threats.
- Employees will receive regular cybersecurity training, and system access will follow the least privilege principle.
- Regular risk assessments, audits, and an incident response plan will ensure threat mitigation.
- The policy will be periodically reviewed to address evolving cybersecurity risks.
- HIP and its service partners will comply with ISO 27001 to uphold information security standards.

a. Executive Oversight and Compliance

i) Executive Compensation and ESG-linked Incentives

- Executive compensation shall align with long-term business and ESG targets.
- A portion of incentives will be tied to ESG performance, including emissions reduction, community engagement, and employee well-being. This ensures accountability and drives sustainable value creation.

ii) Compliance with ESG Regulatory Standards

- HIP will comply with all applicable ESG regulations and standards.
- Operations will be regularly monitored to ensure adherence to relevant laws.
- Policies and procedures will be implemented to mitigate compliance risks.
- Regular training will be conducted to ensure regulatory awareness.

Approving Authority:

This Policy has been reviewed by the ESG Committee and approved by the Board of directors. All subsequent amendments to this Policy shall be approved by the ESG Committee.

Signed By

Urvish Rambhia

Director

RK Narayan

ESG Committee Chairperson