



ESG REPORT

HPL Additives Limited

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Disclaimer:

This document is the first formal ESG report prepared by HPL Additives Limited (hereinafter referred to as "HPL") and is intended to provide a transparent disclosure of the company's governance, policies, practices, performance, and targets. This ESG report is aligned with the principles of the Global Reporting Initiative (GRI); however, it is not based on the GRI reporting framework. Subsequent ESG reports will adhere to the GRI framework and will be designated as Sustainability Reports. Over time, HPL will transition to an Integrated Reporting format, encompassing both financial and non-financial metrics of disclosure.

HPL makes no representation or warranty, express or implied, as to the accuracy, completeness, or reliability of the information contained in this ESG report. The facts, figures, and statements presented herein are supported by proper documentation, which HPL is willing to provide for audit purposes, as and when required. The information disclosed in this document is subject to further validation and verification, including third-party assurance as part of the company's commitment to enhancing the credibility of its ESG disclosures.

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Message from our Managing Director



A handwritten signature in blue ink that reads "Umesh Anand".

Mr. Umesh Anand
Managing Director
HPL Additives Ltd.

At HPL Additives, we are proud to mark a pivotal milestone in our journey towards a more sustainable and responsible future with the launch of our Environmental, Social, and Governance (ESG) initiatives. In today's evolving market landscape, the integration of ESG principles is no longer just an option, but a necessity for long-term business resilience and continuity. To kickstart this journey, we have taken a crucial first step by undertaking a double materiality assessment, supported by third-party experts and GenAI-based consultants. This assessment offers us an in-depth understanding of our current ESG standing, highlighting the critical areas where we must focus our efforts. Our commitment to addressing these key concerns will not only allow us to meet the expectations of our stakeholders but also position us as a leading player in sustainable innovation, both in India and in the global markets.

As part of our commitment to sustainability, we are working towards enhancing our ESG disclosures by aligning with globally recognized platforms such as CDP and EcoVadis. We understand that transparency and accountability are the cornerstones of a credible ESG strategy. By improving our ESG ratings, we strengthen our reputation as a responsible supply chain partner, especially for our European customers. In addition, we are expanding our ESG efforts across our value chain, starting with a thorough assessment of our upstream suppliers. This ensures that our entire ecosystem, from raw material sourcing to product delivery, reflects global best practices while staying grounded in local contexts. Our focus areas include addressing air pollution, climate change, circular economy, and water and wastewater management, among others, as we strive to balance our environmental responsibilities with business growth.

In line with global standards and regulations, we have taken significant steps towards ensuring our compliance with national legal requirements, and alignment to IFC Performance Standards, and the World Bank Group's Environmental Health and Safety Guidelines. Our recent third-party-led conformance assessment provided valuable insights into our current compliance mechanisms and management systems. This comprehensive review, backed by site visits and team interactions, underscores our dedication to not only meeting but exceeding environmental, health, and safety requirements. Furthermore, we have conducted greenhouse gas (GHG) inventorization for the past three financial years, with third-party assurance, to lay a robust foundation for our future sustainability initiatives. In keeping with our commitment to setting ambitious net-zero targets, we are working closely with the Science Based Targets initiative (SBTi) to align our goals with global climate action.

To ensure the long-term success of our ESG journey, we are making continuous improvements to our internal systems and policies. This includes updating our key policies to reflect a stronger commitment to our material ESG topics and establishing a dedicated ESG committee. We recognize that integrating ESG practices requires concerted efforts at all levels of our organization, and to this end, we are also investing in skilling our internal stakeholders. With the support of third-party experts, we are equipping our team with the knowledge and tools necessary to lead the way in ESG excellence. Additionally, we are engaging with our supply chain partners to collaboratively work towards sustainability. Together, we are confident that these efforts will create long-term value for our business, our stakeholders, and the communities we serve.

Message from our Director & Chief Financial Officer



A handwritten signature in blue ink that reads "Anil Chadha".

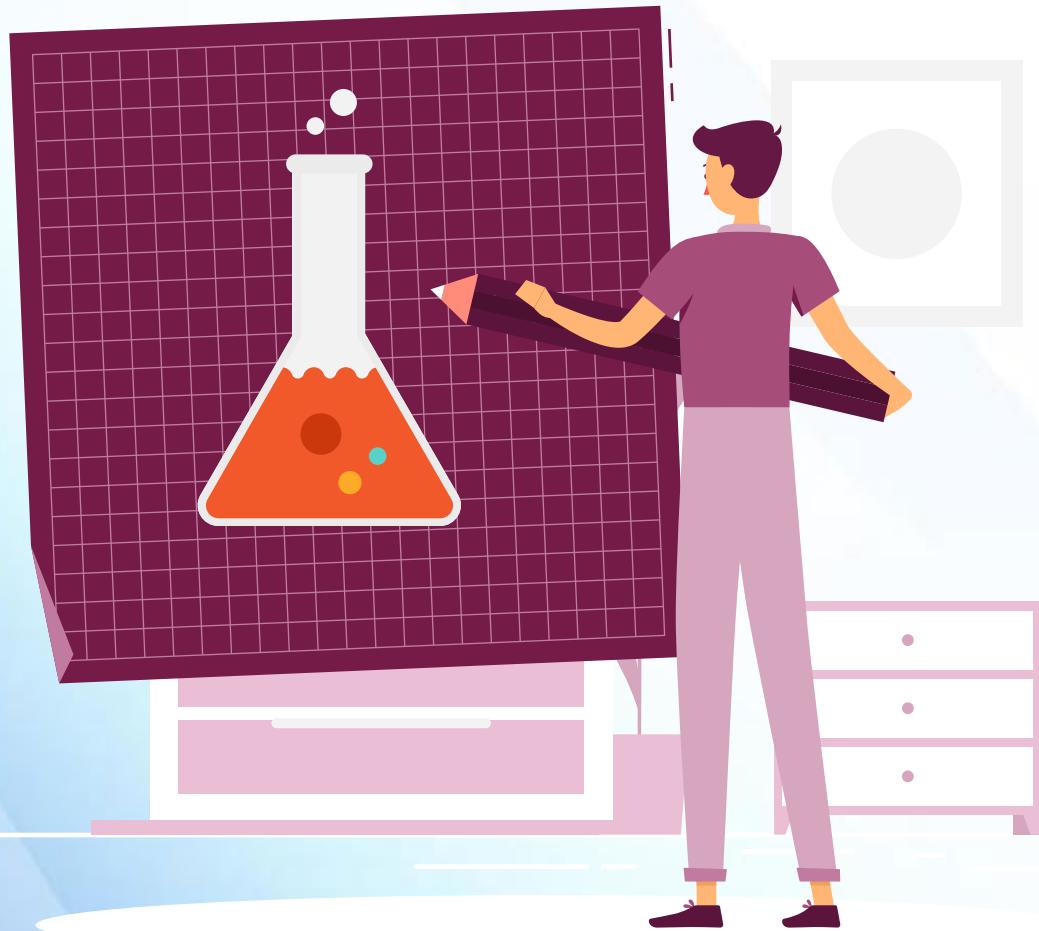
Mr. Anil Chadha
CFO & Director
HPL Additives Ltd.

In today's rapidly changing global economy, the intersection of sustainability and finance is more critical than ever. Our operations, primarily based in the states of Haryana and Punjab, are increasingly vulnerable to the risks associated with climate change—rising temperatures, water scarcity, and erratic weather patterns that impact industrial productivity and supply chains. These risks are not only environmental challenges but financial ones, requiring strategic foresight and resilience. At HPL, we understand that integrating Environmental, Social, and Governance (ESG) factors into our financial planning is key to mitigating these risks, ensuring that we remain agile and competitive in the face of uncertainty.

While ESG risks pose challenges, they also present significant financial opportunities, particularly for a chemical manufacturing company like ours. By addressing critical climate change and environmental concerns, we position ourselves at the forefront of innovation. There is growing demand for cleaner, more sustainable chemical products, and by investing in greener technologies and processes, we can tap into new markets and customer segments. Additionally, as industries globally shift towards more responsible sourcing and production methods, our commitment to ESG performance enhances our reputation as a reliable and responsible partner. This creates opportunities for stronger relationships with investors, customers, and suppliers who are prioritizing sustainability in their decision-making. Ultimately, sustainability integration not only safeguards our operations but also opens doors for long-term financial growth.

To ensure that we effectively manage the financial risks and opportunities associated with ESG, we are developing a comprehensive Enterprise Risk Management (ERM) framework. This structured approach will allow us to better anticipate and respond to potential risks, from regulatory changes to shifts in customer expectations, as well as capitalize on emerging opportunities. By embedding ESG considerations into our ERM process, we can align our financial planning with both short-term goals and long-term resilience. This integration is vital to maintaining business continuity and helps us make informed investment decisions, ensuring that our financial strategies are robust and forward-looking. Moreover, this framework strengthens our ability to manage cash flow, control costs, and safeguard our assets in a dynamic environment.

A key element of our financial strategy is enhancing transparency through ESG ratings and disclosures. By continuously improving our performance on platforms such as CDP and EcoVadis, we build trust with our stakeholders and demonstrate our commitment to sustainable business practices. Transparency is not just a compliance exercise—it's a way to secure the confidence of our investors, customers, and suppliers, ensuring long-term business relations. In an increasingly sustainability-conscious marketplace, having clear, verifiable ESG disclosures gives us a competitive edge. It assures our stakeholders that we are proactively managing our risks and positioning ourselves for growth in a responsible and sustainable manner. This, in turn, enables us to secure ongoing financial stability and business success.



ABOUT US

A leader in Polymer Additives Industry, HPL was founded in 1964. Over the last five decades, it has established itself as a leader in the area of Chemical Blowing Agents (Exothermic and Endothermic) and has increased the product range to include Antioxidants, Azo-Initiators, Chain Extenders and Cross-Linking Agents for polymers, Water Treatment Chemicals, Specialty Chemicals, Hydrazine hydrate and Hydrazine derivatives.

Vision and Our Guiding Principles



To work towards inclusive development and ensure that our people grow with us and we grow with our people

01

To be one of the top three global manufacturers of additives



02

To be committed to preserving the planet



03

Backward integration to make raw materials and diversify product ranges



04

To continue to focus on R&D to increase market penetration both domestically and internationally



05

To be a global player - Marketing, Quality, Delivery, Service, Cost base, and Technical support



Our Guiding Principles towards Sustainability



We stand committed to our responsibility towards society



Responsible Care:
Completed TFS by Ecovadis Audits of
getting registered under Responsible Care



Carbon Footprint Reduction:
Reduced use of fossil fuels,
water and electricity consumptions



Conscious Resource Utilization:
Striking the right balance between
economic progress, environmental
protection and social responsibilities



Operational Excellence :
Innovative approach to deploy
sustainable technological solutions.



Productive Work Environment:
Creates conducive environment for
its employees and community, in
and around its business operations

**Sustainable
Future**

We comply with all regulatory requirements both domestically and Internationally.

**REACH IN EUROPE REACH In Turkey and Korea
USA - The Toxic Substances Control Act (TSCA)**



Responsible Business Practices:
Our reporting is externally and
independently audited by reputed
third party auditors

Our Chemistry



Sustainability

Product and processes with an eye towards sustainable future.



Dependability

Product and processes with an eye towards sustainable future.



Innovation

Product and processes with an eye towards sustainable future.



Environmental Consciousness

Product and processes with an eye towards sustainable future.



Versatility

Product and processes with an eye towards sustainable future.



Global Presence

Product and processes with an eye towards sustainable future.

Our Company in a Nutshell



4 PRODUCTION SITES

7 PRODUCT CATEGORIES

INTEGRATED R & D- PATS

OVER 60 GRADES OF CBAS

Our Domestic and Global Reach

Locally Crafted, Globally Delivered



Our Domestic and Global Reach

Locally Crafted, Globally Delivered



Americas

Countries supplied to:

USA	Colombia	Argentina
Brazil	Mexico	Costa Rica
Venezuela		



Our Domestic and Global Reach

Locally Crafted, Globally Delivered



EUROPE



Europe

Countries supplied to:

Germany	Austria	Switzerland	Benelux
Bulgaria	Nordic	Czech Republic	Slovakia
France	Romania	Spain	Poland
Spain	Portugal	Italy	UK
Turkey	Russia	Ukraine	Greece

Our Domestic and Global Reach

Locally Crafted, Globally Delivered



Middle East



South Africa





MANUFACTURING UNITS & PRODUCTS

HPL Additives has four manufacturing sites in India - 3 in Faridabad (Haryana) and 1 in Derabassi (Punjab). The products include Mikrofine Chemical Blowing Agents; Polyazo Azo-Initiators; Mikrofine MB ADC & OSH based Masterbatches; Halocom Water Treatment Chemicals and Pharma intermediaries; Higren Oxo-Biodegradable Additives; Kinox Antioxidants; Kinox OP One Packs; Hichem Specialty Chemicals; Hydrazine Hydrate

Manufacturing Units and Product Range



HPL Additives has four manufacturing sites in India - 3 in Faridabad (Haryana) and 1 in Derabassi (Punjab) and its corporate office is located in Faridabad, Haryana with a combined manufacturing capacity of 49462 MT per annum distributed over 7 different product ranges

Plant 1
Ballabhgarh, Haryana



MIKROFINE®
Chemical Blowing Agents & masterbatches
POLYAZO®
Azo-Initiators
HALOCOM®
Water Treatment Chemical and Pharma Intermediaries
Production Capacity: 20724 MTA

Plant 2
Ballabhgarh, Haryana



MIKROFINE®
CBA Intermediates
HIGREN TM
Oxo-biodegradable Additives
HALOCOM®
Water Treatment Chemicals and Pharma Intermediaries
Production Capacity: 8578 MTA

Plant 3
Palwal, Haryana



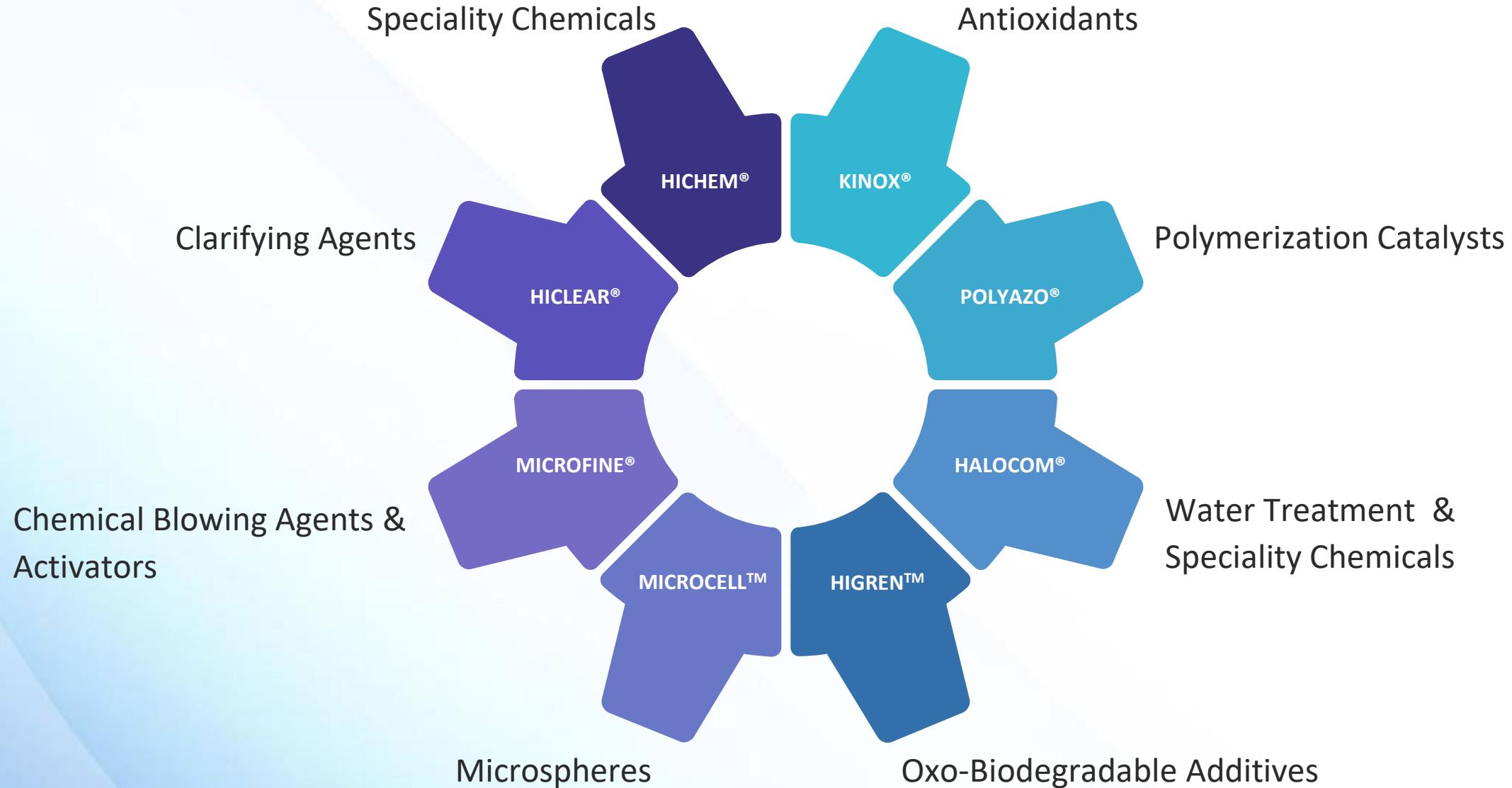
KINOX®
Antioxidants, Blends & One Packs
POLYAZO®
Azo-Initiators
HICHEM®
Speciality Chemicals
Production Capacity: 7360 MT/YEAR *Core Products

Plant 4
Derabassi, Punjab



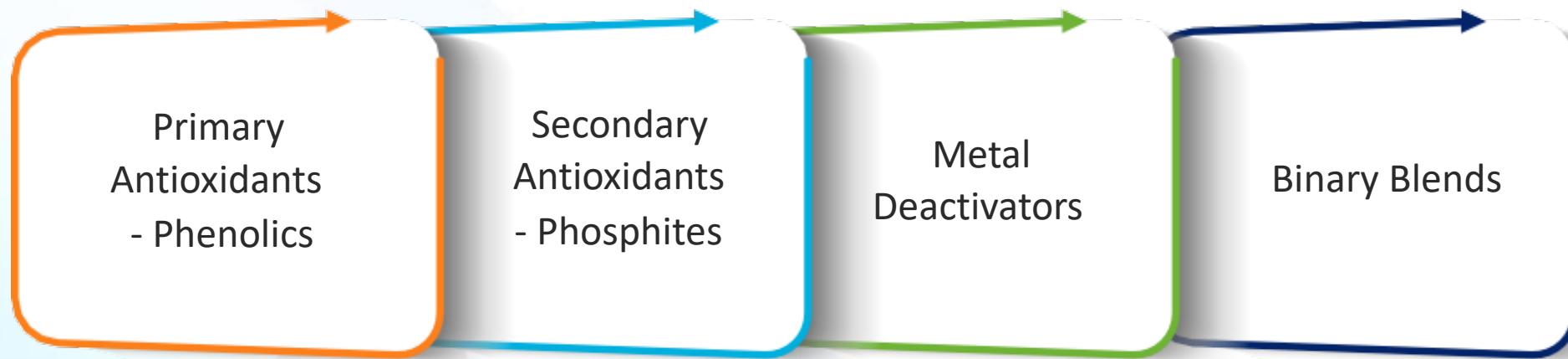
Hydrazine Hydrate
Production Capacity: 1350 MT/YEAR

Our Product Portfolio



Brief Description of Select Products

KINOX®- Antioxidants



Brief Description of Select Products

KINOX®- Antioxidants



Primary antioxidants are used to protect the finished product.

This type of stabilization ensures performance over the life of the finished good.

Phenolic based chemistry is used typically.

Secondary antioxidants

are used as process stabilizers. They help to protect the polymer during processing specially when the polymer undergoes multiple heat histories. They are usually required during processing over 140°C. Phosphite or thioether based chemistries are used.

Both primary and secondary antioxidants

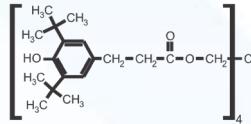
are often used in combination. This way the polymer is protected both during the processing step and throughout its life service.

Brief Description of Select Products

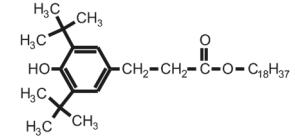
KINOX®



Primary Antioxidants (Phenolics)



Product & Chemical Name	KINOX®-10 Pentaerythrityl tetrakis [3-(3,5-di-tert.butyl-4-hydroxyphenyl) propionate]
CAS No.	6683-19-8
Physical Form	White to slightly yellowish powder/granules
Mol. Wt. G/Mol	1178
Melting Point (°C)	110-125
TGA (°C, %Mass Loss)	310 1%, 355 10%
Application	Long-term stabilizer for polyolefins, olefinic copolymer, polyacetal, polyamide and synthetic adhesives It is used in woven/non-woven bags, wines & cables, consumer goods, automotives, etc.



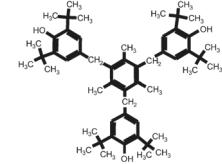
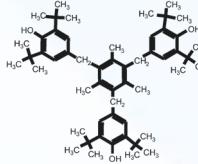
Product & Chemical Name	KINOX®-76 Octadecyl-3-(3,5-di-tert.butyl-4-hydroxyphenyl)propionate]
CAS No.	2082-79-3
Physical Form	White powder/granules
Mol. Wt. G/Mol	531
Melting Point (°C)	50-55
TGA (°C, %Mass Loss)	230 1%, 290 10%
Application	Basic stabilizer for polyethylene, styrenics and copolymer, PVC, EPDM, synthetic adhesives It is used in woven/non-woven bags, wines & cables, consumer goods, automotives, etc.

Brief Description of Select Products

KINOX®



Primary Antioxidants (Phenolics)



Product & Chemical Name	KINOX®-30 1,3,5-Trimethyl-2,4,6-tris (3,5-di-tert.butyl-4-hydroxybenzyl) benzene
CAS No.	1709-70-2
Physical Form	White crystalline powder/granules
Mol. Wt. G/Mol	775
Melting Point (°C)	240-245
TGA (°C, %Mass Loss)	290 1%, 340 10%
Application	Stabilizer for polypropylene film and tape application requiring low water carry over It can be used in woven/non-woven bags, wines & cables, consumer goods

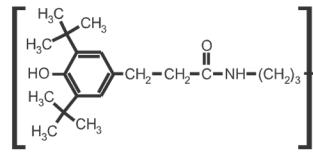
Product & Chemical Name	KINOX®-34 1,3,5-Tris (3,5-di-tert.butyl-4-hydroxybenzyl)-1,3,5-triazine-2,4,6-(1H, 3H, 5H)-trione
CAS No.	27676-62-6
Physical Form	White crystalline powder/granules
Mol. Wt. G/Mol	784
Melting Point (°C)	218-223
TGA (°C, %Mass Loss)	280 1%, 330 10%
Application	For long-term stabilization of polypropylene fibre, moulding grades and mineral/glass filled systems

Brief Description of Select Products

KINOX®



Primary Antioxidants (Phenolics)



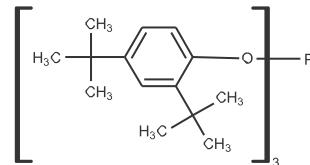
Product & Chemical Name	KINOX®-98 N,N'-Hexamethylene-bis [3-(3,5-di-tert-butyl-4-hydroxyphenyl) propionamide]
CAS No.	23128-74-7
Physical Form	White to off-white crystalline powder/ granules
Mol. Wt. G/Mol	637
Melting Point (°C)	156-161
TGA (°C, % Mass Loss)	280 1%, 340 10%
Application	Nylon, PU & engineering plastics like polyacetal

Brief Description of Select Products

KINOX®



Secondary Antioxidants (Phosphites)



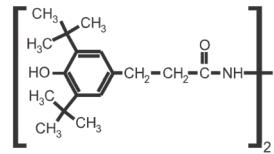
Product & Chemical Name	KINOX®-68 Tris (2,4-di-tert.butylphenyl) phosphite
CAS No.	31570-04-4
Physical Form	White, free flowing crystalline powder/granules
Mol. Wt. G/Mol	647
Melting Point (°C)	180-187
TGA (°C, % Mass Loss)	230 1%, 260 10%
Application	For good processing stability It can be used in woven/non-woven bags, wires and cables, consumer goods, automotives, etc.

Brief Description of Select Products

KINOX®



Metal Deactivators



Product & Chemical Name	KINOX®-24 Benzene propanoic acid, 3,5-bis (1,1,-dimethylethyl)-4-hydroxy-2-[3-{3,5-bis (1,1-dimethylethyl)-4- hydroxy phenyl}-1-oxopropyl]-hydrazide
CAS No.	32687-78-8
Physical Form	White to slightly yellowish crystalline powder/granules
Mol. Wt. G/Mol	552
Melting Point (°C)	224-230
TGA (°C, % Mass Loss)	240 1%, 280 10%
Application	Stabilizer for polyolefins specially in copper cable applications and wires

Brief Description of Select Products

KINOX®



Binary Blends

Product Name	Composition	Application
KINOX®-B15	33% of KINOX®-10 and 67% of KINOX®-68	When good balance between processing and long-term heat stability is required
KINOX®-B25	50% of KINOX®-10 and 50% of KINOX®-68	When long-term heat stability is the main consideration
KINOX®-B20	25% of KINOX®-10 and 75% of KINOX®-68	For improved processing stability of PP, HDPE
KINOX®-B61	20% of KINOX®-10 and 80% of KINOX®-68	For superior processing stability of PP, HDPE, LLDPE
KINOX®-B11	50% of KINOX®-76 and 50% of KINOX®-68	Balance of long-term thermal & processing stability of HDPE, LLDPE
KINOX®-B12	33% of KINOX®-76 and 67% of KINOX®-68	For good balance of long-term thermal & processing stability of HDPE, LLDPE
KINOX®-B14	20% of KINOX®-76 and 80% of KINOX®-68	For superior processing stability of HDPE, LLDPE

Brief Description of Select Products

KINOX®



Binary Blends

Product Name	Composition	Application
KINOX®-B19	10% of KINOX®-76 and 90% of KINOX®-68	For most superior processing stability of HDPE, LLDPE
KINOX®-B31	50% of KINOX®-30 and 50% of KINOX®-68	For long-term thermal stability of PP – mainly films and tapes
KINOX®-B32	33% of KINOX®-30 and 67% of KINOX®-68	For good balance of long-term thermal & processing stability of PP – mainly films and tapes
KINOX®-B41	50% of KINOX®-34 and 50% of KINOX®-68	For filled PP and PP fibre
KINOX®-B42	33% of KINOX®-34 and 67% of KINOX®-68	For processing stability of filled PP and PP fibre
KINOX®-B124	50% of KINOX®-10 and 50% of KINOX®-24	For long-term thermal stability and insulation of PL cables
KINOX®-B88	50% of KINOX®-98 and 50% of KINOX®-68	For processing stability and long-term ageing of polyamides

Brief Description of Select Products

KINOX®



One Pack Antioxidant



One Pack is a basically **compacted additives blend** in the form of pellet/granules (02 to 03 mm Dia to 04-08 mm length) having composition of two to five different additives like-wise primary or secondary antioxidants, Light/UV stabilizers, clarifying agents, antistatic agents, etc. All of these additives have different characteristics like **low melting, no melting, hygroscopic, dusty, irritant, sticky**.

One Pack resolves many problems associated with powder ranging from **health, safety, transportation, storage, inventory management & feeding issues**.

One Pack is a **Non-Dust Blend**, helping keep your workplace non-dusty.

It can be beneficial in **accurate dosing, minimizing human error, offering better consistency and quality product**.

State-of-the Art Facilities

KINOX®



Palwal, Haryana



State-of-the Art Facilities

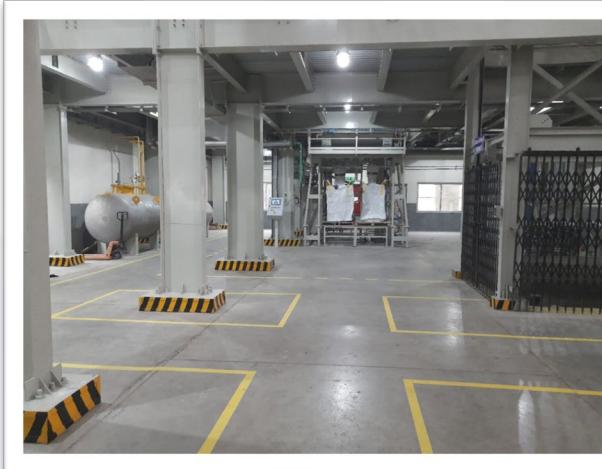
Antioxidant Plant



5 Screw feeding systems of One Pack Plant for 5 different ingredients



One Pack Plant – Product Discharge Platform



Local Control Panel for Mixers



Heater & Coller Mixer for Powder Mix



Finished Product in Pellet Form





RECOGNITION

We have been widely recognized for our excellence in the polymer additives industry and export performance. Our accolades include the Best Brand Award by Economic Times Plastics and Polymer, export awards from CHEMEXCIL, and the P.C. Ray Award for Indigenous Technology, highlighting our commitment to innovation, sustainability, and industry leadership.

Recognition of Our Brand



We are thrilled to share that **HPL Additives has proudly secured a B rating*** for the **2024 disclosure cycle from CDP**, following our first-ever engagement in the climate rating initiative!

This remarkable achievement not only positions us above the industry average for newcomers but also showcases our relentless pursuit of reducing our carbon footprint and enhancing our environmental stewardship. Along with our participation in EcoVadis, this new CDP ranking serves as a powerful testament to HPL Additives' dedication to sustainability and our proactive efforts in championing environmental responsibility. Join us on this journey towards a greener future!

A big, bold, beautiful



*indicates that a company is actively managing its environmental impacts, meaning they are taking steps to address their environmental effects.

Recognition of Our Brand



Outstanding Award of Excellent Performance for long-time service in the field of Polymer Additives by **All India Federation of Plastic Industries** in 2016



Three Star Export House Certificate issued by the **Ministry of Commerce and Industry Department of Commerce, Government of India** for excelling in export performance

The Economic Times Plastics and Polymer Awards 2019 – The Best Brand in the Plastics & Polymers Industry

Certificate of Appreciation 2021 awarded by Modern Plastics India under the category of Best Plastics 100 Companies in India in recognition of HPL's outstanding dedication and contribution towards Indian Plastics, packaging , Mould Making and Polymer Industry.

Recognition of Our Brand



Haryana State Certificate of Merit for Outstanding Export Performance for the year 2016, 2014-15 and in 1998-99 by Industries & Commerce Department, Government of Haryana, India



Winner and Merit Award Holder in the Category of Basic Inorganic & Organic Chemicals including Agro Chemicals for the outstanding export performance for the year 2014-15 & 2016-17 by Basic Chemicals & Cosmetics Export Promotion Council (CHEMEXCIL), Ministry of Commerce & Industry, Government of India

Certificate of Appreciation by Modern Plastics India under the category of Best Plastics 100 Companies in India for its dedication and contribution towards Indian plastics, packaging, mould making and polymer industry

Winner and Merit Award Holder in the Category of Basic Inorganic & Organic Chemicals including Agro Chemicals for the outstanding export performance for the year 2014-15 & 2016-17

Recognition of Our Brand



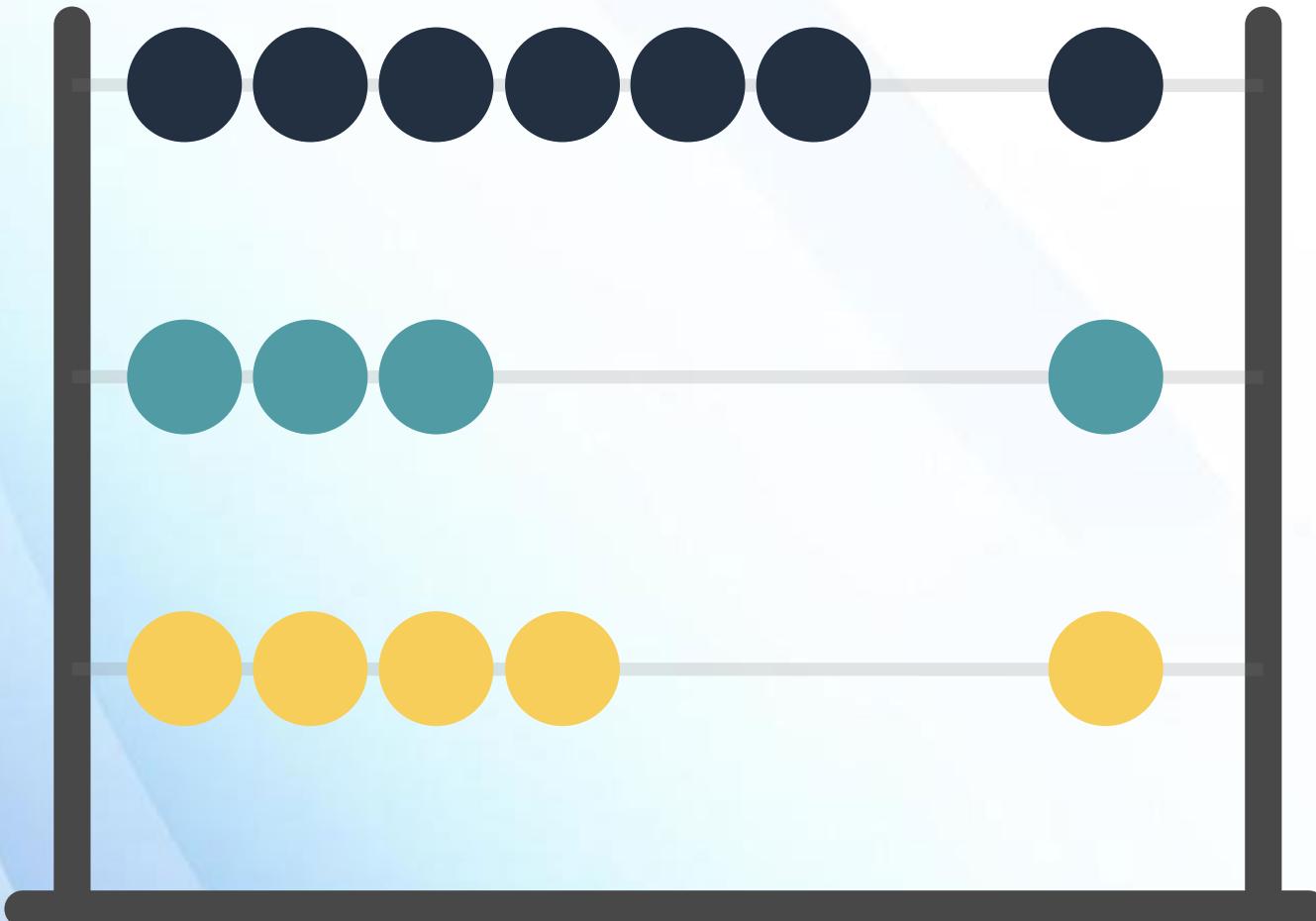
First Grade Award 2009 for export performance during 2006-07 by **Basic Chemicals & Cosmetics Export Promotion Council (CHEMEXCIL)**, Ministry of Commerce & Industry, Government of India

P.C. Ray Award 2005-06 & 2010 for Development of Indigenous Technology by **Indian Chemical Council, Mumbai**

National Award for Research & Development by **Department of Scientific and Industrial Research (DSIR) - Ministry of Science & Technology, Government of India** for the year 2003

Plasticon Award 2009: Best Research Award (Polymer Sciences, Technology & Engineering) for Commercialising Antioxidant products by Plastindia Foundation





MATERIALITY

We believe that undertaking a structured materiality assessment is a critical step in aligning our business priorities with the expectations of our stakeholders and the evolving sustainability landscape. As a chemical manufacturing company, we operate in a sector with significant environmental and social impacts, making it imperative to identify and address the issues most material to our operations and value chain.

Materiality Assessment

Workshop



As part of our commitment to understanding and enhancing our ESG performance, we undertook double materiality assessment. To ensure a thorough and well-informed process, we engaged third-party sustainability experts who facilitated educational sessions for our participants. These sessions covered the foundational concepts of ESG, the importance of materiality assessments, and an analysis of material topics relevant to both Indian and international peers in the chemical manufacturing sector. This not only broadened the participants' understanding but also allowed them to effectively prioritize stakeholders and their perspectives. A total of 25 participants, representing key functions across our organization, actively contributed to the assessment, bringing valuable insights into the issues that matter most to HPL Additives and our stakeholders. The workshop was scheduled over two days to ensure comprehensive outcome and understanding.

The participants were instrumental in providing detailed input on 26 shortlisted material topics. They rated both the inward and outward impacts of each topic, offering a comprehensive view of how our operations affect, and are affected by, various ESG factors. Additionally, they provided insights into what HPL is currently doing to address these material topics and offered valuable suggestions through survey responses on how we can further strengthen our performance in each area. This collaborative approach has enabled us to identify critical areas for improvement and will guide our efforts in aligning our operations with global ESG standards while ensuring long-term sustainability.

Participant Profile

Managing Director

Chief Finance Officer

Corporate Development & Marketing Head

Sales & Marketing Team

Project & Engineering Team

Production Team

Human Resource Team

Logistics Team

Product Quality Control Team

Research & Development Team

Materiality Assessment

Workshop



Topics Covered during the Workshop

The Concept of Double Materiality

Inward & Outward Impacts of Select ESG Topics on the Company

Benefits of Undertaking Double Materiality for Non-financial Disclosures

Stakeholder Prioritization & Involvement

Outlook of Sectoral Peers towards Select Non-financial Material Topics

Participants' Input on HPL's Perspective towards Select Non-financial Material Topics

Materiality Assessment

Glimpses from the Workshop



Day-1



Mr. Umesh Anand (Managing Director) setting the context for Our Sustainability Journey



Third-party Sustainability Consultant Explaining The Concept of Double Materiality



Material Topics for Our Sectoral Peers

Day-2



Participants from Different Teams



Materiality Matrix taking Shape in Real Time

Materiality Assessment

Perspectives from Participants on ESG Topics



What do you think about Air Pollution in the context of HPL?

HPL being a chemical manufacturer is taking utmost care to avoid discharge of chemicals and gases in air.

Processes may result in emission of gases for which scrubbers have been placed alongwith bag filters etc to control the emission of dust from boilers.

Since it is chemical company if it is not conscious then it can lead health issues to community. It is taking all steps to control pollution.

HPL has taken measures to control and reduce air emissions by installing equipments. The company is adhering to required parameters and have consent from govt.

Being energy intensive, it is a critical aspect for HPL. Both inwards and outwards. Our efforts to optimize energy consumption, ensuring air emissions and reducing water usage are focus areas.

HPL additives being specialty manufacturing company produces various chemicals and taking necessary precautionary measures wrt air pollution to reduce it as per regulations.

High air pollution can be resulted in shut down production which may have material financial impact on company hence HPL always working to keep it within regularly norms.

HPL using a good infrastructure & operational excellence that wouldn't impact on AIR Pollution.



What do you think about Circular Economy Development in the context of HPL?

HPL is taking strong steps towards circular economy. ZLD is one of the example at Dudhola.

Has huge advantages to ensure sustainability. Increases costs and management but adds significant value internally as well as externally.

HPL R&D is on working on optimisation of the process. Also installing ZLD.

Implementing circular economy principles can reduce costs, boost innovation, enhance brand value, and contribute to global sustainability goals by reducing environmental impact.

HPL recover material & distilled solvent from process waste

It is important to dispose of all waste and effluents in a proper manner and ensure recycling of all packaging material to ensure sustainability

Our customers are looking for Additives that can be used for recyclability of polymers. We encourage re-use of packaging material.

Steam condensate recirculation systems have been installed. System for Waste water reuse are being installed.



What do you think about Child Labour in the context of HPL?

Strict 0 tolerance towards child labor. It's important for HPL to ensure anyone we are dealing with has similar policies against child labor.

No labor is allowed to work in factory who is less than 18.

HPL doesn't employ employees have age less than 18 years.

Unacceptable at all levels !!!

Not allowed under any circumstances

HPL don't employ child labour and policy is in place

Not at all in HPL and never encourage it

No child labour at HPL.



What do you think about Environmental Compliance in the context of HPL?

Must and we are committed to fulfill all. Gas gensem is one of the example.

HPL is ISO 14001 certified company. Use of biomass and PNG gensem. Emissions management

HPL follow the HPCB norms who fulfill the environmental compliance.

HPL comply with the regulation and certified ISO 14001

Being in NCR, the requirements are stricter and we comply the raised bars as laid by the govt.

All norms/ compliances are followed religiously

HPL provided PNG gensem, Biomass boiler and also working on ZLD for water management

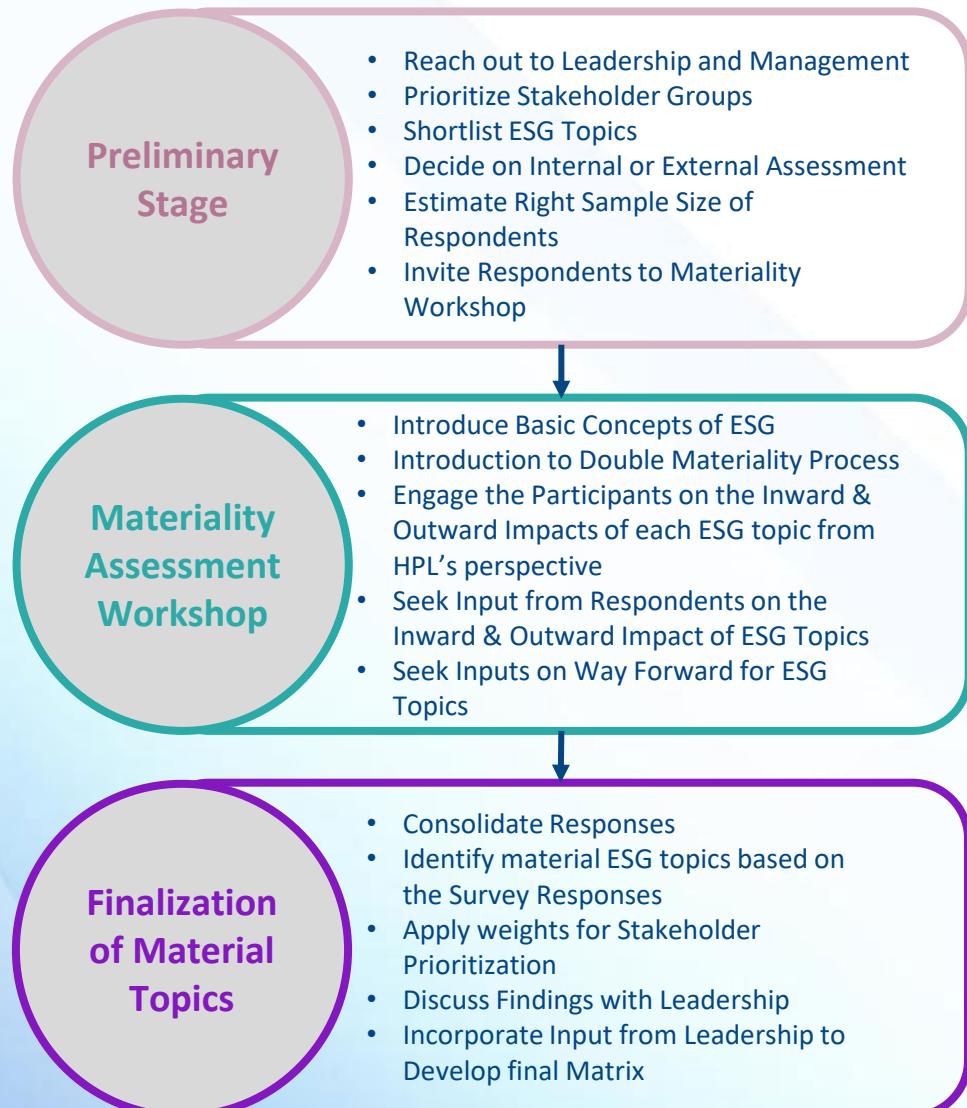
The company is focussed on environmental compliance



These are indicative responses from the participants. Responses were captured for a total of 26 ESG topics

Materiality Matrix

Development Process



Classification of Material Topics			
Extremely High Priority	High Priority	Medium Priority	
Topics in "Act" Category Have a significant impact on the company's operations or stakeholders Pose immediate risks or opportunities Require urgent intervention or strategic focus Enhance performance through appropriate audits and certifications (Wherever Necessary) Train internal stakeholders for establishing relevant systems	Topics in "Measure" Category Issues for which we should establish key performance indicators (KPIs) Establish monitoring and reporting mechanisms Enhance performance through appropriate audits and certifications (Wherever Necessary) Gradually seek perspective from key supply chain partners	Topics in the "Watch" Category May not currently have a significant impact but could become material in the future Should be monitored for changes in relevance or importance May require periodic reassessment Educate internal stakeholders about upcoming trends	
As this was our first materiality assessment we have undertaken the exercise with internal stakeholders. In our subsequent assessments we will gradually extend the process to incorporate responses from external stakeholders. We intend to undertake the next assessment in the next two years.			

Materiality Matrix

Outcome



Very High

Impact of Company on People and Planet from ESG Topic
(Impact Materiality)

Measure		High Priority	Act	Extremely High Priority
		Corporate Governance		Air Pollution
		Customer Engagement		Circular Economy
		Talent Attraction & Retention		Climate Change
		Human Capital Development		Environmental Compliance
		Human Rights		Health & Safety
		Whistleblower Protection		Product Quality
				Water & Wastewater Management
Watch		Medium Priority	Measure	High Priority
		Biodiversity Management		Plastic Waste Management
		Generative Artificial Intelligence		Energy Efficiency & Management
		Human Rights in Supply Chain		Innovation & Research
				Sustainable Supply Chain

Very Low

Impact on Company from ESG Topic
(Financial Materiality)

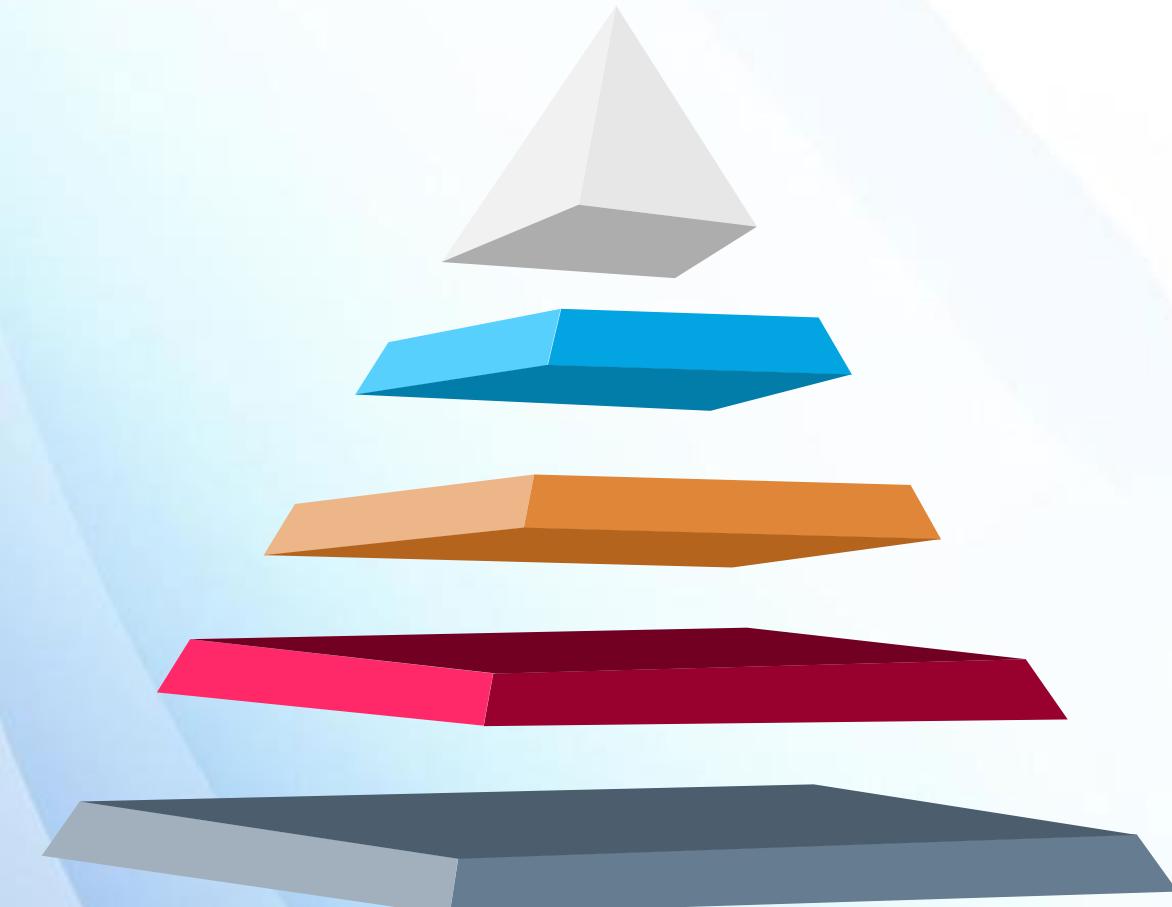
Very High

- E Material Topic
- S Material Topic
- G Material Topic

Detailed Description of each material topic with ongoing & planned actions/interventions will be provided in the final version of ESG Report for FY 2024-25 (under preparation and will be available on Company website)

GOVERNANCE

We demonstrate comprehensive governance for sustainability through dedicated teams addressing ESG responsibilities. Key areas include safety, production, quality control, maintenance, customer engagement, and procurement, all aligned with ESG principles. The Core Strategy Group oversees ESG integration into business strategy, climate risk management, and stakeholder engagement. Each team focuses on implementing sustainable practices, regulatory compliance, and resource optimization to drive environmental and social impact, ensuring a cohesive and forward-looking approach to ESG governance.



Key Roles & Responsibilities towards ESG at HPL

Current Practices



Team: Safety

Key Responsibilities towards Sustainability:

1. Ensure adherence to environmental regulations and standards, including waste management, emissions controls, and resource conservation.
2. Identify Environment Impact and Assessment of each process.
3. Training and presentations for health, safety, and environmental matters.
4. ESG Training Management.
5. Training on GHG accounting.

Team: Production

Key Responsibilities towards Sustainability:

1. Plant operation and optimum utilization of resources related to water and energy consumption.
2. Establish and enforce policies that align with ESG principles, ensuring accountability and transparency in operations.
3. Develop and implement strategies to reduce the plant's carbon footprint, waste, and energy consumption.
4. Effluent management & control.

Team: Quality Control

Key Responsibilities towards Sustainability:

1. Ensure that all products of the company meet consistent standards.
2. Plan and implement quality control tests.
3. Inspect at various stages in production and formulate reports on their key findings.
4. To monitor and audit the yield and timeline of the process & and projects to meet goals in a sustainable, timely and cost-effective manner.
5. Ensure statutory and regulatory compliances.

Team: Core Strategy Group (MD, CFO, HRD, Corporate Development)

Key Responsibilities towards Sustainability:

1. Lead the overall ESG vision and integrate it into the company's long-term business strategy.
2. Drive engagement with key stakeholders, including investors and regulatory bodies, on ESG and climate initiatives.
3. Make executive decisions on how to address and mitigate climate risks across the business.
4. Align financial strategy with ESG goals, focusing on climate-related investments and sustainable finance.
5. Ensure accurate and transparent reporting of ESG performance, including climate risk disclosures to meet regulatory and investor requirements.

Team: Maintenance

Key Responsibilities towards Sustainability:

1. Implement and oversee energy management programs to optimize energy use, reduce fuel consumption, and lower greenhouse gas emissions.
2. Develop strategies for efficient water use, recycling, and treatment, aiming to minimize waste and ensure compliance with local regulations.
3. Ensure regular maintenance of equipment to prevent leaks and emissions, reducing environmental impact and improving operational efficiency.
4. Identify and assess risks related to maintenance and utility operations that may impact ESG goals, implementing mitigation strategies.

Team: Customer Engagement & Marketing

Key Responsibilities towards Sustainability:

1. Develop and communicate the company's sustainability initiatives and ESG goals to enhance brand image and build trust with customers and stakeholders.
2. Involve customers in the company's ESG journey through campaigns.
3. Disclose sustainability data from the supply chain for transparency.
4. Encourage customers to choose sustainable products aligned with ESG journey.

Team: Procurement & Supplier Engagement

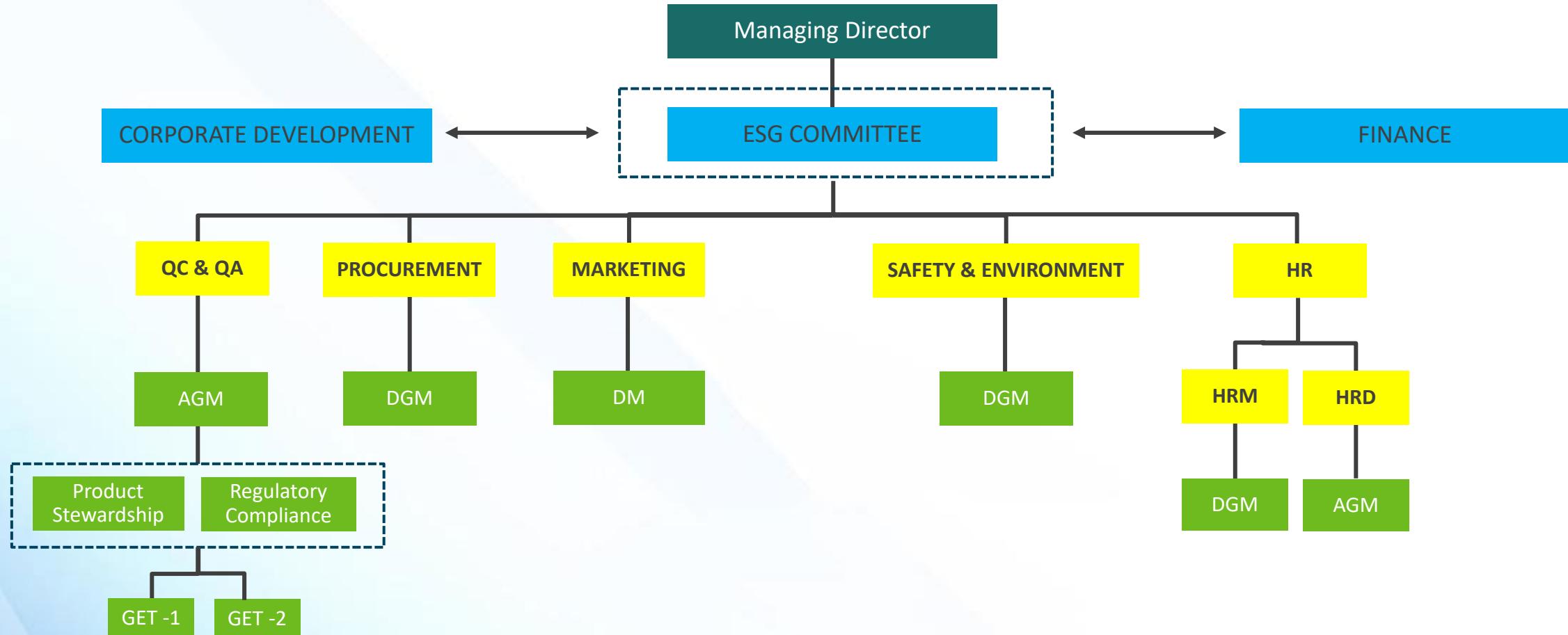
Key Responsibilities towards Sustainability:

1. Develop and implement procurement policies that prioritize ESG and climate considerations.
2. Integrate eco-friendly materials, products, & services into procurement decisions to reduce the env. footprint.
3. Support the use of recycled/upcycled materials by encouraging suppliers to adopt circular economy practices.
4. Ensure procurement activities comply with local & international ESG -related regulations and standards.
5. Provide training and resources to suppliers to help them meet ESG and climate change requirements

6. Evaluate and manage climate risks within the company's investment portfolio and financial planning.
7. Integrate ESG and climate risks into due diligence for mergers, acquisitions, and corporate partnerships.
8. Drive business growth by identifying opportunities for innovation in products and services that contribute to climate resilience and sustainability.
9. Promote employee welfare and social responsibility programs that align with the company's ESG goals.
10. Implement and monitor policies that support diversity, equity, and inclusion as part of social ESG commitments.
11. Foster a culture of sustainability within the organization by incorporating ESG values into employee engagement, training, and recruitment

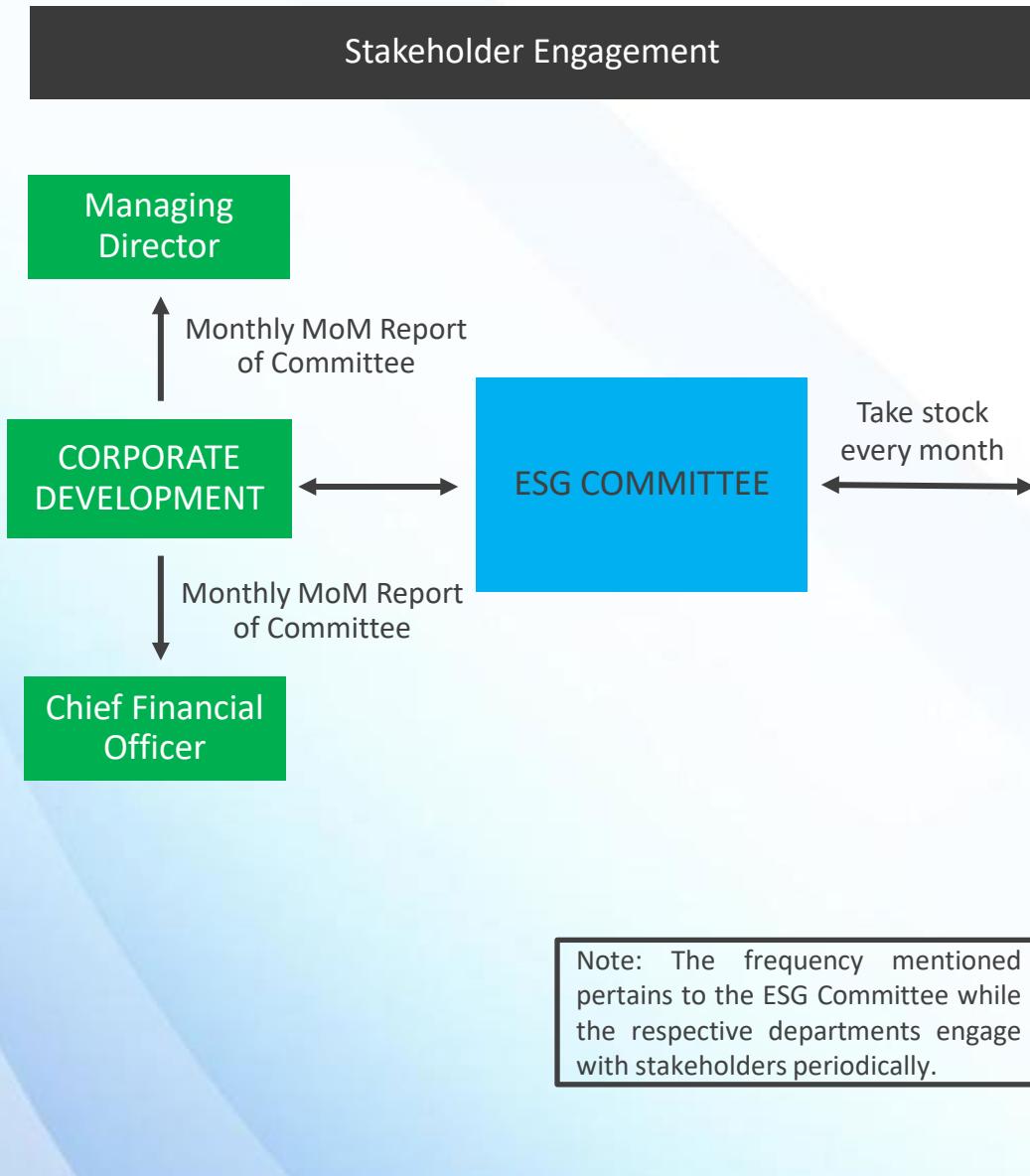
Organizational governance structure

HPL's ESG Committee: Strengthening Governance for Sustainable Growth



Organizational Governance Structure

Way Forward- HPL's ESG Committee: Strengthening Governance for Sustainable Growth



Stakeholder	Overseeing Department	Mode of Engagement	Frequency
Employees	HRM/HRD	<ul style="list-style-type: none"> Sustainability training and awareness programs Green office initiatives (energy efficiency, zero waste, etc.) 	Monthly
Suppliers	Procurement	<ul style="list-style-type: none"> Supplier Assessments Capacity Building programs On-site audits Collaborations to ensure traceability for ethical sourcing Developing an incentive mechanism to ensure value-chain sustainability 	Yearly
Workers	HRM/HRD	<ul style="list-style-type: none"> Awareness and training sessions on sustainability Engagement in sustainability projects and workplace eco-friendly programs 	Monthly
Customer	Marketing	<ul style="list-style-type: none"> Transparent ESG reporting and communication on product stewardship Customer engagement- feedback surveys 	Quarterly
Local Community	Corporate Development	<ul style="list-style-type: none"> CSR activities NGO collaborations Impact assessment 	Half-Yearly
Global Community	Corporate Development	<ul style="list-style-type: none"> Active participation in globally recognized sustainability assessments like EcoVadis and CDP Science-Based Targets Initiative (SBTi) and Net-Zero Commitments, and communication on progress towards targets. Corporate communication on ESG in alignment with global reporting frameworks like GRI 	Annually

Organizational Governance Structure

Way Forward- HPL's ESG Committee: Strengthening Governance for Sustainable Growth



We are in the process of formalizing a dedicated ESG committee that will play a pivotal role in driving the company's sustainability agenda. This committee will leverage the existing governance structures of different functions to ensure a seamless integration of ESG principles into HPL's core operations.

By embedding ESG oversight within the company's governance framework, HPL aims to enhance accountability, improve ESG performance, and align with global best practices.

The ESG committee will be responsible for overseeing, coordinating, and driving ESG initiatives across all business functions. Its key responsibilities will include:

1. Data Collection, Management and Third-Party Assurance:

Establish structured ESG data collection across departments, ensure accuracy and consistency, engage third-party auditors for independent assurance, enhance transparency and compliance.

2. Setting ESG Targets and Performance Incentives:

Define ESG targets aligned with business strategy, assign KRAs to functional heads, introduce ESG-linked rewards, drive accountability and incentivize sustainability performance.

3. ESG Reporting, Disclosures and Ratings Management:

Oversee ESG disclosures in line with SEBI BRSR, CDP, EcoVadis, GRI, TCFD, track and improve ESG ratings, address gaps, enhance reporting quality.

4. Assessment of ESG Risks and Continuous Improvement:

Continuously assess and mitigate ESG risks in waste management, emissions control, water conservation, supply chain sustainability, address regulatory, reputational, operational challenges. These will be conducted through periodic internal and annual third-party led audits.

5. Stakeholder Engagement and Value Chain Sustainability:

Engage investors, regulators, industry bodies, drive ESG alignment across suppliers and partners through due diligence, capacity building, responsible sourcing initiatives.



RISK MANAGEMENT

We prioritize structured risk management by engaging all departments in identifying and assessing risks and opportunities. Through methodologies like HIRA, RCA, and FMEA, we consolidate insights into key risks, including reputational, legal, operational, and health and safety. Our Core Strategy Group evaluates these risks through financial impact assessments, stakeholder engagement, and opportunity identification. We translate these findings into actionable strategies, ensuring proactive decision-making and sustainable growth across our operations.

Risk Assessment at HPL



Current Process

At HPL, we are committed to maintaining the highest standards of environmental and social (E&S) risk management across our operations. As a chemical manufacturing company, we have implemented globally recognized management systems, with all our manufacturing facilities certified under ISO 14001 (Environmental Management) and ISO 45001 (Occupational Health and Safety). These certifications reinforce our systematic approach to identifying, assessing, and mitigating environmental and occupational risks while ensuring compliance with regulatory requirements. To maintain a proactive stance, we conduct periodic E&S risk assessments that enable us to continuously monitor potential risks associated with our operations. Our structured risk management framework integrates these assessments into a dynamic risk register, which is regularly reviewed and updated to reflect evolving risks, regulatory changes, and operational shifts.

Beyond internal assessments, we engage third-party experts to conduct comprehensive Environmental and Social Due Diligence (ESDD), ensuring an objective and rigorous evaluation of our risk landscape. These due diligence exercises are benchmarked against national and state regulations, World Bank Environmental, Health, and Safety (EHS) Guidelines, and applicable International Finance Corporation (IFC) Performance Standards. By adopting these globally accepted standards, we ensure that our operations align with international best practices, safeguarding both the environment and the well-being of our workforce and communities. The findings from these assessments help us implement targeted risk mitigation strategies, enhance operational sustainability, and maintain transparency with stakeholders, including regulators, investors, and local communities.

Our risk management approach also extends to capacity building and stakeholder engagement. We provide regular training and awareness programs for employees, contractors, and other key stakeholders on risk assessment methodologies and best practices in E&S risk management. These training sessions ensure that risk identification and mitigation are embedded across all levels of the organization, fostering a culture of responsibility and continuous improvement. Through a structured process of risk identification, assessment, management, and training, we remain committed to minimizing adverse environmental and social impacts while enhancing the resilience of our business operations.

Risk Assessment at HPL



Current Process

Team: Safety

Mode of Risks & Opportunity Assessment:

HIRA, Process Hazard Analysis (PHA), Root Cause Analysis (RCA), HSE Compliance Audits, E&S DD, Failure Mode and Effects Analysis (FMEA), Consultation with workforce.

Team: Production

Mode of Risks & Opportunity Assessment:

Material Flow Analysis (MFA), ISO 14001 EMS, RCA, Waste Minimization Approach, Energy Efficiency Audits, Circular Economy Integration, E&S DD, Consultation with R&D.

Team: Quality Control

Mode of Risks & Opportunity Assessment:

TQM, RCA, FMEA, CAPA, ISO-9001 QMS, Material Compliance Audits, Traceability & Supply Chain Audits

Team: Maintenance

Mode of Risks & Opportunity Assessment:

TQM, RCA, HIRA, Energy Efficiency Audits for Equipment, Water Audits, Asset Life Extension Analysis, Equipment Downtime Reduction and Environmental Impact Analysis

Team: Procurement & Supplier Engagement

Mode of Risks & Opportunity Assessment:

Supplier Sustainability Audits, ESG DD, Climate Change Risk Mapping for Supply Chain,

Team: Customer Engagement & Marketing

Mode of Risks & Opportunity Assessment:

Customer Feedback and Sentiment Analysis, Brand Perception Survey, Customer Experience (CX) Feedback on Sustainability, Sustainability Claims Verification, Competitive Benchmarking, Social Media Engagement Analysis, Product Innovation and Market Trend Analysis

Consolidation of Key Risks & Opportunities identified by the Different Teams which are presented periodically (often real-time) to the Core Group

Team: Core Strategy Group

Mode of Risks & Opportunity Assessment:

The company's core group is responsible for a structured approach to assess risks and opportunities related to key Environmental and Social (E&S) issues. Once the core group receives the identified key E&S issues from various departments the following formal methodology is undertaken (*not necessarily in order*):

1. Internal Consultation and Risk Categorization
2. External Stakeholder Engagement
3. Financial Impact Assessment
4. Opportunity Identification
5. Decision-Making and Reporting

(Details provided subsequently)

Frequency of assessment: at least once a quarter with occasionally meeting to address special agenda. Agenda is circulated to 3 Executive Directors & 3 independent directors. Proceedings happen both in-person and virtually.

Classification of risks (including for E&S issues): Reputational Risks, Legal and Compliance Risks, Operational Risks, Health and Safety Risks, Financial

Time horizon:

Short-term(ST)	less than 1 year
Medium-term (MT)	1 to 3 years
Long-term (LT)	more than 3 years

Impact:

Low:	Less than 0.5% Sales (in INR)
Low-Medium:	0.5-1% Sales (in INR)
Medium:	1-2% Sales (in INR)
Medium-High:	2-5% Sales (in INR)
High:	More than 5% Sales (in INR)

Risk Assessment at HPL



Current Process

Team: Core Strategy Group

Mode of Risks & Opportunity Assessment:

Once the core group receives the identified key E&S issues from various departments the following formal methodology is undertaken:

1. Internal Consultation and Risk Categorization
2. External Stakeholder Engagement
3. Financial Impact Assessment
4. Opportunity Identification
5. Decision-Making and Reporting

1. Internal Consultation and Risk Categorization

The group first consults department heads to understand the nature of each identified risk and categorizes them into the following types: **Reputational Risks, Legal and Compliance Risks, Operational Risks, Health and Safety Risks, Direct Financial**.

- **Reputational Risks:** Potential damage to the company's brand or standing in the industry due to E&S concerns (e.g., public backlash, negative media coverage, customer dissatisfaction).
- **Legal and Compliance Risks:** Risk of non-compliance with local, national, or international regulations on environmental and social matters, which could lead to penalties, fines, or legal action.
- **Operational Risks:** Disruption to operations caused by E&S factors, such as resource shortages, accidents, or environmental incidents (e.g., supply chain disruptions, equipment failure due to environmental non-compliance).
- **Health and Safety Risks:** Risks to employee and contractor health and safety due to improper management of environmental and social aspects (e.g., exposure to hazardous materials, workplace accidents).

2. External Stakeholder Engagement

The core group engages external stakeholders such as: **Customers**-To understand their expectations regarding sustainability and ESG performance; **Investors & Board Members**-To address ESG concerns that may affect investor confidence); **Regulators**-To ensure compliance with evolving regulation). **Suppliers and Value Chain Partners**-To assess their alignment with ESG criteria); **Logistics Support**-To ensure partners manage environmental impacts effectively. This process ensures a comprehensive view of the risks by incorporating external perspectives).

3. Financial Impact Assessment

Risks are then assessed for their financial impact in two stages: **Pre-identified Risks**- The CFO leads an internal analysis based on historical data, estimating potential costs from fines, disruptions, or reputational damage, and creates financial scenarios. **Emerging Risks**- For newer risks (e.g., climate change, supply chain transparency), the company collaborates with external consultants and sectoral experts to evaluate evolving risks and their financial implications. External experts are also engaged to validate assumptions, ensuring proactive risk management.

4. Opportunity Identification

Parallel to risk assessment, the group identifies opportunities in E&S: **Leadership Engagement**- The MD and leadership attend industry seminars and engage with customers and suppliers to stay informed on sustainability trends and innovations. **Customer & Supplier Dialogue**-Regular engagement with B2B partners helps explore collaboration opportunities in product design and operational efficiency. **Benchmarking and Best Practices**- Core Group analyses competitors' ESG strategies, identifying opportunities for circular economy adoption and green technology investments. **Strategic Investment**- Based on insights, the company considers investments in renewable energy, resource-efficient technologies, or socially responsible supply chains to capitalize on opportunities.

5. Decision-Making and Reporting

The group integrates risk and opportunity assessments into decision-making processes: **Risk Mitigation Strategy**: The group develops strategies that include preventative measures and continuous monitoring of high-risk areas. **Opportunity Seizing**- The CFO and Corporate Development identify investments that align with the ESG strategy. **Reporting**- Findings are documented and shared with the Board and stakeholders, outlining risks, financial impacts, opportunities, and strategic initiatives for future planning.

Risk Assessment at HPL

Results from the third-party led E&S Due Diligence



HPL Additives - ESDD Report

Preamble of E&S DD Report submitted by third-party expert

Date of Assessment: 2nd and 3rd, September 2024

Preamble

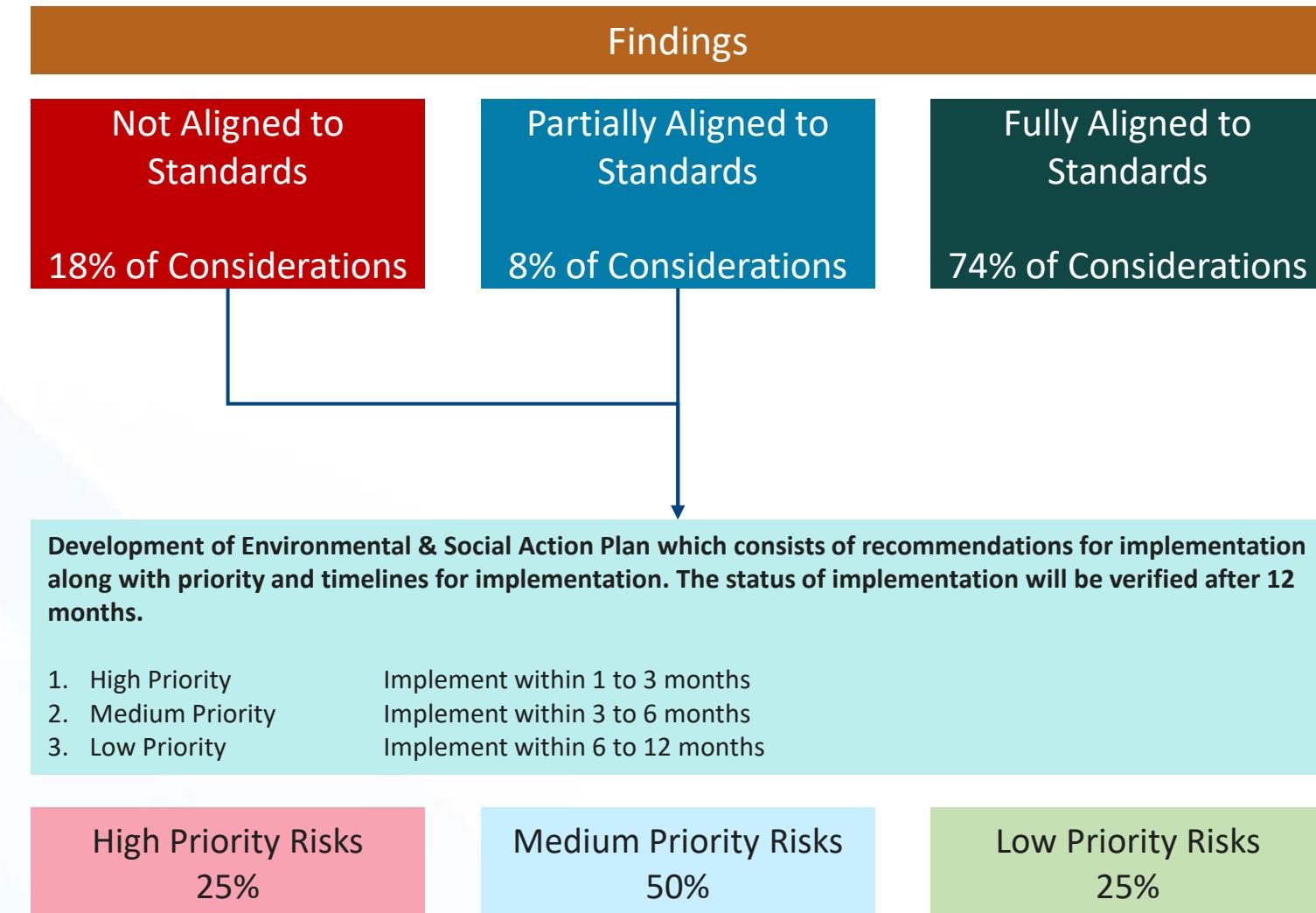
This report is based on the Conformance Assessment with requirements such as national legal requirements on Environment, Occupational Health Safety & Social Welfare; International Finance Corporation (IFC) Performance Standards; and World Bank Group's Environmental Health and Safety Guidelines. The findings and conclusions included in this report have been arrived at through site visit, interactions with relevant team of HPL Additives (HPLA), review of compliance mechanism and management system.

It should be noted that, while efforts have been made to address as many significant aspects and issues as possible to verify conformance with the reference framework, the assessment is subject to the documents and records presented by the company; sampling during audit; and site conditions during the audit visit. Therefore, absence of a comment on any environmental and social related issues does not necessarily imply conformance with the relevant requirements of the specified standard/ regulations. The material in this report reflects best judgment in light of the information made available to it at the time of report preparation. Any use that a third party makes of this report, or reliance on, or any decision to be made based on it, is the responsibility of such third party.

Submitted On: 18/09/2024

Assessment Category	Number of Considerations within the Category
Environmental Risks	8
OHS Risks	7
Social Risks	8
Governance	5
IFC PS 1 Requirements	7
IFC PS 2 Requirements	25
IFC PS 3 Requirements	4
IFC PS 4 Requirements	5

Total ESG Risk Assessment Considerations: 69



Categorization of E&S risks and their interlinkages with climate change are presented below

Risk Assessment at HPL



Categorization and Summary of Select E&S Risks (from E&S DD and External Consultation by Core Group with Experts)

Brief Description of Risk	Risk Identification Process	Risk Type	Time Horizon of Materialisation	Impact	Material Topics with Strong Alignment	Financial Impacts*?	Brief Description of Risk Mitigation Strategy
Closure of sites from violation of ambient air quality during winter months at the plants located in heavily polluted Delhi-National Capital Region (NCR).	Observation of past reports during third-party E&S Due Diligence	Reputational Legal and Compliance	Long-term	High Likelihood 33-66%	Air Pollution Environmental Compliance Talent Attraction & Retention Health & Safety	Estimated: Yes	<ul style="list-style-type: none"> Company is undertaking scenario analysis to identify near-term and short-term strategies Near-term strategies include- ensure that the factory emissions are within the pollution control board prescribed limits, in case of instances of exceeding the prescribed emission norms the State Pollution Control Board shall be informed immediately, reason for exceeding the emissions shall be investigated and necessary corrective and preventive action shall be taken to avoid re-occurrence, compliance to all conditions stipulated in Consent to Operate (CtO) must be monitored periodically Long-term strategy include- in case there is any national mandate to move the industry from Delhi-NCR would entail shifting and setting up plant to other neighboring regions

Risk Type:

- Reputational Risks:** Potential damage to the company's brand or standing in the industry due to E&S concerns (e.g., public backlash, negative media coverage, customer dissatisfaction).
- Legal and Compliance Risks:** Risk of non-compliance with local, national, or international regulations on environmental and social matters, which could lead to penalties, fines, or legal action.
- Operational Risks:** Disruption to operations caused by E&S factors, such as resource shortages, accidents, or environmental incidents (e.g., supply chain disruptions, equipment failure due to environmental non-compliance).
- Health and Safety Risks:** Risks to employee and contractor health and safety due to improper management of environmental and social aspects (e.g., exposure to hazardous materials, workplace accidents).

Time horizon of Materialization:	Impact:	Material Topic:
Short-term(ST) less than 1 year	Low: Low-Medium: Medium: Medium-High: High:	Less than 0.5% Sales (in INR) 0.5-1% Sales (in INR) 1-2% Sales (in INR) 2-5% Sales (in INR) More than 5% Sales (in INR)
Medium-term (MT) 1 to 3 years		Extremely High Priority Topics High Priority Topics
Long-term (LT) more than 3 years		Medium Priority Topic

Risk Assessment at HPL



Categorization and Summary of Select E&S Risks (from E&S DD and External Consultation by Core Group with Experts)

Brief Description of Risk	Risk Identification Process	Risk Type	Time Horizon of Materialisation	Impact	Material Topics with Strong Alignment	Financial Impacts*?	Brief Description of Risk Mitigation Strategy
Potential introduction of carbon pricing in India or pricing on greenhouse gas emissions (especially Scope-1 and Scope-2 emissions), which are direct and indirect emissions, respectively. The risk is driven by ongoing international climate negotiations (e.g., at COP, CMA, CMP) and is aimed at sectors like chemical manufacturing.	Various climate change scenario analysis tools like En-ROADS and organizations like the IPCC, World Bank, IMF and other climate research groups hint towards implementation of carbon tax	Reputational Legal and Compliance	Long-term	Medium-High Likelihood 66-100%	Climate Change Environmental Compliance	Estimated: Yes	<ul style="list-style-type: none"> In keeping with our commitment to setting ambitious net-zero targets, we are working closely with the Science Based Targets initiative (SBTi) to align our goals with global climate action. Near-term strategies: setting our net-zero transition targets by 2050 aimed to reduce carbon taxation in time horizons >10 years. In the time horizons of <10 years we foresee higher capital costs to significantly reduce our direct GHG emissions. Investment in energy efficiency measures such as upgrading equipment and retrofitting plants. Transitioning from fossil fuels to renewable energy Investments in low-carbon infrastructure, including green buildings, production equipment upgrades and circular economy practices.

Risk Type:

- Reputational Risks:** Potential damage to the company's brand or standing in the industry due to E&S concerns (e.g., public backlash, negative media coverage, customer dissatisfaction).
- Legal and Compliance Risks:** Risk of non-compliance with local, national, or international regulations on environmental and social matters, which could lead to penalties, fines, or legal action.
- Operational Risks:** Disruption to operations caused by E&S factors, such as resource shortages, accidents, or environmental incidents (e.g., supply chain disruptions, equipment failure due to environmental non-compliance).

Time horizon of Materialization: Short-term(ST) Medium-term (MT) Long-term (LT)	less than 1 year 1 to 3 years more than 3 years	Impact: Low: Low-Medium: Medium: Medium-High: High:	Less than 0.5% Sales (in INR) 0.5-1% Sales (in INR) 1-2% Sales (in INR) 2-5% Sales (in INR) More than 5% Sales (in INR)	Material Topic: Extremely High Priority Topics High Priority Topics Medium Priority Topic
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Risk Assessment at HPL



Categorization and Summary of Select E&S Risks (from E&S DD and External Consultation by Core Group with Experts)

Brief Description of Risk	Risk Identification Process	Risk Type	Time Horizon of Materialisation	Impact	Material Topics with Strong Alignment	Financial Impacts*?	Brief Description of Risk Mitigation Strategy
<p>One of the immediate and HIGH Climate Change related risks in short term horizon arising is about ground water withdrawal, utilization, re-use/recycle within the facility.</p> <p>It is observed that HPLA's 3/4 units are located in Faridabad and Ballabgarh which are identified by Central Ground Water Board as "Over-exploited". Some amount of treated effluent water is discharged outside..</p>	<p>Observation of past reports during third-party E&S Due Diligence</p>	Reputational Legal and Compliance Operational	Medium-term	<p>Medium</p> <div style="display: flex; align-items: center; justify-content: space-around;"> Likelihood <div style="background-color: #ccc; width: 100px; height: 10px; margin: 0 auto;"></div> 66-100% </div>	<p>Water and Wastewater Management</p> <p>Environmental Compliance</p>	Estimated: Yes	<ul style="list-style-type: none"> We have already installed a ZLD in our largest plant (by operations), located in the water-stressed region. We plan to implement ZLD in the remaining two plants as well. The ZLD system consists of (a) Electro Coagulation System (b) Nano Treatment Plant and (c) Secondary RO for RO reject, CT & Boiler

Risk Type:

- Reputational Risks:** Potential damage to the company's brand or standing in the industry due to E&S concerns (e.g., public backlash, negative media coverage, customer dissatisfaction).
- Legal and Compliance Risks:** Risk of non-compliance with local, national, or international regulations on environmental and social matters, which could lead to penalties, fines, or legal action.
- Operational Risks:** Disruption to operations caused by E&S factors, such as resource shortages, accidents, or environmental incidents (e.g., supply chain disruptions, equipment failure due to environmental non-compliance).

Time horizon of Materialization: Short-term(ST) Medium-term (MT) Long-term (LT)	less than 1 year 1 to 3 years more than 3 years	Impact: Low: Low-Medium: Medium: Medium-High: High:	Less than 0.5% Sales (in INR) 0.5-1% Sales (in INR) 1-2% Sales (in INR) 2-5% Sales (in INR) More than 5% Sales (in INR)	Material Topic: Extremely High Priority Topics High Priority Topics Medium Priority Topic
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Risk Assessment at HPL

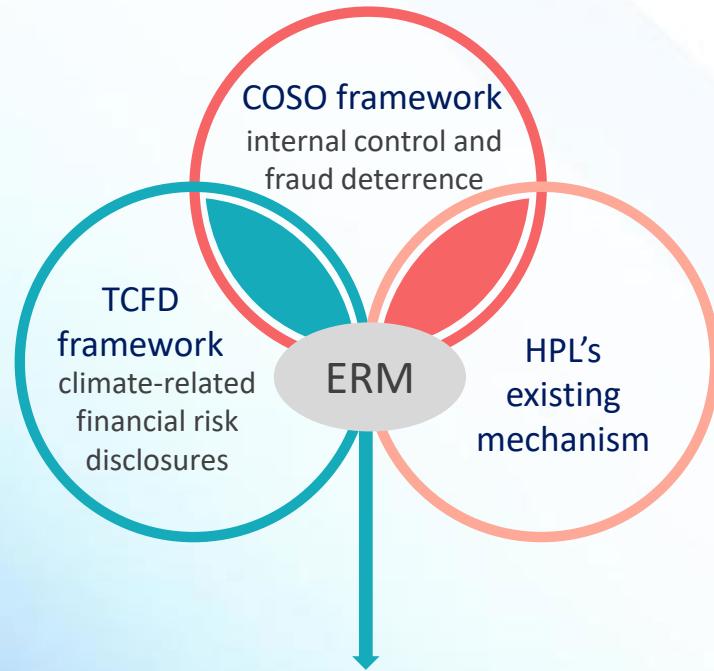


Way Forward- Risk Management Process is under Review in Consultation with ESG Experts

Proposed development of an organizational Enterprise Risk Management (ERM) framework

Streamlining of the risk management and assessment process across departments at HPL Additives Limited

ERM envisioned to be built upon HPL's existing mechanism as an amalgamation of the COSO and the TCFD frameworks.



Risk Management Policy

Outline roles and responsibilities; establish risk appetite and triggers

Standard Operating Procedures

Process for risk identification, assessment and management; Risk categorization; Criteria for assessing impact, likelihood, and time horizon; Reporting and escalation procedures; Review and update protocols

Communication and Reporting

Establish clear channels for risk-related communication across the organization.



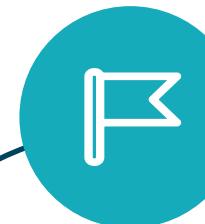
Monitoring and Review

Monitor risks and the effectiveness of control measures



Risk Identification

Systematically identify potential risks across all departments and operations.



Risk Assessment

Evaluate identified risks based on likelihood, impact, and time horizon.



Risk Categorization

Classify risks into categories: strategic, reputational, operational, financial, compliance, health & safety

Risk Response and Control

Develop strategies to mitigate, transfer, avoid, or accept risks and implement procedures for effective risk response



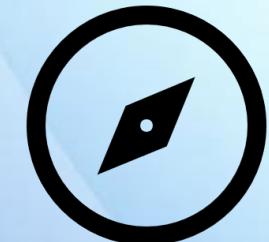
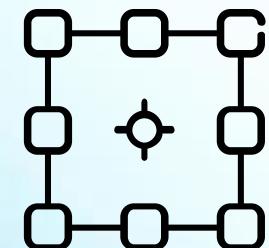


ESG POLICIES

Our ESG policies are thoughtfully designed to form the foundation of our operations, rooted in creating value for stakeholders across the value chain. By integrating comprehensive policies for Environment, Social, and Governance, we ensure sustainability, inclusivity, and transparency in every aspect of our business. These pillars not only align with our commitment to stakeholders but also drive long-term profitability, positioning us as a responsible and forward-thinking chemical manufacturing company.

Circular Economy Policy

Policy Insights



Our Commitment

HPL Additives Ltd. (HPL) is dedicated to embracing circular economy principles across our operations and value chain. We are committed to minimizing waste, maximizing resource efficiency, and creating value through sustainable product design, responsible sourcing, and efficient production processes.

Scope*

This policy applies to all HPL employees, contractors, suppliers, and business partners. We expect all parties to adhere to these principles in their interactions with or on behalf of HPL.

Guiding Principles

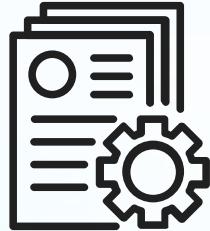
Our Circular Economy Policy is aligned with:

- The United Nations Sustainable Development Goals, particularly SDG 12 (Responsible Consumption and Production)
- The European Union's Circular Economy Action Plan, specifically REACH regulation

*Details of our policies can be accessed on our [website](#)

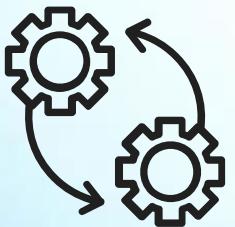
Circular Economy Policy

Policy Insights



Key Commitments*

We prioritize suppliers with circular economy practices to align our supply chain with sustainability goals. Our focus is on reducing waste, improving recycling, and including local waste collectors in circular practices. This supports our commitment to minimizing environmental impact.



Implementation

This Circular Economy Policy is publicly available on the HPL website and accessible to all internal and external stakeholders.

HPL provides training on circular economy to its employees, supervisors, and contractors focusing on practical implementation of circular principles in their respective roles. Training modules are tailored to the roles and responsibilities of each group.



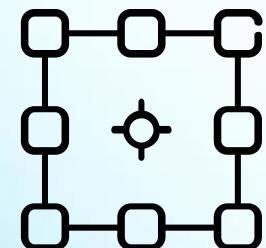
Monitoring, Reporting and Policy Review

HPL will regularly assess its circular economy performance and report periodically on progress and areas for improvement. This policy will undergo periodic reviews with input from internal and external stakeholders, to ensure alignment with evolving standards and company practices.

*Details of our policies can be accessed on our [website](#)

Climate Change Policy

Policy Insights



Our Commitment

HPL Additives Ltd. (HPL) is dedicated to addressing climate change through responsible business practices and sustainable development. We recognize the urgent need to reduce greenhouse gas emissions and build resilience against climate change impacts across our operations and value chain.

Scope*

This policy applies to all HPL employees, contractors, suppliers, and business partners. We expect all parties to adhere to these principles in their interactions with or on behalf of HPL.

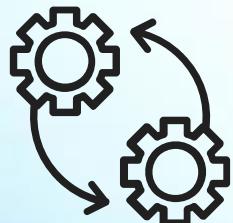
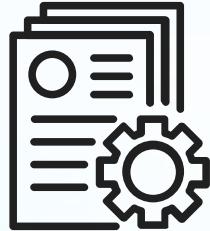
Guiding Principles

Our Climate Change Policy is aligned with:

- The Paris Agreement
- The United Nations Sustainable Development Goals, particularly SDG 13 (Climate Action)
- The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Climate Change Policy

Policy Insights



Key Commitments*

HPL commits to reducing Greenhouse Gas (GHG) emissions by setting science-based targets, adopting eco-friendly technologies, and collaborating with suppliers and customers. We focus on increasing renewable energy use, improving energy efficiency, and building climate resilience for our business and communities. Through transparency, accountability, and innovation, we engage stakeholders to reduce lifecycle emissions and support sustainability.

Implementation

HPL's Climate Change Policy is publicly available on our website for all stakeholders. We provide regular training on emissions reduction, climate risk management, and innovation, while developing a strategy with targets to manage Scope 1 and 2 GHG emissions. Our performance is regularly assessed and reported, with periodic policy reviews to ensure alignment with evolving standards.

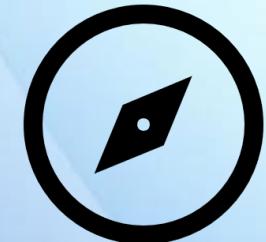
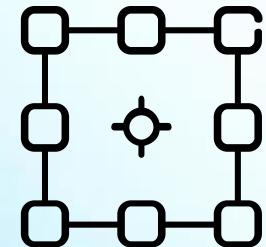
Monitoring, Reporting and Policy Review

HPL will regularly assess its climate change performance and report periodically on progress and areas for improvement. This policy will undergo periodic reviews with input from internal and external stakeholders, to ensure alignment with evolving regulations and industry best practices.

*Details of our policies can be accessed on our [website](#)

Corporate Governance Policy

Policy Insights



Our Commitment

HPL Additives Ltd. (HPL) is committed to maintaining the highest standards of corporate governance, ethical business practices, and legal compliance. We strive for exceptional business performance through innovation, continuous improvement, and excellence while upholding our core values of adaptability, dependability, teamwork, speed, versatility, and caring.

Scope*

This policy applies to all HPL employees, contractors, suppliers, and business partners. We expect all parties to adhere to these principles in their interactions with or on behalf of HPL.

Guiding Principles

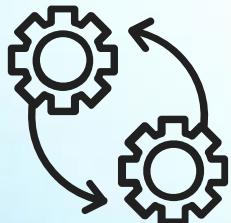
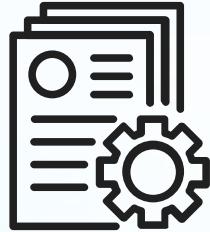
Our Corporate Governance Policy is aligned with:

- The Companies Act, 2013
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- The United Nations Global Compact Principles

*Details of our policies can be accessed on our [website](#)

Corporate Governance Policy

Policy Insights



Key Commitments*

- Ensuring board independence and diversity, implementing robust risk management, and maintaining zero tolerance for bribery and corruption.
- Providing whistleblower protection with clear reporting channels and prohibiting retaliation against those who raise concerns.
- Allocating 2% of average net profit to CSR activities, focusing on clean water, sanitation, healthcare, education, and hunger alleviation

Implementation

This Corporate Governance Policy is publicly available on the HPL website and accessible to all internal and external stakeholders.

HPL provides training on corporate governance to its employees, supervisors, and key stakeholders.

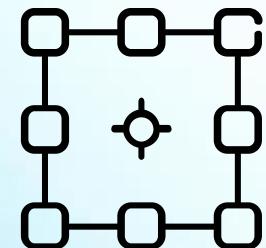
Monitoring, Reporting and Policy Review

HPL will regularly assess its corporate governance compliance and report periodically on progress and areas for improvement. This policy will undergo periodic reviews with input from internal and external stakeholders, to ensure alignment with evolving regulations and industry best practices

*Details of our policies can be accessed on our [website](#)

Energy Efficiency and Management Policy

Policy Insights



Our Commitment

HPL Additives Ltd. (HPL) is dedicated to responsible energy management and efficiency across all its operations and value chain. We recognize energy as a critical resource and are dedicated to its efficient use, conservation, and transition to renewable sources where feasible.

Scope*

This policy applies to all HPL employees, contractors, suppliers, and business partners. We expect all parties to adhere to these principles in their interactions with or on behalf of HPL.

Guiding Principles

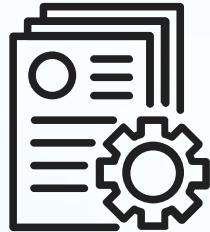
Our Energy Efficiency and Management Policy is guided by three key principles:

- Alignment with the United Nations Sustainable Development Goals, particularly SDG 7 (Affordable and Clean Energy).
- Adherence to India's National Energy Policies and Guidelines.
- Compliance with applicable local and national energy regulations

*Details of our policies can be accessed on our [website](#)

Energy Efficiency and Management Policy

Policy Insights



Key Commitments*

HPL commits to responsible energy management by optimizing energy consumption, integrating renewable energy sources, ensuring regulatory compliance, and engaging the supply chain in energy-efficient practices. We focus on increasing renewable energy use, improving energy efficiency, and building climate resilience for our business and communities. Through transparency, accountability, and innovation, we engage stakeholders to reduce energy consumption and support sustainability.

Implementation

HPL's Energy Efficiency and Management Policy is publicly available on our website for all stakeholders. We provide regular training to enhance energy performance. Our performance is regularly assessed and reported, with periodic policy reviews to ensure alignment with evolving standards.

Monitoring, Reporting and Policy Review

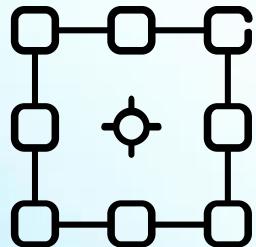
HPL will regularly assess Energy Efficiency and Management performance and report periodically on progress and areas for improvement. This policy will undergo periodic reviews with input from internal and external stakeholders, to ensure alignment with evolving regulations and industry best practices.



*Details of our policies can be accessed on our [website](#)

Environmental Management & Compliance

Policy Insights



Our Commitment

HPL Additives Ltd. (HPL) is dedicated to upholding the highest standards of environmental compliance across all operations and our value chain. We conduct our business in a manner that respects the environment, minimizes our ecological footprint, and promotes sustainable practices.

Scope*

This policy applies to all HPL employees, contractors, suppliers, and business partners.

Under the Environmental Management and Compliance Policy, six strategic focus areas are:

Air Quality Management, Energy Management, Ambient Noise Management, Open Space and Biodiversity Management, Waste Management, Organizational Health and Safety

Guiding Principles

Our Environmental Compliance Policy is aligned with:

- The United Nations Sustainable Development Goals
- The Paris Agreement on Climate Change
- Applicable national and local environmental regulations

*Details of our policies can be accessed on our [website](#)

Environmental Management & Compliance

Policy Insights



Key Commitments*

Air Quality Management: adhere to emission regulations laid by national and local authorities by using scrubbing systems, cleaner fuels, and pollution management measures.

Waste Management: implement stringent waste disposal and management practices, focusing on reducing, reusing, and recycling waste. When reuse is not possible, ensure responsible disposal.

Noise Control: committed to reducing noise levels, particularly in DG Set rooms, by investing in low-noise machinery and equipment.

Implementation

Policy Accessibility: publicly available on the HPL website and accessible to all internal and external stakeholders.

Training and Capacity Building: provide regular environmental compliance training to employees

Environmental Management System: implement and maintain a robust environmental management system to ensure consistent application of this policy across our operations

Monitoring, Reporting and Policy Review

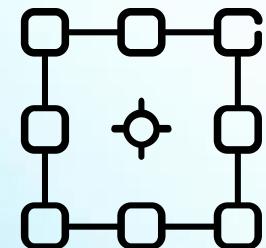
HPL will regularly assess its environmental compliance performance and report annually on key indicators, including environmental non-compliance incidents, third-party audits, operations audited for compliance, fines and penalties, and training hours. We commit to periodic reviews of this policy and our standard operating procedures to align with best practices.



*Details of our policies can be accessed on our [website](#)

Health & Safety Policy

Policy Insights



Our Commitment

HPL Additives Ltd. (HPL) is dedicated to ensuring the health, safety, and well-being of all employees, contractors, and visitors across our operations. We are committed to providing a safe working environment and promoting a culture of safety that prevents accidents, minimizes risks, in alignment with national and international standards and procedures.

Scope*

This policy applies to all HPL employees, contractors, suppliers, and business partners. We expect all parties to adhere to these principles in their interactions with or on behalf of HPL.

Guiding Principles

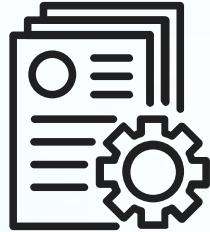
Our Health and Safety Policy is aligned with:

- Occupational Safety and Health Administration (OSHA) standards
- World Bank Occupational Health and Safety Guidelines
- International Finance Corporation (IFC) Performance Standards

*Details of our policies can be accessed on our [website](#)

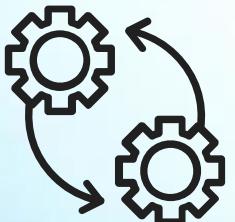
Health & Safety Policy

Policy Insights



Key Commitments*

HPL conducts regular medical checkups, implements job rotations, and reduces health risks. We maintain workplace cleanliness, enforce safety standards, and ensure risk assessments to mitigate hazards.



Implementation

HPL's policy is accessible on its website. We provide comprehensive safety training and promote a culture of safety. HSE considerations are integrated into business decisions to support sustainable practices.



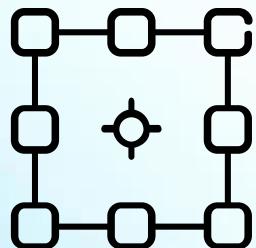
Monitoring, Reporting and Policy Review

HPL will regularly assess health and safety performance, report key indicators (TRIR, LTIFR, training hours, and audit results), and set EH&S targets aligned with sustainability frameworks. The policy will be periodically reviewed with stakeholder input to ensure continuous improvement.

*Details of our policies can be accessed on our [website](#)

Human Rights Policy

Policy Insights



Our Commitment

HPL Additives Ltd. (HPL) is committed to respecting internationally recognized human rights in all our operations and throughout our value chain. We strive to conduct our business in a manner that upholds the dignity and well-being of all individuals affected by our activities.

Scope*

This policy applies to all HPL employees, contractors, suppliers, and business partners. We expect all parties to adhere to these principles in their interactions with or on behalf of HPL.

Guiding Principles

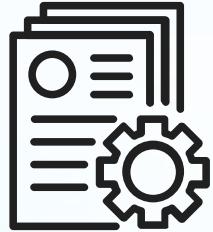
Our Human Rights Policy is guided by:

- The United Nations Guiding Principles on Business and Human Rights
- The International Labor Organization's Declaration on Fundamental Principles and Rights at Work
- The United Nations Universal Declaration of Human Rights

*Details of our policies can be accessed on our [website](#)

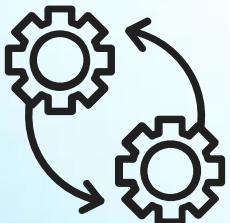
Human Rights Policy

Policy Insights



Key Commitments*

HPL upholds non-discrimination, ensures a safe workplace, and prohibits forced or child labour. We respect employees' rights to association, provide fair wages, and comply with labour laws. Additionally, we prioritize respecting and minimizing impacts on local communities.



Implementation

HPL upholds non-discrimination, ensures a safe workplace, and prohibits forced or child labour. We respect employees' rights to association, provide fair wages, and comply with labour laws. Additionally, we prioritize respecting and minimizing impacts on local communities.



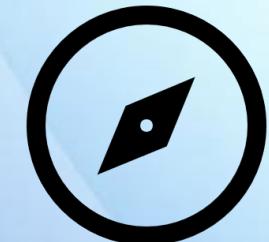
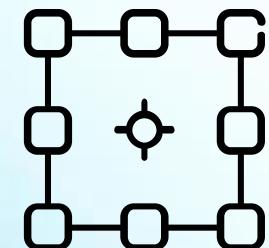
Monitoring, Reporting and Policy Review

HPL will regularly assess and report on energy efficiency progress, updating the policy to align with technological and regulatory changes. Periodic reviews with input from stakeholders ensure alignment with industry standards.

*Details of our policies can be accessed on our [website](#)

Product Safety & Quality Policy

Policy Insights



Our Commitment

HPL Additives Ltd. (HPL) is dedicated to manufacturing and supplying high-quality products that meet or exceed customer expectations while prioritizing safety and environmental responsibility. We are committed to maintaining the highest standards of product safety and quality throughout our operations and value chain.

Scope*

This policy applies to all HPL employees, contractors, suppliers, and business partners. We expect all parties to adhere to these principles in their interactions with or on behalf of HPL.

Guiding Principles

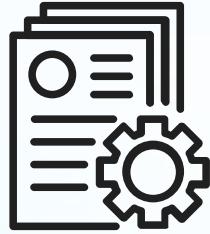
Our Product Safety and Quality Policy is aligned with:

- ISO 9001:2015 Quality Management Standards
- Globally Harmonised System of Classification and Labelling of Chemicals (GHS)
- Applicable national and local laws and legislation

*Details of our policies can be accessed on our [website](#)

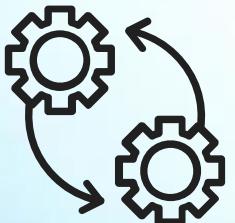
Product Safety & Quality Policy

Policy Insights



Key Commitments*

HPL implements and maintains ISO 9001:2015 quality management standards across all operations. We ensure compliance with all legal and statutory requirements related to product safety and quality, fostering a customer-focused culture that emphasizes satisfaction through a process-based approach.



Implementation

The policy is accessible on the HPL website. We provide regular training on product safety and quality management and maintain a robust system to ensure policy compliance across operations.



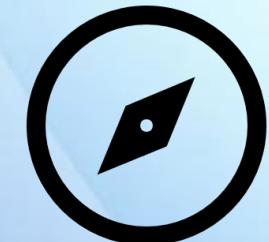
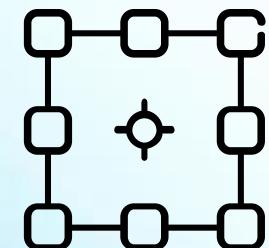
Monitoring, Reporting and Policy Review

HPL will regularly assess its Product Safety and Quality performance. This policy will undergo periodic reviews with input from internal and external stakeholders, to ensure alignment with evolving Product Safety and Quality standards and industry best practices.

*Details of our policies can be accessed on our [website](#)

Stakeholder Engagement Policy

Policy Insights



Our Commitment

HPL Additives Ltd. (HPL) recognizes the importance of meaningful relationships with diverse stakeholders who are impacted by or have an interest in our activities. We are committed to fostering positive collaborations, promoting transparency, and ensuring stakeholder voices are heard and valued. Through proactive engagement, we aim to create shared value and drive innovation that benefits all parties.

Scope*

This policy applies to all HPL employees, contractors, suppliers, and business partners. We expect all parties to adhere to these principles in their interactions with or on behalf of HPL.

Guiding Principles

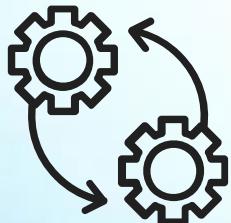
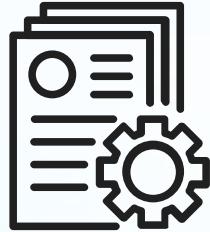
Our Stakeholder Engagement Policy is aligned with:

- Our Corporate Governance Policy
- Our Company Strategy
- Industry best practices in stakeholder engagement

*Details of our policies can be accessed on our [website](#)

Stakeholder Engagement Policy

Policy Insights



Key Commitments*

HPL Additives Ltd. (HPL) engages stakeholders through targeted strategies based on their influence and insights. We foster open dialogue, gather feedback, and align business priorities with stakeholder expectations. Our efforts focus on customers, employees, investors, suppliers, industry associations, and societal well-being.

Implementation

The Stakeholder Engagement Policy is publicly available on HPL's website for all stakeholders. HPL conducts regular training to enhance employee engagement and communication skills.

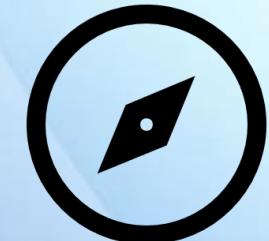
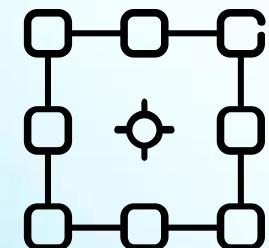
Monitoring, Reporting and Policy Review

HPL will regularly assess its stakeholder engagement performance and report periodically on progress and areas for improvement. This policy will undergo periodic reviews with input from internal and external stakeholders, to ensure alignment with evolving stakeholder engagement strategies, stakeholder expectations and company practices.

*Details of our policies can be accessed on our [website](#)

Sustainable Supply Chain Policy

Policy Insights



Our Commitment

HPL Additives Ltd. (HPL) is committed to maintaining a sustainable and responsible supply chain that aligns with our values of integrity, environmental stewardship, and social responsibility. We expect our suppliers to adhere to high standards of business conduct and to partner with us in creating a more sustainable future.

Scope*

This policy applies to all contractors, suppliers, and business partners of HPL. We expect all parties to adhere to these principles in their interactions with or on behalf of HPL.

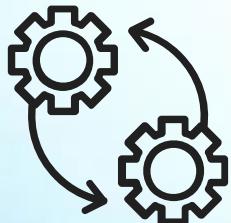
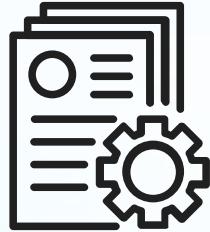
Guiding Principles

Our Supply Chain Policy aligns with global standards, including UN Guiding Principles, ILO Conventions, the Universal Declaration of Human Rights, and HPL's governance and sustainability frameworks.

*Details of our policies can be accessed on our [website](#)

Sustainable Supply Chain Policy

Policy Insights



Key Commitments*

HPL Additives Ltd. (HPL) is committed to maintaining a sustainable and responsible supply chain that aligns with our values of integrity, environmental stewardship, and social responsibility. We expect our suppliers to adhere to our guiding principles.

Implementation

HPL expects suppliers to uphold ethical business practices, comply with anti-corruption laws, protect human rights, and ensure a safe, inclusive work environment. Suppliers must follow environmental best practices, maintain certified quality systems, and meet import and manufacturing standards. Engagement with local communities and adherence to HPL's Supplier Code of Conduct are mandatory, with regular monitoring and assessments.

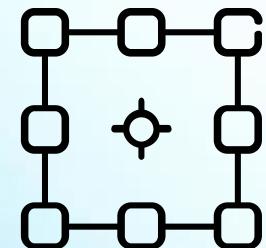
Monitoring, Reporting and Policy Review

HPL will regularly assess its supplier adherence to the code of conduct and report periodically on progress and areas for improvement. This policy will undergo regular reviews with input from internal and external stakeholders.

*Details of our policies can be accessed on our [website](#)

Waste Management Policy

Policy Insights



Our Commitment

HPL Additives Ltd. (HPL) is dedicated to ensuring the safe handling, treatment, and disposal of waste materials that pose risks to human health or the environment. We are committed to minimizing waste generation, promoting recycling, and ensuring proper disposal of all waste types to foster a sustainable future.

Scope*

This policy applies to all HPL employees, contractors, suppliers, and business partners. We expect all parties to adhere to these principles in their interactions with or on behalf of HPL.

Guiding Principles

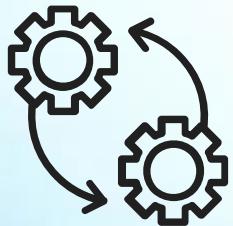
Our Waste Management Policy is aligned with:

- Applicable local and national waste management regulations
- International best practices for waste management and circular economy principles

*Details of our policies can be accessed on our [website](#)

Waste Management Policy

Policy Insights



Key Commitments*

HPL Additives Limited is committed to maintaining a sustainable and responsible supply chain that aligns with our values of integrity, environmental stewardship, and social responsibility. We expect our suppliers to adhere to

Implementation

HPL ensures waste classification, safe handling, proper disposal, and compliance through regular inspections and recordkeeping. We promote circular economy practices, recycling, and plastic waste reduction initiatives.

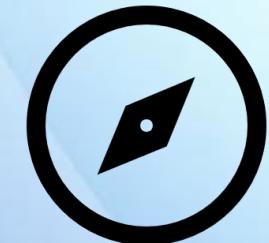
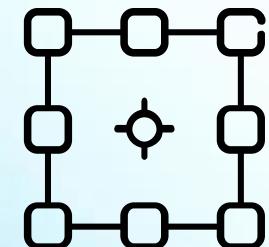
Monitoring, Reporting and Policy Review

HPL will regularly assess its waste management performance and report periodically on progress and areas for improvement. This policy will undergo periodic reviews with input from internal and external stakeholders, to ensure alignment with evolving standards and industry best practices.

*Details of our policies can be accessed on our [website](#)

Water and Wastewater Management Policy

Policy Insights



Our Commitment

HPL Additives Ltd. (HPL) is dedicated to responsible water management and conservation across all operations and our value chain. We recognize water as a critical resource and are committed to its efficient use, recycling, and responsible discharge of wastewater.

Scope*

This policy applies to all HPL employees, contractors, suppliers, and business partners. We expect all parties to adhere to these principles in their interactions with or on behalf of HPL.

Guiding Principles

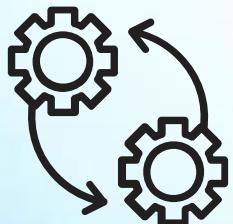
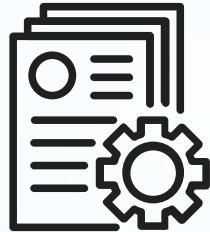
Our Water and Wastewater Management Policy is aligned with:

- The United Nations Sustainable Development Goals, particularly SDG 6 (Clean Water and Sanitation)
- India's National Water Policy
- Applicable local and national water regulations

*Details of our policies can be accessed on our [website](#)

Water and Wastewater Management Policy

Policy Insights



Key Commitments*

At HPL, we treat water as a precious resource, setting and reviewing conservation goals while investing in water management and wastewater treatment. We proactively assess and manage water risks, encouraging supply chain partners to improve water efficiency. We engage stakeholders through education, raise awareness, and report progress on water management.

Implementation

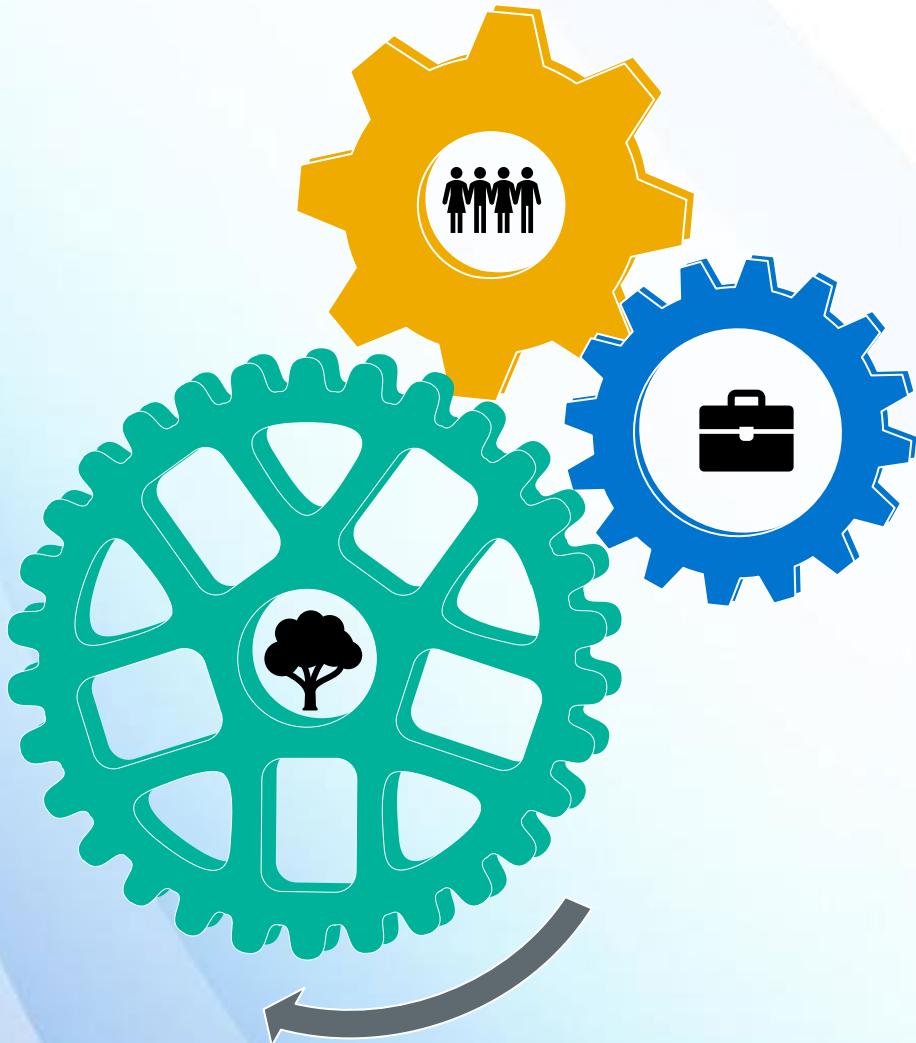
This Water and Wastewater Management Policy is publicly available on the HPL website and accessible to all internal and external stakeholders.

HPL provides regular training to employees and supervisors on water conservation and responsible wastewater management practices. Training modules are tailored to the roles and responsibilities of each group.

Monitoring, Reporting and Policy Review

HPL will regularly assess its Water and Wastewater Management performance and report periodically on progress and areas for improvement. This policy will undergo periodic reviews with input from internal and external stakeholders, to ensure alignment with evolving standards and company practices.

*Details of our policies can be accessed on our [website](#)



ESG IMPLEMENTATION

Our ESG policies are implemented through a scientific and structured approach, ensuring they translate into actionable outcomes. We leverage technological advancements to drive efficiency and sustainability, while building the skills of our employees and value chain partners to align with these goals. By prioritizing compliance, conducting regular audits, and maintaining strong monitoring and disclosures, we aim to foster transparency and trust. This holistic approach benefits all stakeholders across our value chain, reinforcing our commitment to responsible and sustainable business practices.

Environmental Management & Compliance

Practices and Implementation



We take pride in ensuring our operations are environmentally conscious

ISO 14001 certificates applicable till April 2027



1 ISO 14001:2015 Certified Facilities

3 Zero Discharge Units

5 Noise Reduction Measures

2

Liquid Effluent Treatment Facilities

4

Emission Control Measures

Environmental Management & Compliance

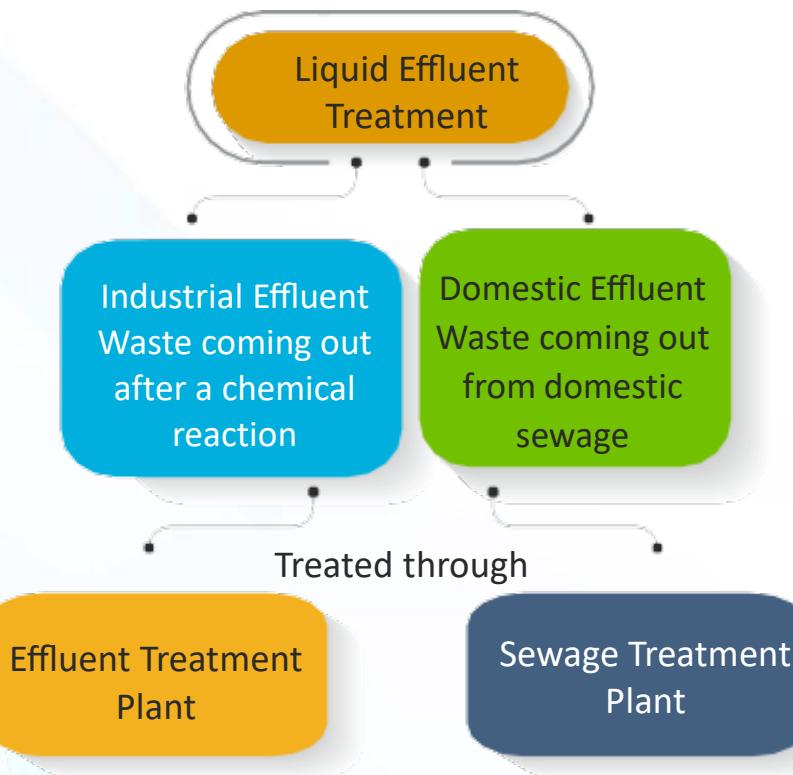
Practices and Implementation



We take pride in ensuring our operations are environmentally conscious



Effluent Treatment Plant is a wastewater treatment method designed to purify industrial wastewater for reuse and to release safe water into the environment without harmful effect caused by the effluent. Our Effluent Treatment Plant is designed to treat 250 KL/Day.



Sewage Treatment Plant is the process of removing contaminated substances from domestic waste. The capacity of our Sewage Treatment Plant is 32 KL/Day. It includes physical, chemical & Biological processes to remove physical, chemical & biological contaminants. Its objective is to produce an environmentally-safe fluid waste stream & solid waste suitable for disposal or reuse.

Environmental Management & Compliance

Practices and Implementation



Sources of gaseous emissions and control measures:

1

Thermopack Emissions

1. Cyclone Separator
2. Wet Scrubber
3. Installed on-line Continuous Emission Monitoring devices on Thermopack stack, connected with CPCB/ HSPCB (national and state regulatory bodies) server to monitor stack emission norms
4. Regular monitoring and reporting of air quality parameters (SO₂, PM, NO_x) to the Central Pollution Control Board

2

Process Stack Emissions

1. Installed on-line Continuous Emission Monitoring devices on Thermo pack stack, connected with CPCB/ HSPCB server to monitor stack emission norms
2. Improving air quality by reducing solvent vapor atmosphere through Guard Condenser
3. Improving air quality by reducing dusty atmosphere through dust Collector
4. Reducing greenhouse gas emissions and introducing cost effective, energy efficient measures, cleaner technology and the use of renewable energy

3

Noise Emissions

1. Acoustic Insulation
2. Ear plugs/muff
3. Acoustic enclosures for DG sets



Environmental Management & Compliance

Practices and Implementation

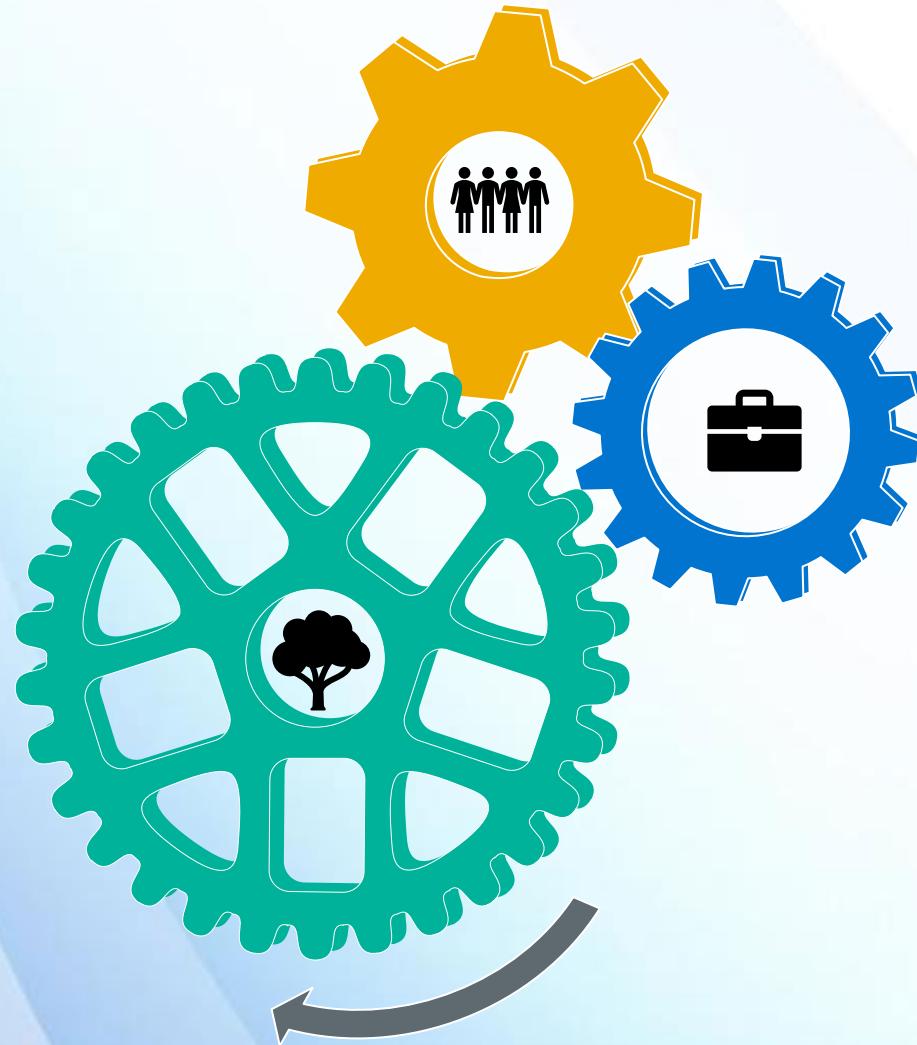


We take pride in ensuring our operations are environmentally conscious



Energy Saving measures in the office building

Recycling of office supplies



ESG IMPLEMENTATION

Circular Economy and Waste Management

Circular Economy and Waste Management

Practices and Implementation



We take pride in ensuring that we minimize the resource utilization and waste generation

1

Solvent Recovery & Recycling

In one of our plants, we have implemented a solvent recovery system, allowing us to recycle solvents and reduce costs on fresh solvent procurement. During the production of Kinox-30, H_2SO_4 is generated as a by-product and is utilized to manufacture gypsum, which is then sold as a product.

2

Circular Economy for Additional Revenue

In Kinox-10 production, we recover and recycle 2,6 DTBP from the sludge, minimizing waste and maximizing resource efficiency. Our Hydrazine Hydrate production also generates by-products that are sold to the soap industry in Chandigarh, while ammonia is recovered and sold as aqueous ammonia in the local market.

3

Other Practices

1. Implementation of source segregation practices to enhance recycling efficiency.
2. Zero-landfill strategy for waste management.
3. Mapping of waste streams
4. Actions to restrict transboundary movement of hazardous waste, including:
 - Agreement with authorized third-party for safe disposal of hazardous waste

Circular Economy and Waste Management

Practices and Implementation



We take pride in ensuring that we minimize the resource utilization and waste generation

HPL is proud to have received the registration certificate as a brand owner for disposal of plastic waste generated due to plastic packaging as part of the extended producer responsibility (EPR) by the Central Pollution Control Board of India.



Regn. No.
BO-14-000-01-AAACH0110P-
25

Date:
14-01-2025 05:11 PM

Central Pollution Control Board

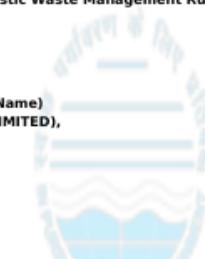
(Ministry Of Environment, Forest and Climate Change, Govt. of India)
Parivesh Bhawan, East Arjun Nagar
Delhi-110032

REGISTRATION CERTIFICATE FOR BRAND OWNER

(Under Rule-13(2) of the Plastic Waste Management Rules, 2016, as amended)

To,

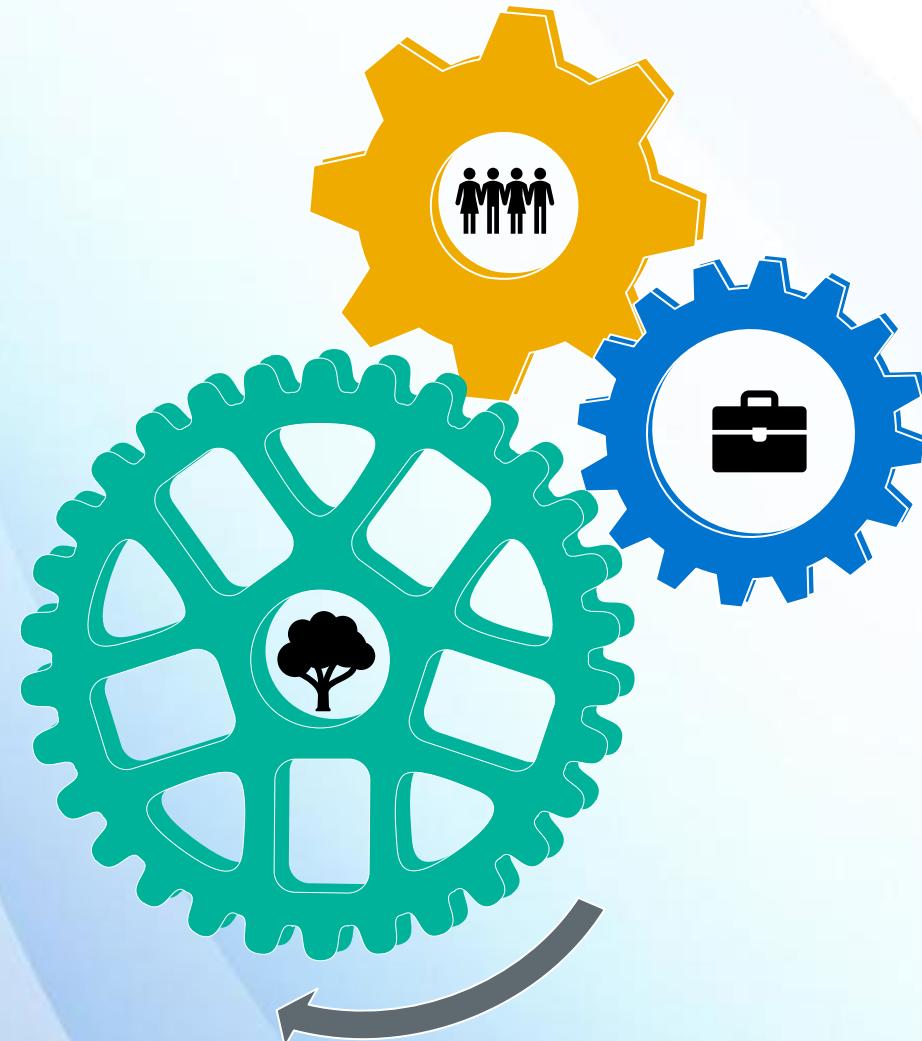
HPL ADDITIVES LIMITED(Legal Name)
(Trade Name: HPL ADDITIVES LIMITED),
5TH FLOOR, BLOCK-A, VATIKA
MINDSCAPES, 12/3 MAIN
MATHURA ROAD, FARIDABAD,
Faridabad, Haryana, 121003



With reference to the application dated **01-07-2024** regarding registration as a **Brand Owner**, Central Polution Control Board is pleased to grant the registration in favour of **hpl additives limited , 5TH FLOOR, BLOCK-A, VATIKA MINDSCAPES, 12/3 MAIN MATHURA ROAD, FARIDABAD, Faridabad, Haryana, 121003**, as a Brand Owner, for disposal of Plastic waste generated due to plastic packaging introduced by you in the market as per EPR Action Plan given below:

Sl. No	Financial Year	2024-25			
		Cat-I	Cat-II	Cat-III	Cat-IV
1	CPCB	41.6275	19.6335	0.0	0.0
	TOTAL	41.6275	19.6335	0.0	0.0
	Grand Total	61.261			

The Registration is granted under the PWM Rules, 2016 (as amended) subject to the following terms & conditions: -



ESG IMPLEMENTATION

Energy and Emissions Management

Energy and Emissions Management

Practices and Implementation



We take pride in ensuring that we optimize our energy consumption and switch to cleaner and greener energy sources

1 Generation of renewable energy on site

2 Energy efficiency improvements through technology upgrades

4 Fuel switch to achieve higher energy efficiency & lower carbon emissions

5 Reduction in coal consumption

7 Use of brine chillers

8 Use of gas-fired boiler

3 Use of waste heat recovery systems

6 Regular energy audit & LCA studies of our facilities

9 Use of dual fuel DG sets

Energy and Emissions Management

Practices and Implementation



We take pride in ensuring that we optimize our energy consumption and switch to cleaner and greener energy sources

Linking multiple sustainability goals with strategic business decisions: Case of Brine Chiller

1. Energy Efficiency

Brine chillers are designed to operate efficiently at low temperatures, reducing energy consumption compared to traditional cooling systems. By utilizing brine (a salt-water solution) as a heat transfer medium, they enhance thermal conductivity and require less energy to maintain cooling.

2. Reduced Refrigerant Usage

Brine acts as a secondary coolant, reducing the direct use of refrigerants. This minimizes the potential environmental impact of refrigerant leaks, especially for systems using ozone-depleting substances or high-global-warming-potential (GWP) refrigerants.

3. Improved Heat Transfer

Brine solutions have better heat transfer properties than many conventional coolants, leading to faster and more effective cooling. This can lower operational energy demands and enhance overall system efficiency.

4. Versatility and Longevity

Brine chillers can operate in extreme temperature conditions, making them suitable for industrial applications like chemical processing, food preservation, and pharmaceuticals.

Their robust design often results in a longer lifespan, reducing the need for frequent replacements and associated environmental impacts.

5. Water Conservation

Brine chillers often use closed-loop systems, reducing water consumption compared to traditional evaporative cooling methods, which are more water-intensive.

6. Integration with Renewable Energy

Brine chillers can be integrated with renewable energy sources like solar or wind energy to further reduce the carbon footprint of cooling operations.

7. Minimized Environmental Contamination

Since brine is a non-toxic and biodegradable solution, its use as a heat transfer medium reduces risks of environmental contamination compared to synthetic coolants.

8. Support for Circular Economy

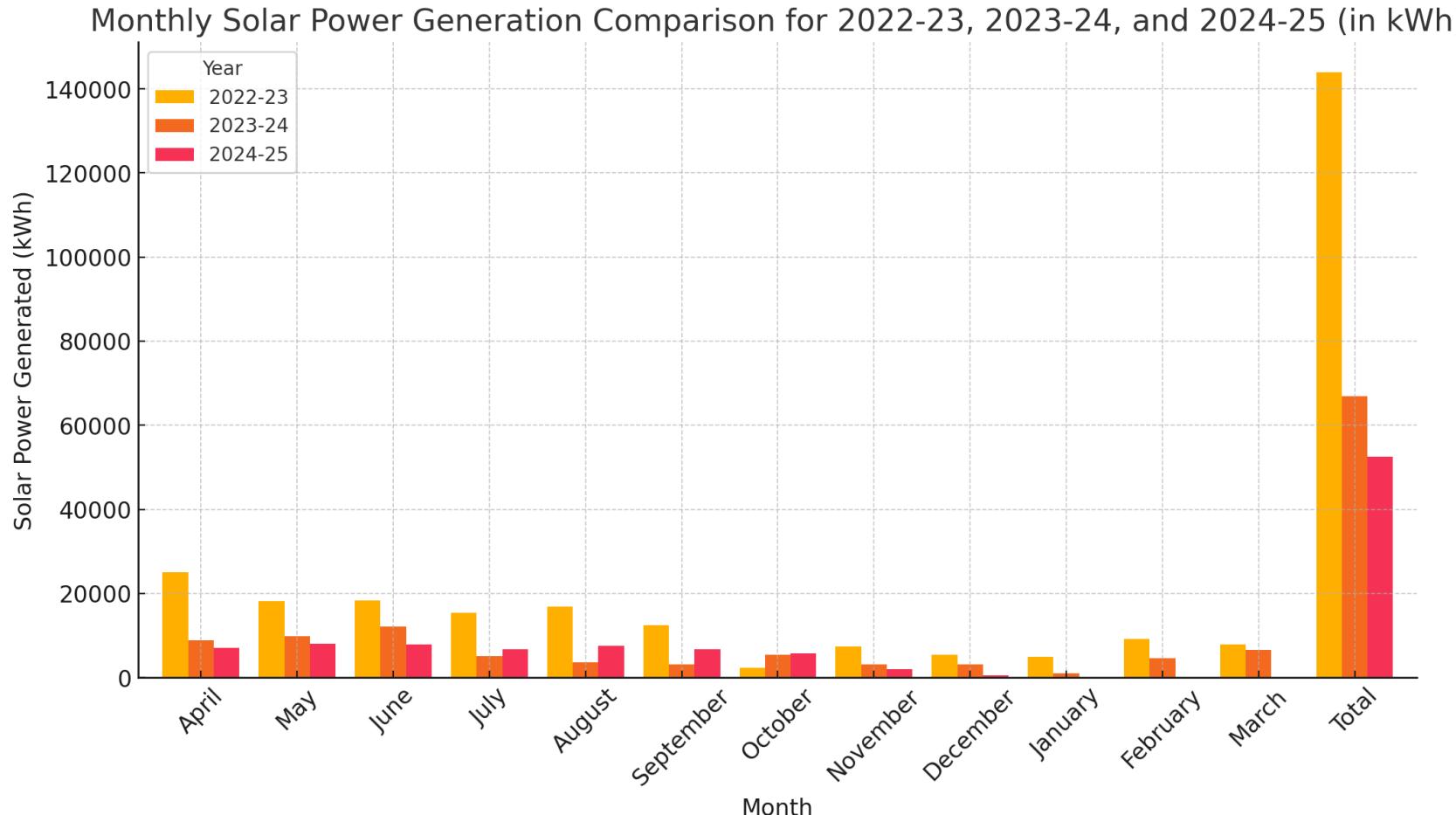
The brine used in these chillers can often be recycled or regenerated, promoting resource efficiency and reducing waste.

Energy and Emissions Management

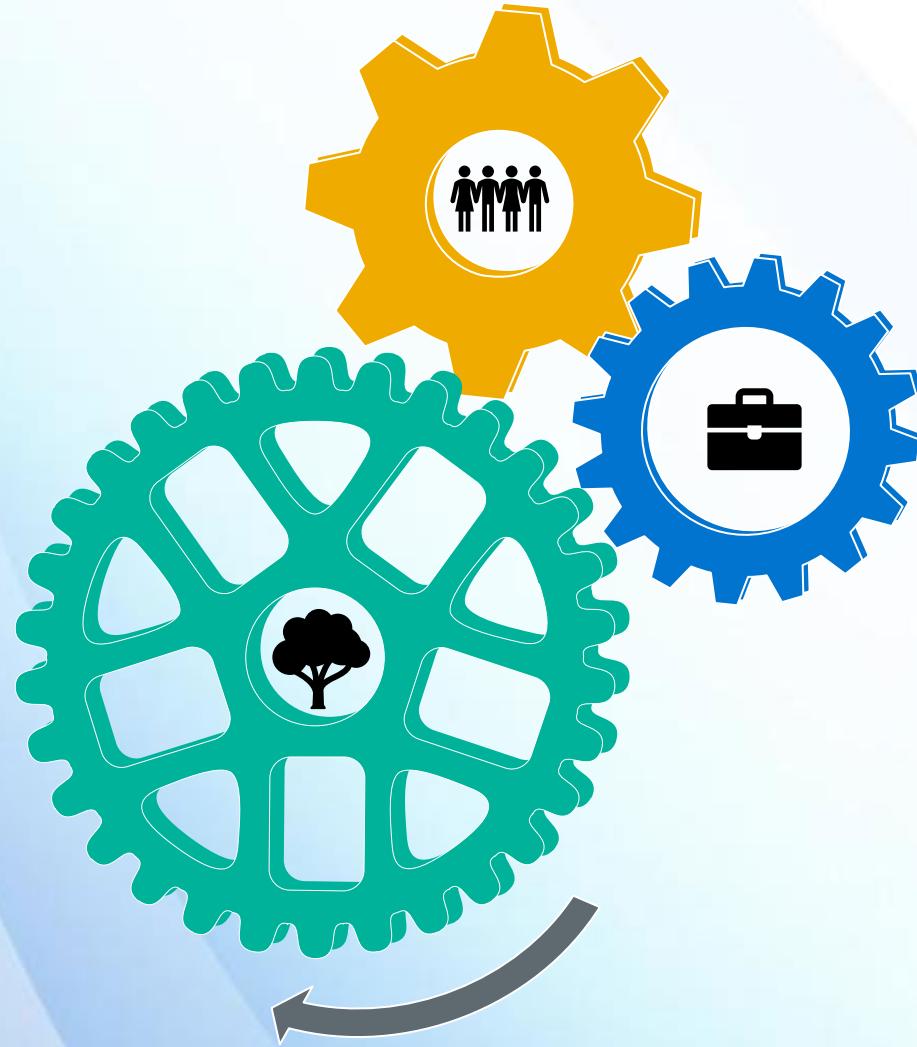
Practices and Implementation



We take pride in ensuring that we optimize our energy consumption and switch to cleaner and greener energy sources



Renewable energy generation at the manufacturing facility



ESG IMPLEMENTATION

Climate Change

Climate Change

Practices and Implementation



We take pride in ensuring that we are on a formal journey to de-couple financial growth and negative impact to climate

1

GHG Inventory since FY 2021

2

Third-party assurance on the GHG inventory for higher transparency

3

Commitment to SBTi for structured and scientific target for net-zero

4

Product Carbon Footprint of key products

5

Periodic CDP and EcoVadis Disclosures

6

Provide constant support to customers in their Scope-3 emission reduction strategy

7

Interlinking CSR spending with local climate action

8

Screening suppliers on climate change performance

9

Use of gas-fired boiler
Use of brine chillers
Use of dual fuel DG sets

10

Utilize low-carbon energy sources, specifically by replacing coal with biomass for boiler applications

Climate Change

Practices and Implementation- GHG Inventory



We take pride in ensuring that we are on a formal journey to de-couple financial growth and negative impact to climate

Direct Emissions

Scope-1

FY 2021-22	FY 2022-23	FY 2023-24
60859.3	32626.1	7561.7

Scope-2

FY 2021-22	FY 2022-23	FY 2023-24
19955.7	16912.4	15836.1

Indirect Emissions

Scope-3

Purchased goods & services

FY 2021-22	FY 2022-23	FY 2023-24
123052.8	92894.7	89014

Upstream transportation & distribution

FY 2021-22	FY 2022-23	FY 2023-24
1011.9	846.4	993.1

Employee commuting

FY 2021-22	FY 2022-23	FY 2023-24
112.1	110.8	89.31

Downstream transportation & distribution

FY 2021-22	FY 2022-23	FY 2023-24
2687.8	2108	1719.9

Climate Change

Practices and Implementation- SOP for Developing GHG Inventory



We take pride in ensuring that we are on a formal journey to de-couple financial growth and negative impact to climate

Standard Operating Procedure
Developing Greenhouse Gas Inventory

The development of a comprehensive Greenhouse Gas (GHG) Inventory is essential for understanding and managing the environmental impacts associated with GHG emissions. This Standard Operating Procedure (SOP) provides a systematic approach to accurately quantify and report the GHG emissions within the set boundary of direct and indirect operations of HPL Additives Limited (or The Company). The SOP is designed to ensure consistency, transparency, and accountability in the GHG inventory development process.

Purpose:
The primary purpose of this SOP is to establish standardized procedures and guidelines for the collection, calculation, and reporting of GHG emissions. This will support The Company in meeting its environmental goals, complying with national and international regulations, and participating effectively in global efforts to mitigate climate change.

Scope:
This SOP applies to the following.

- Operations at Corporate office
- Operations at Manufacturing Unit at Ballabgarh Plant-1, Haryana (or HPLA-B)
- Operations at Manufacturing Unit at Ballabgarh Plant-2, Haryana (or HPLA-E)
- Operations at Manufacturing Unit at Palwal, Haryana (or HPLA-D)
- Operations at Manufacturing Unit at Derabassi, Punjab (or HPLA-C)
- Operations at Marketing Offices
- Employees
- Supply of raw materials
- Distribution of Products

Objectives:

- To provide a clear methodology for quantifying GHG emissions based on internationally recognized standards and practices.
- To facilitate the tracking of GHG emission trends over time to assess the effectiveness of emission reduction strategies.
- To enhance the accuracy and reliability of GHG reporting, thereby improving decision-making processes related to climate change mitigation and adaptation.
- To serve as evidence for seeking limited assurance.

This SOP is intended to be used as a living document, subject to periodic review and updates as required by changes in technology, regulations, emission factors, and our understanding of GHG dynamics. The procedures outlined herein align with the guidelines provided by the Intergovernmental Panel on Climate Change (IPCC) and other relevant standards to ensure that our GHG inventory meets the highest standards of integrity and effectiveness. Furthermore, our periodic engagement with third-party assurance providers will

[Signature]

Page 1 of 3

assist us in enhancing the comprehensiveness of this SOP to ensure that the quality of GHG reporting is not compromised.

1. Scope-1 Emissions Estimations

Parameter	Measurement Type	Remarks on Measurement of Parameter	Overseen By [Designation of Individual(s)]
Stationary combustion of Pet Coke	Calculated	<ul style="list-style-type: none"> Measurement of boiler hot water reading through MIS Calculation of fuel consumed on the basis of water consumed in the boiler: Boiler hot water meter reading lit / Petcock consumption = (10.76 kg/kg steam) Periodic update of the constant i.e., 10.76 to be undertaken and documented by concerned individual. 	Site In charge (UTL & MNT)/ Head (UTL & MNT)
Stationary combustion of PNG	Metered and maintained in MIS	<ul style="list-style-type: none"> Bill issued by Third-Party Agency (like Adani Gas) 	Site In charge (UTL & MNT)
Stationary Combustion of Indonesian Coal		<ul style="list-style-type: none"> Measurement of boiler hot water reading through MIS Calculation of fuel consumed on the basis of water consumed in the boiler: Boiler hot water meter reading lit / Petcock consumption = (04.91 kg/kg steam) Periodic update of the constant i.e., 04.91 to be undertaken and documented by concerned individual. 	Site In charge (UTL & MNT)/ Head (UTL & MNT)
Stationary combustion of biomass (briquette)	Calculated	<ul style="list-style-type: none"> Measurement of boiler hot water reading through MIS Calculation of fuel consumed on the basis of water consumed in the boiler: Boiler hot water meter reading lit / Petcock consumption = (04.00 kg/kg steam) Periodic update of the constant i.e., 04.00 to be undertaken and documented by concerned individual. 	Site In charge (UTL & MNT)/ Head (UTL & MNT)
Stationary combustion of diesel	MIS	<ul style="list-style-type: none"> Avaliable diesel quantity for all purposes is monitored and noted in Logbook. Logbook also includes specific consumption for utilization in DG sets. Periodic digitization of Logbook 	Site In charge (UTL & MNT)
Stationary combustion of LPG	Measured	<ul style="list-style-type: none"> ERP data 	Site In charge (UTL & MNT)
Refilling of refrigerant gases (R22 and R134a)	Measured	<ul style="list-style-type: none"> Maintenance of records in Logbook Periodic digitization of Logbook 	Site In charge (UTL & MNT)

2. Scope-2 Emissions Estimations

Parameter	Measurement Type	Remarks on Measurement of Parameter	Overseen By [Designation of Individual(s)]
Purchased Grid Electricity	MIS and meter reading	<ul style="list-style-type: none"> Bills shared by the DISCOM 	Site In charge (UTL & MNT)

[Signature]

Page 2 of 3

3. Scope-3 Emissions Estimations

Parameter	Measurement Type	Remarks on Measurement of Parameter	Overseen By [Designation of Individual(s)]
Distance and Mode of transport used by Employees for Commute	Google Forms circulated with employees to fill in data	<ul style="list-style-type: none"> Mode-specific emission factors (per km of travel) applied as a multiplier to distance travelled. Annual attendance records maintained to account for employee travel. 	Head-HRM
Quantity of Purchased Goods	ERP	<ul style="list-style-type: none"> Invoices are maintained for the quantity of goods. Average data method is used for Scope 3 calculations 	Manager-Import & Export
Distance travelled and mode of transport for distribution of products	ERP and Google Maps	<ul style="list-style-type: none"> Average distance of the routes suggested by Google Maps for road distance. Link for Ship Transport Distance (find here) Link for Air Transport Distance (find here) 	Deputy Manager-International Marketing & AGM-SCM Assistant Manager-Domestic Marketing

4. Capacity Building of Staff on GHG Estimations

Parameter	Measurement Type	Remarks on Measurement of Parameter	Overseen By [Designation of Individual(s)]
Training of management	Documentation of the training workshops	<ul style="list-style-type: none"> Minutes of Meetings (including the topics covered) Geo-tagged photographs with time stamps 	DGM-Safety & Environment
Training of plant heads on GHG accounting	Documentation of the training workshops	<ul style="list-style-type: none"> Minutes of Meetings (including the topics covered) Geo-tagged photographs with time stamps 	DGM-Safety & Environment
Training of plant operators on measurement of raw materials	Documentation of the training workshops	<ul style="list-style-type: none"> Minutes of Meetings (including the topics covered) Geo-tagged photographs with time stamps 	DGM-Safety & Environment
Training of plant operators on data management for GHG accounting	Documentation of the training workshops	<ul style="list-style-type: none"> Minutes of Meetings (including the topics covered) Geo-tagged photographs with time stamps Data management templates to be maintained 	DGM-Safety & Environment
Training of plant operators on calibration of instruments that are essential for measurements required for GHG emissions	Documentation of the training workshops	<ul style="list-style-type: none"> Minutes of Meetings (including the topics covered) Geo-tagged photographs with time stamps Instrument calibration sheets by service providers to be maintained Instruments to be calibrated AT LEAST ONCE annually 	DGM-Safety & Environment

Date: 09.05.2024

[Signature]

Name: Ujjwal Prakash
Designation- Safety & Environment

HPL Additives Limited

Page 3 of 3

Climate Change

Practices and Implementation- Assurance Certificate for GHG Inventory



We take pride in ensuring that we are on a formal journey to de-couple financial growth and negative impact to climate



Independent Limited Assurance Statement to HPL Additives Limited on the Greenhouse Gas (GHG) Inventory for Financial Year FY 2021-22, FY 2022-23 and FY 2023-24

To the management of HPL Additives Limited

Introduction

Tirkha Consultants & Advisors LLP ("Tirkha") was engaged for the purpose of providing limited assurance on the GHG inventory of HPL Additives Limited ("HPL or Company") for the Financial Year (FY) 2021-22, FY 2022-23 and FY 2023-24. The GHG emissions have been quantified and reported by HPL Additives Limited according to the requirement of World Business Council for Sustainable Development (WBCSD), Greenhouse Gas Protocol (A Corporate Accounting and Reporting Standards).

HPL Additives Limited is responsible for evaluating the GHG inventory and Tirkha Consultants & Advisors LLP was responsible to provide limited assurance on the GHG emissions reported as described in scope of assurance.

Respective Responsibilities

The Report content and its presentation are the sole responsibilities of the management of the Company. The Company management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement.

Tirkha Consultants & Advisors LLP responsibility, as agreed with the management of the Company, is to provide assurance on the Report content as described in the 'Assurance scope and Assurance procedures' section below. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance a third party may place on the Report is entirely at its own risk.

Assurance Scope

The scope of assurance covers HPL Additives Limited's direct GHG emissions (Scope 1), indirect GHG emissions (Scope 2), and other indirect GHG emissions (Scope 3) from 1 April to 31 March of FY 2021-22, FY 2022-23, and FY 2023-24.

The review of information and data on a sample basis was carried out at the following sites:

- HPLA B and HPLA E - Ballabgarh, Haryana
- HPLA D - Palwal, Haryana

The assurance of Scope 3 emissions were restricted to following categories, as defined by the World Resources Institute (WRI)/WBCSD GHG Protocol:

- Category1: Purchased Goods and Services

Registered Address 483, Shanti Nagar, Near Durgapura Railway Station, Jaipur - 302018	Corporate Office 108-111, Anukampa Mansion-II, Opp. Raymond's Showroom, M I Road, Jaipur Rajasthan - 302001	Phone No. +91-141-2377681
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- Category 4: Upstream Transportation and Distribution
- Category 7: Employee Commuting
- Category 9: Downstream Transportation and Distribution

Assurance Standards

Tirkha conducted the assurance work in accordance with requirements of 'Limited Assurance' procedures as per the following standards:

- International Standard on Assurance Engagements (ISAE) 3410 (Assurance Engagements on Greenhouse Gas Statement)
- International Standard on Assurance Engagements (ISAE) 3000 (revised) for 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'.

The criteria in which the GHG Statement was compared against was:

- World Resource Institute (WRI)/ World Business Council for Sustainable Development (WBCSD) GHG Protocol

A limited assurance engagement in accordance with ISAE 3410 and ISAE 3000 (revised) involves performing procedures to obtain evidence about the quantification of emissions and related information. This also involves assessing the risks of material misstatements of the elements of the information that are within the scope, whether due to fraud or error.

Assurance procedures

- Assessing the Company's reporting procedures for GHG emissions with regard to their consistency with the WRI/WBCSD Greenhouse Gas Protocol (A Corporate Accounting and Reporting Standard)
- Reviewing systems and procedures used for quantification, collation and analysis of the emissions.
- Conducted interviews with key personnel responsible for data management to ensure the reliability of the data and information presented and used for evaluation of the GHG emissions.
- Assessment of appropriateness of various assumptions, estimations and thresholds used by the company for data analysis.
- Assessing the data reliability and accuracy.

Conclusion

Based on our assurance procedures and in line with the scope and limitations, nothing has come to our attention that causes us not to believe that:

Registered Address 483, Shanti Nagar, Near Durgapura Railway Station, Jaipur - 302018	Corporate Office 108-111, Anukampa Mansion-II, Opp. Raymond's Showroom, M I Road, Jaipur Rajasthan - 302001	Phone No. +91-141-2377681
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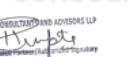
- Evaluation of GHG inventory is in accordance with the World Resource Institute (WRI) / World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol (A Corporate Accounting and Reporting Standard)
- The reported GHG emissions for FY 2021-22, FY 2022-23 and FY 2023-24 are equal to:

Financial Year (FY)	Scope 1 (tonne CO ₂ e)	Scope 2 (tonne CO ₂ e)	Scope 3 (tonne CO ₂ e)	Emissions from Biomass burning (tonne CO ₂ e)
FY 2021-22	60859.3272	19955.69101	126864.5981	31.03116
FY 2022-23	32626.18877	16912.44225	95959.9442	7726.69156
FY 2023-24	7561.678936	15836.06278	91820.50748	12944.3936

Independence

Assurance procedures were conducted with team including specialists in ISAE 3410 and ISAE 3000 (revised) and GHG assurance engagements. Our work was performed in compliance with the requirements of IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) be independent of the assurance client, in relation to the scope of this engagement.

For Tirkha Consultants & Advisors LLP

PC TIRKHA CONSULTANTS & ADVISORS LLP  Authorized Signatory	 Kalyan Dey Lead Verifier May 17, 2024
CA Hemant Kumar Gupta Authorized Signatory Tirkha Consultants & Advisors LLP May 17, 2024	

Registered Address 483, Shanti Nagar, Near Durgapura Railway Station, Jaipur - 302018	Corporate Office 108-111, Anukampa Mansion-II, Opp. Raymond's Showroom, M I Road, Jaipur Rajasthan - 302001	Phone No. +91-141-2377681
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Climate Change

Practices and Implementation- Product Carbon Footprint of AZPH



We take pride in ensuring that we are on a formal journey to de-couple financial growth and negative impact to climate

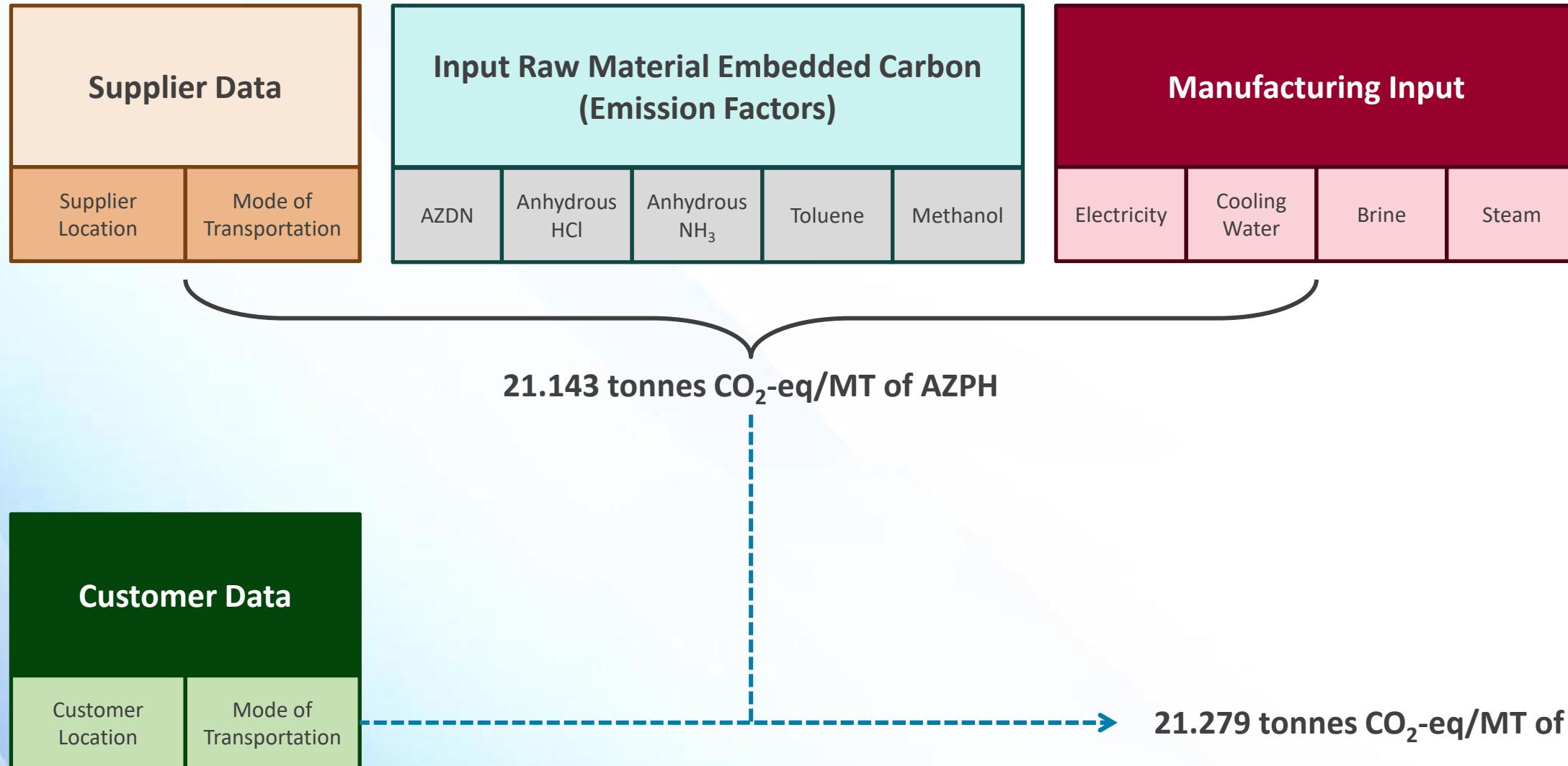
Boundary of Assessment	Data Sources	
Emissions from the following stages were considered: 1. Raw Material Sourcing (name and weight of each material used per MT) 2. Inbound Transport (distance and mode of transport) 3. Manufacturing process (electricity, steam and cooling consumed) 4. Outbound logistics (distance and mode of transport)	Data Point	Source
	Raw material names and weights	HPL Team
	Emission Factors for Raw Materials	SimaPro 9.6 and Ecoinvent 3.8
	Inbound transport (distance and mode)	HPL Team
	Emission Factors for Transport	IPCC Transport Emission Factors
	Activity Data (manufacturing)	HPL Team
	Latent Heat for Steam	Secondary Research
		Value taken: 2256 kJ/kg
Scope of LCA	Emission Factors for PNG and Biomass	IPCC 2006 Guidelines, Chapter 2 on Stationary Combustion
Cradle-to-gate LCA of 1 MT of AZPH	Conversion Factor for TR to kW (cooling water, chilled water and brine)	Secondary Research
		Value taken: 3.517 kW / TR
Assumptions	GWP 100 values	IPCC AR 6
1. Boiler efficiency is considered to be 70 % for steam energy conversions 2. The fuel mix is considered to be 20 % PNG and 80 % Biomass for steam generation 3. The operation time for chillers (cooling water, chilled water and brine) is considered to be 8 hours. So, the TR values are multiplied by 3.517 (to convert TR into kW) and then multiplied by 8 to convert into kWh.	Emission Factors for electricity	Central Electricity Authority, V19, December 2023
	Outbound transport (distance and mode)	HPL Team
	Emission Factors for Transport	IPCC Transport Emission Factors

Climate Change

Practices and Implementation- Product Carbon Footprint of AZPH



We take pride in ensuring that we are on a formal journey to de-couple financial growth and negative impact to climate



Climate Change

Practices and Implementation- Product Carbon Footprint of Other Key Products



We take pride in ensuring that we are on a formal journey to de-couple financial growth and negative impact to climate

Product Name	PCF (tonnes CO2-eq/MT of product)
Kinox 10	100.74
Kinox 68	19.36
Kinox 30	224.12
ADC	17.09
OBSH	6.46

Scope of LCA

Cradle-to-gate LCA of 1 MT of Product

NOTE: We are in the process of getting third-party assurance on the PCF values

Climate Change

Practices and Implementation- Confirmation from SBTi at the Commitment Stage



We take pride in ensuring that we are on a formal journey to de-couple financial growth and negative impact to climate

Thursday, September 26, 2024

SBTi Commitment Application System

By completing this form, you acknowledge that the information provided will be used for the assessment of the Commitment eligibility of the Science Based Targets initiative (SBTi). Please ensure accurate and truthful information. The SBTi reserves the right to validate or request further documentation to verify eligibility.

Approval Status In Progress

Welcome to the SBTi commitment application process

For scheduled maintenance and system improvements, new submissions for Commitments, Corporate, SME, or Financial Institution targets will be paused from 1 October until 29 October. [Find out more](#).

Begin the commitment process for your organization by registering online and submitting the [SBTi Commitment Letter](#). Pending due diligence, your organization commits to set science-based emissions reduction targets (near-term) aligned with the [SBTi's Criteria and Recommendations](#). This includes an option to commit to set targets aligned with the [SBTi's Net-Zero Standard](#) for companies aiming for the highest level of ambition. The Net-Zero option is available to companies with or without previously validated near-term targets.

Successfully completing this process will grant your organization recognition as "committed" on [sciencebasedtargets.org](#) as well as on our partner websites at [We Mean Business](#) and the [UN Global Compact](#).

Step-by-step submission process

Company Information

1. Company name. (Company name as it should be publicly displayed on the SBTi and its partner's websites. If your company is already listed on our target dashboard, please enter the exact same name for tracking purpose and avoiding duplicate submissions. If you want to modify your company name, please contact targets@sciencebasedtargets.org after uploading your submission.)

HPL Additives Limited

2. Please provide your corporate website <https://hpladditives.com/>

3. Please provide any company social media links (optional)

LinkedIn: <https://in.linkedin.com/company/hpl-additives-limited>

X formerly known as Twitter: https://twitter.com/hpl_additives?lang=en

Other:

India

Sector Classification

Please review the [SBTi Sector Classification Descriptions document](#) mainly based on the Business Activity Groups classification developed by the Global Reporting Initiative (GRI), an independent, international organization that helps businesses and other organizations take responsibility for their impacts, by providing them with the global common language to communicate those impacts

Climate Change

Practices and Implementation- Confirmation from SBTi at the Target Review Stage



We take pride in ensuring that we are on a formal journey to de-couple financial growth and negative impact to climate

Hi Vijay ,

This message is to notify you that HPL Additives Limited has submitted a Net Zero Commitment with SBTi Services, which is now under review.

If you believe this is an error, your company has 10 business days from approval to retract the commitment; otherwise, it will be subject to our [Commitment Compliance Policy](#).

Please contact us at commitment@sbtiservices.com if you have any questions.

Thank you,

SBTi Services Team

SBTi
SERVICES

SBTi

Services Limited

sbtiservices.com



The Science Based

Targets initiative (SBTi) is a corporate climate action organization that enables companies and financial institutions worldwide to play their part in combating the climate crisis.

Climate Change

Practices and Implementation- Our Submission to CDP



We take pride in ensuring that we are on a formal journey to de-couple financial growth and negative impact to climate

A screenshot of a Microsoft Word document titled "2024 CDP Corporate Questionnaire 2024". The document includes the CDP logo at the top right, the title "2024 CDP Corporate Questionnaire 2024", a "Word version" section, and a note about unanswered questions. At the bottom, it shows the date "10/01/2024, 12:05 pm".

HPL Additives Limited

2024 CDP Corporate Questionnaire 2024

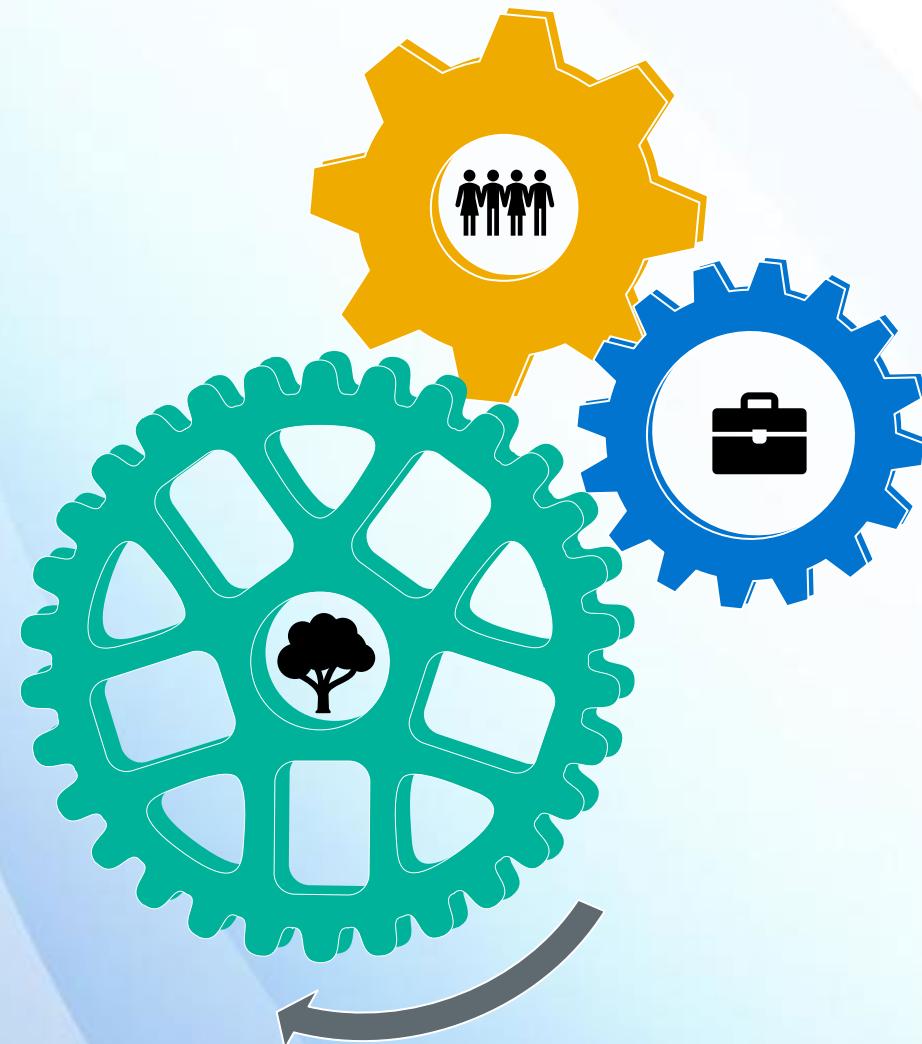
Word version

Important: this export excludes unanswered questions
This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.
[Terms of disclosure for corporate questionnaire 2024 - CDP](#)

10/01/2024, 12:05 pm



*indicates that a company is actively managing its environmental impacts, meaning they are taking steps to address their environmental effects.



ESG IMPLEMENTATION

Human Rights

Human Rights

Practices and Implementation



We take pride in ensuring that we adhere to human rights principles across value chain

1

Human Rights Assessment at our Manufacturing Facilities

We have undertaken third-party environmental and social due diligence which covered the following scope of assessment from human rights perspective:

1. Child Labour
2. Fair Wages
3. Labour Rights
4. Occupational Health and Safety
5. Community Health and Safety
6. Indigenous People's Rights
7. Grievance Mechanisms
8. Non-discrimination
9. Right to Health
10. Right to Water

2

Disclose about Our Human Rights Assessment to our Customers

3

Include Human Rights as part of Supplier Assessment

Coverage of human rights perspective in supplier assessment:

1. Labour Rights
2. Occupational Health and Safety
3. Business Ethics
4. Stakeholder Engagement

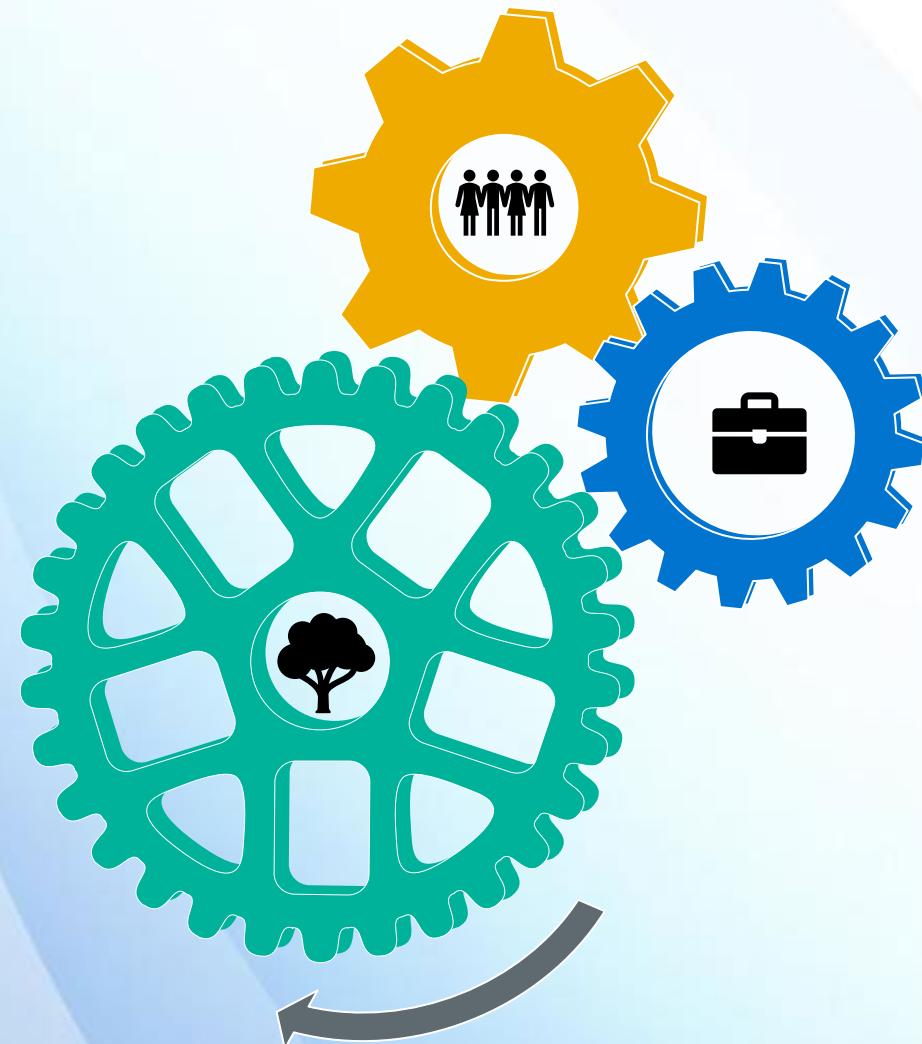
Human Rights

Practices and Implementation



We take pride in ensuring that we adhere to human rights principles across value chain

Scope for Third-party E&S Due Diligence on Human Rights Issues		
Area of Assessment	Specific Aspects Evaluated	Reporting Framework Alignment
Labor Rights	<ul style="list-style-type: none">➤ Child labor prevention➤ Forced labor prevention➤ Fair wages and benefits➤ Working hours➤ Non-discrimination➤ Freedom of association	<ul style="list-style-type: none">➤ IFC Performance Standard 2➤ UN Guiding Principles on Business and Human Rights
Occupational Health and Safety	<ul style="list-style-type: none">➤ Workplace safety measures➤ Personal protective equipment (PPE)➤ Emergency preparedness➤ Health check-ups	<ul style="list-style-type: none">➤ IFC Performance Standard 2➤ OHSAS 18001 / ISO 45001
Community Health and Safety	<ul style="list-style-type: none">➤ Emergency response planning➤ Traffic safety➤ Security arrangements	<ul style="list-style-type: none">➤ IFC Performance Standard 4
Indigenous People's Rights	<ul style="list-style-type: none">➤ Land acquisition impacts➤ Effects on indigenous populations	<ul style="list-style-type: none">➤ IFC Performance Standard 7
Grievance Mechanisms	<ul style="list-style-type: none">➤ Internal grievance procedures➤ External stakeholder grievances	<ul style="list-style-type: none">➤ IFC Performance Standard 1
Non-discrimination	<ul style="list-style-type: none">➤ Equal opportunity employment➤ Prevention of harassment	<ul style="list-style-type: none">➤ IFC Performance Standard 2➤ UN Global Compact
Right to Health	<ul style="list-style-type: none">➤ Air and water pollution control➤ Hazardous materials management	<ul style="list-style-type: none">➤ IFC Performance Standard 3
Right to Water	<ul style="list-style-type: none">➤ Water conservation measures➤ Effluent treatment and discharge	<ul style="list-style-type: none">➤ IFC Performance Standard 3➤ UN Sustainable Development Goals



ESG IMPLEMENTATION

Stakeholder Engagement and Management

Engagement and Management: Employees & Workers

Practices and Implementation



We take pride in ensuring that we value the overall wellbeing of our employees and workers

1

Up gradation of knowledge and skills via trainings and schemes such as learning development plans

2

To provide a safe and healthy working environment

3

Motivation, Rewards, Rehabilitation and Welfare Schemes for employees and their families

4

Periodic health and safety trainings and evaluations

5

Employee benefit schemes like Provident Fund, Gratuity and Group Insurance

6

Prevention of Sexual Harrasment Policy and Committee and employee grievance edressal

7

Soft loans offered to employees and families for education, sickness, and marriage

8

Performance reviews carried out for employees to build career development plans, increments and promotions

Engagement and Management: Employees & Workers

Practices and Implementation- Human Capital Development towards ESG



Trainings carried out on ESG and key topics such as health and safety, POSH, Energy efficiency, digitalization, etc.

Training Matrix on ESG																			
Department (Bold) Designation	Air Pollution	Biodiversity Management	Child Labour	Circular Economy	Climate Change	Corporate Governance	Customer Engagement	Digitization and Data Security	Energy Efficiency & Management	Environmental Compliance	Health and Safety	Human Capital Development	Human Rights	Innovation and Research	Plastic Waste Management	Product Quality	Solid Waste Management	Sustainable Supply Chain	Talent Attraction and Retention
ADMIN																			
DRIVER	Yes		Yes		Yes			Yes	Yes		Yes	Yes	Yes		Yes		Yes		Yes
EXECUTIVE			Yes		Yes			Yes	Yes		Yes	Yes	Yes		Yes		Yes		
MANAGER		Yes		Yes				Yes	Yes		Yes	Yes	Yes		Yes		Yes	Yes	Yes
MEDICAL OFFICER	Yes							Yes			Yes	Yes	Yes		Yes		Yes	Yes	
OFFICE ASSISTANT		Yes			Yes			Yes			Yes	Yes	Yes		Yes		Yes		Yes
Office Asst.		Yes						Yes			Yes	Yes	Yes		Yes		Yes		
PAINTER	Yes		Yes					Yes			Yes	Yes	Yes		Yes		Yes		
PEON		Yes		Yes				Yes			Yes	Yes	Yes		Yes		Yes		
RECEPTIONIST	Yes		Yes					Yes			Yes	Yes	Yes		Yes		Yes		Yes
ADMINISTRATION																			
DRIVER	Yes		Yes		Yes			Yes	Yes		Yes	Yes	Yes		Yes		Yes	Yes	
JR OFFICE ASSTT		Yes		Yes				Yes			Yes	Yes	Yes		Yes		Yes		
OFFICE BOY		Yes						Yes			Yes	Yes	Yes		Yes		Yes	Yes	
OFFICE BOY	Yes			Yes				Yes			Yes	Yes	Yes		Yes		Yes	Yes	
OFFICER		Yes						Yes			Yes	Yes	Yes		Yes		Yes	Yes	
PEON		Yes		Yes				Yes			Yes	Yes	Yes		Yes		Yes		
BOILER					Yes			Yes											
ASSISTANT	Yes		Yes		Yes			Yes	Yes		Yes	Yes	Yes		Yes		Yes		
FIREMAN	Yes		Yes		Yes			Yes			Yes	Yes	Yes		Yes		Yes		
BSR					Yes			Yes											
ASST.SUP.BSR		Yes		Yes				Yes			Yes	Yes	Yes		Yes		Yes		
EXECUTIVE		Yes						Yes			Yes	Yes	Yes		Yes		Yes		
OFFICER		Yes		Yes				Yes			Yes	Yes	Yes		Yes		Yes		
BSR / FC					Yes			Yes											
MANAGER		Yes		Yes				Yes	Yes		Yes	Yes	Yes		Yes		Yes		Yes
CORPORATE								Yes											
CHAIRPERSON	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
MANAGING DIRECTOR	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
CORPORATE DEVELOPMENT					Yes			Yes											
ASST. MANAGER	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DIRECTOR - CORPORATE & CFO	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
MANAGER	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DISPATCH																			
SUPERVISOR					Yes			Yes			Yes	Yes	Yes		Yes		Yes		Yes
DOMESTIC MARKETING																			
EXECUTIVE					Yes			Yes			Yes	Yes	Yes		Yes		Yes		Yes
ELECTRICAL								Yes											
ASST. ELECTRICAL					Yes			Yes			Yes	Yes	Yes		Yes		Yes		
DEPUTY MANAGER	Yes		Yes					Yes	Yes	Yes	Yes	Yes	Yes		Yes		Yes		Yes
ELECTRICIAN					Yes			Yes			Yes	Yes	Yes		Yes		Yes		
EXECUTIVE					Yes			Yes			Yes	Yes	Yes		Yes		Yes		

Engagement and Management: Employees & Workers

Practices and Implementation- Human Capital Development towards ESG



We take pride in ensuring that we value the overall wellbeing of our employees and workers

Training Content on ESG

Material ESG Topic	Course Content for BOD and KMPs	Course Content Staff for Others	Material ESG Topic	Course Content for BOD and KMPs	Course Content Staff for Others
Air Pollution	<ul style="list-style-type: none"> - National and global standards (NAAQS, IFC guidelines) - ISO 14001 - Emission reduction strategies - Monitoring systems and technology - ESG implications on air quality - International benchmarks and industry best practices - Integration of emissions data into ESG reporting - Best practices in air quality investments - Case studies of companies with successful emission controls 	<ul style="list-style-type: none"> - Usage and maintenance of pollution control equipment - Stack emissions monitoring - Reporting procedures - Audits and compliance checks - Maintenance schedules for air pollution equipment - Understanding thresholds for permissible emissions - Ensuring proper calibration of monitoring devices 	Customer Engagement	<ul style="list-style-type: none"> - ESG reporting and branding - Consumer transparency frameworks - Customer feedback for ESG - Green marketing strategies - International standards (ISO 9001, 14001) - Building trust through sustainable products - Case studies of successful ESG branding - Exploring customer-centric ESG certifications - Cybersecurity policy development 	<ul style="list-style-type: none"> - Frontline customer engagement - Handling ESG-related customer queries - Managing product labeling and certifications - Feedback loop improvements - Understanding the sustainability concerns of customers - Maintaining documentation for customer queries - Ensuring product-related ESG adherence - Good practices for data management - Cybersecurity protocols in operations
Biodiversity Management	<ul style="list-style-type: none"> - Biodiversity Action Plans (BAPs) - Integration with land-use planning - CBD and Nagoya Protocol commitments - ESG policies for biodiversity - Impact assessment tools (e.g., IBAT) - Global case studies of biodiversity-friendly practices - Financial implications of biodiversity loss - Partnerships for biodiversity restoration - Integrating biodiversity metrics into ESG goals 	<ul style="list-style-type: none"> - Identifying biodiversity in and around the plant - Conducting biodiversity assessments - Preventing habitat loss - Operational best practices for biodiversity conservation - Creating green belts within facilities - Training on invasive species management - Documenting biodiversity impacts during operations 	Digitization and Data Security	<ul style="list-style-type: none"> - ISO 27001 for information security - ESG data management systems - Industry benchmarks for data protection - Risk assessment for digital systems - Business continuity planning (BCP) - Integration of digital systems with ESG reporting 	<ul style="list-style-type: none"> - Data governance frameworks - Preventing data leaks and breaches - Handling operational data - Monitoring systems for breaches - Following SOPs for password and data access - Reporting security issues immediately
Child Labour	<ul style="list-style-type: none"> - UN Guiding Principles on Business and Human Rights (UNGPs) - Labour policies and due diligence frameworks - Supply chain risk assessments - Adopting international certifications (SA8000) - Case studies of reputational risks from violations - Engaging third-party audits for labour policies - Remediation strategies for identified violations - Policy drafting for zero tolerance on child labour 	<ul style="list-style-type: none"> - Understanding labour laws (Child Labour Prohibition Act) - Red flag identification during hiring and supply chain - Reporting potential cases - Role-playing scenarios to identify and report risks - Understanding child labour impacts on reputation - Basic understanding of supply chain screening 	Energy Efficiency and Management	<ul style="list-style-type: none"> - Energy policy frameworks - ISO 50001 compliance - Decarbonization through energy management - Best practices for renewable integration - Global benchmarks for energy efficiency - Linking energy efficiency to cost savings - Case studies of successful energy policies - Tracking and analyzing energy KPIs - Frameworks for compliance with laws (EPA, 1986) - Understanding global compliance trends - Regulatory reporting (BRSR, CDP) 	<ul style="list-style-type: none"> - Monitoring energy usage - Energy-saving tips for equipment - Renewable energy use in daily operations - Maintenance for energy-efficient systems - Understanding power factor corrections - Identifying high-energy-consuming equipment - Awareness sessions on energy wastage - Understanding environmental permits - Routine monitoring and reporting - Operational compliance measures
Circular Economy	<ul style="list-style-type: none"> - Circular economy strategy and policy alignment - Life cycle assessment (LCA) - Resource efficiency frameworks - International best practices (EU CE Action Plan) - Closed-loop supply chains - Designing circular business models - Tracking circularity metrics - Engaging suppliers in circular economy practices 	<ul style="list-style-type: none"> - Implementing resource recovery - Waste segregation practices - Training on extended producer responsibility (EPR) - Maintenance of reused/recycled materials - Daily tracking of resource utilization - Identifying opportunities for reuse in operations - Best practices for material storage to minimize waste 	Environmental Compliance	<ul style="list-style-type: none"> - Audit strategies - Emerging trends in compliance - Building a compliance culture - Linking compliance to business outcomes 	<ul style="list-style-type: none"> - Use of PPE and safety protocols - Conducting safety drills - Reporting workplace incidents - Daily hazard identification - Understanding emergency evacuation plans - Maintaining incident logs - Encouraging safety reporting culture - On-the-job training programs - Upskilling workshops - Encouraging teamwork - Internal job mobility
Climate Change	<ul style="list-style-type: none"> - Net Zero strategy and SBTi alignment - TCFD and carbon disclosure - Carbon offsets and trading - Decarbonization roadmaps - Industry benchmarks (IPCC pathways) - Internal carbon pricing - Linking climate goals to business objectives - Evaluating the financial impact of climate risks - Understanding the implications of global agreements (Paris Agreement, Glasgow Pact) 	<ul style="list-style-type: none"> - Energy efficiency measures - GHG tracking tools - Reducing process-related emissions - Best practices for renewable energy integration - Operational adjustments for climate resilience - Proper use of energy meters - Routine emissions reporting 	Health and Safety	<ul style="list-style-type: none"> - Global case studies of safety best practices - Safety training programs - Integrating safety with ESG strategy - Incident investigation techniques - Developing safety KPIs - Linking OHS to business continuity - Policies for upskilling and employee retention - DEI strategies 	<ul style="list-style-type: none"> - Reporting workplace incidents - Understanding emergency evacuation plans - Maintaining incident logs - Encouraging safety reporting culture - On-the-job training programs - Upskilling workshops - Encouraging teamwork - Internal job mobility
Corporate Governance	<ul style="list-style-type: none"> - Governance policies and ESG integration - Board responsibilities in ESG - Compliance with SEBI BRSR - Ethics and anti-corruption frameworks - International standards (OECD, GRI 2) - Strengthening whistleblower policies - Developing KPIs for governance - Linking governance to investor expectations 	<ul style="list-style-type: none"> - Code of conduct training - Reporting mechanisms - Understanding anti-corruption policies - Day-to-day compliance measures - Employee awareness programs - Ensuring alignment with SOPs - Identifying unethical behavior 	Human Capital Development	<ul style="list-style-type: none"> - ESG-aligned performance incentives - International case studies on talent management - Building a learning culture - Linking talent development to business outcomes - Exploring external partnerships for training 	<ul style="list-style-type: none"> - Identifying human rights risks - Conducting due diligence - Supply chain audits - National legal compliance - Practical awareness workshops - Stakeholder grievance mechanisms - Role-playing scenarios for identifying violations
			Human Rights		

Engagement and Management: Suppliers

Practices and Implementation- Supplier Assessment



Supplier Prioritization Criteria			
Volume of Raw Material Procured	Net Cash Outflow to the Supplier	Quality Considerations	Period of Association with the Supplier

Yearly Engagement Plan with the Suppliers

	Year-1 2024	Year-2 2025	Year-3 2026	Year-4 2027
Priority List of Suppliers-1	Self Assessment by Suppliers	On-site Assessment of Suppliers by HPL	Collaboration with Key Suppliers to Meet ESG Goals and Targets	Self Assessment by Suppliers
Priority List of Suppliers-2		Self Assessment by Suppliers	On-site Assessment of Suppliers by HPL	Collaboration with Key Suppliers to Meet ESG Goals and Targets
Priority List of Suppliers-3			Self Assessment by Suppliers	On-site Assessment of Suppliers by HPL

Intimate suppliers about the Company's intent to integrate ESG considerations in the procurement process

Amend our procurement process to ensure we do business with suppliers demonstrating good ESG performance

Review & revise the supplier assessment framework to align with latest developments

Implement ESG considerations in procurement process via RfQ/Tenders

Implement a supplier priority program aligned to ESG performance

Engagement and Management: Suppliers

Practices and Implementation- Supplier Assessment



Assessment Category

General

Business Ethics

Climate Change

Environment Policies & Practices

Governance

ESG Policies & Commitments

Health & Safety

Labour Standards

Product Carbon Footprint

Resource Efficiency & Renewable Energy

Risk Management

Stakeholder Management

Third-Party Due Diligence on ESG

Waste Management

Water Management

This MS Excel Workbook is the Supplier Assessment Form to be filled by select key suppliers of HPL. Through this Assessment Form we aim to categorically and logically understand the maturity level of our key suppliers. This maturity level will become critical in supplier selection in coming years.

In the Prioritization of ESG Topics, Respondents are requested to rate 21 topics as "High", "Medium" or "Low". It is to be noted that AT LEAST ESG Topics should fall in each category (i.e., High, Medium, or Low).

The Assessment Form requires Respondents to provide:

a) Their Basic Details- Name of the Supplier Company, Name of the Respondent, Designation, Contact Number, and Email Address
b) Responses to 86 Data Points in 15 ESG Categories

The Responses to the 86 Data Points are either "Yes/No" or "Descriptive Answers" and have to be filled in Column C

Some of the questions require submission of Evidence(s) to verify the Respondents' input (in Column C) to the questions (in Column B). The cells marked in 'Blue' in Column D ask Respondents to select Yes or No if there is an Evidence available against the response in Column C. Furthermore, the Respondents are requested to briefly describe what the evidence is- expected reply is a one-liner description of the Evidence.

Lastly, the Respondent is expected to upload the Evidence to a Google Drive folder shared with the Respondent and upload the same in corresponding folder. For example, if the Evidence is corresponding to S.No. 4 data point under the Assessment Category: General, then do the following:
1. Go to Folder titled 'Evidence'
2. Go to Folder titled 'General'
3. Upload the Evidence and Rename it as SNo. 4. In case the Respondent wishes to upload more than one Evidence for the same S.No., Rename the uploaded documents as SNo 4a, SNo 4b, and so on.

Supplier Assessment Form				
Basic Details				
Name of the Supplier Company				
Name of the Respondent				
Designation				
Contact Number				
Email Address				
S.No.	ESG Data Point	Response from the Supplier	Is any Evidence Provided for the Response in Column C?	Description of the Evidence
Assessment Category: General				
1	Does the Company have a dedicated Environmental & Social Management System (ESMS)?		No response required in this cell	No response required in this cell
2	If Yes, then briefly describe the ESMS			
3	Does the Company have an ISO 9001 certificate?			
4	Does the Company have an ISO 14001 certificate?			
5	Does the Company have an ISO 45001 certificate?			
6	Does the Company conduct regular internal audits?			
7	If yes, how often and what areas do they cover?		No response required in this cell	No response required in this cell
Assessment Category: Business Ethics				
1	Does the Company have a written anti-bribery and corruption policy?		No response required in this cell	No response required in this cell
2	How does the Company manage ethical practices in Company's supply chain?		No response required in this cell	No response required in this cell
3	Has the Company implemented a responsible sourcing program?			
4	Does the Company have a written policy on ethical recruitment?			

Supplier Engagement

Supplier Assessment- Alignment of Material Topics



ESG Topic	Importance	Importance	Importance	Importance	Importance
	HPL Additives	Supplier-1	Supplier-2	Supplier-3	Supplier-4
Air Pollution	Very High	Very High	Very High	Very High	Very High
Biodiversity Management	Medium	High	Very High	Very High	Very High
Child Labour	High	Very High	Very High	Very High	Very High
Circular Economy	Very High	High	Very High	High	Very High
Climate Change	Very High	High	High	Very High	Very High
Corporate Governance	High	Very High	High	High	Very High
Customer Engagement	High	Very High	Very High	Very High	Medium
Digitization and Data Security	High	Very High	Very High	High	Medium
Energy Efficiency and Management	High	Very High	Very High	High	High
Environmental Compliance	Very High	Very High	Very High	Very High	Very High
Health and Safety	Very High	Very High	Very High	Very High	Very High
Human Capital Development	High	Very High	High	Very High	High
Human Rights	High	Very High	Very High	Very High	Medium
Innovation and Research	High	Very High	Very High	Very High	Medium
Plastic Waste Management	High	Very High	Very High	Very High	Very High
Product Quality	Very High	Very High	Very High	Very High	High
Solid Waste Management	Very High	Very High	Very High	Very High	Very High
Sustainable Supply Chain	High	High	High	Very High	High
Talent Attraction and Retention	High	Very High	High	Very High	Medium
Water & Wastewater Management	Very High	Very High	Very High	Very High	Very High
Whistleblower Protection	High	Very High	High	Very High	Medium

Materiality mapping of HPL and its suppliers to identify gaps and alignment on material topics.

This exercise will help us to identify suppliers with whom we can collaborate on specific topics to achieve our sustainability goals and targets.

Supplier Engagement

Supplier Assessment- Sample Result from Supplier Assessment



Basic Details	
Name of the Supplier Company	Supplier-10
Name of the Respondent	ABC
Designation	DEF
Contact Number	1234567890
Email Address	ABC@xyz
Assessment Category	Score
General	97%
Business Ethics	63%
Climate Change	52%
Environment Policies & Practices	56%
Governance	17%
ESG Policies & Commitments	88%
Health & Safety	100%
Labour Standards	97%
Product Carbon Footprint	55%
Resource Efficiency & Renewable Energy	80%
Risk Management	36%
Stakeholder Management	11%
Third-Party Due Diligence on ESG	44%
Waste Management	40%
Water Management	31%
Overall ESG Score of Supplier	54%

Individual Assessment Category Scores- shared with the suppliers

Engagement and Management: Customers

Practices and Implementation



We take pride in ensuring that we value the ESG strategy of our customers

1

Risk assessments and customer feedback towards continuous improvement

2

Regulatory Compliance Support on requirements such as REACH

3

Monitoring of product recalls and compliance

4

Safety and Handling Trainings

5

Quality Control of Products to meet industry standards

Engagement and Management: Customers

Practices and Implementation



Customer feedback and Risk Register

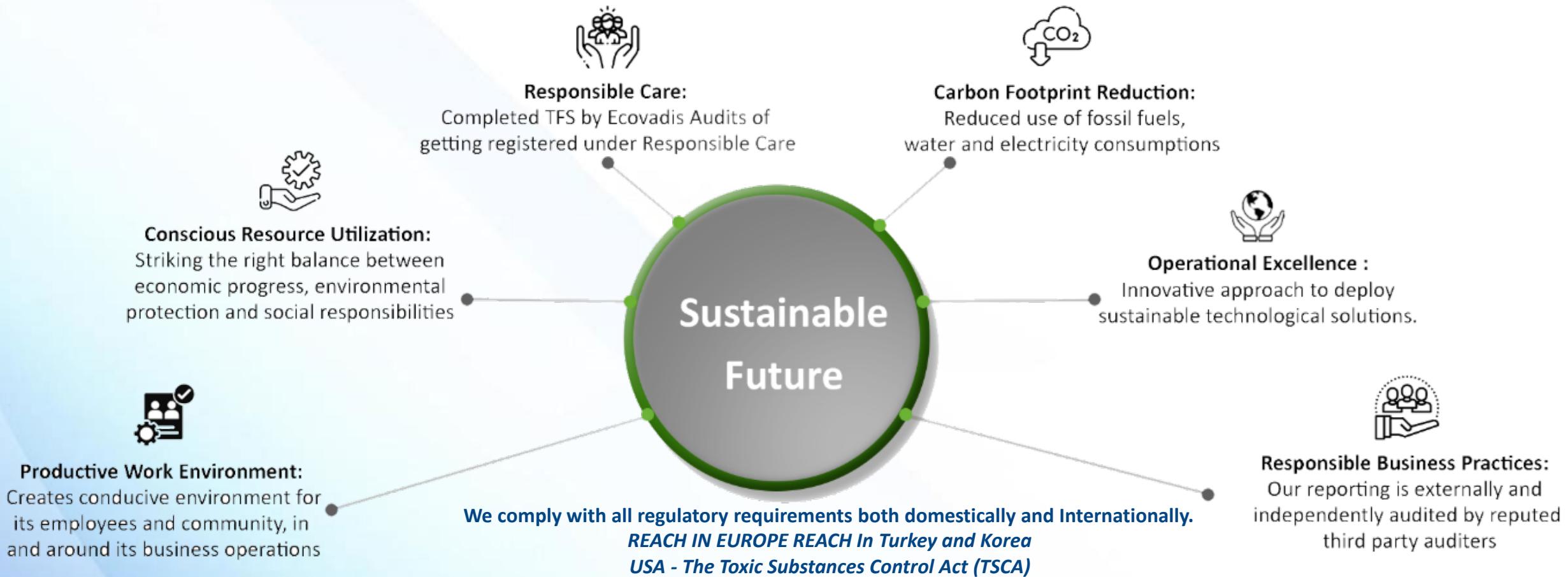
Marketing- Risk Register FY 2023-24								HPLA/COMMEN/FMT/021.00	07/17	
S.No.	Objective/Key Performance Indicator	Risk Identification			Risk Assessment			Risk Classification (Significant/ Non Significant)	Risk Management measure required	Reference Document (Action Plan No., SOP/WI No. Reference)
1	CUSTOMER				Very High	Unlikely		Significant	-	
	Product Process redundancy	The product may not be required by the market anymore or there may be a better product or better technology available	In touch with customer /market continuously. Participation in exhibitions gives good exposure to current market offerings	8	1	8	Non significant	Not required		
	Frequent price fluctuations & Volatility	may put off the customer	try to absorb costs							
	Lower Consumer Spending	In general could affect market demand	pricing strategy to change							
	Product quality Failures	may put off the customer or deter him to shift his business to us	All through technical support							
	Incorrect Market Segmentation/ Wrong Pricing Strategy	may put off the customer	pricing strategy to change							
	Competition	loss of key accounts to competition due to volume / pricing / product mix/ innovation	In touch with customer /market continuously. Participation in exhibitions gives good exposure to current market offerings							
	Bankruptcy of customer		could lead to loss of remittance to the extent of material supplied							

Engagement and Management: Customers

Practices and Implementation



Regulatory Compliance



Engagement and Management: Customers

Practices and Implementation



Analysis of Customer Complaints and Feedback on Product Recalls

ANALYSIS OF COMPLAINTS SUMMARY SHEET- From September 2023 to September 2024										HPLA/COMMON/FMT/018:03 04/2015
17.09.20										
Complaint No.	Party Name	Product Name	Date of receiving complaint	Details/Nature of Complaint	Category of Complaint	Branch Plant	Root Cause	Preventive Action	Corrective Action	Date of Closing Compliant
1	Marlintrans for Blend Plus	Kinox 34	28.08.2023	Damaged 2 PE bags	Logistics - External	HPLAO	Due to extra movement of container at sea	Paid Euro 190 to Blend Plus as compensation since these bags material could not be used	One off case of rough sea / in transit loss	05.09.2024
2	Synazo	Polyazo AZPH	28.11.2023	It was noted 4 of 16 bags in a pack had split seals. Raw material had leaked into the outer polyethylene bag. Approx. 10% of the material of the 4 bags involved had been spilled into the outer PE bag as the seam on the water soluble bag had failed/split.	Packaging External	HPLAO	PVAL Water soluble bags are provided by Synazo	though each Bag will be examined for wear and tear before use at plant end, it can be damaged during transit	One off case of rough sea / in transit loss	07.12.2023
3	Nouryon	AZDN -CP	12.07.2024	•Pellet Form: 10mm x 4mm approx, which could potentially alleviate the dust issue. •Smaller Packaging: 5kg bags in packaging, which would allow operators to directly dump the product into the reactor, thereby minimizing dust formation. •Anti-Static Bags	Suggestion for improvement - Quality & Packaging	HPLAB	Pallet form - HPL expressed that it cannot immediately convert to pellet form but will take the feasibility study in future if there are requirements from other customers as well. Smaller Packaging & Anti Static Bags - Smaller 5kgs bags were sourced and photos & Videos shared with the customer			Open as the change will get affected in the next dispatch
4	Synazo for SNF & BASF T	AZPH G /P	22.09.2024	Delayed delivery due to non availability of ACH and late information	Marketing - Service	HPLAR - HPLAO	SNF has just cancelled PO because of delay and will get material from competition, as production run is on Oct. 08. BASF 1MT was there in stock but had to air freight 1MT to complete the order	Air freight of 1MT on 26.09.2024	Marketing will share information more timely	Air freight of 1MT on 26.09.2024

Engagement and Management: Customers

Practices and Implementation



Training modules to customers on product use, safety, and handling

Effect of Particle Size

The rate of decomposition, however, is a function of the heating rate, the environment in which decomposition occurs and the particle size of the grade of ADC

Grades with smaller average particle size decompose faster than grades with coarser average particle size. Following graph shows decomposition pattern for MIKROFINE ADC core grades with time on heating isothermally in a plasticizer indicating that MIKROFINE ADC F2 decomposes at a faster rate as compared to ADC H2

Particle Size Distribution
Specifications

→
ADC H2 → $11 \pm 1 \mu\text{m}$
ADC L2 → $7 \pm 0.5 \mu\text{m}$
ADC F2 → $5 \pm 0.5 \mu\text{m}$

The graph plots Gas Volume (mL) on the Y-axis (0 to 300) against TIME(MINUTES) on the X-axis (0 to 8). There are six curves representing different combinations of temperature and grade:

- ADC H2 AT 180 °C (dark blue)
- ADC L2 AT 180 °C (purple)
- ADC F2 AT 180 °C (yellow)
- ADC H2 AT 200 °C (light blue)
- ADC L2 AT 200 °C (light purple)
- ADC F2 AT 200 °C (red)

At 180 °C, ADC F2 reaches the highest gas volume (~270 mL) by 4 minutes, followed by ADC L2 (~250 mL), and ADC H2 (~220 mL). At 200 °C, ADC F2 reaches the highest gas volume (~280 mL) by 3.5 minutes, followed by ADC L2 (~260 mL) and ADC H2 (~240 mL).

Access a sample of our training modules



Adobe Acrobat Document

Engagement and Management: Community

Practices and Implementation



We take pride in ensuring that we extend our ESG values to the larger community

1

Community engagement via initiatives under corporate social responsibility

4

Educational support and skill development for underprivileged children

7

Technology and innovation support for local economic growth

2

Nutritional support to local communities to address malnutrition and improve food security

5

Vocational training to women, elderly and differently-abled individuals

8

Support in rural development projects including community awareness

3

Preventive screening and education health programmes

6

Clean water and sanitation programmes

9

Natural resource conservation

Engagement and Management: Community

Practices and Implementation



SDG 3: Good health and well-being



Highlights from projects focused on preventive healthcare and screening

Engagement and Management: Community

Practices and Implementation



SDG 4: Quality Education



Highlights from projects focused on improving education

Engagement and Management: Community Practices and Implementation



SDG 6: Clean Water and Sanitation



Highlights from projects focused on improving water and sanitation

Engagement and Management: Community Practices and Implementation



SDG 8: Decent Work and Economic Growth



Highlights from projects focused on skill development

Engagement and Management: Community

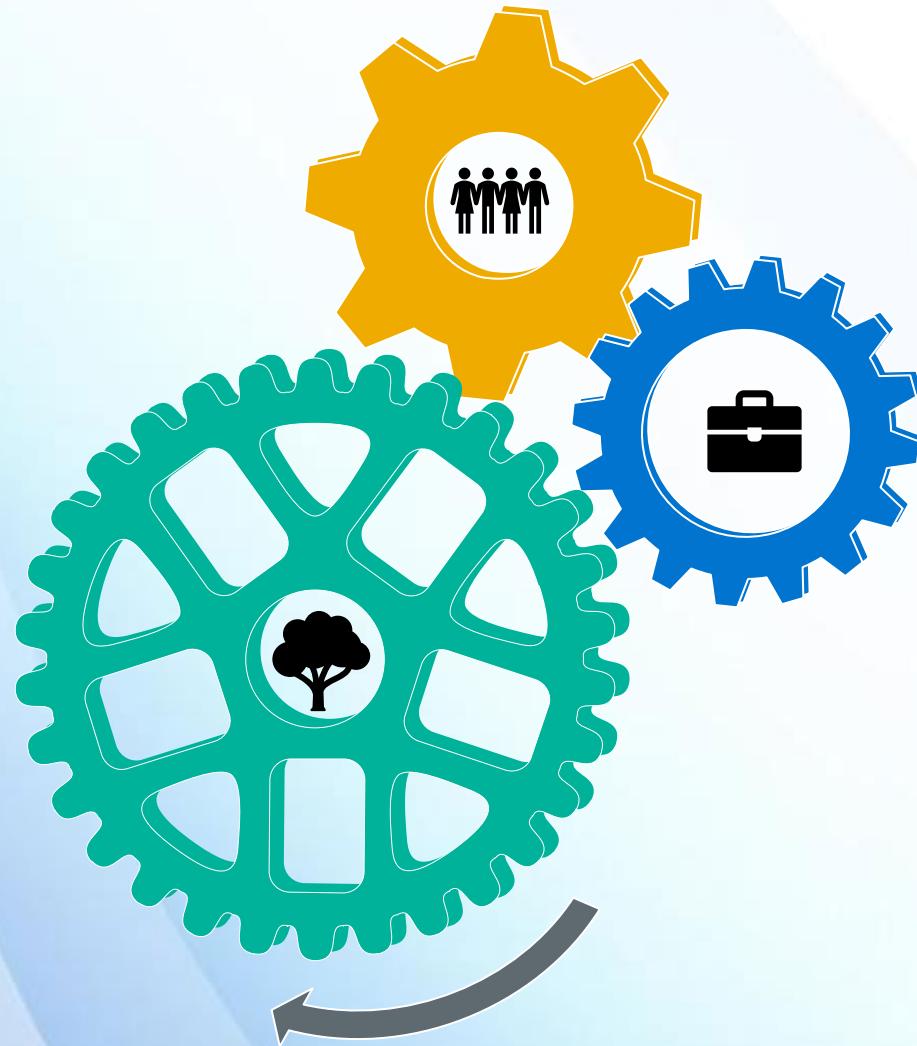
Practices and Implementation



SDG 11: Sustainable Cities and Communities



Highlights from projects focused on rural development



ESG IMPLEMENTATION

Research, Application, Process
Intensification and Development

Research and Development

Practices and Implementation



We take pride in ensuring that we build our value on strong research foundation

Development of new variants of existing product grades
Developing new variants of existing products to give better performance, than competitors' products domestically as well as internationally



Development of new products

Developing new products or product extensions of existing products like Masterbatches, AZDN CRP

Competitor research

Fingerprint, analysing and matching of competitors' grades, as received from the market



Product Development

Joint customer development

Joint development programs with customers



Research and Development

Practices and Implementation



We take pride in ensuring that we build our value on strong research foundation



Research and Development

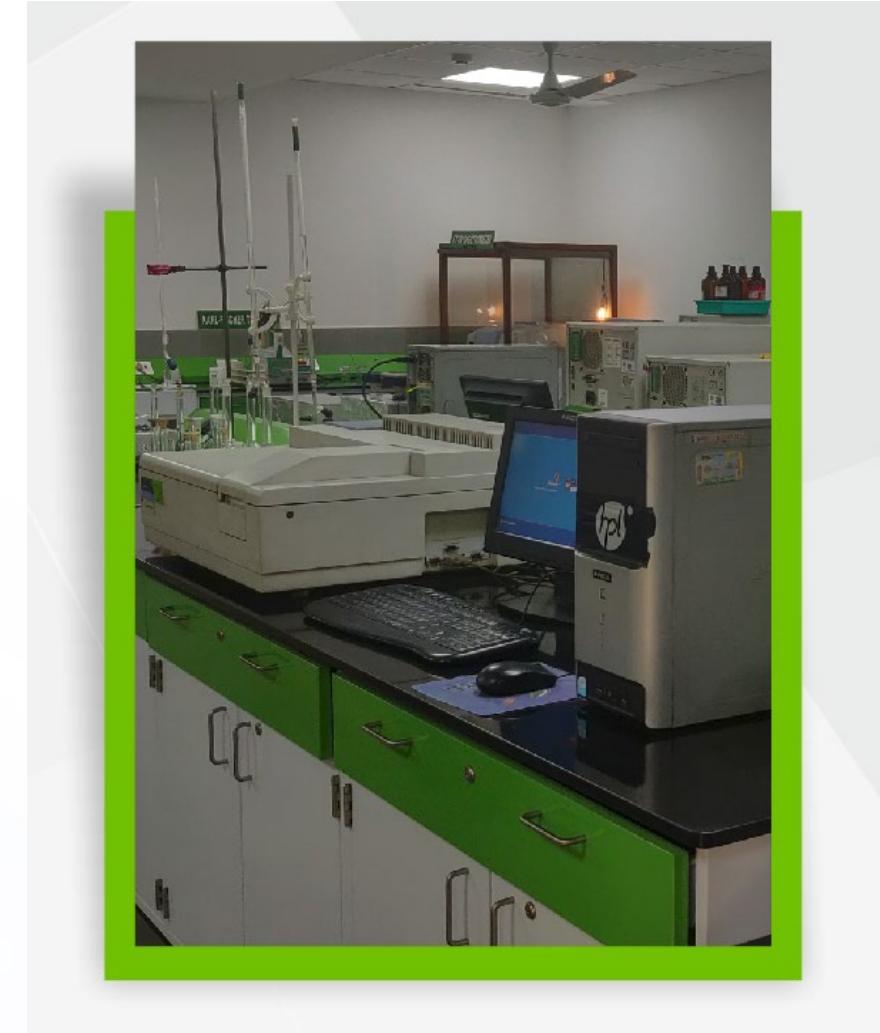
Practices and Implementation



We take pride in ensuring that we build our value on strong research foundation

- ⌚ FTIR: Perkin Elmer
- ⌚ Atomic Absorption Spectrophotometer: Perkin Elmer
- ⌚ UV Spectrophotometer: Perkin Elmer
- ⌚ GPC: Waters
- ⌚ HPLC: Waters
- ⌚ Gas Chromatographs: Perkin Elmer/Shimadzu/Nucon
- ⌚ Lab Coater: Mathis Thermogravimetric
- ⌚ Analysis System: TA Instruments

Details	No.
New Product Development Laboratory	3
Process Optimisation Laboratory	1
Application Testing Laboratory	2
Analytical Instrument Laboratory	1



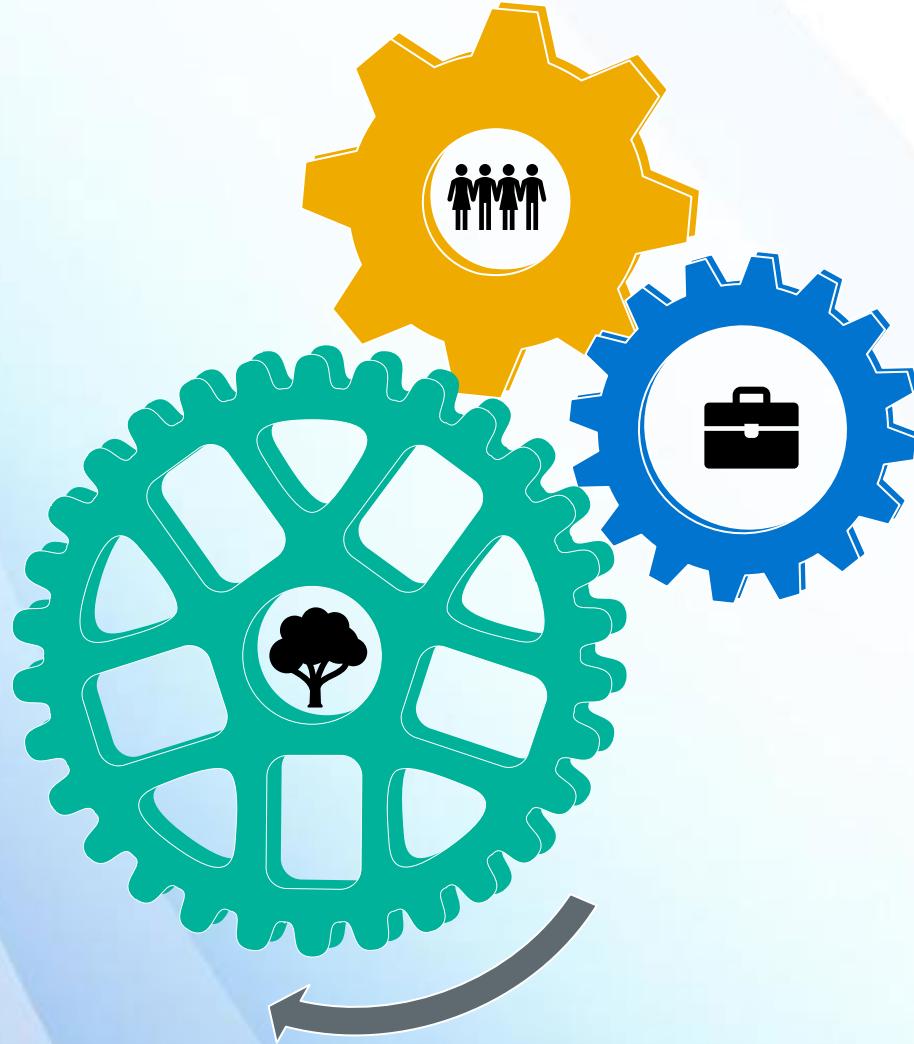
Research and Development

Practices and Implementation



We take pride in ensuring that we build our value on strong research foundation





ESG IMPLEMENTATION

Safety

We take pride in ensuring that safety in our operations is a priority



Safety at HPL is accorded prime preferred status. It is a way of life, be it human, product, process or plant safety. HPL takes pride in being one of the very few organizations in the field of Chemicals in the country to have accreditation to OHSAS successfully since May 2006, apart from a faultless clean safety track record HPL has a team comprising of senior team members as MENTORS for SAFETY & HEALTH. It has also created an independent Safety team led by Safety Manager with direct reporting to top management.

- ISO 45001:2018
- Safety from Design Stage
- HAZOP for Processes
- Validation & Audits by External Consultants
- Instrumentation Support
- Health Monitoring of Personnel

Safety

Practices and Implementation

We take pride in ensuring that safety in our operations is a priority

1

Comply with all statutory, regulatory and other provisions
related to Environment, Health and Safety (EHS) standards



2

Provide & maintain safe & healthy workplace
through Hazard Identification Technique,
Identify sources of Risk at site through HIRA,
and other significant monitoring processes



3

Instill safety awareness among all employees from
foreseeable work hazards through safety induction training on
general safety, chemical handling, first-aid, MSDS, onsite
emergency preparedness, firefighting, etc.

Safety

Practices and Implementation

We take pride in ensuring that safety in our operations is a priority

4

Develop the best emergency control system in the organization through yearly reviews of the onsite emergency plan, bimonthly mock drills, and availability of safety & fire fighting equipment, etc.



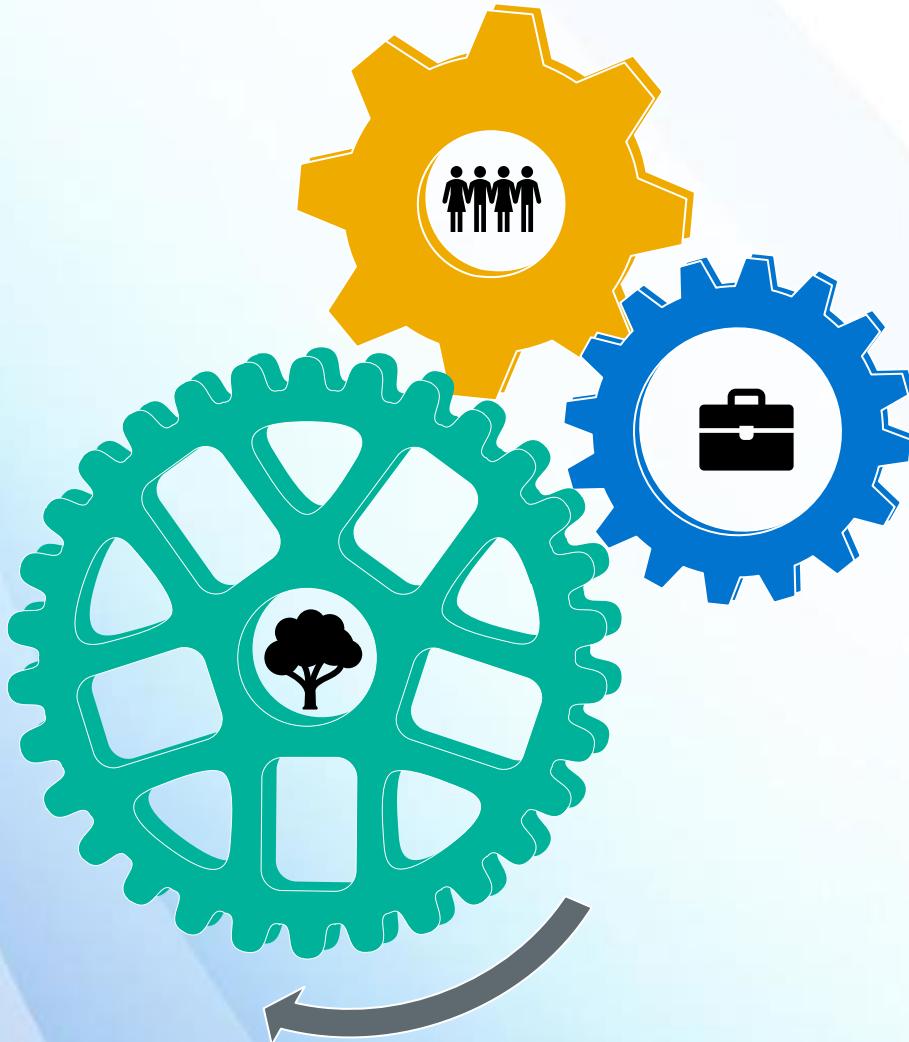
5

Ensure availability of appropriate resources
(safety equipment & PPE)



6

Implementation & compliance of safety work permit system for project and maintenance job



ESG IMPLEMENTATION

IT Security and Digitalisation

We have developed procedures to ensure compliance in accordance to Information Management Systems. Further, to enhance our IT capabilities, we have partnered with subject matter experts and a Gen AI firm.

IT and Security

Practices and Implementation



1

Development of stringent protocols for data management

2

Employee trainings on data security, privacy, data confidentiality, network security

3

Adherence to high standards of cybersecurity via firewalls and anti-virus



ESG TARGETS

We have set specific ESG targets for environmental and social parameters at the manufacturing plant level, as required to maintain compliance with our ISO 14001 certifications. These targets guide our efforts to minimize environmental impact and enhance social responsibility within our operations. At the corporate level, we are in the process of reviewing and defining measurable targets for the KPIs of our material topics. We are committed to transparency and will disclose these targets in subsequent communications.

ESG Targets

Current Status



At HPL Additives Ltd., sustainability is at the core of our operations, and we are committed to driving continuous improvements in our Environmental, Social, and Governance (ESG) performance. Our manufacturing facilities are ISO 14001 certified, which has enabled us to set year-over-year targets for key environmental metrics, including water usage, energy consumption, and waste management. These targets help us enhance resource efficiency and minimize our environmental footprint. **We undertake internal audits every quarter for key environmental KPIs to measure progress of our environmental performance against the yearly targets.**

We have also embarked on the journey of establishing corporate-level ESG targets for both our offices and manufacturing facilities, with a focus on long-term sustainability. This initiative will enable us to integrate ESG considerations into our broader corporate strategy, ensuring responsible growth and compliance with evolving global standards.

To further strengthen our ESG commitments, we are actively developing robust data collection, management, and reporting frameworks. Our aim is to align with leading global target-setting mechanisms such as the Science-Based Targets initiative (SBTi), RE 100, the United Nations Global Compact (UNGC), as well as recommendations from IFRS, SASB, and TCFD. This approach will help us drive accountability and transparency across our ESG initiatives.

We are committed to disclosing the key performance indicators (KPIs) we have identified, along with the timelines for their monitoring and reporting. These details are presented in the subsequent pages, providing a clear roadmap of our ESG strategy and progress. Through these efforts, we reaffirm our dedication to sustainable and responsible business practices, creating long-term value for all our stakeholders.

ESG Targets

Current Status- Plant level objectives & targets for 2022



Productivity

S.No.	Objective	Jan-March,22	April-June,22	July-Sep,22	Oct-Dec,22
1	To produce Minimum @ 3705MT/annum core product of consistent quality at HPLA-B (926.25 mt./quarter)	997.85	671.23	517.8	704.8
2.	To produce Minimum @ 5000 MT/annum of consistent quality at HPLA-D (1250 mt./quarter)	1178.338	1305.945	1275.593	112.429
3.	To produce Minimum @ 1000 MT/annum of consistent quality at HPLA-C (250 mt/quarter)	254.2	214.2	195.6	No Production

ESG Targets

Current Status- Plant level objectives & targets for 2022



Yield (%) at HPLA-B

Product	Target Yield (%)	Jan-March,22	April-June,22	July-Sep,22	Oct-Dec,22
ADC	94.0	92.16	88.54	91.2	95.15
AZDN	93.0	92.73	86.91	92.84	93.24
OBSH	91.0	90.55	90.4	90.06	90.59
TSH	88.0	87.51	87.51	87.51	87.51
TSSC	99.9	No Production	99.95	99.95	99.97
ZBS	97.5	95.85	95.85	96.16	96.78
DMH	94.0	No Production			

ESG Targets

Current Status- Plant level objectives & targets for 2022



Yield (%) at HPLA-D

Product	Target Yield (%)	Jan-March,22	April-June,22	July-Sep,22	Oct-Dec,22
HPI - 103	95.0	95	95	95	95
K-10 SnF -103	88.2	88.19	88.34	89.37	82.02
K-76 – HPI	93.0	92.60	90.53	93.01	Np
K-34 -103	95.5	93.41	93.69	93.77	92.43
K-68 – 102	91.5	90.15	90.26	89.68	90.24
MMP -103	96.5	95.19	95.77	96.27	95.68
K-30 – 146	86.0	84.62	85.04	85.36	81.86
ADH -124	96.2	95.93	96.01	96.23	No Production
AZPH -201	94.0	93.55	93.47	No Production	91.70
K-24 - MHZ	92.5	91.84	91.84	91.84	No Production

ESG Targets

Current Status- Plant level objectives & targets for 2022



Reduction in solvent consumption (Litre / MT production) at HPLA-D

Product	Name of Solvent	Target Consumption (Lit/Mt)	Jan-March,22	April-June,22	July-Sep,22	Oct-Dec,22
K-10 SnF	MeOH (without Meth)	150	190.1	189.8	190.2	170
K-76	MeOH	160	239.1	259.9	264.6	No Production
K-68	IPA	70	110.7	86.5	83	85.9
K-68	Xylene	26	28	26.9	36.3	28.5
K-30	MeOH	330	481	497.4	524.5	522.4
K-30	MDC	300	254.4	264.4	272.6	272.4
AZPH	MeOH	1700	2151.3	2224.5	No Production	2205.6
AZPH	Toluene	200	228.7	236.9	No Production	225.4
K-34	IPA	60	52.8	45.2	51.4	41.5
K-34	Toluene	25	34.7	35.5	36.2	41.5
K-98	Toluene	400	No Production	No Production	No Production	No Production
K-24	Toluene	500	557.8	554.8	547.2	No Production
AZIM	MeOH	1900	2486.1	2400	NP	2329.1

ESG Targets

Current Status- Plant level objectives & targets for 2022



Yield (%) at HPLA-C

Product	Target Yield (%)	Jan-March,22	April-June,22	July-Sep,22	Oct-Dec,22
Hydrazine	71.5	71.06	71.05	71.05	No Production

ESG Targets

Current Status- Plant level objectives & targets for 2023



Productivity

S.No.	Objective	Jan-March,23	April-June,23	July-Sep,23	Oct-Dec,23
1	To produce Minimum @ 3705MT/annum core product of consistent quality at HPLA-B (926.25 mt./quarter)	762.046	624.233	691.25	775.47
2.	To produce Minimum @ 5000 MT/annum of consistent quality at HPLA-D (1250 mt./quarter)	1138.183	466.126	644.246	400.994
3.	To produce Minimum @ 1000 MT/annum of consistent quality at HPLA-C (250 mt/quarter)	158.317	117.734	0	197.782

ESG Targets

Current Status- Plant level objectives & targets for 2023



Yield (%) at HPLA-B

Product	Target Yield (%)	Jan-March,23	April-June,23	July-Sep,23	Oct-Dec,23
ADC	94.0	91.89	91.10	91.93	91.15
AZDN	93.0	92.93	93	93.11	93.43
OBSH	91.0	91.30	91.80	90.86	90.36
TSH	88.0	87.74	88.38	88.38	88.38
TSSC	99.9	99.95	99.96	100	100
ZBS	97.5	95.94	95.85	96.15	96.78
DMH	94.0	94.46	No Production	94.54	94.40

ESG Targets

Current Status- Plant level objectives & targets for 2023



Yield (%) at HPLA-D

Product	Target Yield (%)	Jan-March,23	April-June,23	July-Sep,23	Oct-Dec,23
HPI - 103	95.0	95.00	95.00	94.75	94.50
K-10 SnF -103	88.2	89.53	85.35	86.58	91.00
K-76 – HPI	93.0	92.63	No Production	No Production	No Production
K-34 -103	95.5	93.14	93.15	92.99	94.36
K-68 – 102	91.5	90.26	90.60	90.51	90.63
MMP -103	96.5	96.57	96.59	96.00	96.30
K-30 – 146	86.0	84.56	84.43	85.24	86.88
ADH -124	96.2	No Production	95.64	95.68	96.13
AZPH -201	94.0	93.27	93.10	85.59	93.10
K-24 - MHZ	92.5	91.84	No Production	No Production	No Production

ESG Targets

Current Status- Plant level objectives & targets for 2023



Reduction in solvent consumption (Litre / MT production) at HPLA-D

Product	Name of Solvent	Target Consumption (Lit/Mt)	Jan-March,23	April-June,23	July-Sep,23	Oct-Dec,23
K-10 SnF	MeOH (without Meth)	150	227.35	259.18	238.38	187.35
K-76	MeOH	160	269.98	0.00	0.00	0.00
K-68	IPA	70	85.85	82.93	99.90	87.66
K-68	Xylene	26	40.43	27.90	26.97	26.74
K-30	MeOH	330	538.46	587.67	626.82	638.58
K-30	MDC	300	242.38	265.24	284.62	262.83
AZPH	MeOH	1700	2457.62	2387.42	1471.58	2388.53
AZPH	Toluene	200	231.74	230.76	233.99	256.04
K-34	IPA	60	56.60	52.96	89.34	85.10
K-34	Toluene	25	38.96	50.53	40.90	38.58
K-98	Toluene	400	No Production	No Production	No Production	No Production
K-24	Toluene	500	525.55	No Production	No Production	No Production
AZIM	MeOH	1900	2457.62	2375.71	2381.91	2519.43

ESG Targets

Current Status- Plant level objectives & targets for 2023



Yield (%) at HPLA-C

Product	Target Yield (%)	Jan-March,23	April-June,23	July-Sep,23	Oct-Dec,23
Hydrazine	71.5	70.94	71.03	No Production	71.04

ESG Targets

Current Status- Plant level objectives & targets for 2024



Productivity

S.No.	Objective	Jan-March,24	April-June,24	July-Sep,24	Oct-Dec,24
1	To produce Minimum @ 3705MT/annum core product of consistent quality at HPLA-B (926.25 mt./quarter)	946.5	751.5	652.7	570.2
2.	To produce Minimum @ 5000 MT/annum of consistent quality at HPLA-D (1250 mt./quarter)	571.1	632.6	601.6	961.5
3.	To produce Minimum @ 1000 MT/annum of consistent quality at HPLA-C (250 mt/quarter)	No Production	No Production	No Production	No Production

ESG Targets

Current Status- Plant level objectives & targets for 2024



Yield (%) at HPLA-B

Product	Target Yield (%)	Jan-March,24	April-June,24	July-Sep,24	Oct-Dec,24
ADC	94.0	93.64	94.29	95.07	95.19
AZDN	93.0	93.44	93.25	92.63	92.78
OBSH	91.0	89.27	89.24	87.11	88.78
TSH	88.0	88.38	88.38	88.38	88.66
TSSC	100	100	100	100	100
ZBS	97.5	96.88	97.14	97.23	97.59
DMH	94.5	94.4	No Production	No Production	94.51

ESG Targets

Current Status- Plant level objectives & targets for 2024



Yield (%) at HPLA-D

Product	Target Yield (%)	Jan-March,24	April-June,24	July-Sep,24	Oct-Dec,24
HPI - 103	95.0	94.50	94.54	94.57	94.51
K-10 SnF -103	89.0	88.92	89.42	89.21	89.91
K-76 - HPI	93.0	No Production	92.18	92.71	92.88
K-34 - 103	95.5	94.55	94.48	94.52	94.57
K-68 - 102	91.5	90.48	90.33	90.51	90.52
MMP -103	96.5	96.30	96.39	96.40	96.52
K-30 -146	86.0	87.03	86.79	86.80	86.87
ADH -124	96.2	96.09	96.07	95.61	96.12
AZPH -201	94.0	93.62	93.41	90.54	93.64
K-24 - MHZ	92.5	88.78	No Production	No Production	No Production

ESG Targets

Current Status- Plant level objectives & targets for 2024



Reduction in solvent consumption (Litre / MT production) at HPLA-D

Product	Name of Solvent	Target Consumption (Lit/Mt)	Jan-March,24	April-June,24	July-Sep,24	Oct-Dec,24
K-10 SnF	MeOH (without Meth)	150	181.47	229.54	236.26	226.5
K-76	MeOH	160	No Production	275.91	297.13	270.29
K-68	IPA	70	93.61	97.17	108.67	97.18
K-68	Xylene	26	27.39	26.55	23.61	22.4
K-30	MeOH	330	539.65	604.34	648.71	602.2
K-30	MDC	300	246.34	250.36	233.55	240.27
AZPH	MeOH	1700	1844.65	2005.81	2357.89	2288.98
AZPH	Toluene	200	242.31	237.62	255.38	286.08
K-34	IPA	60	66.52	75.96	71.14	56.34
K-34	Toluene	25	31.11	54.65	59.16	55.42
K-98	Toluene	400	No Production	No Production	No Production	No Production
K-24	Toluene	500	566.89	No Production	No Production	No Production
AZIM	MeOH	1900	No Production	2193.74	2254.95	2324.57

ESG Targets

Current Status- Plant level objectives & targets for 2024



Resource use at HPLA-B and E

S.No.	Objective	Target	Jan-March,24	April-June,24	July-Sep,24	Oct-Dec,24
1.	To achieve average water consumption	12 KL/MT of Product	10.70	10.49	10.98	10.49
2.	To achieve electricity consumption	0.945 KWH/Kg of Product	0.665	0.698	0.841	0.802
3	To achieve steam generation from PNG	12.45 kG of Steam/scm	12.86	12.99	12.86	13.09
4	To achieve steam generation from briquette	4.3 MT Steam /MT of Briquettes	3.96	4.06	3.90	4.14

ESG Targets

Current Status- Plant level objectives & targets for 2024



Resource use at HPLA-D

S.No.	Objective	Target	Jan-March,24	April-June,24	July-Sep,24	Oct-Dec,24
1.	To achieve average water consumption	47.5 KL/MT of Product	67.26	84.28	68.97	44.39
2	To achieve specific Power Consumption	2.87 KWH/ Kg of Product	4.16	4.07	4.30	2.88
3.	To achieve steam generation from briquettes	4.4 MT Steam /MT of Briquettes	4.0	4.7	4.8	5.03

ESG Targets

Way Forward



Material Topic	KPI	Unit	To be reported?	Target to be set?	Timelines to start monitoring	Timelines to start reporting	Overseeing Department	Overseeing Individual
Air Pollution	Compliance with Air Quality Standards	Percentage of facilities meeting national air quality standards (100%)	Yes	As per EP regulations	On-going	Reporting since 2018	EHS	DGM-Safety
	Compliance with Air Quality Standards	Number of third-party audits to verify adherence to national standards	Yes	Yes- At least once in a year	On-going	Reporting since 2000	EHS	DGM-Safety
	Investment in Emission Control Technologies	Yes/No	Yes	Yes	2025	2026	EHS	DGM-Safety
	Number of Air Quality Incidents	Incidents involving non-compliance with air quality regulations (#)	Yes	Yes	On-going	2019	EHS	DGM-Safety
	Emission Monitoring: Third-party verification of emissions data to ensure accuracy and compliance with environmental standards	Yes/No	Yes	Yes- At least once a year	Continued	2018	EHS	DGM-Safety
Circular Economy	Recycling Rate	Materials recycled or reused within operations (%)	Yes	Yes	2023-24	2023-24	Site Heads	Site Heads
	Resource Efficiency Ratio	Ratio of inputs (raw materials, energy) to outputs (finished products)	Yes	Yes	2023-24	2024-25	Site Heads	Site Heads
	Waste Reduction Percentage	Reduction in waste generation compared to a baseline year (%)	Yes	Yes	2024-25	2025-26	Production	Site Heads
	Circular Economy Revenue Share	Proportion of revenue from circular products (%)	Yes	Yes	2023-24	2023-24	Site Heads	Site Heads
	Suppliers Assessed for Circularity	Number of suppliers assessed	Yes	Yes	2025	2025	Procurement	DGM-Procurement
	Verification of supply chain practices to ensure materials are sourced sustainably and meet circular economy criteria	Yes/No	Yes	Yes	2025	2025	Procurement	DGM-Procurement
Climate Change	Total Greenhouse Gas Emissions (Scope 1 and 2)	Measured in metric tons of CO2 equivalent	Yes	Yes	2023-24	2024-25	UTL/MNT	Mr. Dheeraj
	Gross Scope 3 GHG emissions	Measured in metric tons of CO2 equivalent	Yes	Yes	2023-24	2024-25	EHS	DGM-Safety
	Greenhouse Gas Emissions Verification: Independent audits to validate GHG emissions data and ensure alignment with climate commitments such as Science-Based Targets	Yes/No	Yes	Yes	2023-24	2024-25	EHS	DGM-Safety
	Energy Consumption from Renewable Sources	Percentage of total energy consumption derived from renewable sources	Yes	Yes	2023-24	2024-25	UTL/MNT	Mr. Dheeraj
	Carbon Intensity	CO2 emissions per revenue	Yes	Yes	2024-25	2024-25	UTL/MNT	Mr. Dheeraj
	Progress Towards Science-Based Targets	Percentage progress towards achieving SBTi-aligned targets	Yes	Yes	2024-25	2025-26	UTL/MNT	Mr. Dheeraj
	Investment in Climate Resilience Projects	Total investment in projects aimed at enhancing climate resilience, company operations and community well-being (INR)	Yes	Yes	2024-25	2025-26	CSR	MA/Nitu
	Does the company have a documented strategy to manage Scope 1 GHG emissions?	Yes/No	Yes	Yes	2023-24	2024-25	EHS	DGM-Safety
	Does the entity have reduction target for Scope 1 GHG emissions?	Yes/No	Yes	Yes	2023-24	2024-25	UTL/MNT	Mr. Dheeraj
	GHG emissions reduced as a direct result of reduction initiatives	Measured in metric tons of CO2 equivalent	Yes	Yes	2023-24	2024-25	UTL/MNT	Mr. Dheeraj

ESG Targets

Way Forward



Material Topic	KPI	Unit	To be reported?	Target to be set?	Timelines to start monitoring	Timelines to start reporting	Overseeing Department	Overseeing Individual
Environmental Compliance	Environmental Non-Compliance Incidents	Total number of incidents of non-compliance with environmental regulations	Yes	Yes-Zero	2023-24	2024-25	EHS	DGM-Safety
	Regulatory Compliance Audits: third-party audits to ensure compliance with environmental laws and regulations, including hazardous waste management	Yes/No	Yes	Yes- At least once in a year	2023-24	2023-24	EHS	DGM-Safety
	Operations Audited for Environmental Compliance	Proportion of facilities undergoing regular environmental audits (%)	Yes	Yes	2023-24	2023-24	EHS	DGM-Safety
	Fines and Penalties for Environmental Violations	Total amount paid in fines and penalties (INR)	Yes	Yes-Zero	2023-24	2023-24	EHS	DGM-Safety
	Training Hours on Environmental Compliance	Total hours spent on training employees about environmental compliance (person-hours)	Yes	Yes- 2 Manhours to each person	2024-25	2025-2026	EHS	DGM-Safety
Health & Safety	Total Reportable Incident Rate (TRIR)	Number of reportable incidents per 100 full-time employees	Yes	Yes-Zero incident	2024-2025	2025-2026	EHS	DGM-Safety
	Lost Time Injury Frequency Rate (LTIFR)	Number of lost time injuries per million hours worked	Yes	Yes-Zero LTIFR	2024-2025	2025-2026	EHS	DGM-Safety
	Has the company implemented a system to assess, monitor, and reduce workforce exposure to long-term human health risks?	Yes/No	Yes	Yes-Zero exposure at workplace	2024-25	2025-2026	EHS	DGM-Safety
	Health and Safety Training	Average number of training hours provided per employee	Yes	Yes-6 Manhours to each workman	2024-25	2025-26	EHS	DGM-Safety
	Employee Participation in Safety Programs	Employees involved in safety programs (%)	Yes	Yes	2024-2025	2025-26	EHS	DGM-Safety
	Safety Management System Audits: Third-party audits to evaluate the effectiveness of health and safety management systems, including compliance with OSHA or similar standards	Yes/No	Yes	Yes- At least once in two year	2020	2020	EHS	DGM-Safety
Product Quality	Customer Satisfaction Score on Product Quality	Average score from customer feedback survey	Yes	Yes	2023	2024	MKT	Ms. Varsha
	Product Recalls	Total number of product recalls due to quality issues	Yes	Yes	2024	2025	MKT	Ms. Varsha/ Ms. Sarita
	Compliance with Product Safety Standards	Proportion of products meeting safety standards (%)	Yes	Yes-100%	immediate	immediate	Dispatch	Mr. RK Chabba
	Percentage of its products, by revenue, that contain Globally Harmonised System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous substances	% by revenue	Yes	Yes	immediate	immediate	Regulatory	Mr. Vijay Naagpal
	Percentage of its products containing Globally Harmonised System of Classification and Labelling of Chemicals Category 1 and 2 Hazardous Substances that have undergone a hazard assessment	% of products by volume of all products manufactured	Yes	Yes-100% (Export products)	Already done		Regulatory	Mr. Vijay Naagpal
	Has the company developed a strategy for managing the production of materials, chemicals, and substances that may pose hazards to human health or the environment?	Yes/No	Yes	Yes-100%	On-going	immediate	EHS	DGM-Safety
	Product Lifecycle Assessments Conducted	Number of products having undergone LCA in the reporting year for environmental footprint	Yes	Yes- 4-5 product	2025	2026	EHS	DGM-Safety
	Quality Assurance Audits: Regular third-party audits of quality control processes to ensure product safety and compliance with industry standards	Yes/No	Yes	Yes-At least once a year	On-going	immediate	QC	Mr. Vijay Naagpal

ESG Targets

Way Forward



Material Topic	KPI	Unit	To be reported?	Target to be set?	Timelines to start monitoring	Timelines to start reporting	Overseeing Department	Overseeing Individual
Water & Wastewater Management	Amount of water consumed in locations with High (40–80%) or Extremely High (>80%) Baseline Water Stress as a percentage of total water consumed by the entity	Cubic meter	Yes	Yes	2024	2025	UTL/MNT	Mr. Dheeraj
	Total water withdrawal from all areas, and a breakdown of this total by the following sources, if applicable: i. Surface water; ii. Groundwater; iii. Third-party water.	Megalitres	Yes	Yes	2024	2025	UTL/MNT	Mr. Dheeraj
	Total water withdrawal from areas located in High or Extremely High Water Stress regions, and a breakdown of this total by the following sources, if applicable: i. Surface water; ii. Groundwater; iii. Third-party water.	Megalitres	Yes	Yes	2024	2025	UTL/MNT	Mr. Dheeraj
	Total water consumption from all areas	Megalitres	Yes	Yes	2024	2025	UTL/MNT	Mr. Dheeraj
	Water Recycling and Reuse Rate	Water recycled or reused within operations (%)	Yes	Yes	2024	2025	UTL/MNT	Mr. Dheeraj
	Investment in Water Efficiency Projects	Total investment aimed at improving water efficiency (INR)	Yes	Yes				
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	#	Yes	Yes				
	Board Independence Ratio (Number of independent directors / Total number of directors)	%	Yes	No	On-going		Finance & Accounting	Nitu Kumari
Corporate Governance	Number of Women Directors on the Board	#	Yes	No	On-going		Finance & Accounting	Nitu Kumari
	Enterprise risk management framework	Yes/No	Yes	Yes	2024	2025	Finance & Accounting	Nitu Kumari
	Board Meeting Attendance Rate (Total attended meetings / Total scheduled meetings)	%	Yes	No	On-going		Finance & Accounting	Nitu Kumari
	Board Diversity Score (Composite score based on gender, ethnicity, age, and expertise diversity)	#	Yes	No	On-going		Finance & Accounting	Nitu Kumari
	CEO-to-Employee Pay Ratio (CEO total compensation / Median employee compensation)	#	Yes	No	On-going		Finance & Accounting	Nitu Kumari
	Code of Conduct Training Completion Rate (Number of employees completed training / Total number of employees)	%	Yes	No	On-going		Finance & Accounting	Nitu Kumari
	Audit Committee Financial Expert Ratio ((Number of financial experts on audit committee / Total audit committee members)	%	Yes	No	On-going		Finance & Accounting	Anil Chadha
	ESG Disclosure Score/Rating	1-100	Yes	Continual	2024	2025		
	Compliance Violation Rate	Total number of compliance violations in a year (#)	Yes	Yes				

ESG Targets



Way Forward

Material Topic	KPI	Unit	To be reported?	Target to be set?	Timelines to start monitoring	Timelines to start reporting	Overseeing Department	Overseeing Individual
Energy Efficiency & Management	Total amount of energy consumed	Gigajoules (GJ)	Yes	No	2025	2026	UTL/MNT	Mr. Dheeraj
	Percentage of energy consumed that was supplied from grid electricity	%	Yes	Yes	2025	2026	UTL/MNT	Mr. Dheeraj
	Percentage of renewable energy consumed	%	Yes	Yes	2025	2026	UTL/MNT	Mr. Dheeraj
	Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives	Gigajoules (GJ)	Yes	Yes	2025	2026	UTL/MNT	Mr. Dheeraj
	Energy Consumption Intensity	Energy used per unit output (GJ per Volume of products manufactured)	Yes	Yes	2025	2026	UTL/MNT	Mr. Dheeraj
	Energy Consumption Intensity	Energy used per revenue (GJ per INR revenue)	Yes	Yes	2025	2026	UTL/MNT	Mr. Dheeraj
	Reduction In Fossil Fuel Dependency	Decrease in use of fossil fuels for direct operations compared to baseline year (%)	Yes	Yes	2025	2026	UTL/MNT	Mr. Dheeraj
	Employee Training Hours On Energy Conservation Strategies	Total hours dedicated annually educating staff about best practices conserving organizational-wide energy usage (total person-hours)	Yes	Yes	2025	2025	UTL/MNT	Mr. Dheeraj
	Energy audits	Number of independent energy audits annually	Yes	Yes- At least once in 2 years	2025	2025	UTL/MNT	Mr. Dheeraj
Plastic Waste Management	Total Plastic Waste Generated	Metric Tonnes (MT) per Revenue	Yes	Yes	2025	2026	Production-All sites	Respective site Head+Mr. Rajvinder
	Total Plastic Waste Recycled	Metric Tonnes (MT) per Revenue	Yes	Yes	2025	2026	Procurement	Mr. Rajvinder
Waste Management	Total weight of waste generated, and a breakdown of this total by composition of the waste	MT	Yes	Yes	2025	2026	Production-All sites	Respective site Head+Mr. Rajvinder
	Total weight of non-hazardous waste diverted from disposal, and a breakdown of this total by the following recovery operations: i. Preparation for reuse; ii. Recycling; iii. Other recovery operations.	MT per Revenue	Yes	Yes	2025	2026	Production-All sites	Respective site Head+Mr. Rajvinder
	Total weight of hazardous waste directed to disposal, and a breakdown of this total by the following disposal operations: i. Incineration (with energy recovery); ii. Incineration (without energy recovery); iii. Landfilling; iv. Other disposal operations.	MT per Revenue	Yes	Yes	2023-24	2024-25	EHS	DGM-SAFETY
	Third-party audits to confirm the effectiveness of hazardous and non-hazardous waste reduction strategies	Yes/No	Yes	Yes	2025	2025	EHS	DGM-SAFETY

ESG Targets

Way Forward



Material Topic	KPI	Unit	To be reported?	Target to be set?	Timelines to start monitoring	Timelines to start reporting	Overseeing Department	Overseeing Individual
Child Labour	Training provided on Child Labour Awareness	Total hours dedicated to training employees and suppliers about the risks and prevention strategies related to child labour (person-hours)	Yes	Yes	2025	2026	HRD	AGM - HRD
	Supplier Audits Conducted for Child Labour Practices	Number of audits conducted among suppliers for child labour practices compliance	Yes	Yes	2026	2027	HRD	AGM - HRD
	Third-party audits covering child-labour prevention practices in company operations	Yes/No	Yes	No	2026	2027	HRD	AGM - HRD
	Third-party audits covering child-labour prevention practices of suppliers' operations	Yes/No	Yes	No	2026	2027	HRD	AGM - HRD
Whistleblower Protection	Number of Whistleblower Reports Received	#	Yes	No				
	Resolution Time for Whistleblower Cases:	Average time taken from report receipt to case closure (days)	Yes	Yes	2025	2026	HRD	AGM - HRD
	Whistleblower Report Resolution Rate (Number of resolved reports / Total number of reports received)	%	Yes	Yes	2025	2026	HRD	AGM - HRD
	Training Sessions Conducted Annually on Whistleblower Policies	Total hours dedicated to training employees about their rights and protections as whistleblowers (person-hours)	Yes	Yes	2025	2026	HRD	AGM - HRD
Customer Engagement	Customer Satisfaction Score on Sustainability Initiatives	Average score from customer feedback on sustainability efforts from sustainability surveys	Yes	Yes	2025	2026	International - Domestic Marketing	VH / SS
	Customer Education Programs on Sustainability	Total programs conducted to educate customers about sustainability practices	Yes	Yes	2025	2026	International - Domestic Marketing	VH / SS
	Customer Retention Rate Linked to ESG Initiatives	Retention rate improvement attributed to ESG efforts	Yes	Yes	2025	2026	International - Domestic Marketing	VH / SS
	Feedback Response Time for Customer ESG Concerns	Average time taken to respond to customer inquiries related to ESG issues	Yes	Yes	2025	2026	International - Domestic Marketing	VH / SS

ESG Targets

Way Forward



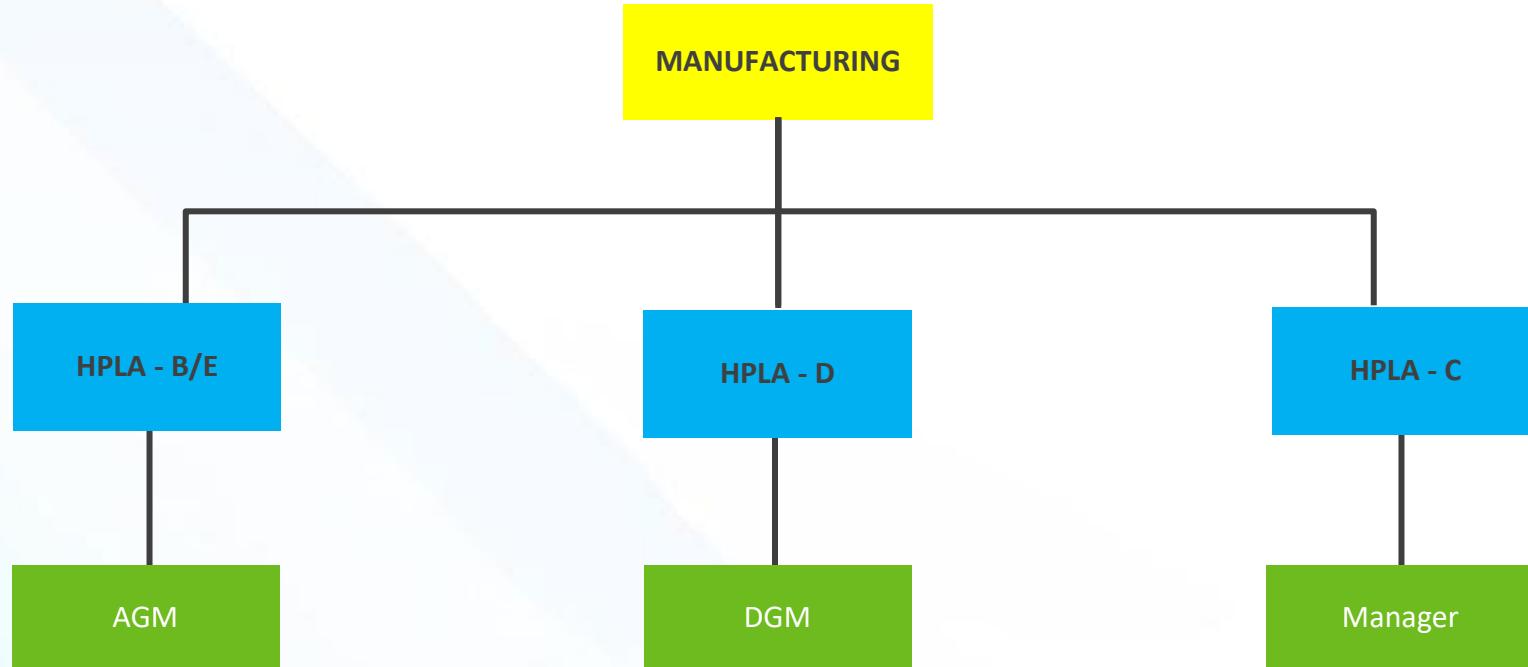
Material Topic	KPI	Unit	To be reported?	Target to be set?	Timelines to start monitoring	Timelines to start reporting	Overseeing Department	Overseeing Individual
Talent Attraction & Retention	Employee Turnover Rate	Turnover rate (%)	Yes	Yes	2025	2026	HRD	AGM - HRD
	Diversity Hiring Rate	Increase in hiring from diverse backgrounds compared to baseline (%)	Yes	No	2025	2026	HRD	AGM - HRD
	Employee Engagement Score	Average engagement score reflecting employee views on sustainability initiatives	Yes	Yes	2026	2027	HRD	AGM - HRD
Human Capital Development	Average Training Hours per Employee Annually	Total training hours provided per employee each year (hours per employee)	Yes	Yes	2025	2026	HRD	AGM - HRD
	Investment in Employee Development Programs Related to ESG Skills	INR per employee	Yes	Yes	2026	2027	HRD	AGM - HRD
	Employee Satisfaction Score on Career Development Opportunities Linked to ESG	Satisfaction level regarding career development aligned with ESG objectives	Yes	Yes	2026	2027	HRD	AGM - HRD
	Percentage Increase in Internal Promotions Due to ESG Competency Development	Growth rate in promotions attributed to enhanced ESG competencies (%)	Yes	No	2026	2027	HRD	AGM - HRD
Sustainable Supply Chain	New suppliers that were screened using ESG criteria	Percentage of new suppliers that were screened	Yes	Yes	2025	2025	PROC	DGM - Procurement
	Suppliers identified with significant negative ESG impacts	#	Yes	Yes	2025	2025	PROC	DGM - Procurement
	Suppliers Audited for ESG Compliance	%	Yes	Yes	2025	2025	PROC	DGM - Procurement
	Reduction in Supply Chain Carbon Footprint	Measured in metric tons of CO2 equivalent	Yes	Yes	2025	2025	PROC	DGM - Procurement
	Engagement Programs with Suppliers on ESG Practices	The number and scope of initiatives aimed at educating and collaborating with suppliers on ESG practices	Yes	Yes	2025	2025	PROC	DGM - Procurement

ANNEXURES

Organizational Governance Structure

Annexure: Organizational Governance Structure

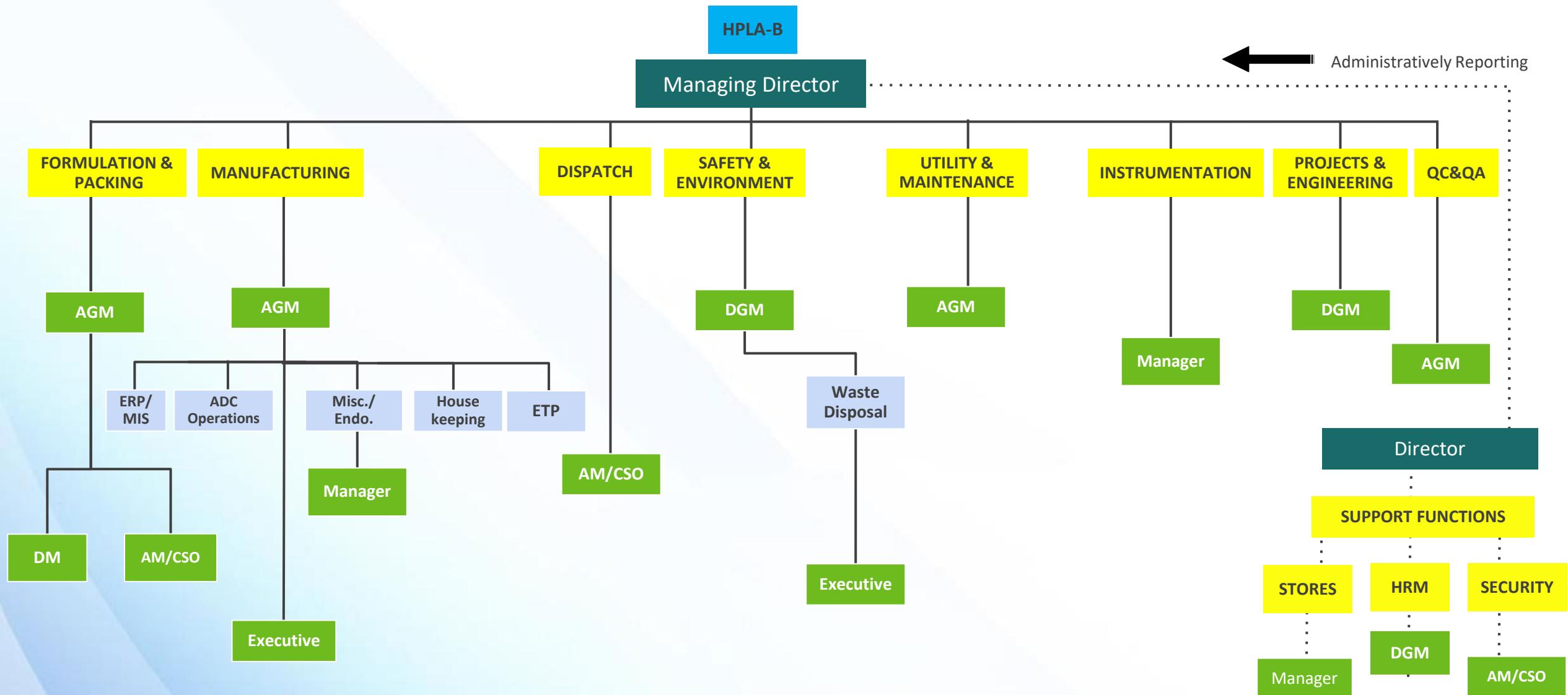
Production (Representative)



Annexure: Organizational Governance Structure



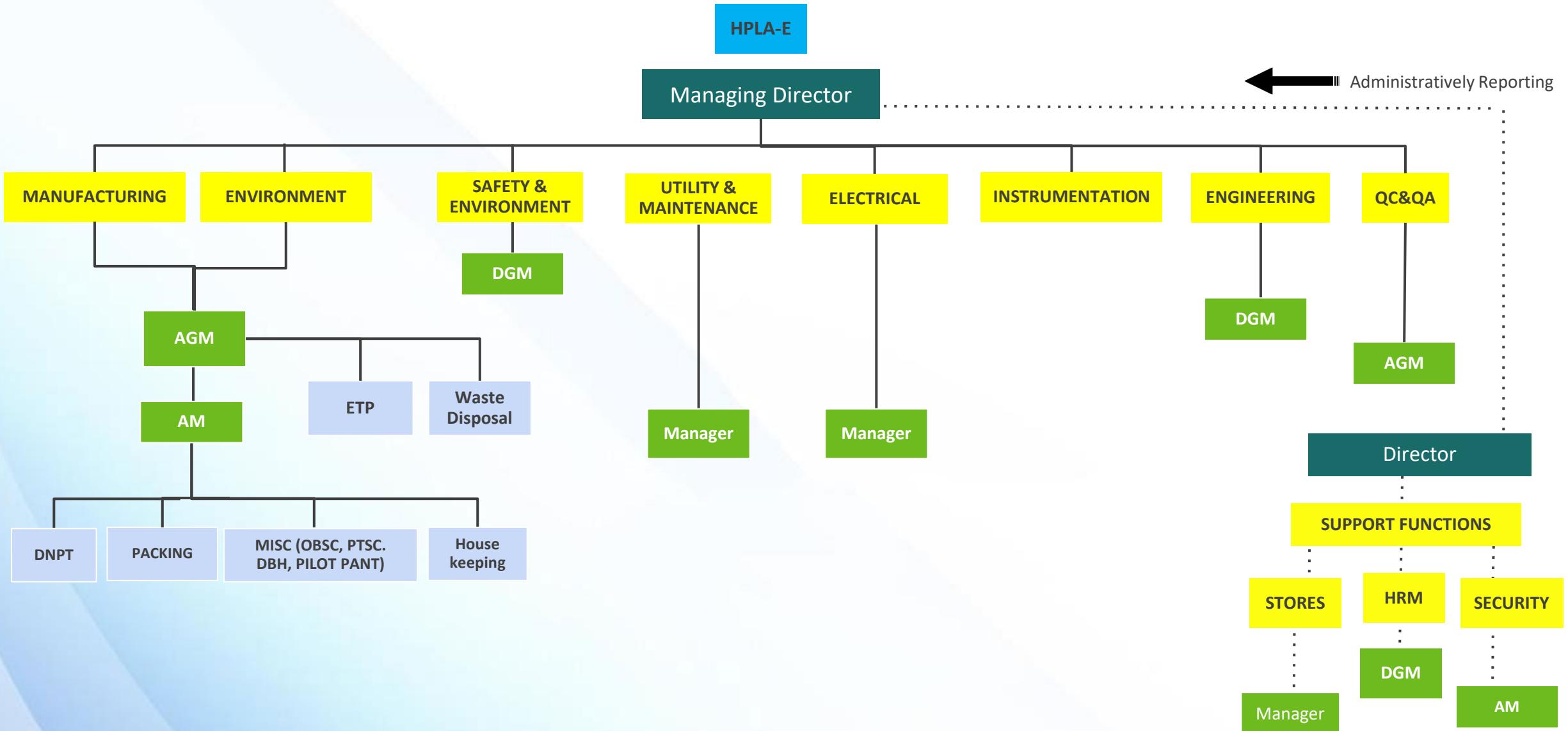
At Manufacture Facility Level (Representative)



Annexure: Organizational Governance Structure

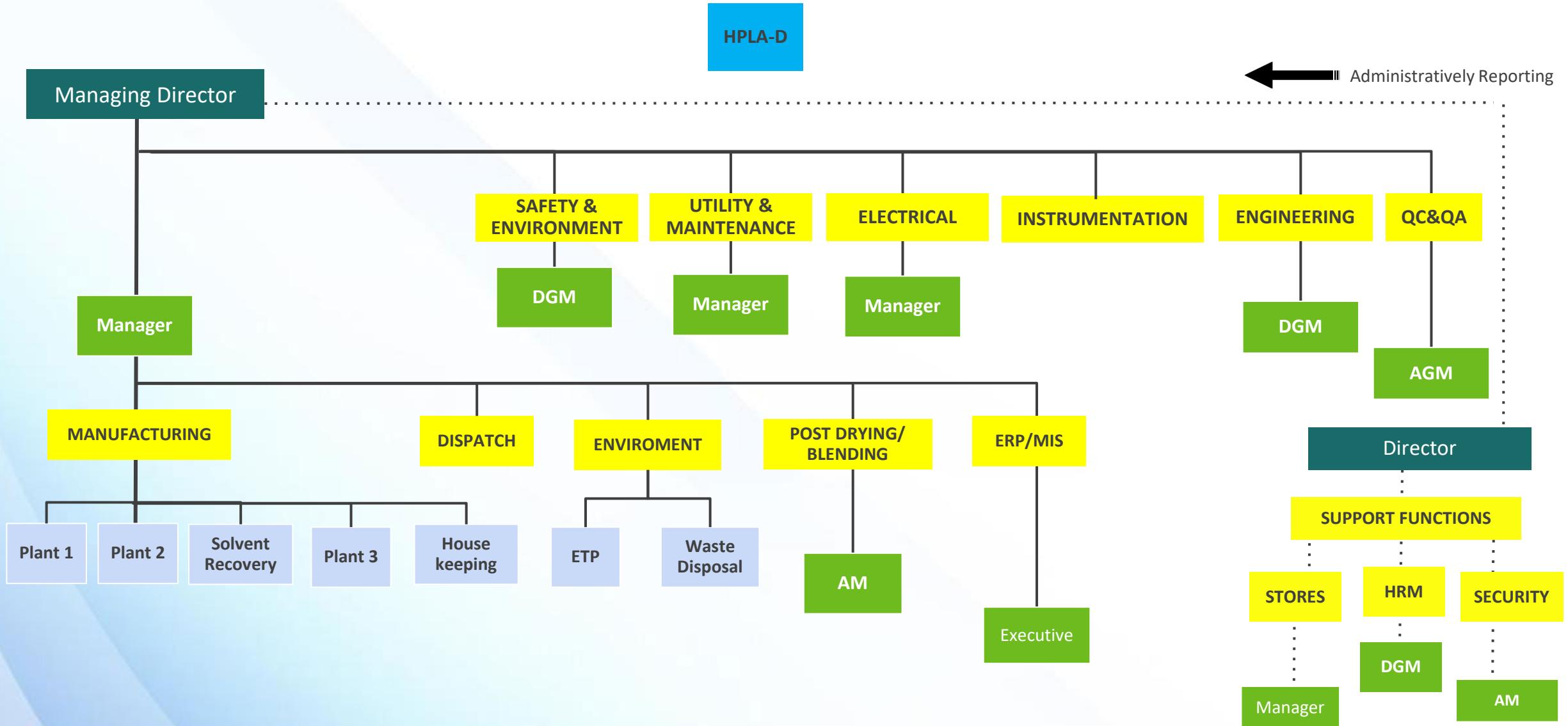


At Manufacture Facility Level (Representative)



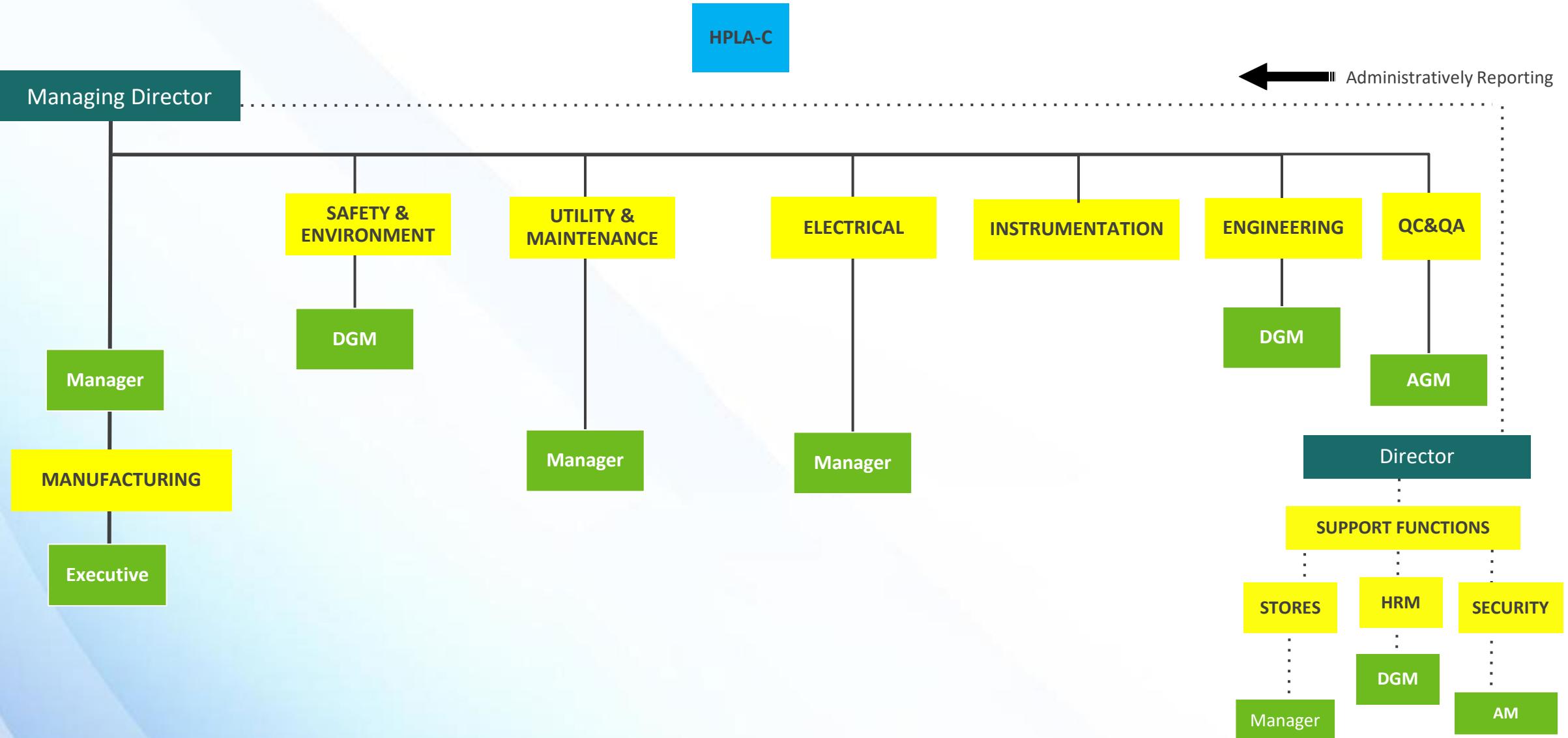
Annexure: Organizational Governance Structure

At Manufacture Facility Level



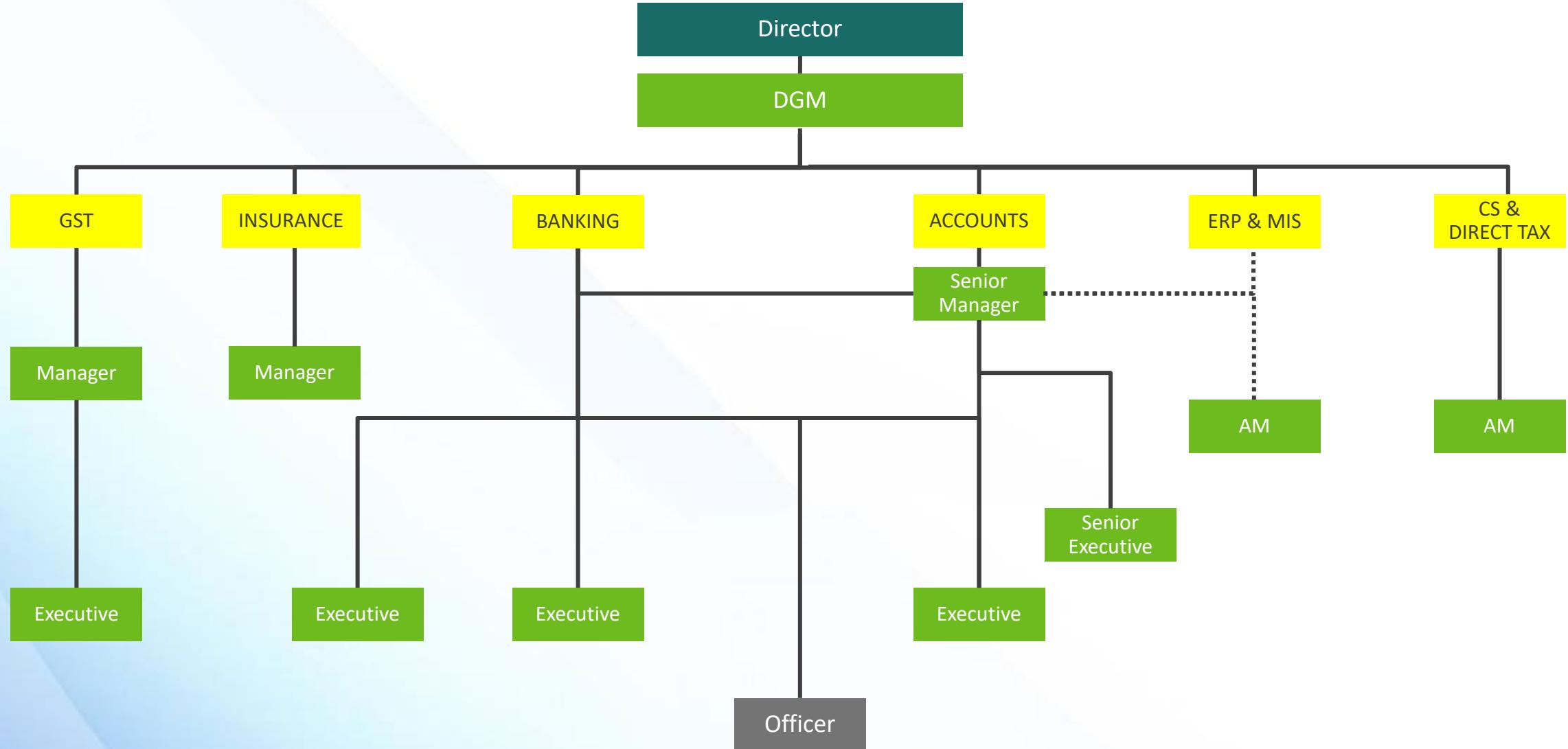
Annexure: Organizational Governance Structure

At Manufacture Facility Level (Representative)



Annexure: Organizational Governance Structure

Financial Control



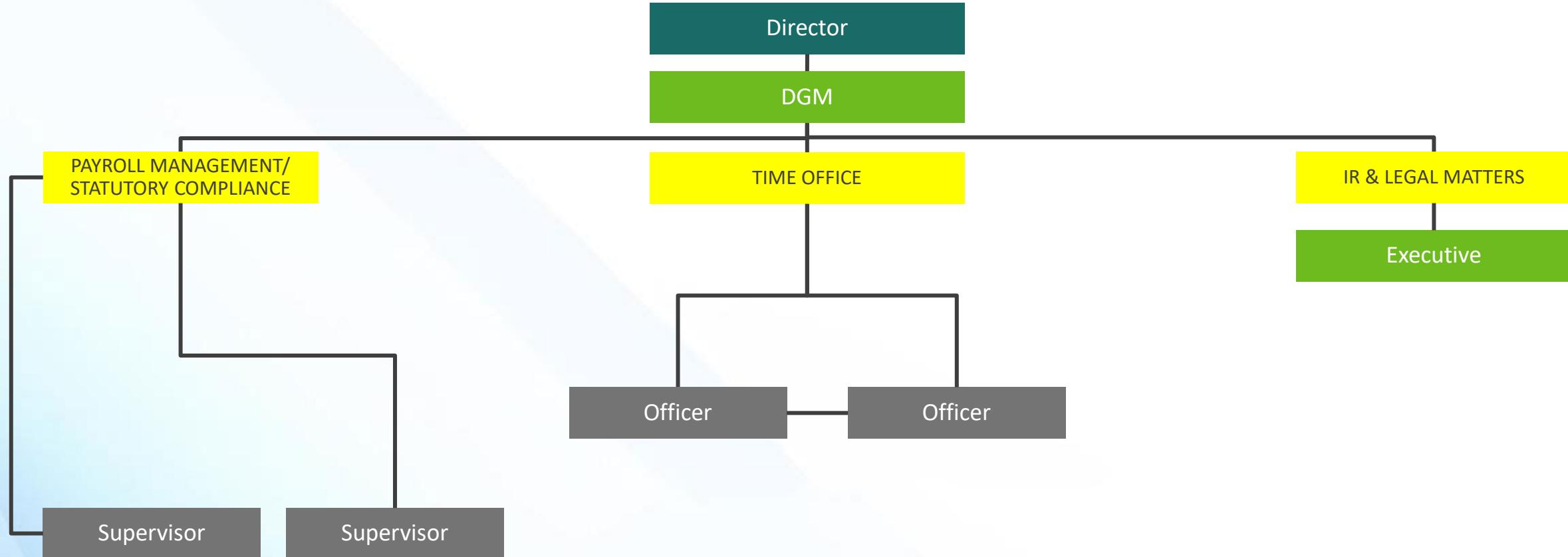
Annexure: Organizational Governance Structure

HRD



Annexure: Organizational Governance Structure

HRM



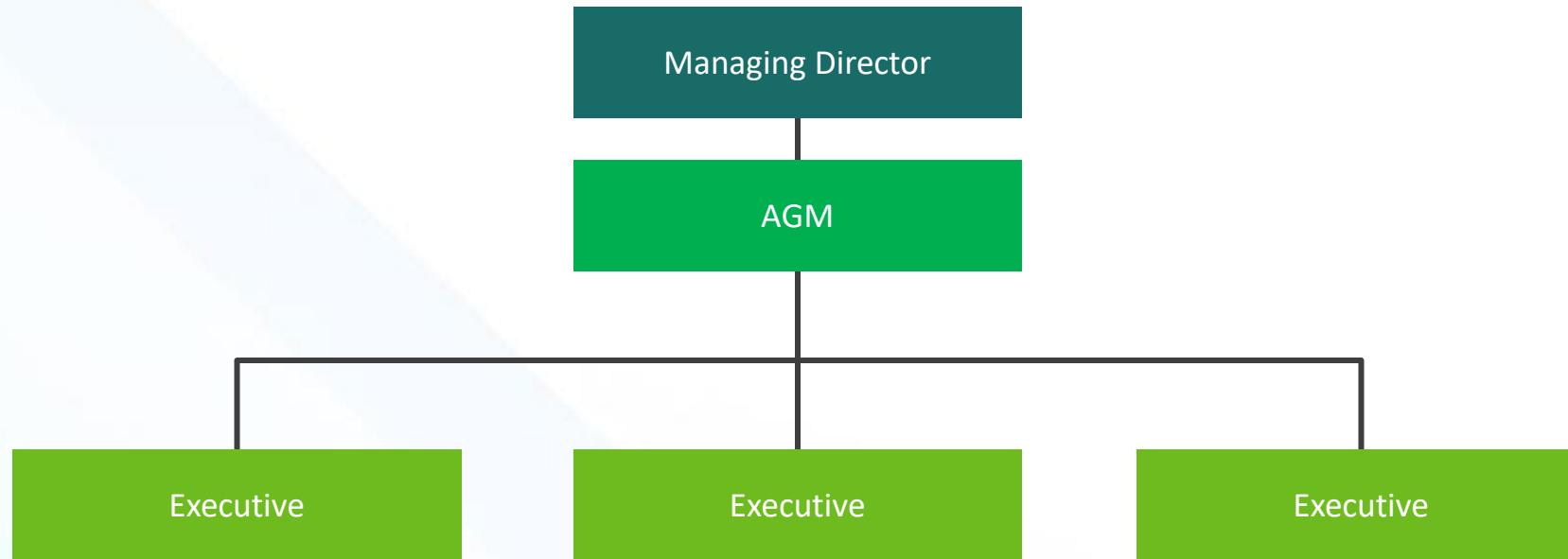
Annexure: Organizational Governance Structure

IT



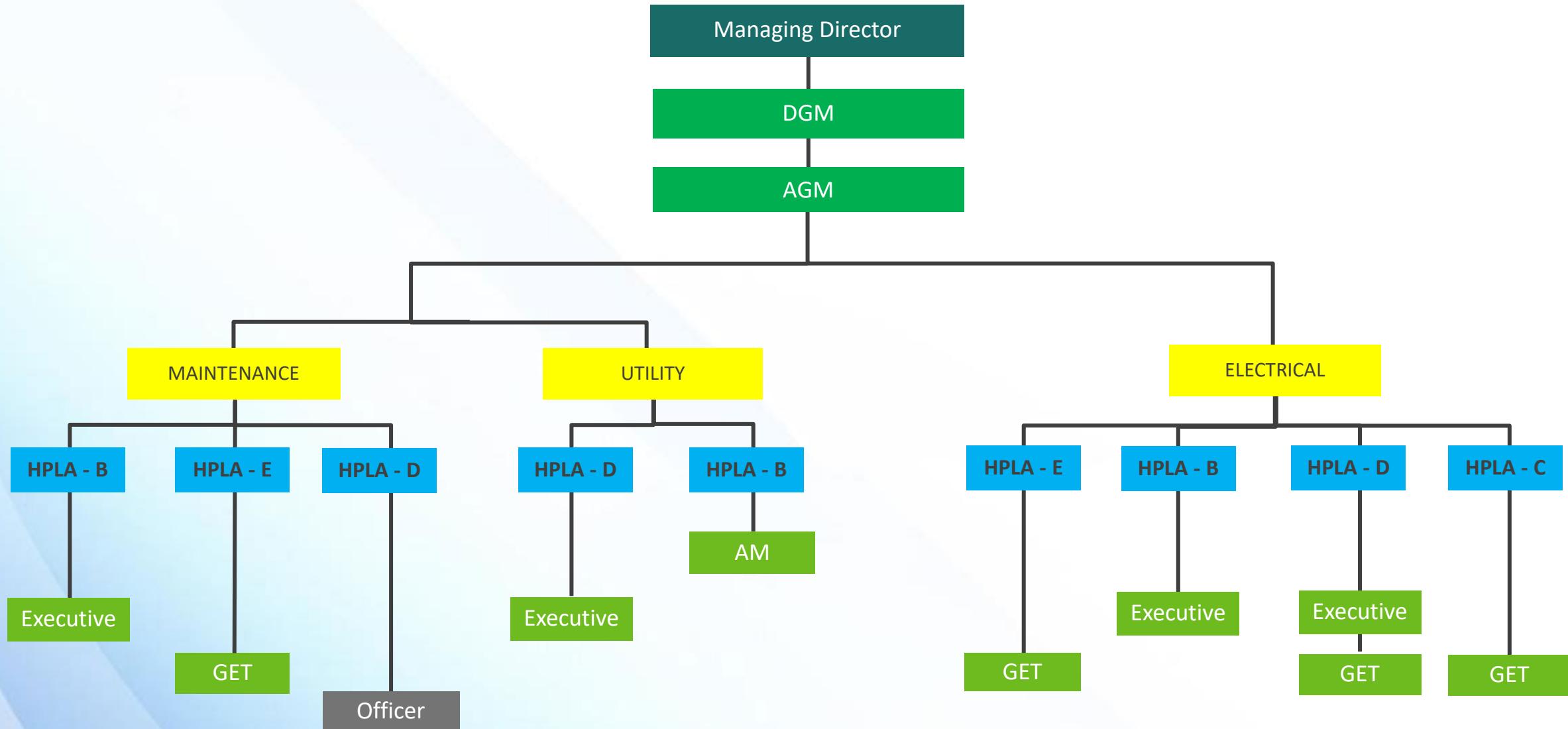
Annexure: Organizational Governance Structure

Logistics



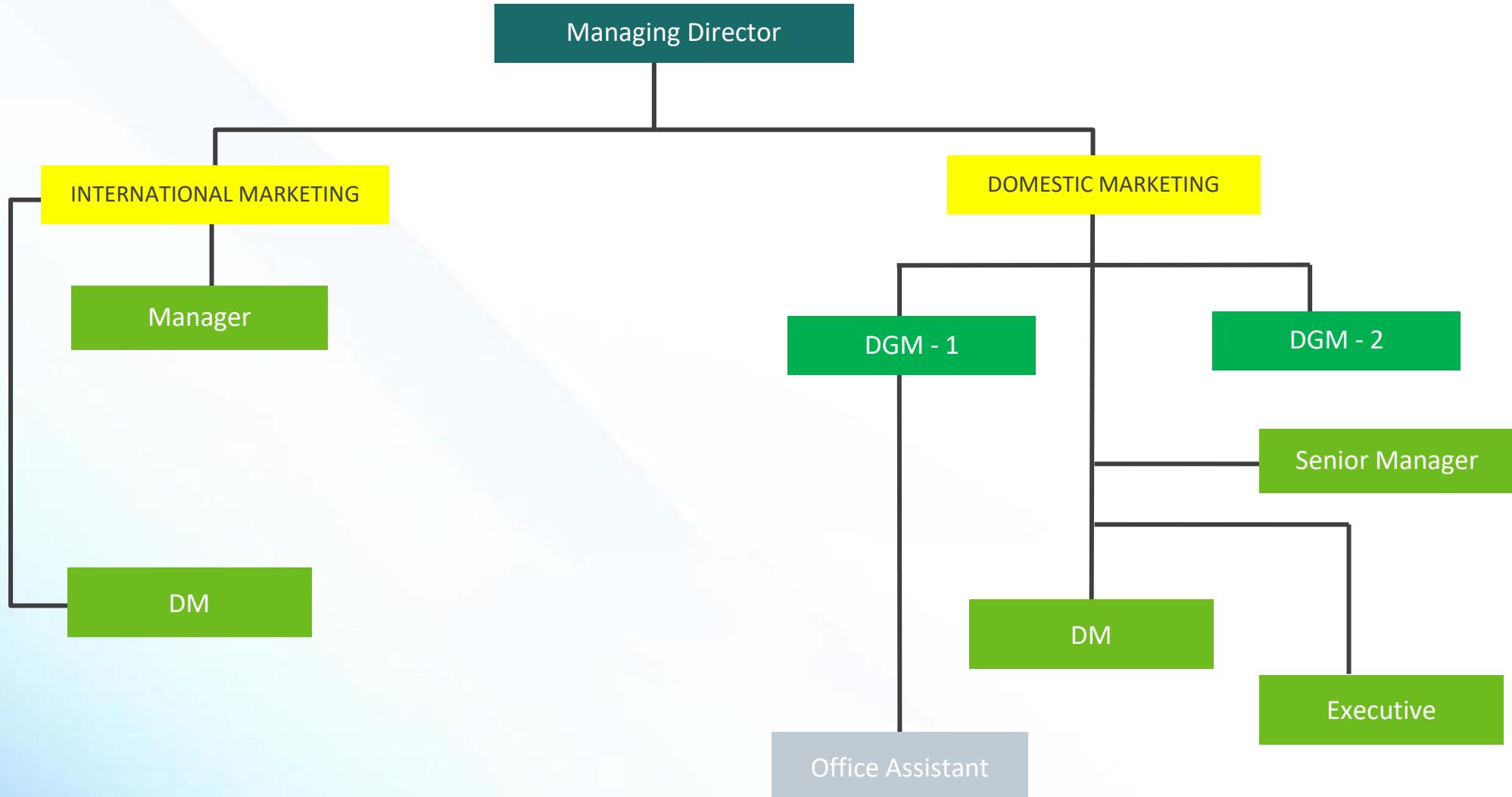
Annexure: Organizational Governance Structure

Maintenance and Utility



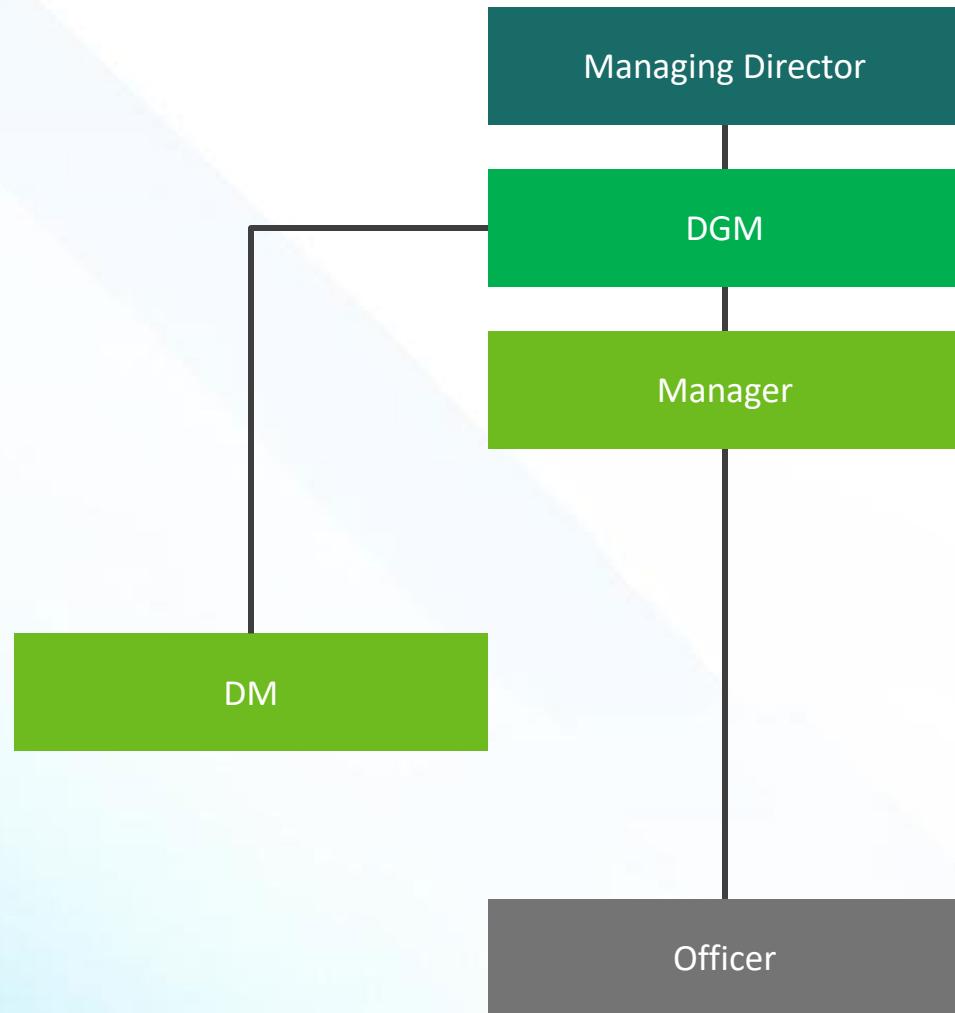
Annexure: Organizational Governance Structure

Marketing



Annexure: Organizational Governance Structure

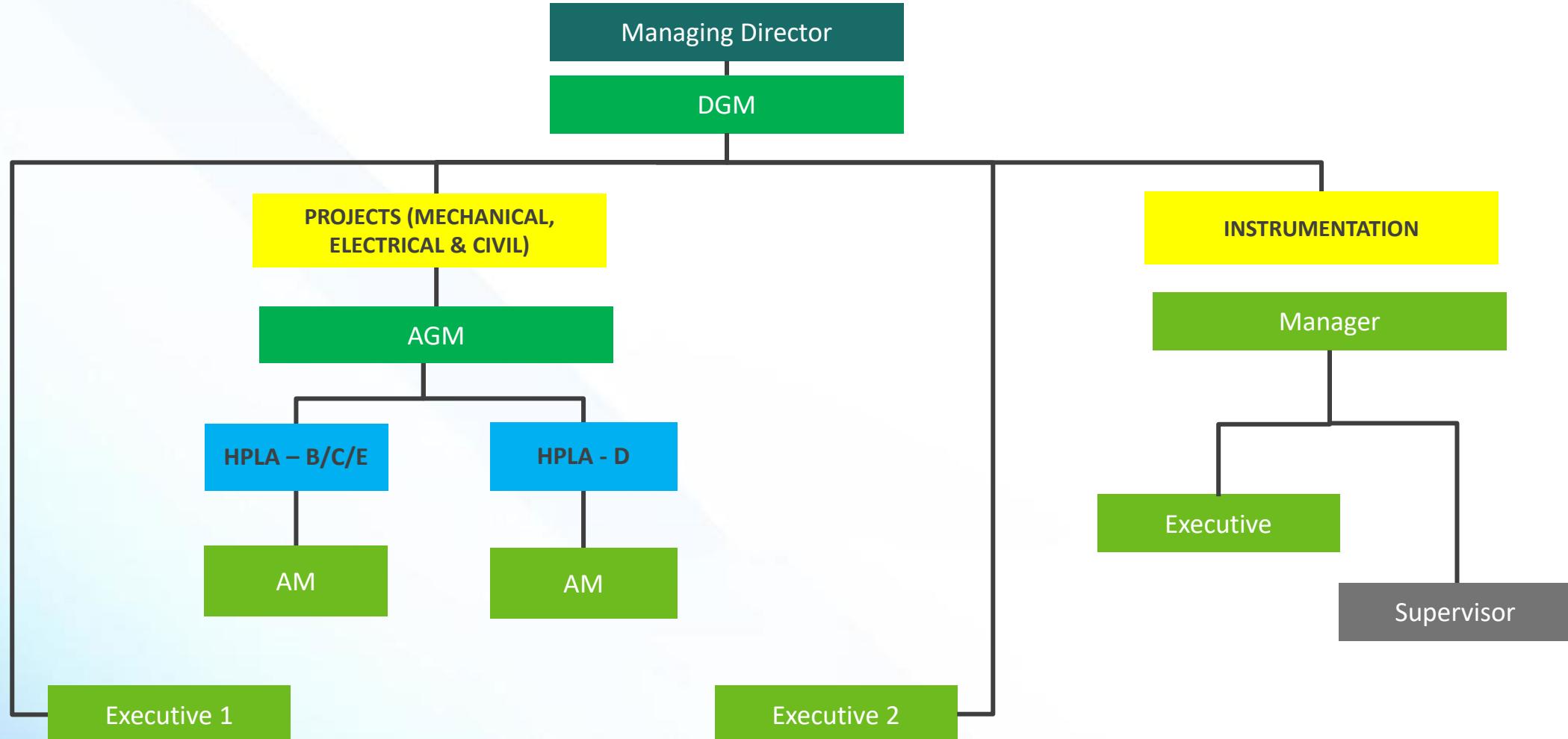
Procurement



Annexure: Organizational Governance Structure

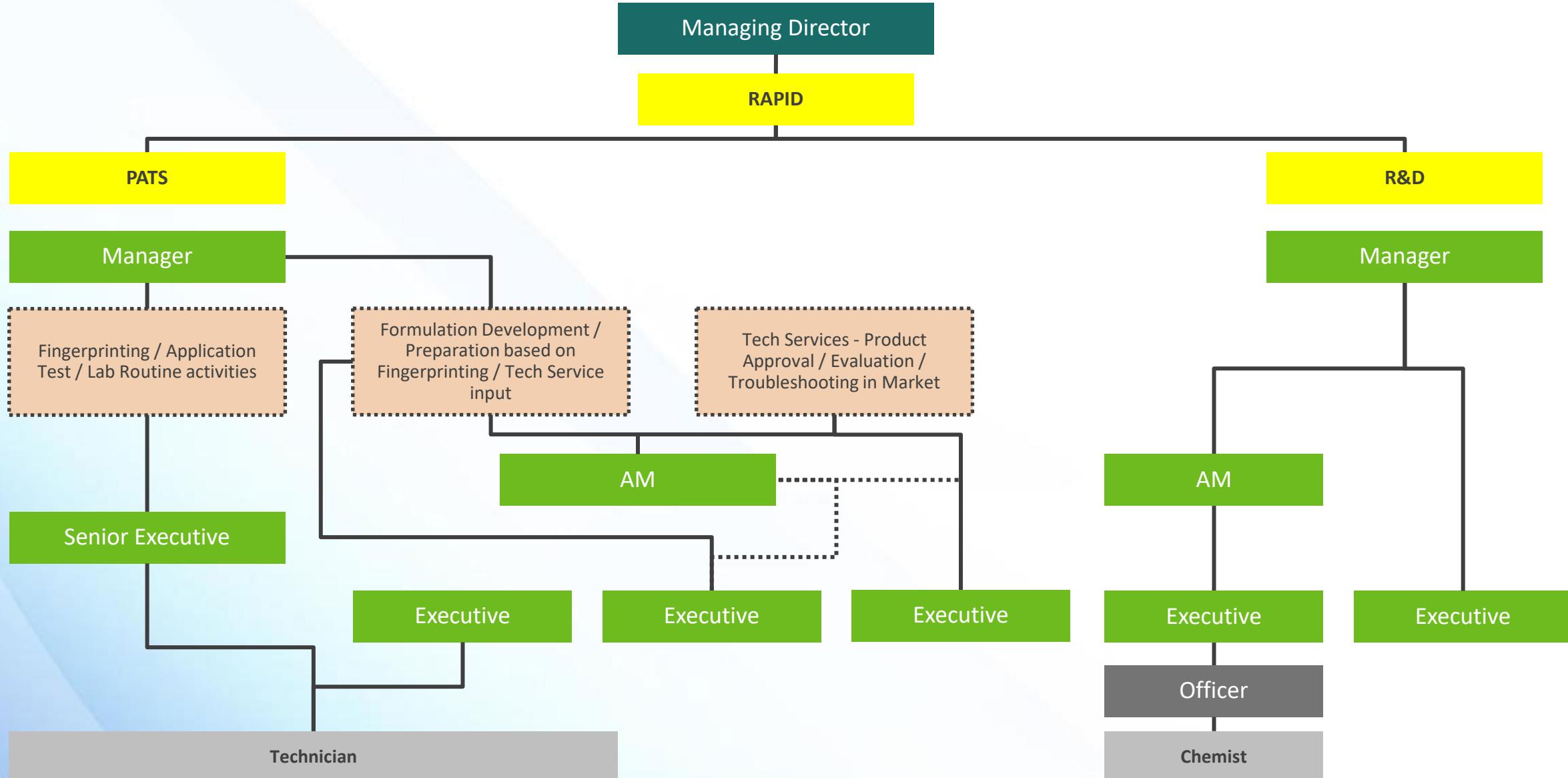


Projects and Instrumentation



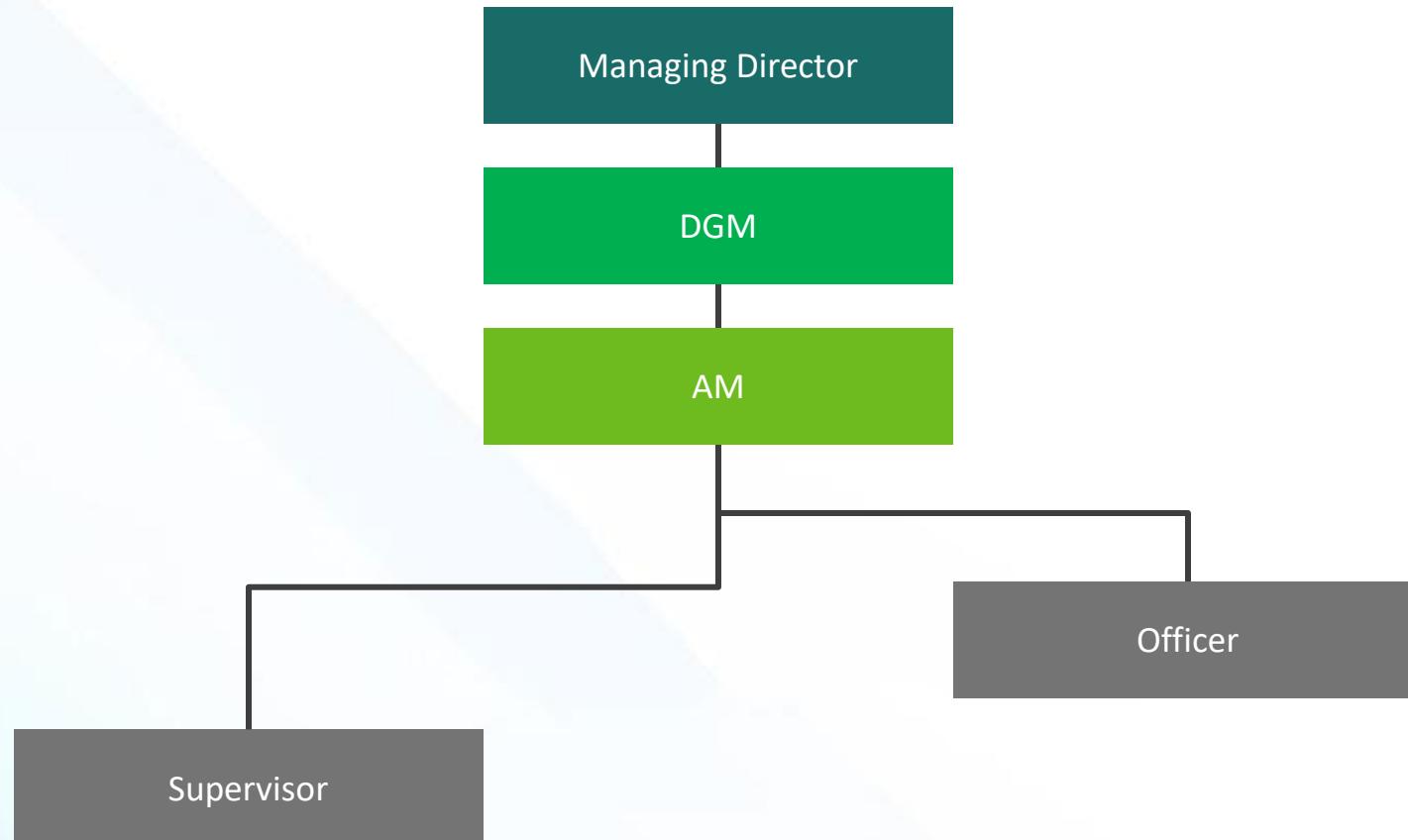
Annexure: Organizational Governance Structure

Research, Application, Process Intensification and Development (RAPID)



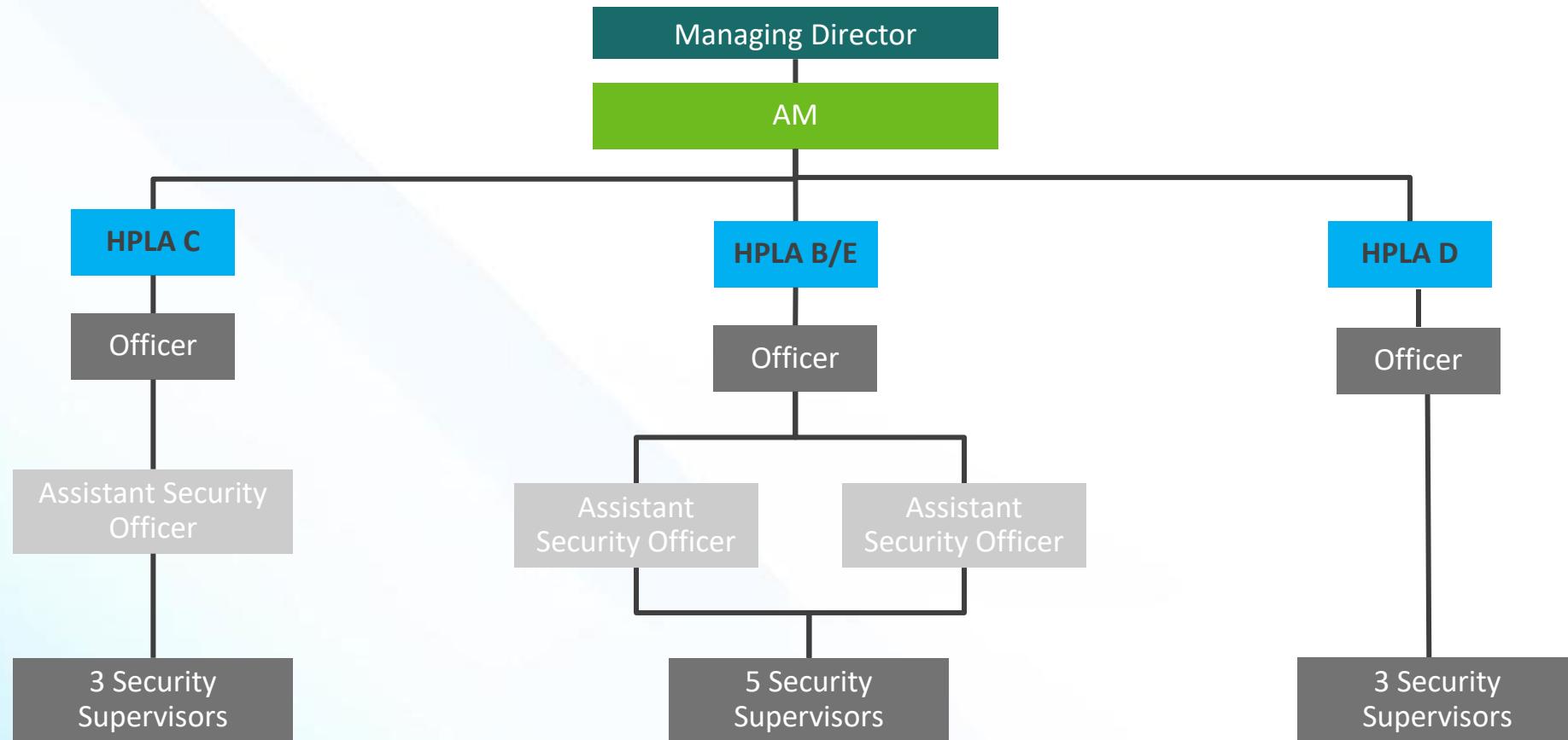
Annexure: Organizational Governance Structure

Safety and Environment



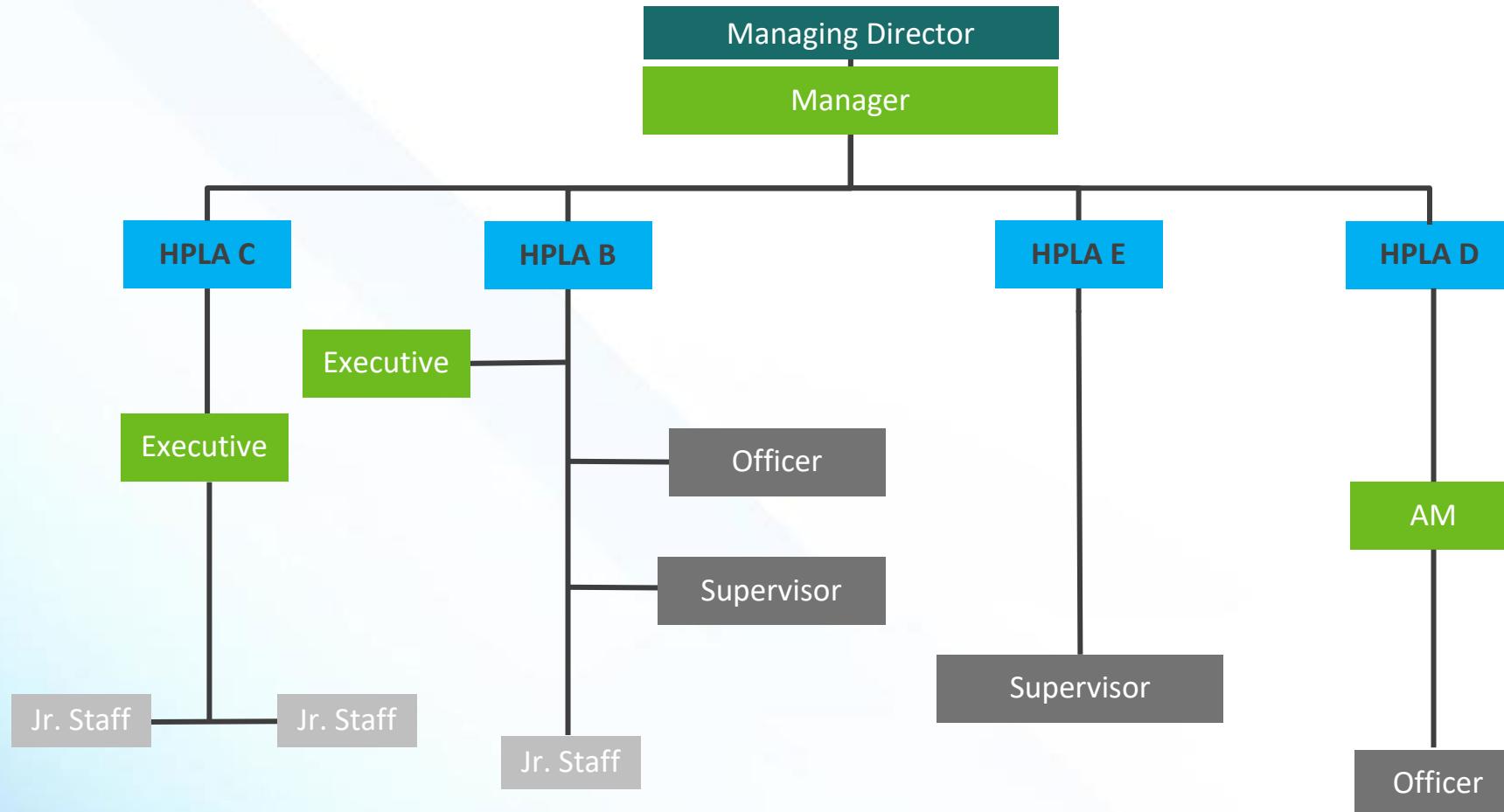
Annexure: Organizational Governance Structure

Security



Annexure: Organizational Governance Structure

Stores



Annexure: Organizational Governance Structure

Quality Control and Quality Assurance

