



HPL ADDITIVES LIMITED

LIVING WAGE PRACTICES POLICY

Foundations of a Living Wage



Economic Stability

Ensures consistent income to support local economies and reduce financial uncertainty.

Poverty Reduction

Aims to lift individuals and families out of poverty by providing adequate income.

Enhanced Well-being

Promotes better health and living standards for workers and their families.

Social Justice

Reflects a commitment to fairness and equity in the labor market.



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Document No.: HPL/HR/SOCIAL/02

Issue Date: 01/04/2025

Issue No.: 01

Revision No.: 01

Introduction

At HPL Additives Limited and its subsidiaries (referred to as "HPL" or "The Company"), we are committed to promoting fair and equitable wages for all employees, ensuring that everyone earns a wage that allows them to meet their basic needs and enjoy a sustainable standard of living. This Policy reflects our commitment to fostering a work environment where every employee is valued and compensated fairly, aligning with global standards for human rights and labor practices.

Through this policy, HPL aims to contribute to the well-being of its workforce and support economic stability within the communities in which we operate across our chemical manufacturing facilities in Haryana and Punjab. As India's pioneering manufacturer of polymer additives and specialty chemicals with over six decades of excellence, we recognize that our people are our greatest asset in maintaining our leadership position in the chemical industry.

Scope

This policy applies to all employees and contractor workers at HPL, including full-time, part-time, and temporary staff across all four operational manufacturing sites in Faridabad, Haryana (Plants 1, 2, and 3) and Derabassi, Punjab (Plant 4). In certain business units, the living wage target is applied selectively, prioritizing specific employee groups based on operational requirements and local economic conditions.

Additionally, the policy extends to suppliers and partners engaged in our polymer additives and specialty chemicals supply chain, ensuring that all entities associated with HPL adhere to living wage principles and maintain ethical labor practices consistent with our commitment to sustainable chemical manufacturing.

Living Wage Commitment

HPL is dedicated to ensuring that all employees and contract workers are compensated with a living wage, which is defined as the minimum income necessary for workers to meet their basic needs, such as food, housing, healthcare, and education, and maintain a dignified quality of life. Our living wage commitment includes:

- **Wage Standards Above the Legal Minimum:** HPL is committed to paying wages that exceed the legal minimum wage in Haryana and Punjab where we operate our chemical manufacturing facilities. We ensure that wages are sufficient to cover basic living expenses, providing workers with a wage that promotes financial independence and well-being while recognizing the specialized skills required in chemical and polymer manufacturing.
- **Basic Needs Coverage:** A living wage ensures that employees and contract workers may meet their basic needs such as food, housing, transportation, education, healthcare, and savings. HPL assesses local living conditions in Faridabad and Derabassi regions and ensures that wages reflect the actual cost of living in each state and locality.



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- Equal Pay for Equal Work: HPL is committed to gender pay equity and ensuring that there is no wage discrimination based on gender, race, age, or any other personal characteristic. We promote fair and equal pay for all employees and contract workers performing similar roles in chemical production, R&D, quality control, and with comparable qualifications and experience.

- Continuous Wage Assessment: HPL regularly reviews and updates its wage structures to reflect changes in the cost of living, inflation, and market conditions in the chemical industry. In some specific business units, wage assessments will focus on selected employee groups, while the full living wage policy applies globally to all internal employees and contract workers. We ensure that wages remain aligned with local living costs and adjust salaries accordingly to maintain wage equity across all chemical manufacturing operations.

Quantitative Targets

HPL sets 2024 as the Baseline for tracking our living wage compliance and employee compensation performance across our polymer additives and specialty chemicals operations.

Living Wage Implementation:

- Ensure 100% of internal employees and contract workers are paid a living wage by 2027.
- Conduct annual reviews of wage structures to ensure they reflect the cost of living and inflation rates in Haryana and Punjab regions, prioritizing chemical production units in the first phase of implementation.

Wage Equity and Gender Pay Parity:

- Achieve 100% gender pay parity across all internal employees and contract workers by 2027.
- Ensure that no wage gaps exist based on gender, race, or any other discriminatory factors by conducting regular pay audits across all four manufacturing facilities.

Supplier and Contractor Compliance:

- By 2027, ensure that 100% of high-priority suppliers and contractors engaged by HPL in chemical raw materials and services comply with living wage standards.
- Conduct annual audits of high-risk suppliers in our polymer additives supply chain to ensure compliance with fair wage policies.

Action Framework

- Annual Wage Reviews: HPL shall conduct annual wage reviews to assess whether internal employees and contract workers in selected business units are earning a living wage. These reviews will take into



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account local living costs in Faridabad and Derabassi areas, inflation rates, and economic conditions affecting the chemical manufacturing sector.

- Pay Audits: Regular pay equity audits will be conducted to ensure that there are no gender or race-based wage disparities among internal employees and contract workers across all chemical production facilities. Any discrepancies found will be corrected immediately, and the results will be shared with management for continuous improvement.

- Supplier Code of Conduct: All suppliers and contractors involved in our chemical supply chain are required to adhere to HPL's Supplier Code of Conduct, which mandates that they pay their employees a living wage. Suppliers failing to meet these standards will be required to implement corrective actions or risk termination of contracts.

- Employee Feedback: HPL shall establish an open communication platform where employees and contract workers can report wage-related concerns, such as inequity or unfair compensation. This will allow the company to address issues proactively and ensure wage policies are being upheld across all manufacturing operations.

Roles and Responsibilities

- Human Resources Department: Responsible for ensuring the implementation of the living wage policy, conducting wage reviews, and overseeing compliance with wage equity standards for employees and contract workers in all applicable business units across Faridabad and Derabassi facilities.

- Compliance Team: The compliance team will conduct regular audits of suppliers and contractors in our chemical supply chain to ensure they adhere to living wage standards and uphold fair labor practices consistent with chemical industry standards.

- Plant Managers and Supervisors: Responsible for ensuring that all employees and contract workers under their supervision in chemical production, quality control, and R&D operations are paid fairly and that wage policies are adhered to. They will also ensure that any wage-related issues raised by employees are addressed promptly.

- Suppliers and Contractors: Suppliers and contractors involved in polymer additives and specialty chemicals operations must adhere to HPL's living wage standards and are required to provide transparent wage data for their employees. HPL will conduct annual audits to ensure compliance.

Monitoring and Reporting

- Annual Living Wage Report: HPL will publish an annual living wage report detailing the company's progress toward meeting its living wage goals for internal employees and contract workers across all chemical manufacturing facilities. This report will include wage review results, pay equity audit findings, and supplier compliance data.



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- Employee Feedback and Surveys: HPL will conduct regular employee surveys to gauge employee satisfaction with their wages and benefits across all manufacturing locations. Feedback from these surveys will be used to inform wage reviews and policy adjustments specific to chemical industry requirements.

- Supplier Audits: HPL's compliance team will conduct annual audits of high-priority suppliers and contractors in our polymer additives supply chain to ensure that they are paying their workers a living wage. Any non-compliance will result in immediate corrective actions or termination of contracts.

Communication and Transparency

- HPL's Living Wage Policy will be made publicly available on the company website and communicated to all employees and contract workers through employee handbooks, newsletters, and training sessions conducted at all manufacturing facilities.
- HPL will engage with suppliers and contractors involved in chemical raw materials and services to ensure they fully understand the living wage requirements and are supported in meeting these standards. This includes providing training on wage equity and human rights specific to the chemical manufacturing industry.

Continuous Improvement

HPL is committed to continuously improving its wage practices to ensure that all employees, contract workers, suppliers, and contractors receive fair compensation. Our living wage strategy will roll out in phases across the business units and manufacturing facilities, with the goal of full implementation by 2027.

We will regularly update this policy to reflect changes in local living standards in Haryana and Punjab, inflation, and market conditions affecting the polymer additives and specialty chemicals industry. Our goal is to set a benchmark for fair wages in the chemical manufacturing sector and ensure that every worker is treated with dignity and respect.

As a leader in polymer additives with over 60 years of excellence and 75% market share in India, HPL recognizes our responsibility to promote ethical labor practices that support sustainable development and community prosperity.

SDGs (Sustainable Development Goals) Covered in the Living Wage Policy :

- **SDG 1** (No Poverty),
- **SDG 5** (Gender Equality),
- **SDG 8** (Decent Work & Economic Growth).



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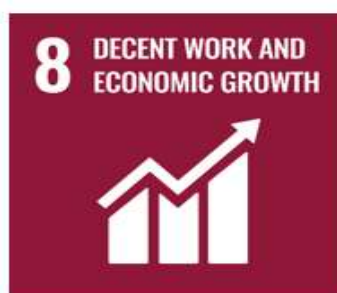
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Review

This Policy will be reviewed annually by the Board of Directors. This review will assess progress towards meeting the outlined targets, evaluate the effectiveness of the policy across all chemical manufacturing operations, and ensure alignment with evolving legal requirements and best practices in labor rights within the chemical industry.

Any necessary adjustments will be communicated to all employees, contract workers, suppliers, and partners involved in HPL's polymer additives and specialty chemicals operations.

(Umesh Anand)
Managing Director



Date: Tuesday, 1st April, 2025

Place: Faridabad, Haryana, India



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Employee Acknowledgement - Living Wage Practices Policy

I acknowledge that I have received, read, and understood HPL Additives Limited's Living Wage Practices Policy. I understand my responsibilities to uphold these standards, including compliance with applicable laws, respectful conduct, and prompt reporting of concerns without fear of retaliation.

Employee Name: Bishan Singh Rawat

Employee Signature: Bishan Date: 03-04-2025