

TCFD REPORT 2025-26



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Himadri Speciality Chemical Ltd



Contents

Introduction	
Purpose Of This Report	4
Reporting Boundary	4
Reporting Frameworks	4
About Himadri Speciality Chemical Ltd	6
Transition To Ifrs S2 Following The Incorporation Of The Tcfd Into The Issb	6
Leadership Message	
Message From The Cmd & Ceo	8
Message From Chief Sustainability Officer (Cso)	10
Creating Value Through Climate Leadership	12
Our Position On Climate Change	12
Climate at a Glance	
Climate Highlights	14
Himadri's Roadmap: Net-Zero Target By 2050	16

Governance	
Driving Climate Leadership Through Responsible Governance	20
Board Oversight	20
Management Level Oversight	26
Our Risk Management Committee	32
Our Policies	34
Executive Remuneration Linked To Climate Kpis	36
Board Competency And Training	37
Strategy	
Our Integrated Climate Strategy	40
Double Materiality As A Strategy	41
Impact On Business Areas	42



Risk Management	
Risk Management As A Competitive Advantage At Himadri	45
Components Of Our Erm Framework	45
Identification Of Climate-Related Risks	47
Climate Scenario Analysis As An Input To Risk Identification	47
Climate Risk Assessment Methodology	50
Transition Risk Overview: Adapting To A Low-Carbon Economy	54
Impacts Of Climate-Related Risks & Opportunities	55
Risk Mitigation In Action – Measures Implemented / Identified Through The Company's Climate Risk Assessment	68

Metrics and Targets	
Energy Management	72
Ghg Emissions And Emission Intensity	73
Water Stewardship	74
Waste Recycling	74
Air Emissions And Environmental Performance	75
TCFD IFRS-S2 Cross Mapping Index	
Assurance Statement	
Annexures	
List Of Abbreviations	86
List Of Tables	87
List Of Figures	87

Introduction



Purpose of this Report

This Climate-related Financial Disclosure for the period of 1 April 2025 to 31 March 2026 presents Himadri Speciality Chemical Ltd's approach in identifying, managing, and governing climate-related risks and opportunities that could reasonably be expected to impact the Company's strategy, business model, financial performance and long-term enterprise value. As the Company continues to strengthen its position in speciality chemicals, advanced materials and new energy materials, climate related considerations have become an integral part of strategic decision-making. Our investments in operational efficiency, resource optimisation, circular economy initiatives and next-generation products reflect our commitment to creating long-term value while supporting the transition towards a low-carbon economy.



Reporting Boundary

The disclosures contained in this report cover Himadri Speciality Chemical Ltd and all entities included within the Company's financial reporting boundary using the operational control approach for environmental reporting. This report encompasses our operations in India.



Reporting Frameworks

This report has been prepared with reference to internationally recognised climate disclosure frameworks, including:



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India





THE REPORT HAS BEEN STRUCTURED PRIMARILY AROUND
THE FOUR CORE PILLARS
 OF IFRS S2 AND TCFD:



GOVERNANCE



STRATEGY



**RISK
MANAGEMENT**



**METRICS &
TARGETS**

About HIMADRI SPECIALITY CHEMICAL LTD

Himadri is a global speciality solutions company built on decades of deep material science expertise and a strong culture of innovation. Having evolved significantly beyond its carbon chemistry roots, Himadri today delivers high-value, differentiated solutions across lithium-ion batteries, paints, plastics, coatings, conductive cables & wires, EVs tyres, aluminium, defence, agrochemicals and construction chemicals with its products trusted across 61 countries. As a pioneer in lithium-ion battery materials, Himadri is strategically positioned within the global energy transition landscape. With 7 zero-liquid discharge manufacturing facilities, in-house clean power meeting 100% of its electrical energy requirements, and a people-first culture supported by strong in-house R&D capabilities, the Company has undertaken a deliberate transformation from commodities to specialised solutions and from scale to value-led growth. Today, Himadri stands at the cusp of massive value creation.

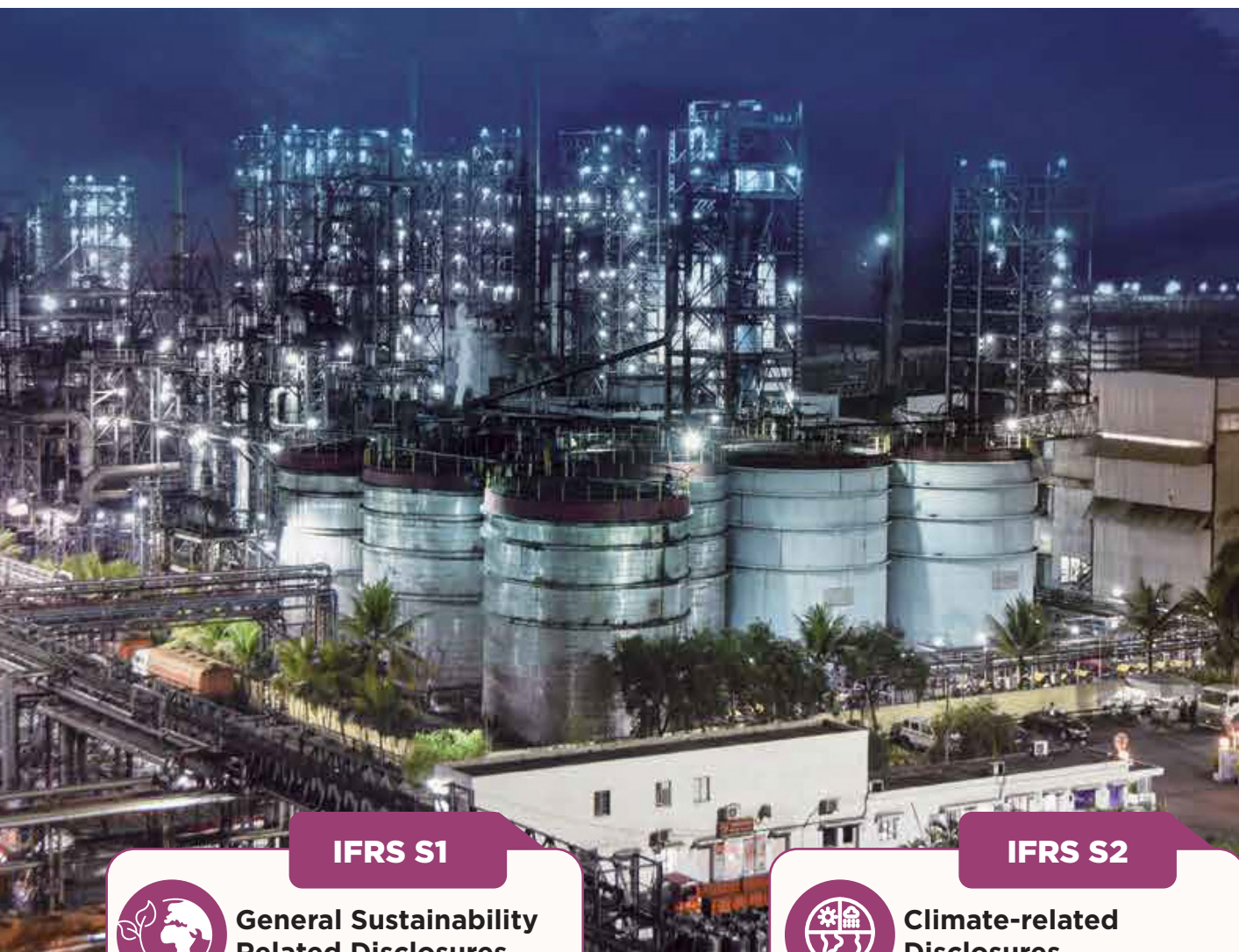
For more details about the Company please read our **Annual Report FY25-26**.

TRANSITION TO IFRS S1 AND IFRS S2

Following the incorporation of the TCFD into the ISSB

Following the consolidation of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) into the International Sustainability Standards Board (ISSB) framework, Himadri is progressively transitioning its sustainability reporting to align with **International Financial Reporting Standards (IFRS) S1 – General Requirements for Disclosure of Sustainability-related Financial Information** and **IFRS S2 – Climate-related Disclosures**. While retaining the four foundational pillars of governance, strategy, risk management, and metrics & targets established by the TCFD, IFRS S1 and IFRS S2 introduce enhanced requirements for reporting sustainability and climate-related risks and opportunities that could reasonably be expected to affect the Company's enterprise value. This report represents an important step in Himadri's reporting journey, strengthening the integration of climate-related considerations with financial reporting and providing investors and other stakeholders with more consistent, comparable, and decision-useful climate-related financial information aligned with global best practices.





IFRS S1



General Sustainability Related Disclosures

- Provides a framework for reporting sustainability-related risks and opportunities.
- Covers governance, strategy, risk management, and metrics.
- Applies across all sustainability topics.
- Focuses on information relevant to enterprise value.



IFRS S2



Climate-related Disclosures

- Builds on IFRS S1 with climate-specific requirements.
- Aligned with the four pillars of the TCFD framework.
- Addresses climate risks, opportunities, scenario analysis and transition planning.
- Issued by the ISSB in June 2023.

As we advance into 2026, our commitment to climate-related financial reporting remains steadfast. While the Task Force on Climate-related Financial Disclosures (TCFD) has concluded its work, we continue to adhere to the International Financial Reporting Standards (IFRS) S1 and S2 as a framework for our climate disclosures. Recognising the significance of these disclosures for our stakeholders, we endeavor to provide comprehensive and relevant information that aligns with the highest global standards.

Leadership Message

Message from the CMD & CEO

“

Climate leadership is about turning ambition into resilient, low-carbon growth. At Himadri, every investment we make today reflects our commitment to creating sustainable value for our stakeholders and shaping the industries of tomorrow.

”



The global economy is undergoing a profound transformation, shaped by climate change, technological disruption and the accelerating transition towards a low-carbon future. For companies operating in advanced materials and speciality chemicals, this transition brings significant responsibility and exceptional opportunities. At Himadri, we view climate action as a strategic imperative that strengthens competitiveness, drives innovation and creates enduring stakeholder value.

FY 2025-26 marked another defining year in our transformation journey. We delivered one of the strongest financial performances in the Company's history, with consolidated revenue of **Rs. 4,661 crores** and EBITDA exceeding **Rs. 1,000 crores**, alongside improved operating margins and continued capital efficiency. Our disciplined capital allocation, continued product integration and growing contribution from value-added businesses demonstrate how financial performance and sustainability can reinforce each other.

The industries we serve are evolving rapidly, with customers increasingly integrating climate-related performance, responsible sourcing and supply-chain transparency into their decisions. **Recognising this shift, over the last four years, we have integrated sustainability into our broader business strategy**, positioning it as an enabler of resilience, innovation

and growth. This progress has been recognised through **the EcoVadis Platinum Medal, placing Himadri among the top 1% of companies globally; CDP 'B' Ratings for Climate Change and Water Security; a CDP 'A' Rating for Supplier Engagement; and an ICRA ESG Combined Rating of 82 (Exceptional).**

Our strategy connects our capabilities with the opportunities emerging from this transition. From **advanced battery materials supporting electric mobility and energy storage to circular economy and resource-recovery initiatives, clean energy solutions and speciality agrochemical applications**, we are building a diversified portfolio aligned with evolving global needs. Our focus on circularity further enables us to transform resources into value.

As we look ahead, we remain committed to embed climate-related considerations into strategic planning, capital investment, enterprise risk management and innovation. By combining financial discipline with forward-looking innovation, resource efficiency and responsible growth, **Himadri is building a resilient, opportunity-led portfolio positioned to create sustainable value for stakeholders and enable the industries of tomorrow.**

Mr. Anurag Choudhary
CMD & CEO

Message from

Chief Sustainability Officer (CSO)



Our climate journey is driven by disciplined governance, measurable action and transparent disclosure. By embedding climate - related considerations into strategy, risk management and operational decision-making, we are strengthening Himadri's resilience while creating sustainable value for all stakeholders.



FY 2025-26 has been a year of significant progress in advancing Himadri's sustainability and climate agenda. Building on our long-term commitment to responsible growth, we continue to strengthen our environmental performance while enhancing the governance systems, management processes and accountability mechanisms that underpin our sustainability journey. During the year, we achieved a 38.18% reduction in Scope 1 emission intensity, a 17.17% reduction in Scope 3 emissions intensity, reduced energy intensity by 19.31%, reduced water intensity by 27.41%, maintained 100% Zero Liquid Discharge operations, and recycled 99.88% of waste. These achievements demonstrate that operational excellence and environmental

stewardship can complement each other. Our sustainability performance also received strong external validation during the year.

This year also marked an important milestone in our institutional evolution through the launch of Himadri's renewed Vision, Mission and CARE Values. These are more than guiding statements—they establish sustainability, innovation, ethical leadership and stakeholder value creation as the core principles guiding every strategic decision. As our business expands into advanced materials and next-generation technologies, climate resilience remains deeply integrated into our investment decisions, innovation roadmap, digital transformation initiatives and enterprise risk management framework.

Beyond governance, our focus remains firmly on execution. Across our operations, we continue to invest in energy efficiency, digital energy management, waste heat recovery, fuel optimisation, circular economy practices and responsible water management. We are also expanding sustainability engagement across the value chain by strengthening supplier assessments, collaborating with customers on low-carbon products

and embedding ESG principles into procurement and product stewardship. These initiatives not only reduce environmental footprint but also enhance operational resilience, resource efficiency and customer value.

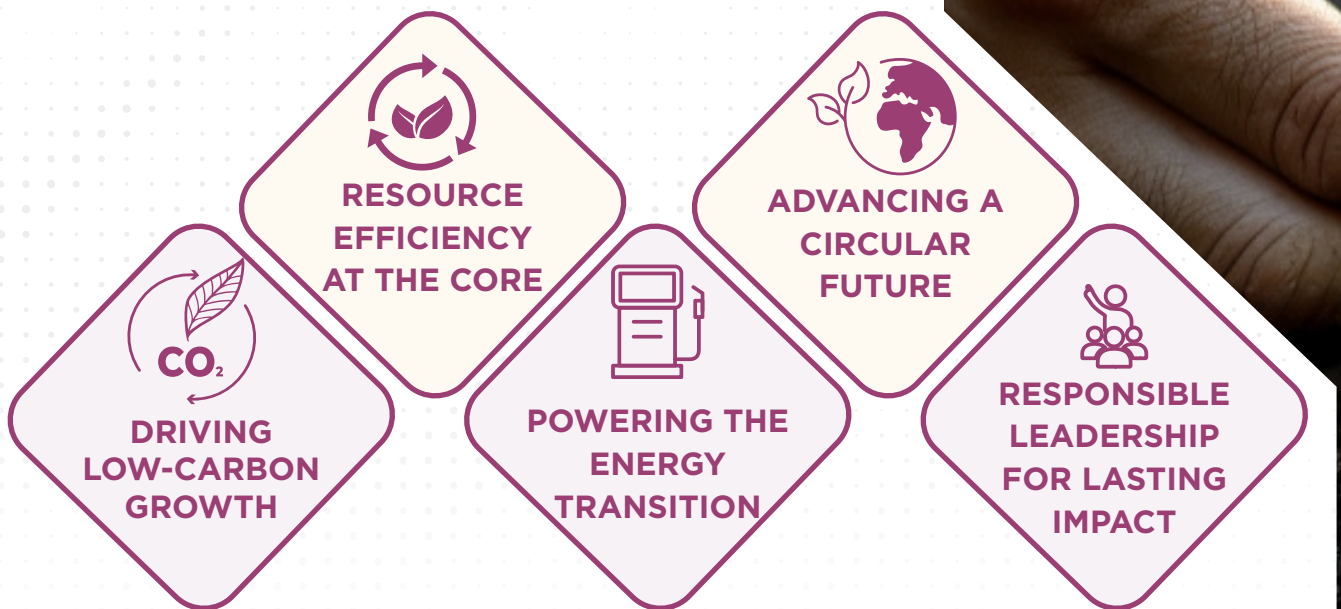
This report demonstrates how climate-related considerations have become an integral part of the way Himadri governs its business, manages risk and creates long-term value. While our journey continues, we remain committed to transparency, accountability and continuous improvement as we build a more resilient, responsible and future-ready organisation.

Looking ahead, we believe the greatest opportunities will belong to organisations capable of delivering solutions that accelerate industrial decarbonisation while maintaining operational resilience and financial discipline. Himadri's portfolio—including advanced materials, speciality carbon black, battery materials and sustainable speciality solutions—is increasingly enabling cleaner mobility, renewable energy integration, circular economy applications and resource-efficient manufacturing across global industries.

Dr. Avijit Sasmal
Chief Sustainability Officer (CSO)

Creating Value Through Climate Leadership

Climate resilience continues to be embedded within Himadri's long-term growth strategy. During FY 2025-26, the Company accelerated its transition toward a lower-carbon and resource-efficient business model while expanding its portfolio of advanced speciality materials supporting energy transition, battery materials and circular economy applications.



Our Position on Climate Change

At Himadri, we believe that the transition to a more sustainable future presents one of the greatest opportunities to redefine how industries innovate, grow and create value. As the world advances towards cleaner technologies, responsible manufacturing and resilient business models, we are committed to drive this transformation through purpose-driven innovation, operational excellence and responsible leadership.

Our renewed Vision and Mission reflect this ambition. We aspire to build a pioneering institution that transforms possibilities into lasting value by empowering people, fostering breakthrough innovations and embedding sustainability into every aspect of our business. Climate-related considerations are therefore not viewed as a standalone sustainability initiative, but as an integral part of how we make decisions, strengthen resilience and deliver long-term value for our stakeholders.



**ENHANCE
EFFICIENCY**



**ADOPT CLEANER
TECHNOLOGIES**



**STRENGTHEN
RESILIENCE**

This commitment is reflected in the way we operate today. We continuously enhance energy and resource efficiency, accelerate the adoption of cleaner technologies, strengthen climate resilience across our operations and advance innovative solutions that support the global energy transition. By integrating climate-related considerations into our strategy, governance and innovation agenda, we are building a business that is better prepared for tomorrow while creating positive outcomes for our customers, communities and the environment.

Climate at a Glance

Climate Highlights

As we continue this journey, our focus remains on translating ambition into measurable action. The following section highlights the progress we have made during FY 2025-26 and demonstrates how our climate strategy is contributing to sustainable value creation across the organisation.

CLIMATE HIGHLIGHTS DASHBOARD

Our progress in FY 25-26

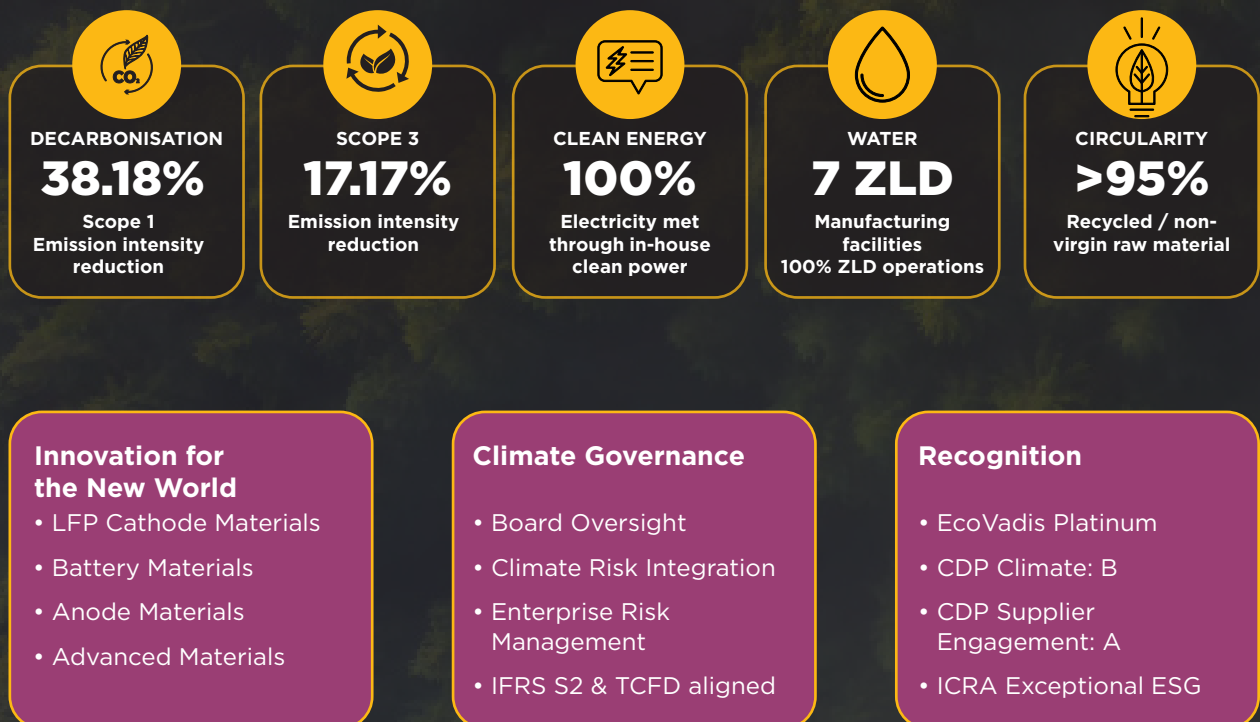


Figure 1 Climate Highlights Dashboard



Net-Zero BY 2050

Climate integrated | Resilient operations |
Innovation-led growth

HIMADRI'S ROADMAP: Net-Zero TARGET BY 2050

Himadri is committed to achieving Net-Zero greenhouse gas emissions by 2050, underpinned by a science-based and phased decarbonisation roadmap that balances sustainable growth with climate resilience. The Company's strategy focuses on reducing Scope 1 emissions through process optimisation, energy efficiency, fuel diversification, carbon capture and utilisation, and increased adoption of renewable and low-carbon energy, while addressing Scope 3 emissions through sustainable procurement, circular economy initiatives, logistics optimisation, and collaboration across the value chain. Guided by the Science Based Targets initiative (SBTi) methodology, Himadri's transition pathway is supported by investments in clean technologies, innovation in low-carbon products, and continuous integration of climate-related considerations into business strategy and capital allocation. With Board-level oversight and regular monitoring of progress, the Net-Zero strategy reflects Himadri's long-term commitment to creating sustainable value while contributing to a low-carbon future.

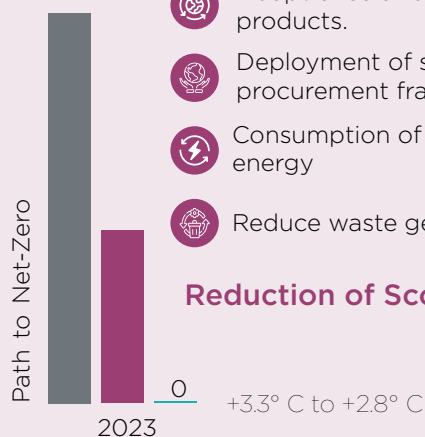
Achieve (2023 to 2030)

-  Reduction of packaging emissions
-  Reduction of upstream and downstream emission
-  Lowering the customer's carbon footprint through novel products
-  Science based offset, pilot projects.
-  Focus on adding renewable energy source
-  Deployment of sustainable procurement framework

Reduction of Scope 3 by 20%

-  Introduction of fuel diversification/greener technologies
-  Capture and convert carbon emissions
-  Recycling initiatives
-  Adapt circular economy products.
-  Deployment of sustainable procurement framework.
-  Consumption of renewable energy
-  Reduce waste generated

Reduction of Scope 1 by 30 %



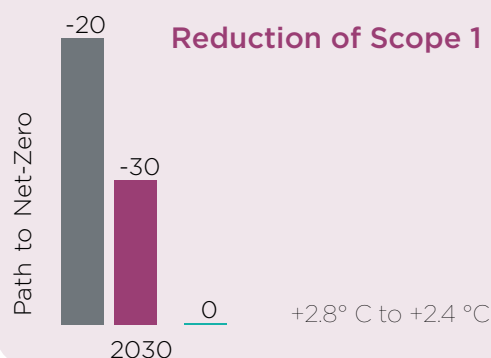
Accelerate (2030 to 2040)

-  Elimination of virgin plastic in packaging by 100%
-  Reduction of freight emission by 50%
-  Science based off-set, broadening horizon of successful pilot projects.
-  Reinforcing sustainable procurement framework to make it more effective & efficient.

Reduction of Scope 3 by 40%

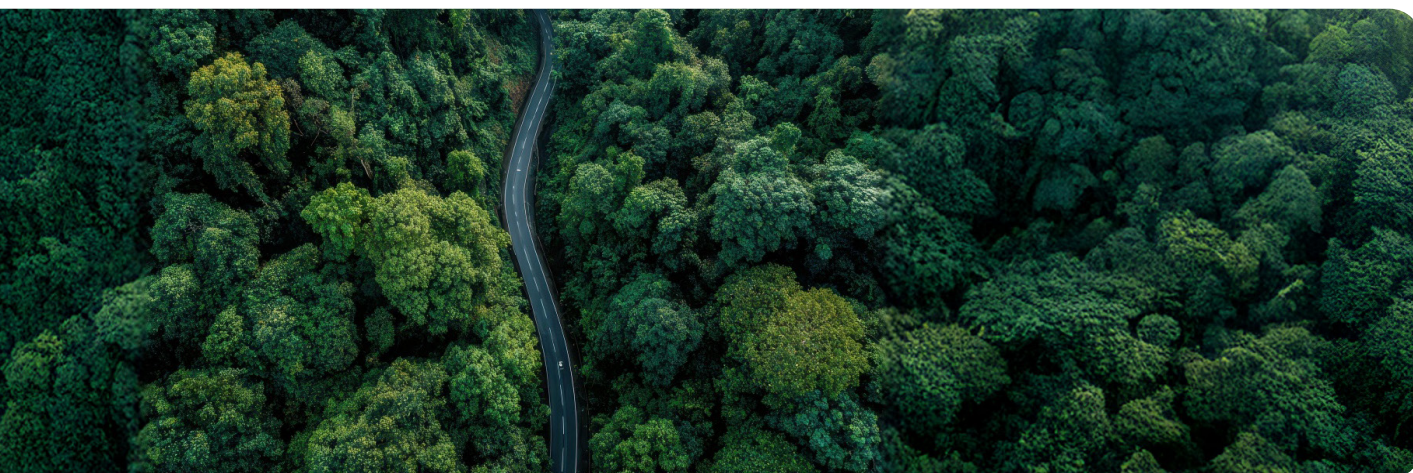
-  Consumption of new generations/ carbon neutral fuels.
-  100% electrification of our operations
-  Consumption of recycled packaging materials by 50%.
-  Carbon removal projects
-  Consumption of renewable thermal energy

Reduction of Scope 1 by 30%



■ Scope 3: Baseline Year 2023 (FY 23-24)
 ■ Scope 1: Baseline Year 2021 (FY 21-22)
 ■ Scope 2: Baseline Year 2021 (FY 21-22)

Figure 2: Himadri's path to Net-Zero



Scale (2040 to 2050)

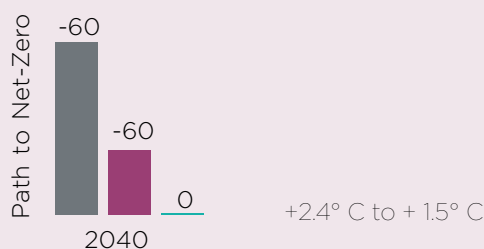
Assumption: India will have a regulated carbon market with high tax imposed on conventional Fuel & PLI for clean fuel and technologies

- Scale successful science based offset projects.
- Zero tolerance on sustainable procurement framework and collaboration with value chain partners.

Reduction of Scope 3 by 30%

- Scale carbon capture and utilisation
- Scale renewable thermal energy consumption
- Scale usage of owned recycled plastics as packaging material
- Scale recycled and upcycled raw material input
- Scale usage of renewable fuels and energy for transportation

Reduction of Scope 1 by 30%

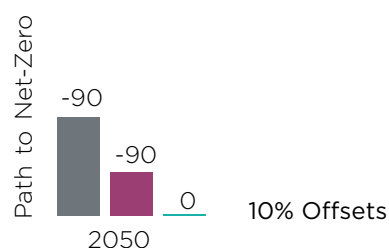


Source Note:

Scope 1, 2 and 3 targets include science-based projects aligning SBTi tools and MIT-Sloan to En-ROADS climate simulator. SBTi, Absolute Contraction Approach has been applied to freeze the target against the baseline.



TOGETHER TOWARDS TOMORROW



NET-ZERO TRANSITION PLAN

We have established a transition plan to align our business with global Net-Zero goals and 2015 Paris Agreement pathway of limiting warming to 1.5°C. Our Net-Zero 2050 strategy is embedded in the environmental approach, decoupling growth from impact through energy efficiency, clean energy adoption, circular economy integration and process innovation. We have set quantified investment targets, including capital allocations for resilient infrastructure and decarbonisation projects, to ensure progress towards our emission reduction goals.

OUR EMISSIONS COVERAGE



SCOPE 1

Direct emissions from our operations. Managed through efficiency improvements, fuel switching and process innovation.



SCOPE 2

Indirect emissions from purchased energy. Addressed through renewable energy adoption and energy management.



SCOPE 3

All other indirect emissions across the value chain. Addressed through supplier engagement, collaboration and circular economy initiatives.

We actively engage with stakeholders across our value chain, industry peers and regulatory bodies to strengthen resilience and ensure alignment with evolving climate expectations. We also assess the social implications of our transition, prioritising workforce safety, community adaptation and long-term business continuity.

Governance

Driving Climate Leadership Through Responsible Governance

At Himadri, governance is the cornerstone of our approach to managing climate-related risks and opportunities. Guided by our Vision of building a pioneering institution and our Mission to responsibly create sustainable value for all stakeholders, climate-related considerations are embedded into strategic decision-making, innovation, capital allocation and enterprise risk management. Climate-related priorities are integrated into the way we plan, invest and grow, ensuring that resilience and responsible value creation remain central to our long-term strategy.



Purpose

Provides strategic oversight of climate and sustainability and advises the Board on emerging risks, opportunities and long-term value creation.



Key Responsibilities

- Climate strategy
- Net-Zero & SBTi
- ESG policies
- Climate disclosures
- Performance review
- Stakeholder transparency



Oversight Areas

- Climate change
- Health & Safety
- Human Rights
- Ethics
- Responsible sourcing
- Product stewardship

BOARD OVERSIGHT

The Board of Directors plays a pivotal role in defining Himadri's ESG vision. Climate change is not treated as a peripheral concern, it is recognised as a central governance priority. Discussions on climate risks and opportunities are integral to deliberations on strategy, financial planning, capital deployment, scenario analyses, and enterprise risk management.

The Board brings together diverse expertise in finance, governance, environmental management, and public policy. This depth of knowledge allows the Board to:

Anticipate and respond to emerging climate-related risks and opportunities.

Integrate climate science, regulatory developments, and stakeholder expectations into strategic decisions.

Direct resources and capital toward building climate resilience and fostering green growth.

Ensure alignment with global frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD) and India's national climate commitments

By drawing on external expertise and global best practices, the Board ensures that Himadri's climate strategy remains forward-looking and resilient.



The Board has constituted various committees as mandated under the Act and the SEBI Listing Regulations to function in specific areas and to take informed decisions within delegated powers. Each Committee exercises its functions within the scope and area as defined in its constitution guidelines. The Company Secretary & Compliance Officer acts as the Secretary to all the Committees of the Board. These Committees are constituted in accordance with the SEBI Listing Regulations and the Act and are listed below:

BOARD OF DIRECTORS

STATUTORY COMMITTEES



Mandatory Committees

- Audit Committee
- Nomination & Remuneration Committee
- Risk Management Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee

Company Secretary and Compliance Officer - Secretary to all Board Committees

OTHER COMMITTEES



Strategic & Functional Committees

- Environment, Social & Governance (ESG) Committee
- Strategy & Investment Committee
- Finance & Management Committee
- Project Committee
- Commodity Committee
- Share Transfer Committee
- Share Issue & Allotment Committee
- Internal Complaints Committee

The Board-level ESG Committee represents the fulcrum of Himadri's sustainability governance. Comprising the CMD & CEO and selected Directors with diverse functional expertise, the Committee provides strategic direction and ensures the effective operationalisation of ESG priorities.

The Committee's composition enables an integrated approach to decision-making, by combining strategic foresight with practical insights. Recognising the complexity and evolving nature of ESG issues, the Committee draws upon Directors' expertise in finance, public policy, climate science and governance to shape and strengthen Himadri's climate and sustainability agenda.

KEY RESPONSIBILITIES

-  Providing strategic direction on ESG and climate priorities.
-  Advising the Board on regulatory developments and global sustainability trends.
-  Evaluating short-, medium- and long-term ESG targets, including Net-Zero goals.
-  Reviewing progress against targets and recommending appropriate corrective measures.
-  Promoting advocacy, transparency and public engagement on ESG matters.
-  Embedding a strong sustainability culture through active workforce and stakeholder engagement.



STRATEGIC ACCOUNTABILITY AND INCENTIVISED LEADERSHIP

To ensure accountability, the ESG Committee evaluates and approves ESG-linked Key Performance Indicators (KPIs) for Directors and senior executives. These KPIs are integrated into the Long-Term Incentive Plan (LTIP), linking 10%

of base salary directly to ESG performance. This linkage reflects the Board's commitment to aligning executive accountability with sustainability outcomes. Performance is assessed using a balanced scorecard framework, integrating

external benchmarks, internal targets, and qualitative insights. During FY 2025-26, the Board also approved a structured ESG-linked incentive policy, reinforcing its focus on harmonising business success with environmental and social priorities.

SPECIALISED COMMITTEES STRENGTHENING OVERSIGHT

The ESG Committee's efforts are reinforced by specialised Board committees, which provide targeted oversight and strengthen governance:

- **Corporate Social Responsibility Committee (CSRC):** Drives social development and community engagement programmes.

- **Stakeholder Relationship Committee (SRC):** Ensures transparent communication and responsiveness to stakeholder concerns.

- **Risk Management Committee (RMC):** Monitors enterprise risks, including those linked to climate change and ESG.

- **Nomination and Remuneration Committee (NRC):** Aligns executive compensation with ESG objectives and long-term priorities.

Together, these committees create a holistic governance architecture, embedding responsibility, transparency and continuous improvement across the organisation.

Table 1 - Board Focus Areas and Governance Outcomes - FY 2025-26

Board Focus Area	FY25-26 Governance Outcome
Climate Governance	Strengthened Board oversight of climate, ESG and CSR matters
Enterprise Risk	Integrated climate and ESG risks into the ERM framework
Business Ethics	Zero reported corruption, bribery or ethical violations
Governance Capability	100% ESG, ethics and compliance training coverage
Supply Chain Governance	Expanded ESG assessments and Supplier Code of Conduct implementation
Compliance	Continued alignment with ISO 37001: 2016 Anti-Bribery Management System
Transparency	Strengthened governance supporting sustainability disclosures

Governance at Himadri is not an adjunct; it is the driver of resilient growth, innovation, and stakeholder trust. By placing ESG at the core of decision-making, the Board and leadership ensure that sustainability is not just integrated into strategy but also defined. As global ESG expectations evolve, Himadri's governance model is designed to adapt with foresight and purpose. The active involvement of the Board, the rigour of the ESG Committee, and the support of specialised committees together anchor our ambition to become a climate-conscious, ethical, and future-ready organisation.



SUSTAINABILITY GOVERNANCE

FUNCTIONARIES

- Holds accountability and oversight for all sustainability matters
- Oversees sustainability strategies and initiatives
- Outlines the main targets, reviews performance and progress
- Approves Group sustainability related policies
- Receives reports from CSO on sustainability initiatives
- Monitors Group progress against sustainability objectives
- Communicates with regulatory bodies, internal and external stakeholders with transparency

FUNCTIONARIES

- Oversees major elements of sustainability matters
- Deploys initiatives to further the Company's sustainability aspirations
- Monitors sustainability activities and operations
- Preparation and publication of the Company's sustainability reports
- Reports to the Sustainability Committee at Board
- Issues disclosures in accordance with global and national practices

ESG Committee At Board



Mr. Anurag Choudhary
Chairman-cum-Managing Director and CEO



Mr. Amit Choudhary
Executive Director



Mr. Amitabh Srivastava
Independent Director

Chairman-cum-Managing Director
and Chief Executive Officer

ESG COUNCIL

- CMD & CEO
- Executive Director
- Chief Financial Officer (CFO)
- Chief Sustainability Officer (CSO)
- Business President, New Energy Materials Division
- Business President, Carbon Black Division
- Business President, Coal Tar Division
- Business President, Treated Black Division
- Executive Vice President, Tyre & Strategy
- Sr. Vice President, Sales & Marketing
- Vice President, Human Resource
- Company Secretary and Compliance Officer

OVERSIGHT AND ACCOUNTABILITY

- Culture and values
- Human rights
- Health & safety
- Climate change
- Product quality and quality performance
- Gender diversity
- Anti-bribery and Anti-corruption
- Environmental matters
- Biodiversity
- Talent management
- Supply chain / responsible sourcing

OVERSIGHT AND ACCOUNTABILITY

- Oversees the Sustainability (ESG) Steering Committee
- Monitors the overall progress on the Company's sustainability metrics and targets
- Assists the Sustainability Committee at Board in assessing the implications of long-term climate-related risks and opportunities
- Assists the Sustainability Committee at Board in elaborating strategies and setting priorities

Figure 3 - Sustainability Governance Structure



MANAGEMENT LEVEL OVERSIGHT

The ESG Council

The ESG Council is the central engine that translates the Board's climate strategy into action across the organisation. Acting as a bridge between strategy and execution, it ensures climate-related considerations are embedded in daily operations, decision-making and performance management.

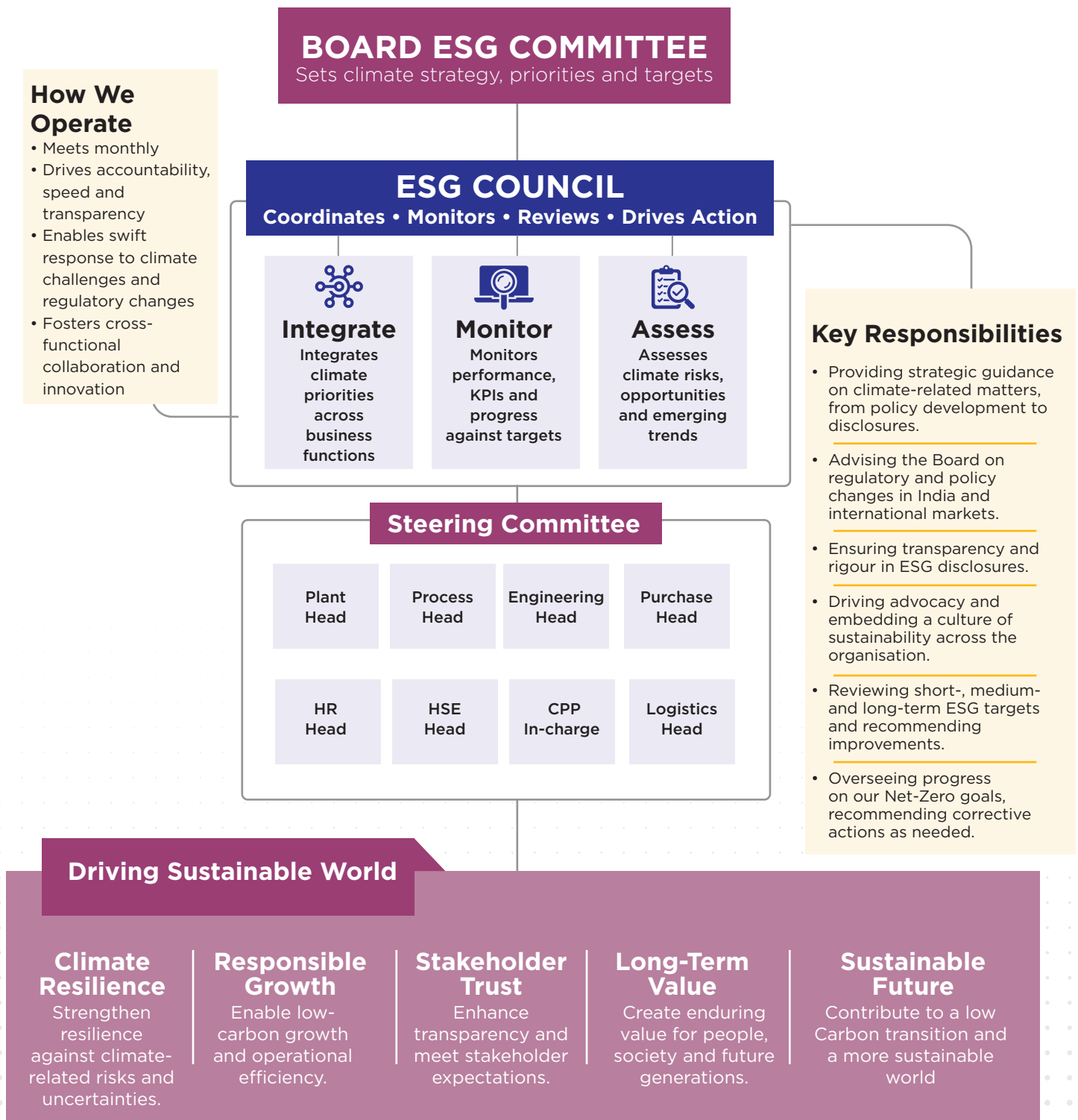


Figure 4 - Management-level ESG Council and Sustainability Steering Committee

STEERING COMMITTEE

To embed climate-related considerations into day-to-day business operations, Himadri has established **Sustainability Steering Committees (SSCs)** across its business divisions. Operating under the strategic direction of the Chief Sustainability Officer (CSO), the SSCs translate the Company's sustainability strategy into coordinated operational action, ensuring that climate-related priorities are integrated across manufacturing sites, business functions and decision-making processes.

At the apex of this governance structure, the Sustainability Steering Committee provides enterprise-wide coordination, working closely with business leaders, functional teams and relevant stakeholders to drive implementation of the Company's sustainability roadmap. The Committee is responsible for:

- Overseeing the execution of enterprise-wide sustainability and climate-related priorities.
- Monitoring performance against sustainability and climate-related KPIs across business units.
- Reviewing implementation progress and reporting key developments to the ESG Committee and the Board.
- Facilitating cross-functional collaboration to strengthen operational consistency, knowledge sharing and continuous improvement.
- Promoting innovation and identifying opportunities to

enhance environmental performance and long-term business resilience.

Supporting the Central Committee, Division-level Sustainability Steering Committees are responsible for implementing site-specific action plans aligned with the Company's strategic objectives. Their responsibilities include:

- Developing and implementing site-level sustainability roadmaps.
- Driving initiatives relating to greenhouse gas emissions, energy, water, waste and circular economy practices.
- Monitoring climate-related risks, opportunities and operational performance at the facility level.
- Building organisational capability through training, awareness and workforce engagement programmes.
- Escalating material risks, performance updates and lessons learned to the Central Sustainability Steering Committee for review and action.

This coordinated governance framework enables climate-related priorities to be embedded across operational and strategic decision-making, strengthening accountability, enhancing enterprise-wide collaboration and supporting Himadri's long-term resilience and sustainable value creation.

AGILE EXECUTION:

ESG TASK FORCES

Recognising the need for agility, Himadri has also constituted dedicated ESG Task Forces. These cross-functional teams are designed to deliver on specific priorities with precision and accountability. Each Task Force is led by a senior leader and brings together members from relevant departments, ensuring interdepartmental collaboration. Operating under the oversight of the ESG Council, Task Forces translate strategy into focused interventions aligned with global frameworks and enterprise ESG goals. Their work spans themes such as energy transition, sustainable procurement, waste management, and climate disclosures.



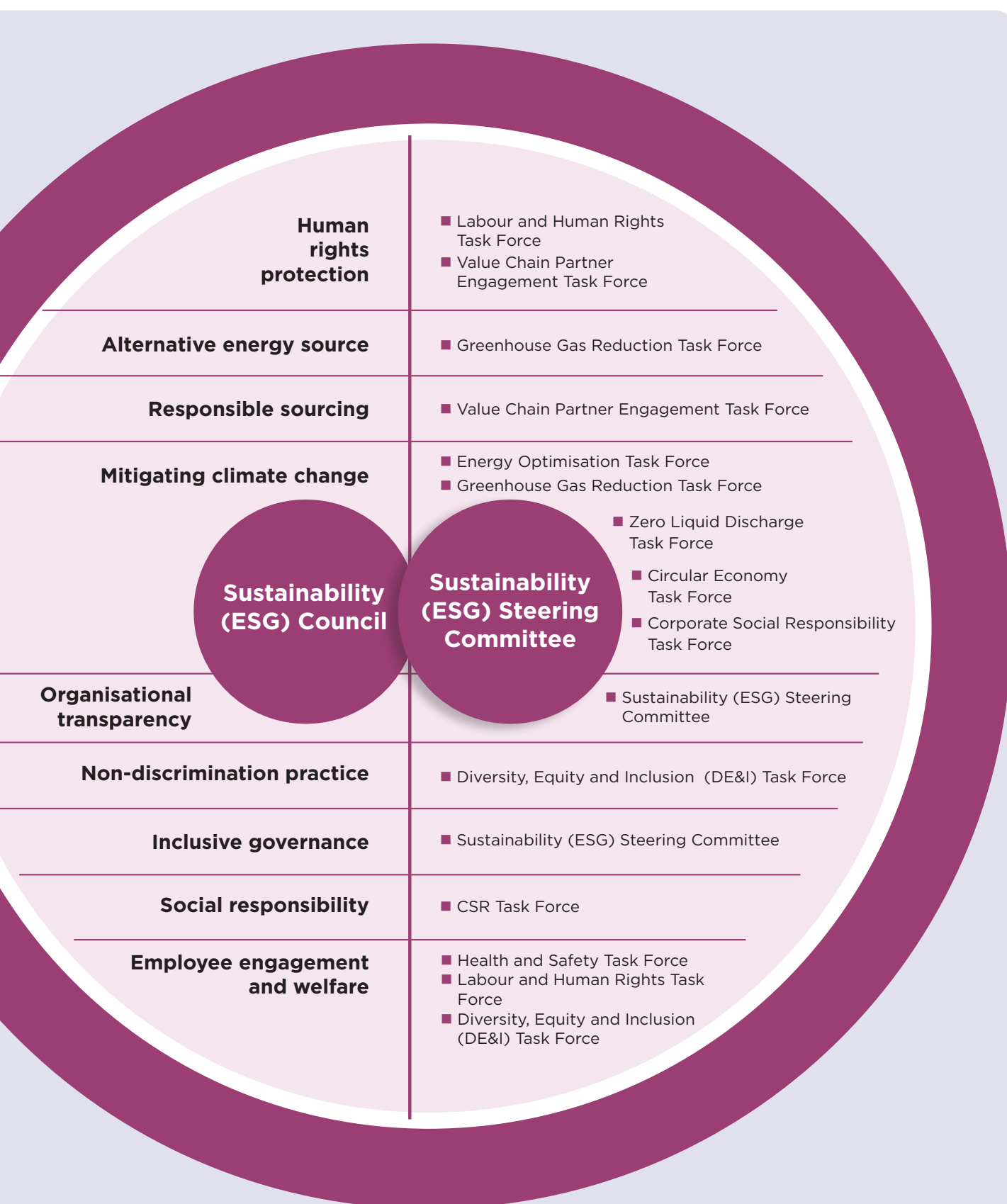


Figure 5 - ESG Task Forces - Agile Execution

STRATEGIC MANDATE & ROLES OF ESG TASK FORCES



TARGETED EXECUTION

Converting sustainability strategies into actionable initiatives.



DATA-DRIVEN MONITORING

Collecting and analysing data to support informed decisions.

ESG TASK FORCES | Senior-led cross-functional teams translating priorities into measurable action

Key Task Forces | FY 25-26

GHG EMISSION REDUCTION

- Oversees decarbonisation projects such as carbon capture, renewable energy and electrified logistics.
- Tracks Scope 1, 2 and 3 emissions and recommends reduction pathways in line with SBTi.

WATER STEWARDSHIP

- Drives Zero Liquid Discharge (ZLD) and water conservation initiatives.
- Conducts water risk assessments and supports watershed regeneration.

SUSTAINABLE SUPPLY CHAIN

- Embeds ESG criteria into supplier assessment and onboarding.
- Strengthens transparency, traceability and supplier capacity building.

OCCUPATIONAL HEALTH & SAFETY

- Implements advanced safety systems and protocols.
- Pursues a Zero Accident Vision through training, audits and upgrades.

Figure 6 - Strategic Mandate and Roles of ESG Task Forces

STAKEHOLDER ENGAGEMENT



Partnering with value chain actors and local communities to deliver shared impact.

ENERGY TRANSITION

- Leads the adoption of clean fuels and renewable power.
- Develops capital expenditure plans for solar, energy storage and fuel diversification.

CIRCULAR ECONOMY

- Promotes waste valorisation, recycling and closed-loop systems.
- Encourages industrial symbiosis and use of secondary raw materials.

DIVERSITY, EQUITY & INCLUSION + HUMAN RIGHTS

- Strengthens DEI practices across all locations.
- Enforces Himadri's Human Rights Policy and monitors ethical labour standards.

STAKEHOLDER ENGAGEMENT

- Partners with value chain actors and local communities to deliver shared impact.
- Builds collaboration around priority ESG interventions.

OUR RISK MANAGEMENT COMMITTEE



The Company has embedded climate-related considerations within its Enterprise Risk Management (ERM) framework to support informed decision-making and sustainable growth.

The Risk Management Committee, constituted by the Board in accordance with the SEBI Listing Regulations, provides oversight of the Company's risk management framework and monitors the implementation of the Risk Management Policy. Working closely with the Board, the ESG Committee and senior management, the Committee ensures that climate-related, operational, financial and emerging sustainability risks are systematically identified, assessed, monitored and mitigated across the organisation.

Table 2: Key Challenges and Himadri's Proactive Response

Key challenges	Himadri's proactive response
Limited availability of granular climate data and uncertainty in projections	Continuous investment in localised climate data analysis, digital risk modelling tools, and AI-powered forecasting platforms
High capital and resource intensity of risk mitigation technologies	Internal alignment of sustainability budgets with risk priorities; pursuit of green financing, ESG-linked loans, and incentives
Fragmented climate action across sectors and value chains	Industry collaboration through forums, co-innovation platforms, supplier engagement, and cross-sector working groups
Need for internal cultural transformation and awareness across the organisation	Leadership alignment, capacity-building programs, and integration of climate KPIs into employee performance metrics

Key Responsibilities

The Risk Management Committee is responsible for:



Overseeing the Enterprise Risk Management (ERM) framework, including climate-related and ESG risks.



Reviewing the Company's risk appetite and monitoring emerging strategic, operational, financial, cyber and sustainability risks.



Evaluating the effectiveness of risk mitigation measures, internal controls and business continuity planning.



Monitoring the implementation and periodic review of the Risk Management Policy.



Reviewing non-financial risks, including climate-related risks and opportunities, and reporting significant matters to the Board.



Strengthening governance through periodic reviews of risk ownership, internal control systems and cross-functional risk management practices.



Coordinating with the Audit Committee and other Board Committees to ensure an integrated approach to governance and risk oversight.

Himadri's enterprise risk management framework is embedded into strategy, capital allocation, and operations. Risks are identified early, assessed holistically, and mitigated structurally. The Company focuses on reducing fragility, not merely forecasting disruption.

In FY 2025-26, Himadri conducted an enterprise-level climate risk evaluation, strengthening our governance framework. Our bottom-up risk identification process captures both physical and transition risks at the operational level and consolidates them into a Group Risk Register. This enables centralised oversight, informed capital deployment, and proactive resilience planning.

Table 3: Climate and Sustainability Risk Capture Across Risk Levels

Risk level	Climate and sustainability risk capture
Corporate Risk	Climate-related risks identified in Group Risk Register; embedded in internal controls and reporting systems
Business Risk	Climate and ESG risks documented in Business Unit registers and aligned with corporate risk aggregation
Project Risk	Climate vulnerabilities assessed at the project planning stage, with controls for short-term climate exposure

OUR POLICIES

Himadri has established a comprehensive suite of environmental policies that provide the governance framework for managing climate-related risks, improving resource efficiency and advancing sustainable operations. Together, these policies support regulatory compliance, operational resilience and the Company's long-term Net-Zero and environmental commitments.



Table 4: Sustainability / Environmental Policies

Sl. No.	Policy Name	Summary
1	Air Quality & Emission Control Policy	Establishes a framework to monitor, control and continuously reduce air emissions, including SOx, NOx and particulate matter. Supports regulatory compliance, operational efficiency and improved environmental performance through emission control systems and monitoring.
2	Biodiversity Policy	Guides the protection, conservation and restoration of biodiversity across operational locations. Integrates biodiversity considerations into project planning, land management and environmental stewardship to minimise ecological impacts.
3	Customer Health, Safety & Environment Policy	Ensures products are developed, manufactured and supplied with due consideration for customer health, safety and environmental performance throughout the product lifecycle, while complying with applicable regulatory requirements.
4	Energy Efficiency & GHG Emission Management Policy	Provides the roadmap for improving energy efficiency, reducing greenhouse gas emissions and advancing Himadri's Net-Zero 2050 ambition through operational improvements, renewable energy and low-carbon technologies.
5	Environment Policy	Defines the Company's overarching commitment to environmental protection by integrating environmental stewardship, pollution prevention, compliance and continuous improvement across the product lifecycle and business operations.

Sl. No.	Policy Name	Summary
6	Environmental Services & Advocacy Policy	Promotes environmental awareness, stakeholder engagement and responsible environmental practices through advocacy, partnerships and initiatives that support sustainable development and positive environmental outcomes.
7	Product End of Life Policy	Encourages product stewardship by integrating circular economy principles into product lifecycle management, promoting responsible reuse, recycling, recovery and environmentally sound disposal practices.
8	Responsible Consumption Policy	Promotes efficient resource utilisation, waste minimisation and circular resource management across operations. Supports the Company's Zero Waste to Landfill ambition through responsible consumption practices.
9	Water Efficiency & Preservation Policy	Establishes a framework for responsible water management through conservation, recycling, efficient water use and Zero Liquid Discharge practices, strengthening water resilience across manufacturing operations.

EXECUTIVE REMUNERATION LINKED TO CLIMATE KPIS

Himadri integrates climate action into its Performance Linked Incentive (PLI) framework for 2025–26. Within the Business Contribution component, which accounts for 50% of the PLI, 10% is allocated to sustainability objectives approved by the ESG Council. These objectives directly include Scope 1, 2 and 3 emissions reduction, renewable energy adoption, the Net-Zero transition and circular economy initiatives.

In addition, the Direct Sustainability Incentive, representing 5% of the PLI, further aligns individual performance with climate-related priorities, including the development of innovative sustainable products and implementation of decarbonisation projects. Overall, 41% of the organisational objective weightage is tied to climate action, strengthening the alignment between management performance, remuneration and Himadri's Net-Zero strategy.



Table 5: Executive Remuneration – Incentivised KPIs

Employee Group	Type of Incentive	Incentivized KPI	Description
Executives / Board	Monetary (bonus)	Scope 1 & 2 GHG reduction targets	Annual performance bonuses are linked to achieving corporate emissions reduction goals aligned with TCFD / Paris pathways.
Business Unit Management	Monetary + Recognition	Energy efficiency & carbon intensity	Operational managers receive efficiency bonuses and recognition awards tied to reductions in energy intensity and carbon footprint.
Facility / Site Operations	Recognition (non-monetary)	Waste reduction & water integrity	Site teams are recognized through awards and career progression opportunities for achieving waste minimization and water efficiency targets.
Employees (general staff)	Other non-monetary	Safety & climate resilience initiatives	Staff are incentivized via special assignments and additional leave allowances for contributing to climate resilience projects.

BOARD COMPETENCY AND TRAINING



Building Board competency is integral to Himadri's climate governance framework. During FY 2025-26, all Board members received training covering ESG, sustainability, governance and compliance, achieving 100% participation. Delivered through the Company's Learning Management System (Utkarsh), supported by workshops and targeted learning interventions, these programmes strengthen the Board's understanding of emerging sustainability trends, climate-related risks and opportunities, enabling effective oversight and informed strategic decision-making.

STRATEGY

At Himadri, we recognise climate change as both the defining challenge of our generation and an unprecedented opportunity to reshape business, reimagine growth and reaffirm trust.

As the world accelerates towards decarbonisation, we believe industry has a pivotal role to play in leading from the front through innovation, responsibility and a willingness to transform. Our climate-related strategy is therefore an integral part of our corporate purpose, creating value for all stakeholders while contributing to a resilient and sustainable planet.

We are committed to advancing this journey with transparency and accountability. By embedding decarbonisation across our operations, investments and partnerships, Himadri aspires to set benchmarks for the advance materials and global speciality solution industries.

Our ambition is to achieve Net-Zero Emissions by 2050, guided by near- and mid-term targets aligned with the Science Based Targets initiative (SBTi) and global climate goals.



Table 6: Scope 3 Categories and Reduction Initiatives

Scope 3 Category	Himadri's Activities	Initiatives to Reduce - Retrofit	Initiatives to Reduce - Replacement
Category 1: Purchased goods & services	Goods & services purchased during the financial year	Local Sourcing of Raw Materials	Himadri is progressively increasing the share of locally sourced raw materials to reduce transportation distances, thereby lowering associated fuel consumption and emissions. This initiative also strengthens supply chain resilience and supports local economies.
Category 2: Capital goods	Capital goods purchased during the financial year	Solar Panel Installation at External Warehouse	Renewable energy adoption has been extended beyond plant operations through the installation of solar panels at external warehouse facilities. This reduces indirect emissions associated with storage and distribution activities.
Category 3: Fuel- and energy-related activities not included in Scope 1 and Scope 2	Fuel & energy not accounted for in Scope 1 and Scope 2	Biodiesel consumption in tankers. Himadri uses in-house fuel oils in interdepartmental and intradepartmental processes	Strategy to reduce FERA emissions is part of our Scope 1+2 decarbonisation roadmap. As we are progressing towards the reduction of fossil fuel and purchased electricity related emissions, the upstream emissions associated with this category shall also reduce.
Category 4: Upstream transportation & distribution	Fuel consumed during upstream transportation & distribution	Fleet Optimisation	The Company has implemented logistics optimisation measures, including route planning, improved load utilisation and efficient vehicle deployment. These measures reduce fuel consumption per tonne of material transported and enhance overall logistics efficiency.
Category 5: Waste generated in operations	Packaging Material Purchased	Packaging Material Optimisation	The Company is working towards reducing emissions from packaging by optimising material usage, promoting recyclable and reusable packaging solutions and minimizing waste generation across the supply chain.
Category 6: Business travel	Travel related to business via road, railway and airlines	Online meetings are given priority; travelling via railway is prioritised in place of cars and airlines wherever possible	Focus on EV cars for company-provided transportation
Category 7: Employee commuting	Transportation / commuting of employees	Company-provided transportation for employees, with a focus on biodiesel	Focus on EV cars for company-provided transportation
Category 8: Upstream Leased Assets	Scope 3 emissions from upstream leased assets	Engagement with upstream leased partners for reduction of scope 1+2 emissions	Focus on reduction in fuel and electricity related emissions through low carbon operations and energy efficiency.

Category 9: Downstream transportation & distribution	Fuel consumed during downstream transportation & distribution	Biodiesel Consumption in Transport Line	Himadri has implemented logistics optimisation measures, including route planning, improved load utilisation and efficient vehicle deployment. Additionally, we have initiated the use of biodiesel in transportation operations as a cleaner alternative to conventional diesel. This transition contributes to lowering lifecycle greenhouse gas emissions from outbound and inbound logistics.
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OUR INTEGRATED CLIMATE STRATEGY

Our integrated climate strategy is designed to create resilience, trust, and competitive advantage, while ensuring access to emerging pools of green financing. It delivers:

- Reduced operating costs through energy efficiency and process optimisation.
- Enhanced brand equity and stakeholder confidence through science-based targets.
- Market competitiveness by leading in low-carbon products and circular inputs.
- Resilient supply chains able to withstand volatility in resource and energy markets.
- Access to sustainability-linked loans, bonds, and carbon credits.

At its core, Himadri's framework is anchored in six interdependent pillars:

Decarbonisation:	Reducing Scope 1 and Scope 2 emissions via renewable energy, energy efficiency, and carbon capture, utilisation, and storage (CCUS).
Circularity:	Shifting to circular, bio-based, and alternative feedstocks to reduce fossil reliance.
Operational efficiency:	Leveraging digitalisation, automation, and process re-engineering to optimise resource intensity.
Climate resilience:	Investing in infrastructure and systems resilient to heatwaves, flooding, and other extreme weather events.
Stakeholder engagement:	Driving awareness, transparency, and shared accountability across the value chain.
Innovation & R&D:	Developing next-generation low-carbon materials and energy solutions for future markets.

DOUBLE MATERIALITY AS A STRATEGY



At Himadri, the materiality assessment is viewed as the cornerstone of a credible sustainability journey. In a world grappling with climate change, biodiversity loss, resource depletion, and shifting demographics, the business needs to transform itself to be proactive. The ability to anticipate and act on material issues is what distinguishes leading organisations from their peers. Our Double Materiality Approach ensures that we identify, prioritise, and address issues that are most critical both to our stakeholders and to the long-term resilience of our business.

By integrating materiality into strategy, apart from strengthening disclosure quality we are also driving sharper insights, faster innovation, and stronger stakeholder confidence. According to the World Economic Forum, over 70% of investors now demand comprehensive ESG disclosure to guide their decisions, demonstrating that responsiveness to material issues has become a defining factor for sustainable value creation.

At Himadri, our purpose-driven innovations in advanced materials, clean technologies, and product stewardship are already reshaping industries by enabling cleaner mobility, advancing energy storage, and embedding circular economy practices. With materiality as our compass, we ensure that sustainability is embedded into every choice we make.

Our transformation journey seeks to embed climate neutrality, inclusivity, and circularity across the value chain. Guided by principles of justice and stakeholder empowerment, we ensure that the benefits of decarbonisation and sustainable growth are shared with communities, ecosystems, and future generations.

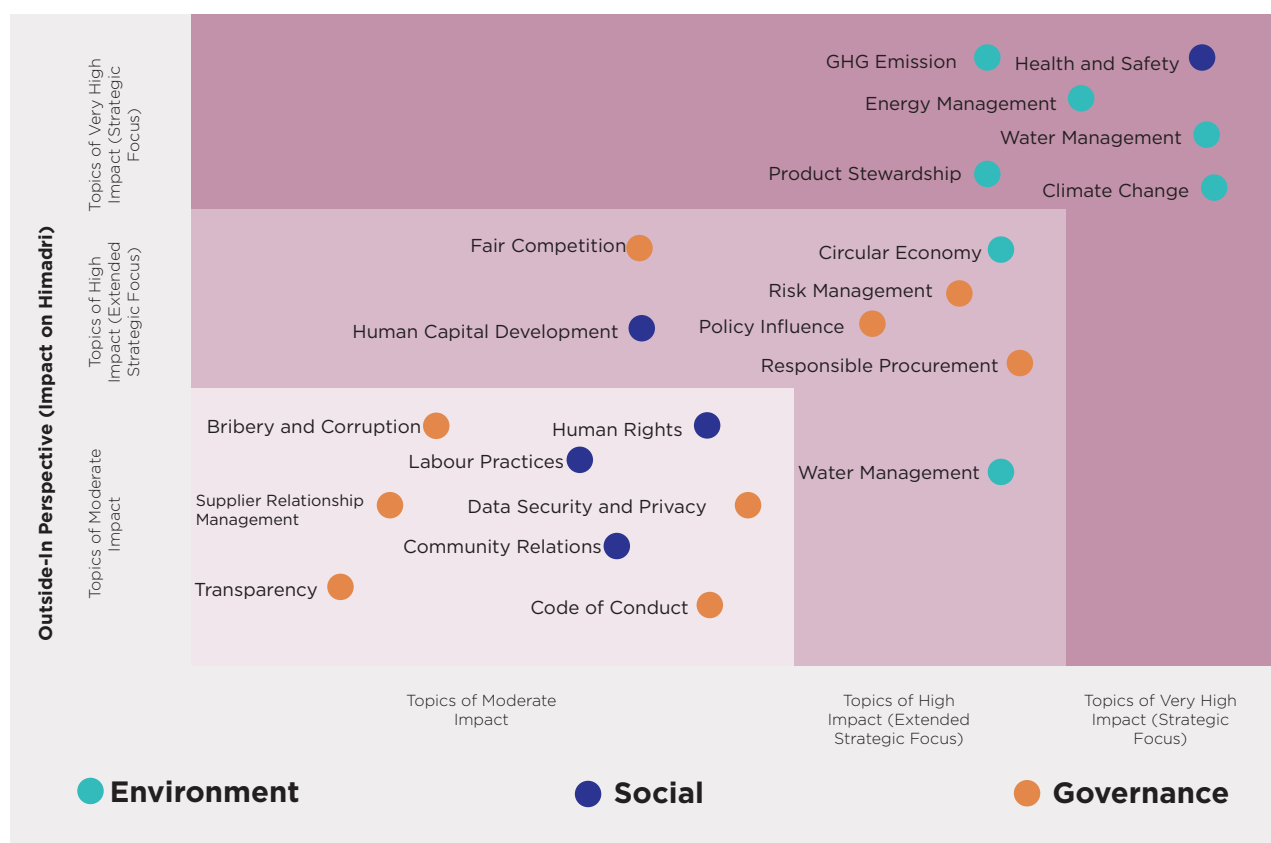


Figure 7 - Double Materiality Assessment

Dynamic, Evolving, And Globally Aligned

Sustainability is not static. Our commitment is to revisit and refresh our Double Materiality Assessment periodically, aligning with CSRD, GRI Standards, and ESRS. This ensures our focus remains contemporary, science-based, and value-accretive.

Value chain integration: Climate-related material topics

Himadri integrates materiality across its value chain from responsible raw material sourcing to end-of-life product stewardship ensuring ESG is woven into every stage of business. Our climate-related topics reflect this commitment:



Climate change

Recognised as a strategic priority, climate change represents both a risk and a growth opportunity.

Key benefits

- Reduced financial risks from climate disruptions and regulatory tightening
- Cost efficiency through energy savings and resource optimisation
- Access to carbon credits, subsidies, and green financing
- Resilient supply chains with reduced climate vulnerability
- Expansion into low-carbon market segments
- Strengthened ESG reputation and investor trust



Greenhouse gas (GHG) emissions

Reducing GHG emissions is a transformative opportunity, supported by technology upgrades and sustainable sourcing.

Key benefits

- Lower operating costs from reduced energy use
- Compliance with evolving carbon pricing and disclosure regimes
- Access to sustainability-linked loans and bonds
- Enhanced ESG ratings and investor appeal
- Breakthrough innovation in clean technologies
- Competitive differentiation in green markets



Energy management

Energy efficiency remains central to competitiveness and carbon neutrality.

Key benefits

- Lower energy costs through automation and optimisation
- Eligibility for subsidies and green certifications
- Improved throughput and process efficiency
- Superior ESG performance
- Resilience against energy price shocks



Water management

Water stewardship is critical in water-stressed regions, with zero liquid discharge and recycling central to our efforts.

Key benefits

- Reduced freshwater intake and treatment costs
- Stronger regulatory and community trust
- Supply chain continuity in drought-prone geographies
- Protection of ecosystems and compliance with discharge norms
- Positive recognition by sustainable finance institutions



Waste management

Circular waste valorisation transforms liabilities into opportunities.

Key benefits

- Cost savings via reduced disposal fees
- Full regulatory compliance
- Innovation through closed-loop systems
- Enhanced brand reputation in resource recovery
- Revenue from by-product recovery



Circular economy

Circularity underpins future competitiveness and resilience.

Key benefits

- Reduced reliance on virgin raw materials
- New revenue streams from circular business models
- Cost optimisation via resource regeneration
- Higher ESG scores and ratings
- Industry leadership in circular transformation



Product stewardship

Responsibility embedded across product lifecycles ensures long-term trust.

Key benefits

- Lower lifecycle costs with eco-design and recyclability
- Compliance with Extended Producer Responsibility regulations
- Market preference for sustainable products
- New growth opportunities in eco-conscious markets
- Stronger supply chain accountability

Impact on Business Areas

At Himadri, climate-related risks are viewed through a forward-looking lens, with each emerging challenge presenting an opportunity to strengthen resilience, accelerate innovation and create long-term value. This approach enables the Company to anticipate evolving expectations and translate them into strategic priorities across its operations and value chain.

Changing policy and regulatory frameworks provide an opportunity to strengthen preparedness, deepen stakeholder engagement and support the development of solutions aligned with the low-carbon transition. Shifting market dynamics are opening new avenues for growth across electric mobility, energy storage, advanced materials and sustainable applications, supported by Himadri's expanding portfolio and technical capabilities.

Technology evolution further creates opportunities to enhance operational efficiency, integrate cleaner technologies, explore alternative feedstocks and develop next-generation products. Investments in digitalisation, decarbonisation and circularity strengthen the Company's ability to remain competitive as industry technologies evolve.

Growing expectations around climate transparency and responsible business also provide an opportunity to build stakeholder trust and strengthen Himadri's reputation as a responsible industry participant. Through robust ESG disclosures, global sustainability frameworks and active stakeholder engagement, the Company continues to reinforce transparency and accountability.

Together, these actions reflect a proactive approach in which climate-related considerations inform investment, innovation and business strategy—enabling Himadri to convert emerging transition dynamics into opportunities for resilient growth, differentiated products and sustainable value creation.

Business Areas	
1. Products & Services 	● Driving low-carbon products for the energy transition: Himadri is re-engineering its product portfolio to develop materials that enable the global energy transition, with a focus on low-carbon products for electric mobility, energy storage and advanced applications. The Company is strengthening its portfolio of new energy materials and speciality carbon black solutions to capture emerging market opportunities associated with the transition to a low-carbon economy. ● Battery materials: Himadri is developing LFP Cathode Active Material (CAM), designed to power 100+ GWh of lithium-ion batteries using a cost-optimised, eco-friendly Li_2CO_3 process. The product offers high safety and thermal stability, longer lifespan than NMC batteries, cost efficiency through abundant inputs such as iron and phosphate, and robust performance across temperature ranges. The Company is also developing next-generation Lithium Manganese Iron Phosphate (LMFP) materials offering 15-20% higher energy density while retaining safety, enabling faster charging and lighter battery designs. ● Speciality carbon black: Products such as ENERGEX, ELECTRA, JETEX and KLAREX are being developed for applications across batteries, advanced composites, conductive wires & cables, inks, coatings, ESD applications, films, footwear and extrusion markets, supporting improved efficiency, safety, reliability, durability and material performance. ● Circular products and lifecycle value: Himadri is integrating circular economy principles into its product strategy through recycling technologies, circular feedstocks and low-carbon product innovation, strengthening the lifecycle value and resource efficiency of its products.
2. Upstream / Downstream Value Chain 	● Upstream Transformation: Himadri is integrating climate-related considerations across its upstream value chain through renewable energy, hydrogen, combined heat and power generation, renewable and recycled raw materials, and collaboration with value chain partners to mitigate climate change. Sustainability evaluations are being incorporated into supplier engagement to strengthen climate resilience and responsible sourcing. ● Raw Materials and Circularity: Himadri's circular business model upcycles by-products from industries already on a decarbonisation path, such as steel and petrochemicals. The Company is also advancing recycled raw materials and new material cycles to reduce reliance on virgin and fossil-based resources. ● Downstream Transformation: Himadri is focusing on low-emission and innovative products for the low-carbon economy, supported by enhanced lifecycle considerations. Digitalisation and circular approaches are being integrated into the downstream business model, alongside greater transparency through product carbon footprint, corporate carbon footprint and take-back systems. Customer-focused ● Products and Services: The Company is optimising transportation routes and developing lower-carbon footprint products to respond to evolving customer expectations and strengthen competitiveness in climate-conscious markets. ● Value Chain Resilience: Climate-related risks such as floods and cyclones can affect roads, bridges, ports and other transportation infrastructure, potentially disrupting shipments and logistics scheduling. Himadri has integrated these risks into supply chain mapping and resilience-building initiatives to strengthen continuity across the value chain.

3. Operations



- **Decarbonisation and operational efficiency:** Himadri is embedding climate considerations into operational planning through energy efficiency, process optimisation, electrification, fuel switching and the recovery of raw materials. Digitalisation and automation are being leveraged to improve process efficiency, while operational excellence initiatives focus on energy and resource-efficient processes.
 - **GHG emissions management:** The Company is strengthening its approach to GHG emissions reduction through renewable energy, energy efficiency and the transition towards lower-carbon energy sources. These initiatives support Himadri's long-term ambition of achieving net-zero emissions by 2050.
 - **Climate resilience:** Water stress is among the immediate physical climate risks for Himadri. Seasonal or intermittent water scarcity can affect productivity and treatment plant operations, particularly in heatwave-prone regions. Himadri is therefore strengthening water security through initiatives such as Zero Liquid Discharge capacity expansion, rainwater harvesting, effluent treatment and reuse, and closed-loop cooling systems.
 - **Extreme weather resilience:** Cyclones, floods, extreme rainfall and wildfires can result in infrastructure damage, utility disruption, production downtime and financial impacts. Himadri is strengthening resilience through cyclone-resistant infrastructure, flood-proofing measures, fire prevention systems, emergency preparedness and on-site emergency response capabilities.
 - **Health and safety:** Extended heatwaves and rising temperatures can affect human-intensive operations through heat stress and illness, potentially reducing productive work hours. Himadri has enhanced its heat management protocols with a strong focus on employee safety and operational continuity.
- Financial planning: Climate-related disruptions to production, logistics and energy infrastructure may increase reliance on external resources and affect production costs and revenue predictability. These considerations are being integrated into operational and financial planning to strengthen resilience and preparedness.

4. Investment in R&D and Capital Allocation:



Climate-informed capital allocation: Himadri has embedded sustainability into its capital expenditure priorities, with investments designed to build long-term climate resilience, competitiveness and growth. Key cumulative commitments include Rs. 100 crores ESG-Investment Plan over 10 years, Rs. 4,800 crores under New Energy Materials (NEM) over five years, Rs. 400 crores in the tyre business, and Rs. 500 crores in the Circular Economy Business. Green infrastructure and technologies: The ESG Investment Plan includes investments in emission reduction, water security and zero-waste initiatives. Investments in the Circular Economy Business include advanced recovery systems, waste valorisation and low-carbon product innovation. The NEM investments include battery materials, green hydrogen and allied technologies, positioning Himadri to participate in India's energy transition. Innovation ecosystem: Himadri is leveraging AI-led R&D to accelerate improvements in energy density, charging speed and lifecycle efficiency. Its strategic partnership with Sicona Battery Technologies (SICONA) supports the development of advanced anode materials for EV and renewable energy adoption. Battery recycling and circular innovation: In collaboration with the Indo-German Science and Technology Centre, Himadri is pioneering battery recycling technologies to advance circularity and reduce raw material dependencies. Future-oriented growth: These investments reflect Himadri's approach of integrating sustainability into capital allocation and innovation roadmaps, while creating opportunities in energy storage, hydrogen, circular economy solutions and other emerging low-carbon markets.

RISK MANAGEMENT

Risk management as a competitive advantage at Himadri

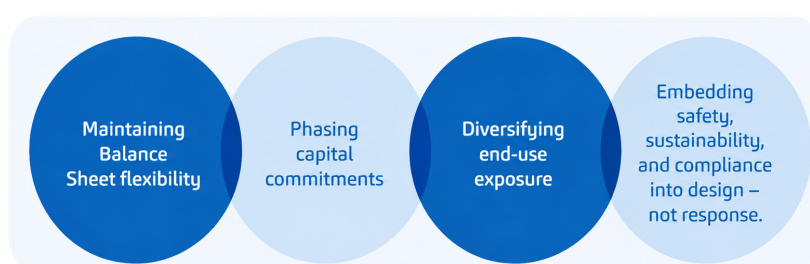
Climate change is increasingly influencing the operating environment, competitive landscape and long-term value creation potential of Himadri Speciality Chemical Ltd (“Himadri” or “the Company”). As a global speciality solution powerhouse and advanced materials company with energy-intensive manufacturing operations, geographically distributed facilities and growing exposure to energy-transition markets, Himadri recognises that climate-related risks can manifest through both physical impacts on assets and operations and transition-related changes in policy, technology, markets, customer preferences and capital allocation.

During FY 2025-26, Himadri further strengthened the integration of sustainability considerations into its enterprise risk management approach. The Company’s Enterprise Risk Management (ERM) framework follows a structured cycle of risk identification, assessment, mitigation, monitoring and review, with material risks aligned to the Company’s strategy and risk appetite. The Risk Management Committee oversees the framework and reviews significant risks, mitigation plans and the effectiveness of risk controls.

Components of our ERM Framework

In a world marked by accelerating technological change, geopolitical fragmentation, climate stress, and market volatility, risk management is approached as a strategic capability—one that enables the Company to act decisively while remaining resilient. The Company focuses on structural preparedness:

Our ERM approach emphasises structural preparedness and resilience by maintaining balance sheet flexibility, phasing capital commitments, diversifying end-use exposure, and embedding sustainability into our business decisions and investments. This enables Himadri to proactively manage climate-related risks, preserve financial and operational flexibility, and ensure that adverse scenarios remain manageable rather than becoming



This approach ensures that adverse scenarios, should they arise, become manageable challenges rather than existential threats.

Figure 8 - Components of Himadri’s Enterprise Risk Management Framework

existential threats risk assessment. Our approach involves a thorough analysis of potential risks to our operations and our value chain. We have established a robust framework to identify, assess, and mitigate these risks, ensuring that our business remains resilient and sustainable. Our risk management strategy includes:

- Risk Identification:** Identify climate-related physical & transitional risks by assessing potential impacts of Himadri’s operations and supply chain.
- Risk Prioritization:** Prioritise identified risks based on severity, likelihood, and potential regulatory, reputational, or financial impacts and develop a risk matrix.
- Risk Mitigation:** Identify additional mitigation measures for the identified physical and transitional risks along with monitoring and strengthening the existing controls.
- Monitoring & Reporting:** Report on indicators to track climate-related impacts and implementation of mitigation measures.
- Integrating into ERM:** Embed climate-related risks into Enterprise Risk Management (ERM) frameworks by incorporating them into risk registers, aligning them with strategic objectives, and ensuring cross-functional collaboration for effective management.

CLIMATE RISK EMBEDDED IN ENTERPRISE RISK MANAGEMENT

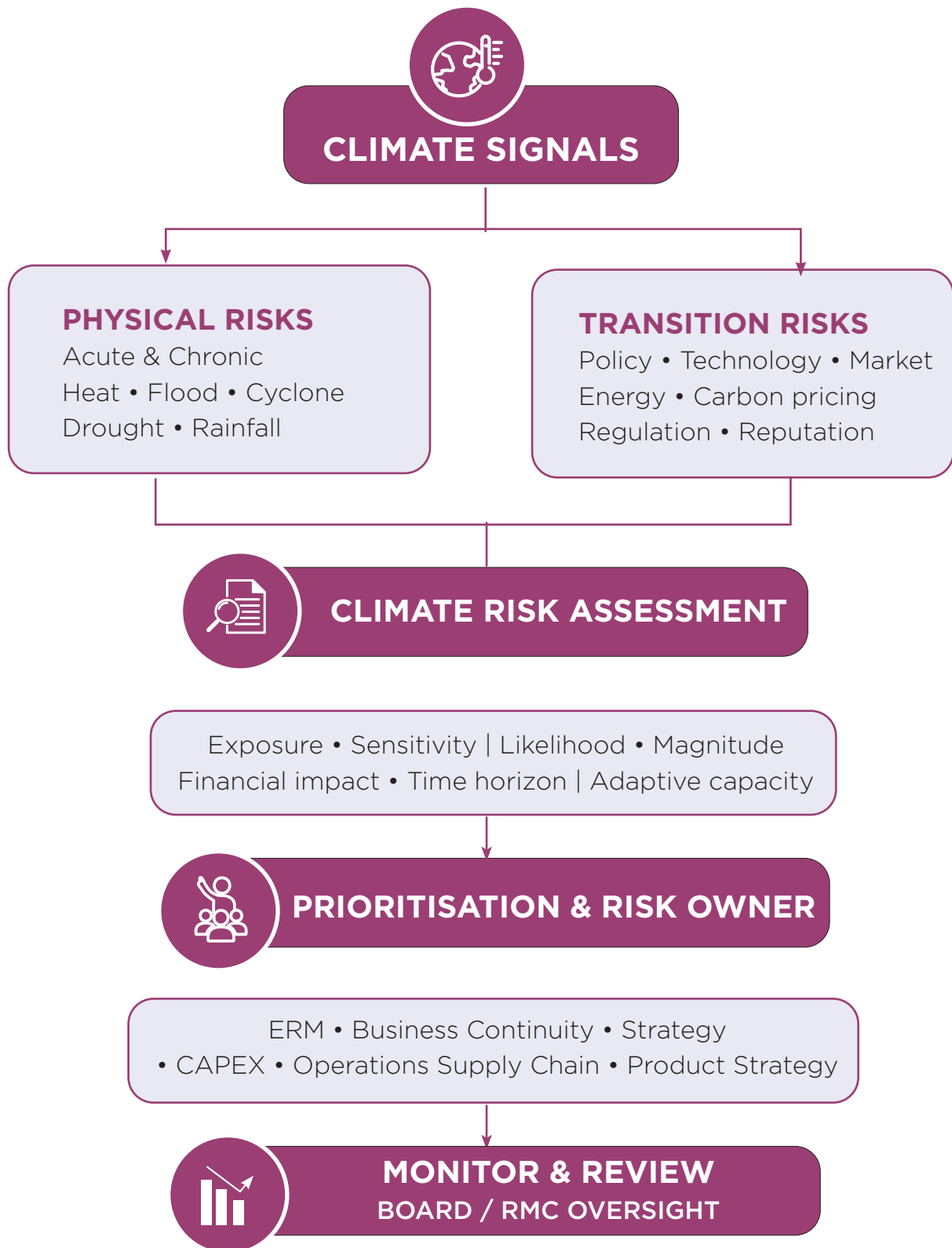


Figure 9 - Climate Risk Identification and Scenario Analysis Framework

Identification of Climate-related risks

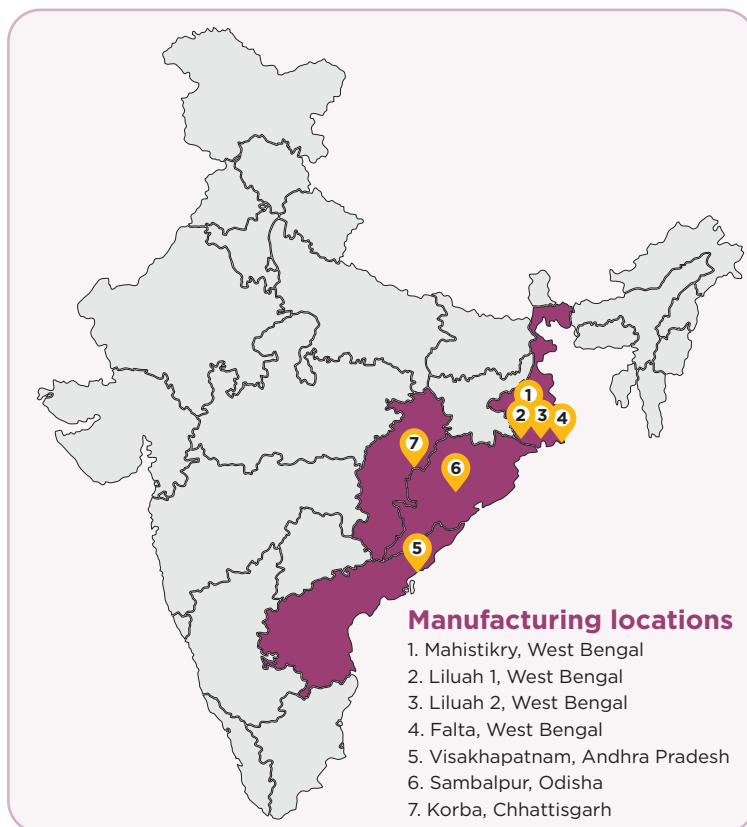
Himadri identifies climate-related risks across its own operations and relevant elements of its value chain, considering both physical climate hazards and transition drivers.



The Company's FY 2024-25 climate risk assessment established a structured climate-risk identification methodology covering manufacturing facilities across West Bengal, Odisha, Chhattisgarh and Andhra Pradesh.



The FY 2025-26 TCFD Report reinforces this approach by explicitly recognising climate change within the Company's risk register and identifying both physical and transition risks and opportunities.



Climate scenario analysis as an input to risk identification

Scenario analysis forms an important input to Himadri's identification and assessment of climate-related risks. In FY 2024-25 Himadri assessed climate risks using a combination of:

IEA NZE 2050- transition towards a net-zero economy and approximately 1.5°C pathway

RCP 1.9- very low emissions pathway

RCP 2.6- low-emissions pathway

RCP 3.4- moderate-transition pathway

Progressing from the scenario-analysis conducted in FY 2024-25, we added one more scenario (RCP 8.5 SSP 5) in FY 2025-26 climate risk assessment to enhance the coverage of our climate risk model.

The Company's double-materiality assessment provides an additional input into climate risk prioritisation. The assessment considered the financial implications of environmental dependencies including carbon footprint, energy continuity, water and waste integrity and climate change, with the results informing strategic priorities and investment decisions.

IEA NZE 2050:

A NORMATIVE PATHWAY FOR GLOBAL DECARBONISATION:

Himadri has adopted the IEA Net-Zero Emissions by 2050 (NZE 2050) scenario as a foundational element of its climate risk and opportunity assessment. This science-aligned pathway outlines how the world can achieve net-zero CO₂ emissions by 2050, with advanced economies reaching the target earlier. The NZE 2050 scenario aligns with a 1.5°C trajectory as highlighted in the IPCC's Sixth Assessment Report, providing more than 50% probability of limiting global temperature rise. It represents systemic transformation across energy supply, industrial processes, financial flows, and policy frameworks while remaining consistent with the UN Sustainable Development Goals (SDGs). Importantly, NZE 2050 highlights the strategic role of Carbon Capture, Utilisation, and Storage (CCUS) in decarbonizing hard-to-abate sectors. Himadri is proactively assessing the integration of CCUS into its operations, reinforcing our commitment to climate leadership and innovation.

KEY ASSUMPTIONS OF NZE 2050:

- Global Net-Zero achieved by 2050
- Increase in carbon pricing USD 130/tCO₂e by 2030 and USD 250/tCO₂e by 2050
- Renewable energy dominates the global energy mix
- Stringent environmental regulations implemented globally
- Full electrification of industrial operations
- Phase-out of internal combustion vehicles by 2050.

LIMITATIONS:

NZE 2050 assumes significant behavioural change and widespread CCUS deployment. If these do not materialise, particularly where bioenergy resources are limited, the transition becomes more expensive and delayed, especially in hard-to-abate sectors such as cement.

RCP 1.9: THE MOST AMBITIOUS CLIMATE PATHWAY:

RCP 1.9 represents the most aggressive mitigation pathway under the IPCC framework, aiming to limit warming to below 1.5°C by 2100. This is consistent with the aspirational goals of 2015 Paris Agreement. Himadri has adopted RCP 1.9 as a strategic reference in scenario planning, aligning with science-based targets and Net-Zero commitments. This pathway requires deep and immediate emissions reductions, technological breakthroughs, and strong global cooperation. We view CCUS as a critical enabler of this pathway and have prioritised related projects in our climate roadmap.

KEY ASSUMPTIONS OF RCP 1.9:

- Net-Zero CO₂ emissions by mid-century
- Temporary overshoot of 1.5°C before stabilisation
- Socio-economic alignment with SSP1 (sustainability and reduced inequality)
- Widespread adoption of renewable energy and efficiency technologies
- Major land-use changes, including global-scale reforestation
- Behavioural changes to reduce consumption and emissions

LIMITATIONS:

This pathway depends on Integrated Assessment Models (IAMs) that may not fully capture uncertainties in future technology development or societal transitions.

RCP 2.6: A PROGRESSIVE BUT ATTAINABLE PATH

RCP 2.6 envisions a proactive but realistic mitigation pathway that limits global warming to well below 2°C. Radiative forcing peaks mid-century at approximately 3 W / m², declining to 2.6 W / m² by 2100. This pathway requires: rapid reduction in GHG emissions, large-scale adoption of renewable energy and bioenergy, early deployment of CCUS, BECCS, and afforestation and strong reductions in air pollutants. Himadri uses RCP 2.6 to shape strategies around regulatory, market, and technological developments, guide product innovation, and set emissions reduction roadmaps.

KEY ASSUMPTIONS OF RCP 2.6:

- Socio-economic alignment with SSP1 (sustainable development and cooperation)
- Net-Zero CO₂ emissions achieved between 2050 and 2070
- Technological breakthroughs in carbon negative solutions.

LIMITATIONS:

The pathway relies heavily on CCS and BECCS technologies, which are yet to be commercially mature, and creates financial challenges for developing economies transitioning to low-carbon systems.

RCP 3.4: A MODERATE TRANSITION OUTLOOK

RCP 3.4 represents a middle-ground pathway, situated between ambitious mitigation and weaker transition scenarios. It anticipates global temperatures rising by approximately 2.0–2.4°C by 2100, with emissions peaking around 2040. For Himadri, RCP 3.4 provides a useful benchmark to stress-test our GHG targets in moderate policy environments, assess risks associated with slow technological adoption, and plan resilience strategies.

KEY ASSUMPTIONS OF RCP 3.4:

- Gradual renewable energy transition
- Moderate efficiency improvements and land-use changes
- Limited but growing deployment of CCUS and nature-based solutions.

LIMITATIONS:

Although RCP 3.4 may reflect a realistic trajectory for many economies, it risks failing to prevent irreversible tipping points within the global climate system.

RCP 8.5: A PESSIMISTIC PATHWAY/HOT-WORLD SCENARIO

The SSP5/RCP8.5 scenario represents a high-emissions, fossil-fuel-intensive development pathway and is used by Himadri as a stress-test scenario for assessing the resilience of its operations and value chain under a higher-warming future. The assessment is subject to uncertainties arising from the long-term evolution of climate variables, socioeconomic conditions, energy systems, technology, policy responses and market dynamics.

KEY ASSUMPTIONS OF RCP 8.5

- Operations at Himadri are continued under changing climatic conditions, with potential impacts on water availability, energy requirements, raw-material availability, logistics and physical infrastructure,
- The assessment also considers potential increases in operating and adaptation costs resulting from physical climate risks.

LIMITATIONS:

- Availability of site-specific long-term climate projections
- Granular value-chain data and reliable estimates of future financial impacts constrain the precision with which these risks can be quantified.
- SSP5/RCP8.5 assessment is primarily used as a strategic stress test rather than a precise forecast.

Figure 10 - Climate Scenario Pathways – IEA NZE 2050, RCP 1.9, RCP 2.6, RCP 3.4, and RCP 8.5

CLIMATE RISK ASSESSMENT METHODOLOGY

Himadri applies a scenario-informed and quantitative approach to assessing climate risks. For physical risks, Himadri developed a normalised risk index ranging from 1 to 100, based on the probability of a climate hazard occurring and the magnitude of its potential impact on operations, assets and workforce. For transition risks, the previous assessment used a quantitative risk index of 1-2,500 to prioritise exposures across different time horizons.

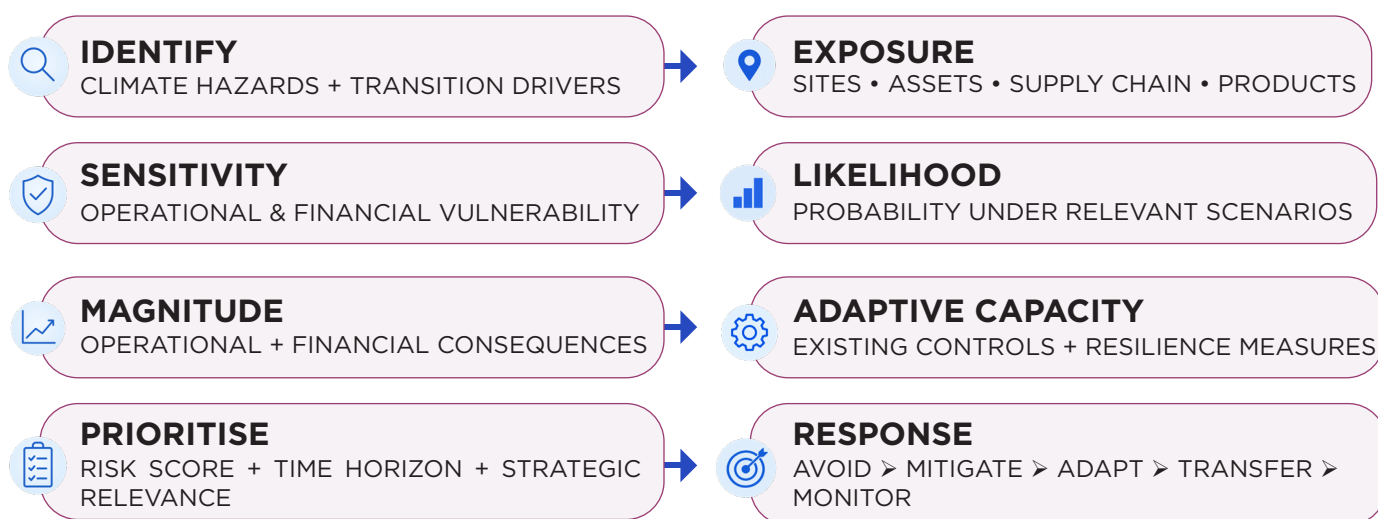


Figure 11 - Climate Risk Assessment Methodology

PHYSICAL CLIMATE RISK ASSESSMENT

Himadri proactively assesses and manages its exposure to a range of physical climate-related risks, including extreme heat, cyclones, flooding, wildfire, water scarcity and extreme rainfall. The Company's assessment indicates that heatwaves, cyclones and floods are among the most significant physical climate risks for its material site at Mahistikry (MTK), with the potential to affect operational continuity, asset integrity, workforce members' safety and financial performance across short-, medium- and long-term time horizons. The climate risk assessment considers the likelihood, severity, exposure and potential business and financial consequences of these hazards under relevant climate scenarios. The table below presents the detailed assessment of the material physical climate risks identified for Himadri during FY 2025-26, including their projected severity and potential implications for the Company's operations and financial resilience.

Table 7: Physical Climate Risk Assessment – Risk Scoring Framework

Likelihood Score			Sensitivity Score			Risk Exposure Scale	
Score			Score				
Very Low	<1-10%	10	Very Low	Insignificant Impact with negligible business disruption	10	Very Low	1-500
Low	11-30%	20	Low	Minimal Impact with minimal business disruption	20	Low	501-1000
Medium	31-50%	30	Medium	Medium Impact with recoverable business disruption	30	Moderate	1001-1500
High	51-90%	40	High	Major Impact with significant business disruption	40	High	1501-2000
Very High	>90%	50	Very High	High Impact with severe business disruption	50	Extreme	2001-2500

Table 8: Identified Physical Climate Risks – Mahistikry

Unit Name	Time Horizon	Risk Description	RCP 1.9	RCP 2.6	RCP 3.4	RCP 8.5
Mahistikry	Short	Drought	■	■	■	■
		Heatwave	■	■	■	■
		Flood	■	■	■	■
		Rainfall	■	■	■	■
		Wildfire	■	■	■	■
		Cyclone	■	■	■	■
	Medium	Drought	■	■	■	■
		Heatwave	■	■	■	■
		Flood	■	■	■	■
		Rainfall	■	■	■	■
		Wildfire	■	■	■	■
		Cyclone	■	■	■	■
	Long	Drought	■	■	■	■
		Heatwave	■	■	■	■
		Flood	■	■	■	■
		Rainfall	■	■	■	■
		Wildfire	■	■	■	■
		Cyclone	■	■	■	■

Table 9: Identified Physical Climate Risks – Liluah

Unit Name	Time Horizon	Risk Description	RCP 1.9	RCP 2.6	RCP 3.4	RCP 8.5
Liluah	Short	Drought	■	■	■	■
		Heatwave	■	■	■	■
		Flood	■	■	■	■
		Rainfall	■	■	■	■
		Wildfire	■	■	■	■
		Cyclone	■	■	■	■
	Medium	Drought	■	■	■	■
		Heatwave	■	■	■	■
		Flood	■	■	■	■
		Rainfall	■	■	■	■
		Wildfire	■	■	■	■
		Cyclone	■	■	■	■
	Long	Drought	■	■	■	■
		Heatwave	■	■	■	■
		Flood	■	■	■	■
		Rainfall	■	■	■	■
		Wildfire	■	■	■	■
		Cyclone	■	■	■	■

Table 10: Identified Physical Climate Risks – Korba

Unit Name	Time Horizon	Risk Description	RCP 1.9	RCP 2.6	RCP 3.4	RCP 8.5
Korba	Short	Drought	■	■	■	■
		Heatwave	■	■	■	■
		Flood	■	■	■	■
		Rainfall	■	■	■	■
		Wildfire	■	■	■	■
		Cyclone	■	■	■	■
	Medium	Drought	■	■	■	■
		Heatwave	■	■	■	■
		Flood	■	■	■	■
		Rainfall	■	■	■	■
		Wildfire	■	■	■	■
		Cyclone	■	■	■	■
	Long	Drought	■	■	■	■
		Heatwave	■	■	■	■
		Flood	■	■	■	■
		Rainfall	■	■	■	■
		Wildfire	■	■	■	■
		Cyclone	■	■	■	■

Table 11: Identified Physical Climate Risks – Sambalpur

Unit Name	Time Horizon	Risk Description	RCP 1.9	RCP 2.6	RCP 3.4	RCP 8.5
Sambalpur	Short	Drought	■	■	■	■
		Heatwave	■	■	■	■
		Flood	■	■	■	■
		Rainfall	■	■	■	■
		Wildfire	■	■	■	■
		Cyclone	■	■	■	■
	Medium	Drought	■	■	■	■
		Heatwave	■	■	■	■
		Flood	■	■	■	■
		Rainfall	■	■	■	■
		Wildfire	■	■	■	■
		Cyclone	■	■	■	■
	Long	Drought	■	■	■	■
		Heatwave	■	■	■	■
		Flood	■	■	■	■
		Rainfall	■	■	■	■
		Wildfire	■	■	■	■
		Cyclone	■	■	■	■

Table 12: Identified Physical Climate Risks - Vizag

Unit Name	Time Horizon	Risk Description	RCP 1.9	RCP 2.6	RCP 3.4	RCP 8.5
Vizag	Short	Drought	■	■	■	■
		Heatwave	■	■	■	■
		Flood	■	■	■	■
		Rainfall	■	■	■	■
		Wildfire	■	■	■	■
		Cyclone	■	■	■	■
	Medium	Drought	■	■	■	■
		Heatwave	■	■	■	■
		Flood	■	■	■	■
		Rainfall	■	■	■	■
		Wildfire	■	■	■	■
		Cyclone	■	■	■	■
	Long	Drought	■	■	■	■
		Heatwave	■	■	■	■
		Flood	■	■	■	■
		Rainfall	■	■	■	■
		Wildfire	■	■	■	■
		Cyclone	■	■	■	■

Table 13: Identified Physical Climate Risks - Falta

Unit Name	Time Horizon	Risk Description	RCP 1.9	RCP 2.6	RCP 3.4	RCP 8.5
Falta	Short	Drought	■	■	■	■
		Heatwave	■	■	■	■
		Flood	■	■	■	■
		Rainfall	■	■	■	■
		Wildfire	■	■	■	■
		Cyclone	■	■	■	■
	Medium	Drought	■	■	■	■
		Heatwave	■	■	■	■
		Flood	■	■	■	■
		Rainfall	■	■	■	■
		Wildfire	■	■	■	■
		Cyclone	■	■	■	■
	Long	Drought	■	■	■	■
		Heatwave	■	■	■	■
		Flood	■	■	■	■
		Rainfall	■	■	■	■
		Wildfire	■	■	■	■
		Cyclone	■	■	■	■

TRANSITION RISK OVERVIEW: ADAPTING TO A LOW-CARBON ECONOMY

As Himadri progresses towards a lower-carbon and more resource-efficient business model, the transition to a low-carbon economy presents both risks and opportunities across its operating environment. These risks may arise from changes in climate-related policy and regulation, technology, markets, energy systems and stakeholder expectations, with potential implications for operating costs, capital expenditure, asset utilisation, product demand and competitive positioning.

Himadri's FY 2025-26 TCFD assessment evaluated transition risks using a quantitative risk index and a bottom-up, data-driven approach, anchored in Company-specific financial and operational information. The assessment considered transition drivers across the TCFD categories of Policy & Legal, Market, Technology and Reputation, and assessed their implications over short-, medium- and long-term horizons.



POLICY AND LEGAL RISKS:

Himadri recognises that evolving climate policies and regulatory frameworks may influence the cost structure and competitiveness of its operations. Potential developments include carbon pricing, emissions-related requirements, energy-policy changes and increasing climate-related disclosure expectations. Our circular business model, which upcycles by-products from industries already on a decarbonisation path such as steel and petrochemicals, provides an inherent buffer. While direct exposure to carbon pricing remains limited, upstream cost pressures or supply chain levies may modestly increase operating expenses. Himadri continues to monitor policy developments and engage with policymakers, industry bodies and other stakeholders to remain prepared for the evolving regulatory landscape.

MARKET RISKS:

Changes in the global energy system and customer preferences may alter demand across Himadri's product portfolio. While stringent climate pathways could place pressure on certain traditional end-use markets, the Company's exposure to electric mobility, energy storage, advanced materials and other energy-transition applications provides opportunities for portfolio diversification and growth. While demand in traditional sectors like thermal power and petroleum refining may decline under stringent climate pathways, we anticipate strong growth in areas such as:

- Electric mobility (battery-grade carbon)
- Energy storage systems
- Lightweight composites for green manufacturing

Our growing focus on lithium-ion battery materials, speciality carbon black and other future-facing applications, reflects the broader strategy of participating in the global energy transition.

TECHNOLOGICAL RISKS:

The transition towards lower-emission manufacturing technologies may require Himadri to upgrade or replace existing technologies and equipment. This could increase capital expenditure and, in certain circumstances, accelerate the retirement of legacy assets. We have identified technology disruption affecting competitive edge as a key transition consideration, including the possibility of increased CAPEX and asset retirement. At the same time, deployment of smart sensors, predictive analytics, AI-enabled process optimisation, CCUS, green hydrogen, low-carbon fuels and other next-generation technologies has been identified as an opportunity to improve resource efficiency and future-proof operations.

REPUTATIONAL RISKS:

Increasing expectations from customers, investors, regulators and other stakeholders regarding climate performance, transparency and responsible business practices may influence Himadri's market position and access to capital. The Company views climate transparency and performance not only as a risk-management requirement but also as a means of strengthening stakeholder confidence, customer relationships and access to sustainable financing. To address this, we continue strong ESG disclosure practices, invest in stakeholder awareness, and align with global standards such as GRI, IFRS-S2, CDP, and SBTi. We view reputation not only as a risk but also as a strategic asset, built through leadership in climate-positive, socially responsible, and ethically governed business practices.

IMPACTS OF CLIMATE-RELATED RISKS & OPPORTUNITIES

Himadri assesses the potential financial implications of material climate-related risks and opportunities by evaluating their likely impact on revenues, operating and capital expenditures, asset values, cash flows and overall business performance across relevant time horizons. The assessment considers the nature and magnitude of the exposure, the likelihood of occurrence, applicable climate scenarios and the effectiveness of existing mitigation and adaptation measures. Where quantification is feasible, potential financial impacts are estimated using available operational and financial data and scenario-based assumptions; while the potential financial implications are assessed in areas to reliable quantification. This approach enables Himadri to understand how climate-related risks and opportunities could translate into financial outcomes and informs risk prioritisation, mitigation planning, strategic decisions and capital allocation.

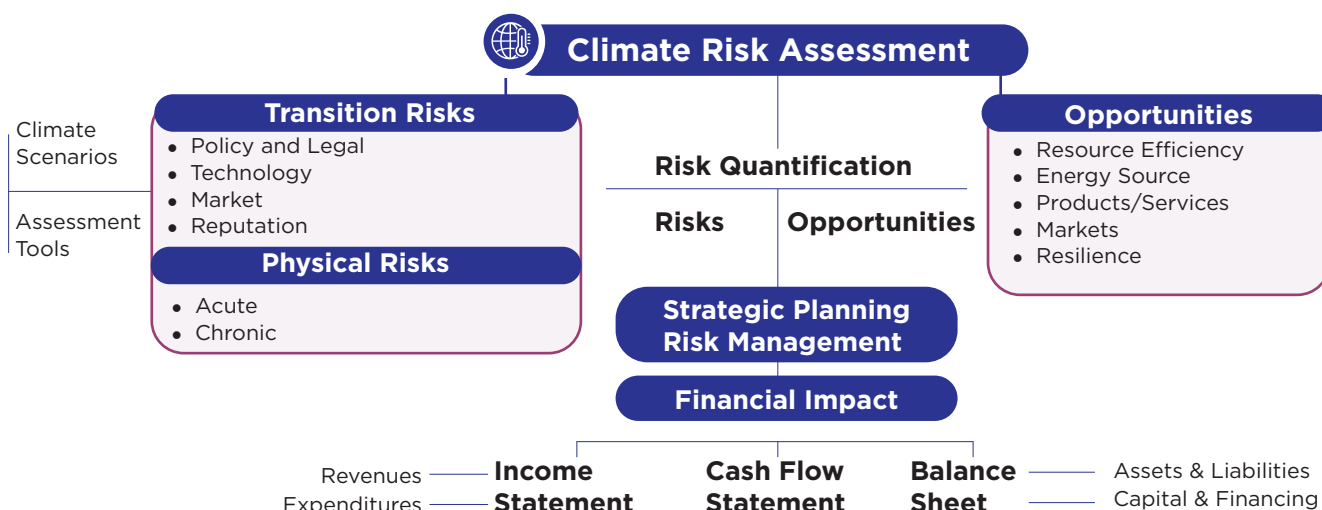


Figure 12 - Climate Risk Assessment : Financial Impact and Quantification Methodology

ESTIMATING PHYSICAL RISK IMPACT:

The physical climate-related business and financial impact for Himadri has been modelled using a structured, scenario-driven approach, leveraging recent company financials and established climate risk assessment methodologies.



ESTABLISHING THE FINANCIAL BASELINE:

Financial results for FY 2025-26 (revenue, EBITDA, PAT, asset values, workforce numbers) were sourced from the Company's audited accounts and Annual Report, providing the reference point for impact quantification.

CLIMATE HAZARD IDENTIFICATION AND RISK RATING

- Material hazards (heatwave, cyclone, flood, etc.) were identified for the MTK facility, which provides ~80% of Himadri's revenue.
- Risk scores (likelihood, severity, total risk exposure) were assigned based on physical climate projections, local hazard data (e.g., Thinkhazard, DST India map, IMD), desk research, and stakeholder consultations.
- Scenarios include time horizons (short, mid, and long-term) with climate pathway (RCP), assessing worst-case physical impacts.

FINANCIAL IMPACT CALCULATION

Direct asset damage: Calculated as total assets multiplied by facility exposure percentage, and by calibrated climate hazard damage ratio percentage (sourced from scientific literature such as JRC flood depth-damage studies, FEMA HAZUS hurricane guidelines, and recent global climate-economic models).

Business interruption: Estimated using average daily revenue, multiplied by projected climate-related downtime (e.g., 17.5 days from World Bank India profile) and revenue exposure percentage.

Productivity, health & safety: Derived from the share of workforce likely to be impacted, average revenue per member, and estimated productivity loss or health cost rates.

All key formulae and parameters are referenced to global / national studies (Bloomberg / riskthinking, ai, World Bank, Nature climate studies), peer-reviewed literature, and disclosed sources in the model spreadsheets.



FINANCIAL IMPACTS OF PRIORITIZED CLIMATE PHYSICAL RISKS

Himadri's manufacturing operations, particularly its MTK location, which generates nearly 80% of revenue, are exposed to cyclone-related physical climate risks. The risk has been assessed across short-term (1–3 years), medium-term (3–15 years) and long-term (15+ years) under RCP 1.9, RCP 2.5, RCP 3.4 & RCP 8.5 scenarios.

The assessment incorporates ThinkHazard data, stakeholder inputs, desk research, geographical vulnerability assessments and historical cyclone events. Cyclone risk is assessed as likely, with the potential severity increasing from medium in the short-term to high in the long term, reflecting projected changes in cyclone frequency and intensity.

The principal financial transmission channels are expected to include damage to production and storage infrastructure, disruption to utilities, production downtime, transportation and supply-chain disruption, higher repair and operating costs, delays in raw material and finished goods movement, and associated revenue and margin pressures.

FINANCIAL IMPACT AND QUANTIFICATION METHODOLOGY

Himadri has quantified the potential financial exposure to cyclone risk through climate scenario modelling and stress testing. The assessment combines ThinkHazard projections with RCP scenario analysis, stakeholder consultations and vulnerability assessments to estimate potential impacts under adverse but plausible climate conditions. EN-ROADS scenario alignment is also used to assess the implications of evolving climate conditions for operational and financial resilience.

The current assessment estimates a potential cyclone-related financial impact of approximately Rs. 312.44 crores, primarily reflecting potential infrastructure damage, production downtime and disruption to transportation and supply chains.

THE ANTICIPATED FINANCIAL EFFECT IS FURTHER STRESS-TESTED ACROSS THE SELECTED TIME HORIZONS:

Time horizon	Anticipated financial effect - Minimum	Anticipated financial effect - Maximum
Short-term	Rs. 374.93 crores	Rs. 562.40 crores
Medium-term	Rs. 406.17 crores	Rs. 687.37 crores
Long-term	Rs. 406.17 crores	Rs. 749.86 crores

Table 14: Financial Impacts of Prioritised Climate Physical Risks

These figures represent stress-tested outcomes under adverse but plausible climate scenarios. The increasing range of potential exposure over the longer term reflects the projected increase in cyclone frequency and intensity and the resulting potential for greater asset damage, operational disruption, supply-chain interruption and financial pressure.

Impact on financial position, performance and cash flows. In the short-term, cyclone events could affect financial performance through repair expenditure, production downtime, supply-chain delays and increased operating costs. These impacts may also place pressure on margins and cash flows where production or logistics are temporarily disrupted.

Over the medium-term, investments in cyclone-resilient infrastructure and business continuity measures are expected to strengthen operational resilience and moderate the potential exposure. Residual financial impacts may continue to arise from disruptions to logistics, utilities and power supply during severe events.

Over the long-term, increasing cyclone frequency and intensity could result in higher asset repair and replacement requirements, potential asset impairment, prolonged operational downtime, increased operating costs and pressure on cash flows. These considerations are therefore incorporated into

Himadri's resilience planning and capital allocation decisions.

CAPITAL ALLOCATION AND COST OF RISK RESPONSE

Himadri has incorporated cyclone resilience into its infrastructure and business continuity planning. A one-time CAPEX allocation of Rs. 2 crores has been identified for reinforcing infrastructure and developing cyclone-resilient industrial sheds, with an assumed useful life of 15 years.

The annualised cost of this investment has been calculated using a Capital Recovery Factor (CRF) of 0.0963, based on a 10% discount rate:

Initial CAPEX Rs. 2.00 crores	Useful life 15 years	Discount rate 10%	Capital Recovery Factor 0.0963
Annualised CAPEX Rs. 0.1926 crores	Annual OPEX Rs. 0.10 crores equivalent to 5% of CAPEX, covering inspections and structural maintenance	Total Annualised Response Cost Rs. 0.2926 crores	

This allocation is directed towards measures that strengthen the physical resilience of critical assets and reduce the potential financial consequences of cyclone events.





RESPONSE MEASURES

Himadri's primary response is centred on strengthening physical infrastructure and enhancing business continuity. Key measures include:

- Reinforcing and upgrading of industrial sheds to withstand high wind speeds.
- Structural integrity assessments of critical assets.
- Securing roofing and storage facilities.
- Strengthening production and storage infrastructure.
- Enhancing power backup systems to support continuity during utility disruptions.
- Site-level emergency preparedness and response planning.
- Supply-chain diversification and preparedness to reduce exposure to transportation and logistics disruptions.

Together, these measures are intended to reduce potential asset damage, minimise production downtime, strengthen supply-chain continuity and protect business performance and cash flows as physical climate risks evolve.

PHYSICAL CLIMATE

Risk Adaptation

We recognise that our operations are exposed to material physical climate risks, particularly at our Mahistikry (MTK) facility, which contributes approximately 80% of our revenues. Our climate risk assessment has identified cyclones as the most significant hazard, with potential impacts on infrastructure, utilities, production continuity and supply chains.

To address these risks, we have developed a context specific adaptation plan that integrates both physical and non physical measures. Our plan includes reinforcing industrial sheds to withstand high wind speeds, strengthening production and storage infrastructure, securing roofing and storage facilities, and enhancing power backup systems. Alongside these engineering measures, we are implementing site level emergency preparedness, supply chain diversification and continuity planning to reduce exposure to transportation and logistics disruptions.

We have allocated capital expenditure to strengthen resilience, including a one time investment of Rs. 2 crores in cyclone resilient infrastructure, supported by annualised maintenance costs. These measures are targeted for implementation within five years, ensuring that our most material operations are protected against foreseeable risks in the short to medium-term.



At present, we have no new assets planned, and therefore our adaptation plan applies to existing operations only.

By embedding resilience measures into our capital allocation and operational planning, we aim to minimise potential financial consequences, safeguard our workforce and assets, and strengthen our long term business continuity as climate risks evolve.

ESTIMATING TRANSITIONAL RISK IMPACT:

Himadri estimates the potential financial impacts of transition risks through a company-specific, scenario-based financial modelling approach, using actual financial and operational parameters such as revenue, energy consumption, production levels and emissions as the starting point. The assessment considers material transition drivers across Policy & Legal, Market, Technology and Reputation, and evaluates their potential effects on operating costs, revenues, capital

expenditure, asset values and cash flows across medium- and long-term horizons. Key financial drivers, including potential changes in energy costs, carbon prices, raw-material availability and technology requirements, are quantified using relevant scenario assumptions and sector benchmarks. Below is a summary of how our business is impacted by key transition risks due to climate change:

Table 15: Transition Risk Impact Assessment

Climate change related transition risk		Time Horizon	Potential Impact on Business						Potential Financial Impact				Potential Opportunities		
			Loss of Competitive Edge	Regulatory Curtailment	Reduced Production	Increased Operating Cost	Reputational Damage	Reduced Demand for Products	Revenue	Expenditures	Assets	Capital Cost	New Efficient Production	Increased Market Share	Integration of New Technologies
Policy and Legal	Regulatory Change (CO ₂ & Trade)	Mid-term		■	■	■					■	■	■		■
	Regulatory Change (Carbon Price)	Short-term				■					■	■			
	Regulatory Change (Energy Policy)	Short-term				■					■				
	Fossil Fuel Taxed	Long-term			■	■		■	■			■			
	Renewable Energy Subsidies	Short-term									■	■			■
Market	Change in Energy Mix	Short-term		■							■				
	Decreased Availability of RM	Long-term		■							■				
	Alternative Cleaner Product	Mid-term	■						■		■	■	■		
	Changes in Prices	Short-term							■						
	Pace of Technology Disruption Impacting Competitive Edge	Mid-term	■					■		■	■				■
Technology	Opportunity to reduce Resource Consumption	Mid-term									■	■			■
	Opportunity to Use Sustainable Feed stocks	Long-term										■	■		■
	Integration of New Generation Technologies	Long-term							■		■		■		■
	Change in Customer Reputation	Long-term					■						■		
Reputation	Change in Investors' Reputation	Long-term						■						■	

POLICY AND LEGAL RISKS:

Adaptive Policy responses and financial implications

1 CAP & Trade

Himadri recognises the potential introduction of cap-and-trade mechanisms and carbon pricing as a material transition risk that could influence production economics and profitability. Under the IEA NZE 2050 scenario, more stringent carbon pricing and emissions regulation could increase the cost of carbon-intensive operations and place pressure on margins and production decisions. In response, Himadri has implemented Internal Carbon Pricing (ICP) across its Scope 1 and Scope 2 emissions to simulate a potential future carbon cost and incorporate climate-related considerations into investment and capital-allocation decisions. This proactive approach strengthens the Company's preparedness for evolving carbon-market dynamics while supporting its broader decarbonisation objectives.

Opportunities:

- Accelerated adoption of energy efficient and clean technologies
- Entry into carbon markets via carbon credit trading
- Expansion of low-emission product lines and customer segments
- Knowledge sharing with industrial peers and government bodies

2 Carbon Pricing Impact

Himadri recognises the potential increase in carbon pricing as a material transition risk that could progressively increase the cost of carbon-intensive operations and place pressure on operating margins. Under the IEA Net-Zero Emissions (NZE) 2050 scenario, the transition towards a low-carbon economy could result in significantly higher carbon prices, creating potential exposure through increased operating expenditure and, over time, potential impacts on production economics and competitiveness.

Himadri's FY 2025-26 assessment estimated that, at a carbon price assumption of USD 130 / tCO₂e, the potential annual financial exposure could exceed **Rs. 522 crores**, based on approximately 4,22,398.22 tCO₂e of annual Scope 1 and Scope 2 emissions.

Strategic Response:

- Accelerated deployment of carbon abatement technologies (e.g., CCUS)
- Shift to bio-based and circular feedstocks (e.g., pyrolysis oil)
- Electrification of operations and deeper process integration
- Review of product pricing and procurement strategies to sustain margins

3 Energy Policy

Stricter regulations on non-renewable fuels could increase Himadri's CAPEX and OPEX through investments in renewable energy and energy-efficiency technologies, carbon-credit purchases and modernisation of existing systems. The transition may also require the retirement or replacement of selected legacy equipment and reduce reliance on fossil fuels. Himadri is responding through greater investment in clean energy, energy efficiency and lower-carbon technologies, strengthening long-term operational resilience.

Strategic Response:

- Integration of modern and more energy efficient technologies
- Clean energy technology deployment and innovation
- In-house renewable generation
- Energy efficiency enhancements across processes and utilities
- Development of clean energy-based product lines

MARKET RISKS

Supply chain and portfolio transformation

1 Shift in global energy mix

The global transition away from fossil fuels could affect energy prices, input availability and the lifecycle of existing equipment, creating both cost pressures and investment requirements for Himadri. This transition is expected to increase CAPEX and OPEX in the near term, driven by investments in renewable-energy infrastructure, modernisation or replacement of legacy equipment, and the substitution of fossil-fuel-based energy with renewable and cleaner alternatives.

Strategic Response:

To remain competitive and strengthen its transition readiness, the Company is focusing on investment in:

- Renewable Energy Infrastructure
- Electrified Plant Operations
- Enhanced energy storage and demand response systems

2 Decreasing availability of fossil-based raw materials:

The transition away from fossil-based industries could reduce the availability of key carbon-based raw materials such as Coal tar, Carbon-rich feedstock, Green Petcoke etc., potentially increasing input costs and creating supply-chain constraints for Himadri. This may require greater supplier diversification, exploration of alternative and sustainable feedstocks, and investments in R&D and process flexibility to maintain reliable raw-material availability and manage potential increases in production costs.

Opportunities:

- Scope in R&D
- Sustainable product portfolio

Table 16: Structural Change in Himadri's Raw Material Landscape

Structural Change	Impact on Himadri's Raw Materials
Rapid decarbonisation of steel industry	Shift to Electric Arc Furnaces (EAFs) reduces coal use » lower coal tar availability
Decline in oil refining	Refiners cut operations due to EV growth » reduced availability of carbon feedstocks
Electrification of industrial processes	Reduced use of coke and fossil fuels » disrupts by-product generation
CCUS and Green Hydrogen Adoption	Changes production technologies » alters process waste streams

TECHNOLOGY RISK

1 Rise of technology disruption impacting competitive edge

Rapid advances in low-carbon technologies, process technologies and digital solutions could make existing technologies less competitive and increase the risk of asset obsolescence. For Himadri, this may require higher CAPEX for technology upgrades, replacement or retirement of legacy equipment, along with increased R&D and operating costs to adopt emerging technologies. Failure to keep pace with technological developments could affect operational efficiency, product competitiveness and market positioning.

2 Stakeholder expectations and brand equity:

Increasing expectations from customers, investors, regulators and other stakeholders for credible climate action and transparent environmental performance could expose Himadri to reputational risk if expectations are not adequately met. Perceived gaps in climate performance, disclosure, decarbonisation progress or responsible business practices could affect brand equity, customer relationships, investor confidence and access to capital.

Strategic Response:

- Transparent disclosures under IFRS-S2, BRSR, and CDP frameworks
- Investments in low-carbon technologies
- Continuous stakeholder engagement and brand positioning
- ESG-linked financing and green bond opportunities

CLIMATE-RELATED OPPORTUNITIES:

CONVERTING TRANSITION INTO COMPETITIVE ADVANTAGE

Himadri views the transition towards a lower-carbon, resource-efficient and circular economy as an opportunity to strengthen its competitive position, accelerate innovation and create new avenues for sustainable growth.

Building on the opportunity areas identified in the FY 2024-25 TCFD assessment, the Company is leveraging its capabilities in advanced materials, energy efficiency, circularity, sustainable feedstocks and clean technologies to respond to evolving customer needs and emerging markets.

The Company's transformation towards speciality chemicals and advanced materials provides a strong platform to participate in growth areas associated with electric mobility, energy storage, renewable energy integration and low-carbon manufacturing.

This is increasingly reflected in its new energy materials portfolio, including anode and cathode materials and advanced carbon materials, which directly support electrification and energy-storage ecosystems.

Table 17: Climate-related Opportunities and Potential Business Value

Climate-related Opportunity	Himadri's Approach	Potential Business Values
Advanced materials for the energy transition	Developing anode, cathode and advanced materials for EVs and energy-storage applications	Access to high-growth markets and portfolio diversification
Green product innovation	Developing low-carbon grades of carbon materials and products supporting downstream decarbonisation	Product differentiation and new customer opportunities
Resource and energy efficiency	Digital energy management, process optimisation, waste-heat recovery and energy-efficiency initiatives	Lower operating costs, improved productivity and resilience to energy-price volatility
Sustainable feedstocks	Exploring renewable, recycled and alternative feedstocks and increasing resource circularity	Reduced dependence on virgin and fossil-based resources and enhanced supply resilience
Circular economy and waste valorisation	Upcycling industrial by-products, recycling, take-back initiatives and closed-loop processes	Cost savings, new revenue streams and improved resource security
Water stewardship	ZLD, water recycling, rainwater harvesting and process-level optimisation	Reduced freshwater dependence and greater resilience in water-stressed locations
Next-generation technologies	Digitalisation, automation, advanced process technologies, CCUS and R&D partnerships	Technology leadership, operational efficiency and future-ready manufacturing
Sustainable financing and stakeholder confidence	Stronger climate performance, disclosure and alignment with global sustainability frameworks	Potential access to sustainable finance and enhanced investor / customer confidence

COST OF REALISATION OF OPPORTUNITY

Himadri operates a 28 MW in-house Captive Power Plant (CPP), primarily fuelled by waste gases generated during the carbon black production process. The CPP enables Himadri to meet approximately 90% of its total electricity demand internally, reducing reliance on external grid electricity and providing greater protection against electricity tariff volatility.

The CPP also creates an opportunity to monetise surplus electricity through grid sales. In FY 2025-26, the plant generated over 66,654.72 MWh of surplus electricity, creating an additional avenue for revenue generation while improving the utilisation of internally generated process gases.

The opportunity therefore contributes through three principal financial channels:



Avoided electricity purchase costs through increased captive power utilisation.



Improved cost predictability through reduced exposure to external electricity tariffs.



Incremental revenue potential through the sale of surplus electricity to the grid.

FINANCIAL IMPACT AND QUANTIFICATION METHODOLOGY

Himadri estimates that the **CPP** can generate recurring avoided electricity purchase costs of approximately

Rs. 82-91
CRORES ANNUALLY

The base calculation is derived from approximately 96 million kWh of captive electricity supply annually, valued at the prevailing grid tariff of Rs. 8.5/kWh, resulting in an annual avoided electricity purchase cost of approximately **Rs. 82.16 crores.**





IMPACT ON FINANCIAL POSITION, PERFORMANCE AND CASH FLOWS

In the short-term, increased CPP utilisation is expected to strengthen operating margins through recurring avoided electricity purchase costs and improved protection against grid tariff volatility.

Over the medium-term, optimisation of CPP efficiency and increased utilisation of waste gases are expected to further reduce external electricity requirements while increasing the potential volume of surplus electricity available for sale. This creates the potential for both continued operating cost savings and incremental revenue generation.

Over the long term, the CPP provides a structural advantage through energy self-sufficiency, cost predictability and resilience against electricity price volatility.

Continued optimisation and surplus power monetisation are expected to support sustained positive cash flows and long-term profitability.

The potential surplus electricity sales opportunity is estimated at approximately Rs. 82-91 crores annually, providing an additional source of recurring revenue alongside avoided electricity procurement costs.

Cost to realise the opportunity

The CPP opportunity can be realised with limited incremental capital expenditure, as the 28 MW CPP infrastructure is already established and the underlying capital investment has already been incurred.

The principal costs associated with realising and sustaining the opportunity comprise:

- Routine CPP operations and maintenance (O&M) expenditure;
- Process optimisation and efficiency improvement activities;
- Proactive maintenance and automation;
- Grid integration arrangements for surplus electricity sales; and
- Potential certification and administrative requirements associated with green power monetisation.

These activities are largely incorporated within Himadri's existing operating budgets, with potential incremental expenditure expected to remain limited relative to the recurring financial benefits generated by the opportunity.

RISK MITIGATION IN ACTION

Measures implemented / identified through the Company's climate risk assessment

Himadri's climate risk management approach combines preventive, adaptive and strategic measures to strengthen resilience across its operations and value chain. The mitigation measures identified last year have been implemented in FY 2025-26 to address site-specific vulnerabilities while also supporting longer-term operational efficiency, resource resilience and the Company's transition towards a lower-carbon business model. Our response strategy is built on a structured five-step approach:

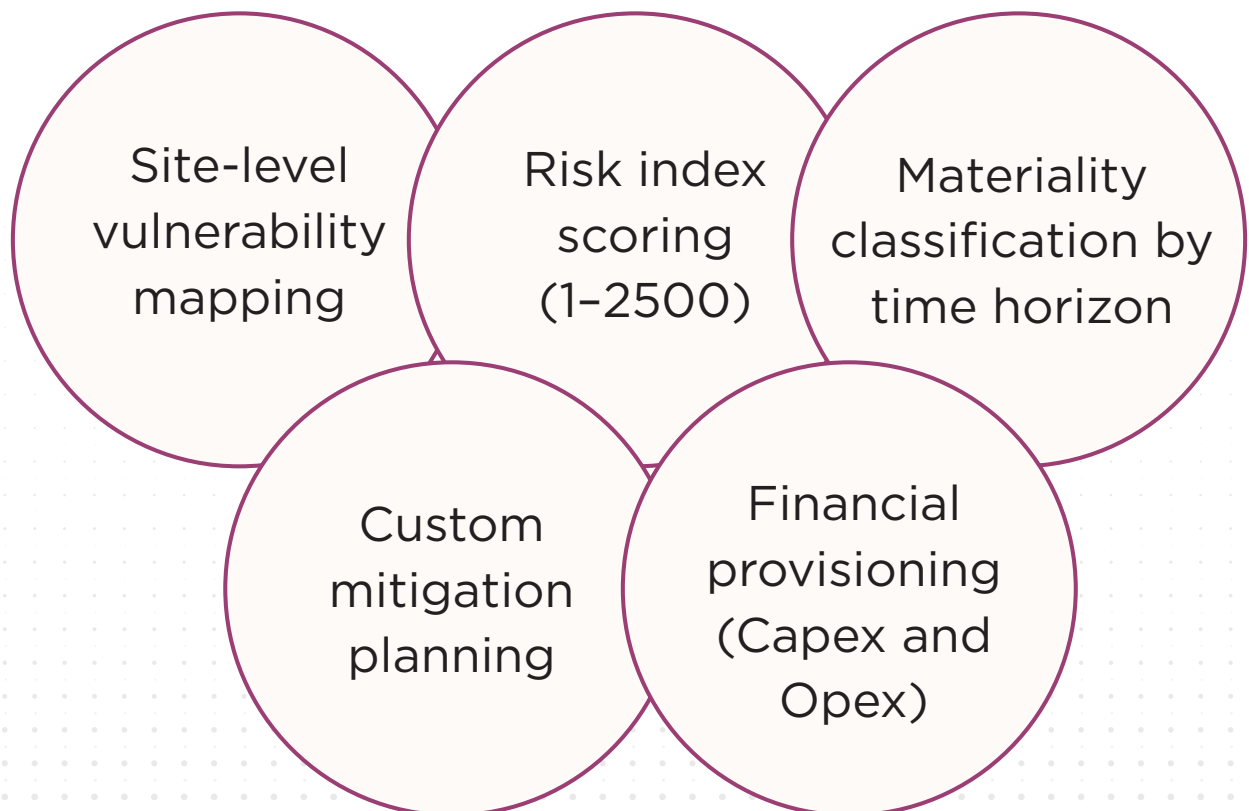


Figure 14 - Risk Mitigation in Action – Five-Step Response Framework



The following sections outline our mitigation strategies for each physical climate risk, with a focus on both preventive and adaptive measures:

Table 18: Physical Risk Intervention

Physical Risk type	Description	Key Interventions and Outcomes
Heatwave	Heatwaves present a high-frequency, high-impact risk across operating regions. Rising ambient temperatures affect worker health, reduce equipment efficiency, and strain energy systems.	- Enhanced thermal insulation - Air pre-heater optimisation - Passive roof ventilation - Wind ventilators - Worker hydration support
Cyclones	Cyclones can cause significant infrastructure damage, operational halts, and supply chain disruptions, particularly in coastal and near-coastal units.	- Weatherproof infrastructure - Resilient structural design - Flood-proofing measures - Cyclone-resistant warehousing - Disaster preparedness systems
Wildfires	Though less frequent, wildfires pose a significant threat to facilities in Korba and Sambalpur during dry seasons.	- Perimeter fire sprinklers - Fire-resistant construction - On-site emergency teams - Fire prevention systems - Rainwater storage
Drought	Water scarcity, particularly acute in Sambalpur, has the potential to disrupt operations and safety systems.	- Rainwater harvesting infrastructure - Effluent treatment and reuse - Closed-loop cooling systems - Employee awareness campaigns - Budgeting for water stewardship

Himadri's overall annualized cost of response to material climate physical risks is estimated at approximately Rs. 10 crores per year, based on current adaptive measures for heatwave, cyclone, wildfire, water scarcity, rainfall, and flood events. This cost represents about 0.010% of the projected physical risk impact (Rs. 961.36 crores), highlighting strong financial prudence and alignment with the Company's strategic commitment to invest Rs. 100 crores over a decade in resilience and adaptation.

METRICS AND TARGETS

Himadri's environmental strategy is centred on decoupling business growth from environmental impact through energy efficiency, clean energy adoption, circular economy integration and long-term climate action. The Company is progressively embedding measurable environmental and climate performance indicators into operational decision-making, investment planning and its transition towards a Net-Zero 2050 pathway.

Climate-related metrics are used to track progress across energy consumption, energy intensity, GHG emissions and emission intensity, enabling Himadri to assess the effectiveness of its decarbonisation initiatives and identify opportunities for further improvement.



1 NET-ZERO BY 2050 Himadri aims to achieve Net-Zero carbon emissions by 2050, with interim milestones for 2030 and 2040. These targets are supported by clean technology adoption, operational efficiency measures, and R&D-led innovation to ensure steady and credible progress.	7 RENEWABLE POWER TRANSITION We are accelerating the shift from fossil-based power to renewables, including captive solar, wind, and hybrid projects. This transition will not only cut operational emissions but also protect against future carbon pricing regimes.
2 WATER MANAGEMENT Water is emerging as a frontline climate risk. Himadri targets a 30% reduction in groundwater withdrawal intensity by 2029 (versus 2021 levels) and a 30% reduction in daily water consumption intensity by 2029, supported by zero liquid discharge systems, recycling, and advanced monitoring.	8 VALUE CHAIN EMISSIONS ACCOUNTING Himadri is instituting systematic tracking and reporting of emissions across the value chain including suppliers and logistics partners, embedding transparency and accountability into our climate performance.
3 Rs. 100 CRORES CLIMATE INVESTMENT PLAN We have earmarked Rs. 100 crores over the next decade for clean technologies, infrastructure upgrades, and climate innovation — an investment in long-term resilience and leadership.	9 TRANSPARENT DISCLOSURE We are committed to robust disclosure under SEBI's BRSR, GRI, CDP, EcoVadis, and TCFD frameworks, ensuring investor confidence, global comparability, and regulatory readiness.
4 SCOPE 1 & 2 EMISSIONS REDUCTION We target a 30% reduction in Scope 1 (direct) and Scope 2 (indirect energy-related) emissions intensity by 2030, using 2021 as the baseline. This will be delivered through process electrification, efficiency upgrades, and expanded renewable energy sourcing.	10 CLEAN FUEL ADOPTION Himadri is diversifying its energy mix by adopting biofuels, hydrogen, and synthetic alternatives, reducing reliance on carbon-intensive sources and future-proofing our energy systems.
5 WASTE CIRCULARITY By 2027, we aim to reduce waste-to-landfill intensity to below 1% and source over 95% of non-virgin raw materials from recycled streams. This strengthens our position as a circular economy frontrunner in the chemical sector.	11 SUPPLIER GHG STRATEGY ALIGNMENT By 2025, all Tier 1 suppliers were required to submit GHG reduction strategies, and by 2026, they must align with Himadri's climate goals driving shared accountability for Net-Zero pathways.
6 SCOPE 3 EMISSIONS REDUCTION Recognising that most emissions lie beyond our operations, Himadri has committed to a 20% reduction in Scope 3 emissions intensity by 2030 (from a 2023 baseline). This includes supplier, logistics and downstream product impacts, achieved through collaborative value chain engagement and innovation in circular solutions.	12 COMMUNITY ADAPTATION AND RESILIENCE Through CSR programmes, Himadri advances climate adaptation at the grassroots, promoting water security, disaster preparedness, green skills, and education in vulnerable communities.

Figure 15 - Metrics and Targets - Climate Performance Dashboard

ENERGY MANAGEMENT

Energy management is a strategic priority at Himadri, supporting operational efficiency, cost competitiveness and the Company's long-term decarbonisation roadmap.

Himadri achieved a **19.31% reduction in energy intensity from the baseline year**, demonstrating continued progress in improving energy efficiency and decoupling energy consumption from business growth.

The Company's energy intensity has shown a sustained downward trend:

Going forward, Himadri is targeting further reductions in electricity intensity through expanded digitalisation, advanced process optimisation, workforce-led conservation and increased integration of low-carbon energy sources. These initiatives support continued progress towards the Company's Net-Zero 2050 commitment.

Energy Consumption and Energy Intensity

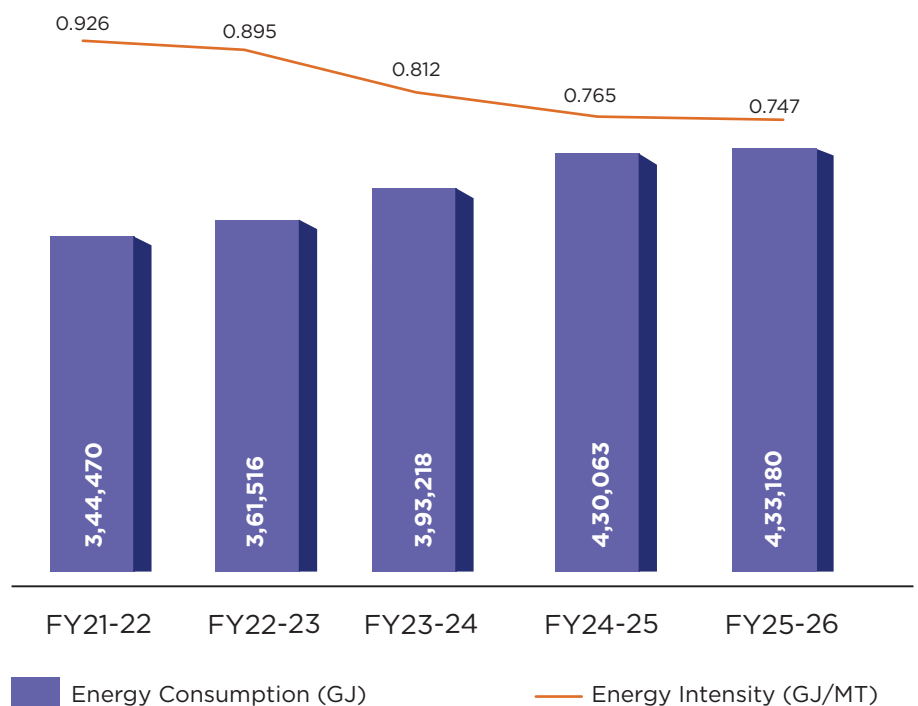


Figure 16 - Energy Intensity trend



GHG EMISSIONS AND EMISSION INTENSITY

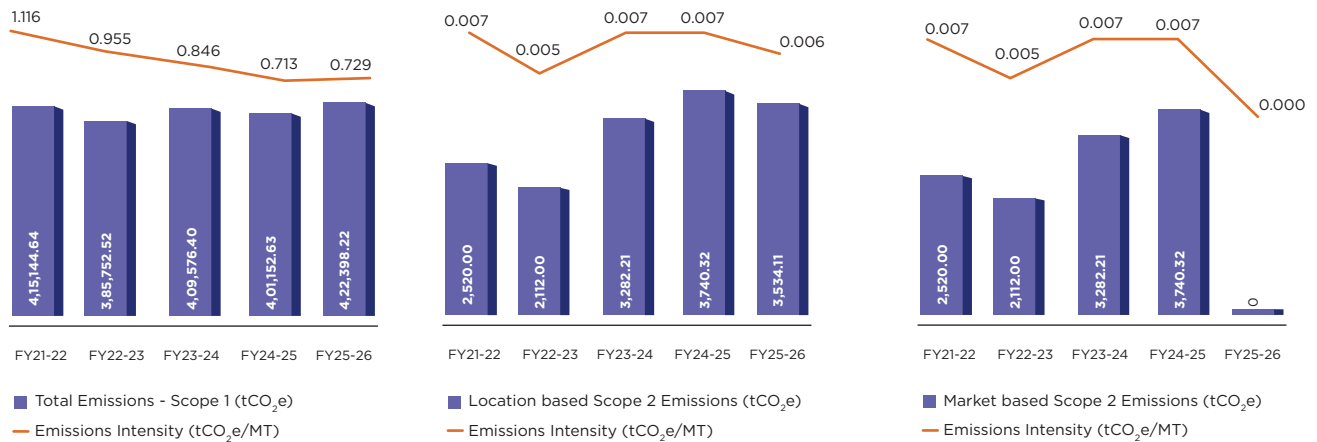
Himadri is strengthening its approach to GHG emissions management through energy efficiency, process optimisation, clean energy adoption, waste heat recovery and the integration of lower-carbon technologies. These initiatives form an integral component of the Company's broader decarbonisation strategy and Net-Zero 2050 commitment.

Himadri tracks **Scope 1 and Scope 2 emissions and emission intensity** to evaluate progress in reducing the carbon intensity of its operations. The Company has demonstrated a consistent reduction in emission intensity over the reporting period.

Table 19: GHG Emissions by Scope 3 Category

Category		Emission in tCO ₂ e		
		FY23-24	FY24-25	FY25-26
Category 1	Purchased Goods and Services	7,62,008.94	6,68,896.59	7,98,951.00
Category 2	Capital goods	8,186.29	19,844.05	7,173.50
Category 3	Fuel-and-Energy-Related Activities Not Included in Scope 1 or Scope 2	294.75	301.44	879.14
Category 4	Upstream Transportation and Distribution	1,15,657.13	1,01,857.89	99,022.00
Category 5	Waste Generated in Operations	3,476.42	1,887.39	764.70
Category 6	Business Travel	3,222.30	3,164.45	957.74
Category 7	Workforce Members Commuting	266.96	269.85	217.69
Category 8	Upstream Leased Assets	NA	NA	56.09
Category 9	Downstream Transportation and Distribution	96,303.94	97,286.00	74,260.79
Category 10	Processing of sold products	NA	NA	2,63,583.43
Category 12	End-of-life treatment of sold products	NA	NA	1,564.91
	Total	9,89,416.73	8,93,507.66	12,47,430.99

The reduction in emission intensity reflects the impact of energy efficiency measures, process optimisation, waste heat recovery, digital monitoring and the increasing integration of lower-carbon energy sources. Himadri will continue to strengthen these initiatives as part of its transition towards Net-Zero 2050.

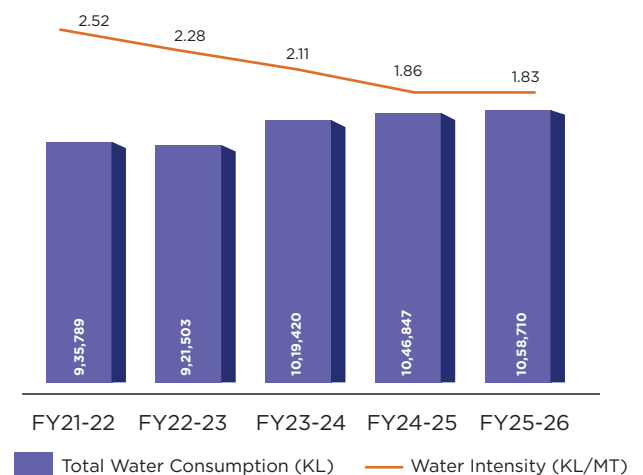
Figure 17 - Scope 1 and Scope 2 Emissions and Emission Intensity**Scope 1 and Scope 2 Emissions Intensity (tCO₂e/MT)**

Scope 1 and 2 Reduction in Emission Intensity from baseline year 38.18%

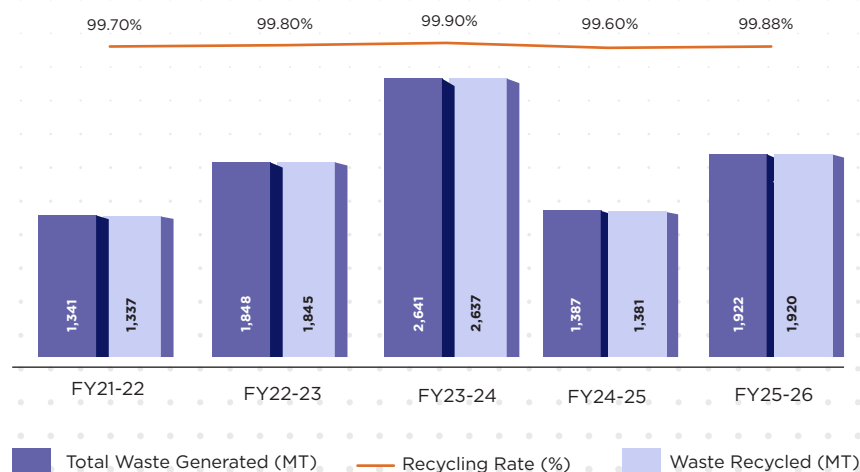
WATER STEWARDSHIP

Himadri has demonstrated continued improvement in water efficiency, with water intensity declining from 2.52 KL / MT in FY 21-22 to 1.83 KL / MT in FY25-26, representing a 27.41% reduction from the baseline year.

Reduction in Water Intensity from baseline year is 27.41%

Figure 18 - Water Intensity and Total Water Consumption

WASTE RECYCLING



Himadri has maintained a consistently high waste recycling rate, with the recycling rate reaching **99.88% in FY 25-26**.

Figure 19 - Waste Generation, Waste Recycling and Recycling Rate

AIR EMISSIONS AND ENVIRONMENTAL PERFORMANCE

The Company's Air Quality & Emission Control Policy guides its approach to managing air emissions, with corrective actions underway to address NO_x and SO_x emissions through improved feedstock management, process optimisation and enhanced emission controls.

During the year, several targeted initiatives were implemented across operations:

VOC abatement: The condensation system in the Naphthalene Distillation Unit was upgraded with an additional condenser, improving vapour handling, reducing VOC emissions and strengthening regulatory compliance.

Fugitive dust reduction – Granulated Pitch: The introduction of a spiral chute for material transfer reduced dust generation, while also improving housekeeping and ambient air quality within the operating area.

Noise mitigation: A steam vent silencer was installed to reduce noise generated during high-pressure steam discharge, addressing noise-related impacts and improving workplace conditions.

Dust control – SNF-PCE Division: An online air-purging system was installed in the spray dryer bag filter to enable continuous de-choking. This has helped reduce fugitive emissions and minimise operator exposure to airborne particulates.

These initiatives demonstrate Himadri's proactive approach to air-emission management, combining preventive controls, process optimisation and targeted technological interventions. The Company remains focused on maintaining regulatory compliance while continuously strengthening environmental performance alongside operational growth.

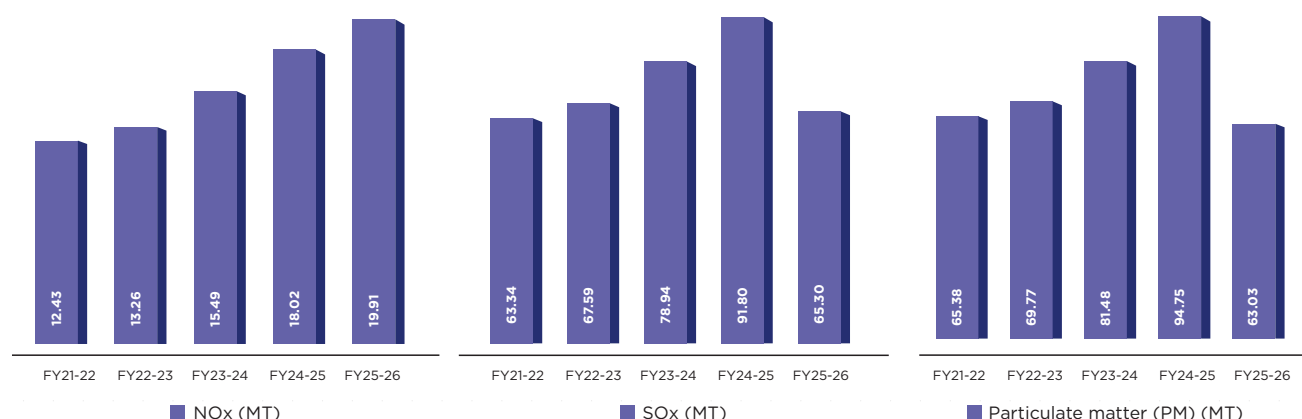


Figure 20 - Air Emissions

TABLE 20: TCFD-IFRS S2 CROSS-MAPPING INDEX

TCFD pillar	Description	Recommended disclosure	TCFD Mapping to CDP, DJSI & IFRS	Reference in this report
Governance	Disclose the organisation's governance around climate-related risks and opportunities.	a. Describe the board's oversight of climate-related risks and opportunities.	· DJSI – Climate Governance · CDP – Governance · IFRS S2 – IFRS S2-6(a)	· Board Oversight
		b. Describe management's role in assessing and managing climate-related risks and opportunities.	· DJSI – Climate Governance · CDP – Governance · IFRS S2 – IFRS S2-6(b)	· Management Level Oversight
			· DJSI – Climate Governance · CDP – Governance	· Our Risk Management Committee
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	· DJSI – Climate Risk Management · CDP – Risks & Opportunities · IFRS S2 – IFRS S2-9(a), IFRS S2-9(b), IFRS S2-9(c)	· Our integrated climate strategy · Double Materiality as a Strategy · Impact on Business Areas
		b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	· DJSI – Financial Risks of Climate Change / Opportunities Arising from Climate Change · CDP – Risks & Opportunities · IFRS S2 – IFRS S2-9(b), IFRS S2-9(c)	· Impact on Business Areas Impacts of Climate-related Risks & Opportunities
		c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	· DJSI – Climate-Related Scenario Analysis / Physical Climate Risk Adaptation · CDP – Climate Scenario Analysis · IFRS S2 – IFRS S2-15(a), IFRS S2-15(b), IFRS S2-22	· Climate scenario analysis as an input to risk identification · Climate risk assessment methodology

TCFD pillar	Description	Recommended disclosure	TCFD Mapping to CDP, DJSI & IFRS	Reference in this report
Strategy		d. Describe the current and anticipated effects of climate-related risks and opportunities on the organisation's business model and value chain.	- DJSI – Climate Risk Management - CDP – Risks & Opportunities / Value Chain - IFRS S2 – IFRS S2-9(a), IFRS S2-9(b)	Impact on Business Areas
		e. Describe how climate-related risks and opportunities have affected the organisation's strategy and decision-making.	- DJSI – Climate Strategy - CDP – Business Strategy - IFRS S2 – IFRS S2-14(a)	- Our integrated climate strategy - Impact on Business Areas
		f. Describe the effects of climate-related risks and opportunities on the organisation's financial position, financial performance and cash flows.	- DJSI – Financial Risks of Climate Change / Opportunities Arising from Climate Change - CDP – Financial Planning - IFRS S2 – IFRS S2-14(a), IFRS S2-16	- Impacts of Climate-related Risks & Opportunities - Investment in R&D and Capital Allocation
		g. Describe the resilience of the organisation's strategy and business model to climate-related risks and opportunities.	- DJSI – Climate Risk Management - CDP – Climate Resilience - IFRS S2 – IFRS S2-22	- Our integrated climate strategy - Impact on Business Areas
Risk management Risk management	Disclose how the organisation identifies, assesses and manages climate-related risks.	a. Describe the organisation's processes for identifying and assessing climate-related risks.	- DJSI – Climate Risk Management - CDP – Risk Management - IFRS S2 – IFRS S2-25(a), IFRS S2-25(b)	- Risk management as a competitive advantage at Himadri - Components of our ERM Framework - Identification of Climate-related risks
		b. Describe the organisation's processes for managing climate-related risks.	- DJSI – Climate Risk Management - CDP – Risk Management - IFRS S2 – IFRS S2-25(c)	- Components of our ERM Framework - Risk Mitigation in Action – measures implemented / identified through the Company's climate risk assessment

TCFD pillar	Description	Recommended disclosure	TCFD Mapping to CDP, DJSI & IFRS	Reference in this report
Risk management		c. Describe how the processes for identifying, assessing, prioritising and monitoring climate-related risks are integrated into and inform the organisation's overall risk management process.	· DJSI – Climate Risk Management · CDP – Risk Management · IFRS S2 – IFRS S2-25(c)	· Components of our ERM Framework · Climate risk embedded in enterprise risk management · Our Risk Management Committee
		d. Describe the organisation's processes for identifying, assessing, prioritising and monitoring climate-related opportunities.	· DJSI – Climate Risk Management · CDP – Risks & Opportunities · IFRS S2 – IFRS S2-25	· Climate Risk Assessment Methodology
Metrics and targets	Disclose the metrics used by the organisation to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used to assess climate-related risks and opportunities in line with its strategy and risk management process.	· DJSI – Climate-Related Management / Climate Performance · CDP – Metrics & Targets · IFRS S2 – IFRS S2-29	· Metrics and Targets · Climate at a glance
		b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks.	· DJSI – GHG Emissions · CDP – Scope 1 / Scope 2 / Scope 3 · GHG Protocol – Scope 1, Scope 2 & Scope 3 · IFRS S2 – IFRS S2-29(a)	· GHG Emissions and Emission Intensity
		c. Disclose the targets used by the organisation to manage climate-related risks and opportunities and performance against these targets.	· DJSI – Emissions Reduction Targets / Net-Zero Commitment · CDP – Emissions Reduction Targets · IFRS S2 – IFRS S2-33, IFRS S2-34, IFRS S2-36	· Himadri's roadmap: Net-Zero target by 2050 · Metrics and Targets

TCFD pillar	Description	Recommended disclosure	TCFD Mapping to CDP, DJSI & IFRS	Reference in this report
Metrics and targets		d. Disclose the organisation's targets relating to climate-related risks and opportunities, including the metrics used to measure progress.	- DJSI – Climate Targets - CDP – Targets - IFRS S2 – IFRS S2-33, IFRS S2-34	- Himadri's roadmap: Net-Zero target by 2050 - Energy Management - GHG Emissions and Emission Intensity - Water Consumption - Waste Recycling
		e. Disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks, transition risks and aligned with climate-related opportunities.	- DJSI – Climate Risk Exposure - IFRS S2 – IFRS S2-29(b), IFRS S2-29(c), IFRS S2-29(d)	- Climate risk assessment methodology - Impacts of Climate-related Risks & Opportunities
		f. Disclose capital deployment towards climate-related risks and opportunities.	- DJSI – Climate Strategy / Climate-related Investments - CDP – Climate-related Investment - IFRS S2 – IFRS S2-29(e)	- Investment in R&D and Capital Allocation - Our integrated climate strategy
		g. Disclose the internal carbon price used by the organisation to assess the costs of its greenhouse gas emissions.	- DJSI – Internal Carbon Pricing - CDP – Carbon Pricing - IFRS S2 – IFRS S2-29(f)	Impacts of Climate-related Risks & Opportunities
		h. Disclose the percentage of executive management remuneration linked to climate-related considerations.	- DJSI – Climate-Related Management Incentives - CDP – Incentives - IFRS S2 – IFRS S2-29(g)	Executive remuneration linked to climate KPIs



Assurance statement on third-party verification of sustainability information

Unique identification no.: **3153243612**

TÜV SÜD South Asia Pvt. Ltd. (hereinafter TÜV SÜD) has been engaged by, **Himadri Speciality Chemicals Limited, Ruby House, 8, India Exchange Place, 2nd Floor, Kolkata- 700 001**, India to perform an independent assurance of disclosure of sustainability information in the Sustainability and TCFD Report by Himadri Speciality Chemicals Limited (hereinafter "Company") for the period from 01.04.2025 to 31.03.2026. The verification was carried out according to the steps and methods described below.

Scope of the verification

The third-party verification was conducted to obtain reasonable assurance about whether the sustainability information is prepared "in accordance with" the reporting criteria of the Sustainability Reporting Standards of the Global Reporting Initiative 2021 version and the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations (hereinafter "Reporting Criteria").

1. Global Reporting Initiative (GRI) Sustainability Disclosures

The following selected disclosures are included in the scope of the assurance engagement for reporting year 01.04.2025 to 31.03.2026 the disclosures of following sustainability indicators in the "Sustainability Report", published at Himadri Speciality Chemicals Website

- GRI 2: General Disclosure
- GRI 3: Materiality Assessment – 3-1, 3-2, 3-3
- GRI 201: Economic Performance – 201-1, 201-2
- GRI 202: Proportion of senior management hired from the local community – 202-2
- GRI 204: Procurement Practices – 204-1
- GRI 205: Anti-corruption – 205-1, 205-2, 205-3
- GRI 206: Anti-competitive Behavior – 206-1
- GRI 301: Materials – 301-2
- GRI 302: Energy– 302-1, 302-3, 302-4
- GRI 303: Water – 303-1, 303-2, 303-3, 303-4, 303-5
- GRI 305: Emissions – 305-1, 305-2, 305-3, 305-4, 305-5, 305-7
- GRI 306: Effluents and Waste – 306-1, 306-2, 306-3, 306-4, 306-5
- GRI 308: Supplier Environmental Assessment – 308-1
- GRI 308: Negative environmental impacts in the supply chain and actions taken– 308-2
- GRI 401: Employment– 401-1, 401-2, 401-3.
- GRI 403: Occupational Health and Safety – 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10
- GRI 404: Training and Education – 404-1, 404-2, 404-3
- GRI 405: Diversity and Equal Opportunity – 405-1, 405-2
- GRI 406: Non-discrimination – 406-1
- GRI 408: Child Labor- 408-1
- GRI 409: Forced or Compulsory Labor-409-1
- GRI 412: Human Rights Assessment
- GRI 413: Local Communities- 413-1, 413-2
- GRI 414: Supplier Social Assessment – 414-1
- GRI 415: Public Policy – 415-1
- GRI 416: Customer Health and Safety – 416-1, 416-2
- GRI 417: Marketing and Labeling – 417-1, 417-2, 417-3
- GRI 418: Customer Privacy– 418-1
- GRI 419: Socioeconomic Compliance

2. Task Force on Climate-related Financial Disclosures (TCFD) Recommendations:

The following selected disclosures are included in the scope of the assurance engagement for reporting year 01.04.2025 to 31.03.2026 of the following indicators in the "TCFD Report", published at **Himadri Speciality Chemicals** Website

- TCFD – Governance: (a) Board oversight of climate-related risks & opportunities; (b) Management's role in assessing and managing climate-related risks and opportunities.
- TCFD – Strategy: (a) Climate-related risks and opportunities identified over the short, medium and long term; (b) Impact of climate-related risks & opportunities on the Company's businesses, strategy & financial planning; (c) Resilience of the Company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

- TCFD – Risk Management: (a) Processes for identifying and assessing climate-related risks; (b) Processes for managing climate-related risks; (c) Integration of these processes into the Company's overall risk management.
- TCFD – Metrics and Targets: (a) Metrics used to assess climate-related risks and opportunities in line with the Company's strategy and risk management process; (b) Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and related risks; (c) Targets used to manage climate-related risks and opportunities and performance against targets.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the ESG reporting, and accordingly, we do not express a conclusion on this information. It was not part of our engagement to review product- or service-related information, references to external information sources, expert opinions and future-related statements in the Report.

Responsibility of the Company

The legal representatives of the Company are responsible for the preparation of the sustainability information in accordance with the Reporting Criteria. This responsibility includes in particular the selection and use of appropriate methods for sustainability reporting, the collection and compilation of information and the making of appropriate assumptions or, where appropriate, the making of appropriate estimates. Furthermore, the legal representatives are responsible for necessary internal controls to enable the preparation of a sustainability report that is free of material - intentional or unintentional - erroneous information.

Verification methodology and procedures performed

The verification engagement has been planned and performed in accordance with the verification methodology developed by the TÜV SÜD Group, which is based upon ISAE 3000 as umbrella requirement; International Standard on Assurance Engagements (ISAE) 3410 and Assurance Engagements on Greenhouse Gas Statements; assurance statement is based on ISO 17029. The applied level of assurance was "reasonable assurance". A reasonable assurance engagement is designed to obtain a high, but not absolute, level of assurance that the selected sustainability and climate-related information is free from material misstatement. Accordingly, the verification procedures performed were more extensive in nature, timing and extent than those performed in a limited assurance engagement. The engagement included inquiries of personnel responsible for the preparation and consolidation of the reported information, evaluation and testing of relevant internal controls, inspection of supporting documentation and source records, analytical procedures, recalculation and re-performance of selected data and calculations, and other substantive verification procedures considered necessary to obtain sufficient appropriate assurance evidence.

The verification was based on a systematic and evidence-based reasonable assurance process as stated above. The nature, timing and extent of the assurance procedures were determined based on the verification team's professional judgment, including an assessment of the risks of material misstatement in the selected sustainability and climate-related information.

The procedures included amongst others:

- Inquiries of personnel who are responsible for the stakeholder engagement and materiality analysis to understand the reporting boundaries.
- Evaluation of the design and implementation of the systems and processes for compiling, analysing, and aggregating sustainability information as well as for internal controls
- Inquiries of company's representatives responsible for collecting, preparing and consolidating sustainability information and performing internal controls
- Analytical procedures and inspection of sustainability information as reported at group level by all locations.
- Assessment of local data collection and management procedures, along with control mechanisms, through offsite verification and onsite survey at selected multiple sites. Below sites were selected for Onsite Visit:

Sl. No.	Company Name	Site Address
1	HIMADRI SPECIALITY CHEMICAL LTD	8, INDIA EXCHANGE PLACE, 2ND FLOOR 700001 - KOLKATA, WEST BENGAL
2		Mahistikri Haripal, Singur, Dist. Hooghly, West Bengal, Hooghly, India 712407 - Hooghly
3		27B, Gadadhar Bhatt Road, Liluah,, West Bengal, Howrah, India- 711203
4		58/26, N. S. Road , Liluah India- 711204 Liluah-2
5		Korba Village- Jhagarha, Post- Risdi India- 495683, Korba
6		Kenghati, PO Jayantpur, Dist: Sambalpur India- 768112, Sambalpur
7		Plot Nos. 49,50,51, Sector-II, Falta Special Economic Zone, P.O. Bishira, PS.Ramnagar India- 743504, 24 South Parganas
8		Plot No. 67, 68 & 69, AIE, Pedagantiyada, Gajuwaka India- 530044, Visakhapatnam



Conclusion

On the basis of the assessment procedures carried out from 5th August 2025 to 31st August 2026, TÜV SÜD has not become aware of any facts that lead to the conclusion that the selected sustainability information has not been prepared, in all material aspects, in reference to the Reporting Criteria.

Limitations

The assurance process was subject to the following limitations:

The subject matter information covered by the engagement are described in the "scope of the engagement". Assurance of further information included in the integrated reporting was not performed. Accordingly, TÜV SÜD do not express a conclusion on this information.

Financial data were only considered to the extent to check the compliance with the economic indicators provided by GRI Standards and TCFD Recommendations and were drawn directly from independently audited financial accounts. TÜV SÜD did not perform any further assurance procedures on data, which were subject of the annual financial audit.

The assurance scope excluded forward-looking statements, product- or service-related information, external information sources and expert opinions.

Use of this Statement

The Company must reproduce the TÜV SÜD statement and possible attachments in full and without omissions, changes, or additions.

This statement is by the scope of the engagement solely intended to inform the Company as to the results of the mandated assessment. TÜV SÜD has not considered the interest of any other party in the selected sustainability information, this assurance report or the conclusions TÜV SÜD has reached. Therefore, nothing in the engagement or this statement provides third parties with any rights or claims whatsoever.

Independence and competence of the verifier

TÜV SÜD South Asia Pvt Ltd. is an independent certification and testing organization and member of the international TÜV SÜD Group, with accreditations also in the areas of social responsibility and environmental protection. The assurance team was assembled based on the knowledge, experience and qualification of the auditors. TÜV SÜD South Asia Pvt Ltd hereby declares that there is no conflict of interest with the Company.

Kolkata, 2nd September 2026

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ANNEXURE I: DETAILED GRI CONTENT INDEX – DISCLOSURES COVERED UNDER REASONABLE ASSURANCE

Sl. No.	GRI Standard / Topic	Disclosure(s) Covered under Assurance	Principal Information Covered	Reference for Sustainability Report
1	GRI 2 – General Disclosures	General Disclosures	Reporting entity and boundary, organisational profile, reporting practices, governance, stakeholder engagement and related general disclosures.	About this Report – p.9; About Himadri – p.13; Stakeholder Engagement – p.34; Board Governance & ESG Oversight – p.140; Ethics, Compliance & Integrity – p.147
2	GRI 3 – Material Topics	3-1, 3-2, 3-3	Process for determining material topics, materiality assessment process, final material-topic list and management approach for material sustainability impacts.	Double Materiality Assessment – p.35; Key Material Topics – p.36; ESG Goals & Roadmap – p.37
3	GRI 201 – Economic Performance	201-1, 201-2	Economic value / financial contribution and financial implications associated with climate-related risks and opportunities.	Strategy & Value Creation – pp.28-37; Climate Strategy & Decarbonisation – p.41; Climate Risk & Opportunity – p.83; CSR & Community Development – p.132
4	GRI 202 – Market Presence	202-2	Representation of local / national personnel within management and workforce.	Diversity, Equity & Inclusion – p.118
5	GRI 204 – Procurement Practices	204-1	Local and inclusive sourcing, procurement from local enterprises and responsible procurement practices.	Responsible Supply Chain – p.158; CSR & Community Development – p.132
6	GRI 205 – Anti-corruption	205-1, 205-2, 205-3	Corruption-risk assessment, anti-bribery and corruption training, communication of policies and reported incidents / actions.	Ethics, Compliance & Integrity – p.147
7	GRI 206 – Anti-competitive Behaviour	206-1	Fair Competition Policy, controls against anti-competitive behaviour and reported incidents.	Ethics, Compliance & Integrity – p.147
8	GRI 301 – Materials	301-1, 301-2, 301-3	Materials used by weight or volume, recycled / reused input materials, non-virgin and circular feedstocks, and reclaimed products and packaging materials.	Sustainable Products & Innovation – p.78
9	GRI 302 – Energy	302-1, 302-3, 302-4	Total energy consumption, energy intensity and reduction in energy consumption through efficiency initiatives.	Energy Management – p.55
10	GRI 303 – Water and Effluents	303-1, 303-2, 303-3, 303-4, 303-5	Water interactions and management, withdrawal, discharge, consumption, reuse, ZLD, water consumption in water-stressed areas, and discharge-quality parameters including Chemical Oxygen Demand (COD).	Water Stewardship – p.63
11	GRI 305 – Emissions	305-1	Direct Scope 1 GHG emissions, including source-wise and gas-wise emissions.	Greenhouse Gas Emissions – p.50
12	GRI 305 – Emissions	305-2	Indirect Scope 2 GHG emissions reported using both location-based and market-based methods.	Greenhouse Gas Emissions – p.50
13	GRI 305 – Emissions	305-3	Indirect Scope 3 GHG emissions reported category-wise for the relevant upstream and downstream categories.	Greenhouse Gas Emissions – p.50
14	GRI 305 – Emissions	305-4, 305-5	GHG emission intensity and emission-reduction performance / initiatives.	Greenhouse Gas Emissions – p.50; Climate Strategy & Decarbonisation – p.41
15	GRI 305 – Emissions	305-7	NOx, SOx, volatile organic compounds (VOC), particulate matter and other significant air emissions.	Air Emissions & Pollution Prevention – p.72
16	GRI 306 – Waste	306-1, 306-2, 306-3, 306-4, 306-5	Waste generation, waste-related impacts, waste disposal, waste diverted from disposal, recycling/recovery and waste directed to disposal, including hazardous waste.	Circular Economy & Waste Management – p.69
17	GRI 308 – Supplier Environmental Assessment	308-1, 308-2	Supplier ESG / environmental screening, on-site and desk assessments, identified environmental risks, corrective actions, and KPIs for supplier assessment, corrective-action closure and supplier development.	Responsible Supply Chain – p.158
18	GRI 401 – Employment	401-1	Workforce profile, new hires / turnover and employee-retention information.	Human Capital Management – p.91
19	GRI 401 – Employment	401-2, 401-3	Employee benefits, maternity/paternity benefits, parental leave, return-to-work and retention.	Employee Well-being & Engagement – p.122
20	GRI 402 – Labour / Management Relations	402-1	Minimum notice periods regarding significant operational changes, including whether notice provisions are specified in collective agreements.	Human Capital Management – p.91; Human Rights & Labour Practices – p.126
21	GRI 403 – Occupational Health & Safety	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10	OHS management system, hazard identification, occupational-health services, worker participation, training, health promotion, contractor safety, OHS coverage, injuries, fatalities, LTIFR separately covering employees and contractors / workers, Tier 1 Process Safety Events, and occupational illness.	Occupational Health & Safety – p.96; Supplier Assessment Framework – p.110; Injury & Illness Details – p.111
22	GRI 404 – Training & Education	404-1, 404-2, 404-3	Training hours, employee capability-development programmes, leadership development and performance / career-development reviews.	Learning & Capability Development – p.113
23	GRI 405 – Diversity & Equal Opportunity	405-1, 405-2	Workforce and governance diversity, women representation and gender remuneration / pay gap indicators including bonus.	Diversity, Equity & Inclusion – p.118
24	GRI 406 – Non-discrimination	406-1	Non-discrimination framework, grievance mechanisms and reported discrimination cases.	Diversity, Equity & Inclusion – p.118; Human Rights & Labour Practices – p.126
25	GRI 407 – Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk, and measures taken to support these rights.	Human Rights & Labour Practices – p.126; Responsible Supply Chain – p.158
26	GRI 408 – Child Labour	408-1	Assessment and controls relating to child-labour risk within operations and relevant value-chain relationships.	Human Rights & Labour Practices – p.126; Responsible Supply Chain – p.158
27	GRI 409 – Forced or Compulsory Labour	409-1	Assessment and controls relating to forced / compulsory labour risks within operations and value chain.	Human Rights & Labour Practices – p.126; Responsible Supply Chain – p.158
28	Human Rights Assessment (formerly GRI 412)	GRI 2-23, 2-24, 2-25 and 2-26	Human-rights policy commitments, due-diligence processes, site-level human-rights assessments, identification and remediation of adverse impacts, grievance mechanisms, corrective actions and management oversight. GRI 412: Human Rights Assessment 2016 has been withdrawn and is therefore not cited as an applicable GRI Topic Standard.	Human Rights & Labour Practices – p.126; Responsible Supply Chain – p.158
29	GRI 413 – Local Communities	413-1, 413-2	Community engagement, needs assessment, CSR programmes, impacts on local communities and mitigation / development initiatives.	CSR & Community Development – p.132
30	GRI 414 – Supplier Social Assessment	414-1	Social / human-rights screening of suppliers and value-chain partners, supplier corrective actions and development and supplier sustainability assessments -on site/desk.	Responsible Supply Chain – p.158
31	GRI 415 – Public Policy	415-1	Public-policy engagement, industry associations and political contributions.	Public Policy & Industry Collaboration – p.163



Sl. No.	GRI Standard / Topic	Disclosure(s) Covered under Assurance	Principal Information Covered	Reference for Sustainability Report
32	GRI 416 – Customer Health & Safety	416-1, 416-2	Product-health and safety considerations, product stewardship, chemical-risk assessment, safe handling and product compliance.	Sustainable Products & Innovation – p.78
33	GRI 417 – Marketing & Labelling	417-1, 417-2, 417-3	Product technical and safety information, product composition / regulatory information, customer communication and related compliance.	Sustainable Products & Innovation – p.78
34	GRI 418 – Customer Privacy	418-1	Data privacy, information security controls, privacy incident management and reported complaints / breaches.	Digital Governance & Data Privacy – p.159
35	GRI 419 – Socioeconomic Compliance	Socioeconomic Compliance	Compliance with applicable laws and regulations, statutory-compliance monitoring and reported non-compliance.	Ethics, Compliance & Integrity – p.147

Note: The disclosures listed in this GRI Content Index constitute the selected sustainability information covered within the reasonable assurance scope for FY 2025-26, as defined in the main Assurance Statement. GHG emissions covering Scope 1, Scope 2 (location-based and market-based) and category-wise Scope 3 emissions are additionally assured with reference to ISAE 3410.

ANNEXURE II: TCFD RECOMMENDED DISCLOSURES COVERED UNDER REASONABLE ASSURANCE

Sl. No.	TCFD Pillar	Recommended Disclosure Covered	Information Covered under Assurance	Reference for TCFD Report
1	Governance	a. Board oversight of climate-related risks and opportunities	Board and ESG Committee oversight of climate strategy, risks, opportunities, targets, capital allocation and climate performance.	Board Oversight – p.12
2	Governance	b. Management's role in assessing and managing climate-related risks and opportunities	Management oversight through the ESG Council, Sustainability Steering Committees and risk-management governance mechanisms.	Management Level Oversight – p.16; Risk Management Committee – p.20
3	Strategy	a. Climate-related risks and opportunities identified over the short, medium and long term	Physical and transition risks, climate-related opportunities, materiality considerations and implications across business activities.	Integrated Climate Strategy – p.26; Double Materiality – p.27; Impact on Business Areas – p.29
4	Strategy	b. Impact of climate-related risks and opportunities on businesses, strategy and financial planning	Effects on products and services, value chain, operations, R&D, capital allocation and financial performance.	Impact on Business Areas – p.29; Impacts of Climate-related Risks & Opportunities – p.45
5	Strategy	c. Resilience of strategy considering different climate-related scenarios, including a 2°C or lower scenario	Scenario analysis covering physical and transition pathways and assessment of strategic resilience under different climate scenarios.	Climate Scenario Analysis – p.35; Climate Risk Assessment Methodology – p.38
6	Risk Management	a. Processes for identifying and assessing climate-related risks	Climate-risk identification, prioritisation, scenario assessment, likelihood/severity evaluation and assessment methodology.	ERM Framework – p.33; Identification of Climate-related Risks – p.35
7	Risk Management	b. Processes for managing climate-related risks	Risk mitigation, adaptation, ownership, monitoring and response actions for material physical and transition risks.	ERM Framework – p.33; Risk Mitigation in Action – p.55
8	Risk Management	c. Integration of climate-risk processes into overall risk management	Integration of climate and ESG risks into the Enterprise Risk Management framework and Risk Management Committee oversight.	Risk Management Committee – p.20; ERM Framework – p.33
9	Metrics & Targets	a. Metrics used to assess climate-related risks and opportunities	Climate and environmental performance metrics covering energy, emissions, resource efficiency and other climate indicators.	Climate at a Glance – p.10; Metrics & Targets – p.57
10	Metrics & Targets	b. Scope 1, Scope 2 and, where appropriate, Scope 3 GHG emissions and related risks	Reported Scope 1, Scope 2 and Scope 3 GHG emissions and emissions-intensity performance.	GHG Emissions & Emission Intensity – p.59
11	Metrics & Targets	c. Targets used to manage climate-related risks and opportunities and performance against targets	Net Zero 2050 commitment, emissions and energy-related targets, and progress against climate-performance objectives.	Net Zero Roadmap – p.10; Metrics & Targets – p.57-60

Note: The above TCFD recommended disclosures constitute the climate-related information covered within the reasonable assurance scope for FY 2025-26, as defined in the main Assurance Statement.

ANNEXURE III: GREENHOUSE GAS EMISSIONS – SCOPE 1, SCOPE 2 AND SCOPE 3 CATEGORY-WISE BREAKDOWN

Scope 1 and Scope 2			
Sl. No.	Emission Type	Methodology	Emissions (tCO ₂ e)
1	Scope 1	Direct emissions from owned/controlled sources	422,398.22
2	Scope 2	Location-Based method	3,534.11
3	Scope 2	Market-Based method	0.00

Scope 3			
Sl. No.	Emissions Category	Category Description	Emissions (tCO ₂ e)
1	Category 1	Purchased goods and services	798,951.00
2	Category 2	Capital goods	7,173.50
3	Category 3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	879.14
4	Category 4	Upstream transportation and distribution	99,022.00
5	Category 5	Waste generated in operations	764.70
6	Category 6	Business travel	957.74
7	Category 7	Employee commuting	217.69
8	Category 8	Upstream leased assets	56.09
9	Category 9	Downstream transportation and distribution	74,260.79
10	Category 10	Processing of sold products	263,583.43
11	Category 12	End-of-life treatment of sold products	1,564.91

Note: The above GHG emissions data covers Scope 1, Scope 2 (both location-based and market-based), and Scope 3 category-wise emissions for the reporting period 01.04.2025 to 31.03.2026. Scope 3 categories are reported in alignment with the GHG Protocol Corporate Value Chain (Scope 3) Standard. This annexure forms an integral part of the Assurance Statement and has been verified as part of the reasonable assurance engagement conducted with reference to ISAE 3410.

ANNEXURE I

LIST OF ABBREVIATIONS

Abbreviation	Full Form
AI	Artificial Intelligence
BECCS	Bioenergy with Carbon Capture and Storage
BRSR	Business Responsibility and Sustainability Report
CAM	Cathode Active Material
CAPEX	Capital Expenditure
CCS	Carbon Capture and Storage
CCUS	Carbon Capture, Utilisation and Storage
CDP	CDP (formerly Carbon Disclosure Project)
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CMD	Chairman-cum-Managing Director
COD	Chemical Oxygen Demand
CPP	Captive Power Plant
CRF	Capital Recovery Factor
CSO	Chief Sustainability Officer
CSR	Corporate Social Responsibility
CSRC	Corporate Social Responsibility Committee
CSRD	Corporate Sustainability Reporting Directive
DEI	Diversity, Equity and Inclusion
DJSI	Dow Jones Sustainability Indices
DST	Department of Science and Technology
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
EAF	Electric Arc Furnace
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
EV	Electric Vehicle
FEMA	Federal Emergency Management Agency
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HAZUS	Hazards U.S. (FEMA Hazus loss-estimation methodology)
HR	Human Resources
HSE	Health, Safety and Environment
ICP	Internal Carbon Pricing
ICRA	Investment Information and Credit Rating Agency of India Limited
IEA	International Energy Agency
IFRS	International Financial Reporting Standards

Abbreviation	Full Form
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	Climate-related Disclosures
IMD	India Meteorological Department
IPCC	Intergovernmental Panel on Climate Change
ISAE	International Standard on Assurance Engagements
ISO	International Organization for Standardization
ISSB	International Sustainability Standards Board
JRC	Joint Research Centre
KL	Kilolitres
KPI	Key Performance Indicator
LFP	Lithium Iron Phosphate
LMFP	Lithium Manganese Iron Phosphate
LTIFR	Lost Time Injury Frequency Rate
LTIP	Long-Term Incentive Plan
MIT	Massachusetts Institute of Technology
NEM	New Energy Materials
NMC	Nickel Manganese Cobalt
NOx	Nitrogen Oxides
NRC	Nomination and Remuneration Committee
NZE	Net-Zero Emissions
O&M	Operations and Maintenance
OHS	Occupational Health and Safety
OPEX	Operating Expenditure
PAT	Profit After Tax
PLI	Performance Linked Incentive
PM	Particulate Matter
R&D	Research and Development
RCP	Representative Concentration Pathway
RMC	Risk Management Committee
SBTi	Science Based Targets initiative
SEBI	Securities and Exchange Board of India
SOx	Sulphur Oxides
SRC	Stakeholder Relationship Committee
SSP	Shared Socioeconomic Pathway
TCFD	Task Force on Climate-related Financial Disclosures
tCO ₂ e	Tonnes of Carbon Dioxide Equivalent
UN	United Nations
USD	United States Dollar
VOC	Volatile Organic Compounds
ZLD	Zero Liquid Discharge

ANNEXURE II

LIST OF TABLES

Table No.	Table Title	Page No.
Table 1	Board Focus Areas and Governance Outcomes – FY2025–26	23
Table 2	Key Challenges and Himadri's Proactive Response	33
Table 3	Climate and Sustainability Risk Capture Across Risk Levels	33
Table 4	Sustainability / Environmental Policies	35
Table 5	Executive Remuneration – Incentivised KPIs	37
Table 6	Scope 3 Categories and Reduction Initiatives	39–41
Table 7	Physical Climate Risk Assessment – Risk Scoring Framework	51
Tables 8 and 9	Identified Physical Climate Risks – Mahistikry and Liluah	51
Tables 10,11,12,13	Identified Physical Climate Risks – Korba, Vizag, Falta and Sambalpur	53
Table 14	Financial Impacts of Prioritised Climate Physical Risks	57
Table 15	Transition Risk Impact Assessment	61
Table 16	Structural Change in Himadri's Raw Material Landscape	63
Table 17	Climate-related Opportunities and Potential Business Value	65
Table 18	Physical Risk Intervention	73
Table 19	GHG Emissions by Scope 3 Category	73
Table 20	TCFD-IFRS S2 Cross-Mapping Index	77–79
Table 21	Assurance Statement – Selected GRI Disclosures Covered under Reasonable Assurance	83–84
Table 22	Assurance Statement – TCFD Recommended Disclosures Covered under Reasonable Assurance	84
Table 23	Greenhouse Gas Emissions – Scope 1, Scope 2 and Scope 3 Category-wise Breakdown	85

ANNEXURE III

LIST OF FIGURES

Figure No.	Figure Title	Page No.
Figure 1	Climate Highlights Dashboard	15
Figure 2	Himadri's Net-Zero Roadmap	17
Figure 3	Sustainability Governance Structure	25
Figure 4	Management-level ESG Council and Sustainability Steering Committee	27
Figure 5	ESG Task Forces – Agile Execution	29
Figure 6	Strategic Mandate and Roles of ESG Task Forces	31
Figure 7	Double Materiality Assessment	41
Figure 8	Components of Himadri's Enterprise Risk Management Framework	45
Figure 9	Climate Risk Identification and Scenario Analysis Framework	47
Figure 10	Climate Scenario Pathways – IEA NZE 2050, RCP 1.9, RCP 2.6, RCP 3.4 and RCP 8.5	47–49
Figure 11	Climate Risk Assessment Methodology	51
Figure 12	Financial Impact and Quantification Methodology	57
Figure 13	Capital Allocation and Cost of Risk Response	59
Figure 14	Risk Mitigation in Action – Five-Step Response Framework	69
Figure 15	Metrics and Targets – Climate Performance Dashboard	71
Figure 16	Energy IntensityTrend	72
Figure 17	Scope 1 and Scope 2 Emissions and Emission Intensity	74
Figure 18	Water Intensity and Total Water Consumption	74
Figure 19	Waste Generation, Waste Recycling and Recycling Rate	74
Figure 20	Air Emissions	75



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