



Where
Innovation
Meets
Sustainability



ABOUT THE REPORT

We take immense pleasure in presenting our Sustainability Report for 2022-23. The report explains our methodical approach to incorporating sustainability into our policies, structures, management, and operations.

It presents comprehensive analysis of our journey towards sustainability, highlighting our initiatives and performance in this area.

Moreover, it incorporates relevant aspects that hold significance to our stakeholders and business, with a keen emphasis on Environmental, Social, and Governance (ESG) factors.

There is no restatement of information during FY22-23 including financial figures barring reclassification, if any as per the laid-out accounting standards.



Reporting Principles and Framework

Our reporting approach is guided by GRI Reporting Standards and meets its 'In Accordance - Comprehensive' criteria and Business Responsibility and Sustainability Report (BRSR) mandated by SEBI.

The report reveals our performance against Key Performance Indicators (KPIs), as defined by the most recent GRI Standards and reflects Himadri's ESG practices, enabling stakeholders to get a holistic overview of the organisation.

The United Nations Sustainable Development Goals (UNSDGs) adopted by the United Nations in 2015 with a focus on 17 key goals, has also been mapped in the report.



Reporting Scope and Boundary

The Sustainability Report for FY23 covers the financial and non-financial performance of Himadri from April 1, 2022, to March 31, 2023, and enlists key highlights, goals, strategies, and our journey towards accelerating sustainable growth. More specifically, for some of the reported KPIs, figures of the last three years have been incorporated to provide a holistic overview and showcase our progress over the years.

We have taken great care to ensure that the information presented in this report is comprehensive and accurate and have endeavoured to provide a thorough understanding of our sustainability performance in the areas covered.



Management's Responsibility

The report has been reviewed by the Company's KMPs and senior executives to optimise the governance oversight, risk management, and controls. All corporate governance and CSR related information/queries shall be directed to the Company Secretary at monika@himadri.com and or/ CFO at kagarwal@himadri.com

The Assurance Statement

The content and data disclosed in this report has been independently verified and externally assured by an independent third-party assurance provider.



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Scan the QR Code to view the report online

Driven by Innovation and Sustainability

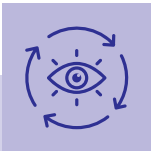
Himadri Speciality Chemical Ltd is a global speciality chemical conglomerate with a strong focus on research and development (R&D), innovation and sustainability. Our diverse product portfolio includes speciality carbon black, coal tar pitch, refined naphthalene, new energy material, SNF, speciality oils, green power, and so on, and we cater to industries such as lithium-ion batteries, paints, plastics, tires, aluminium, graphite electrodes, agrochemicals, defence, and construction chemicals. With a dedicated team and state-of-the-

art facilities, we continuously strive to develop cutting-edge solutions that meet the evolving needs of our customers while minimising its environmental impact.

As a pioneer in the production of lithium-ion battery anode material in India, we develop and innovate raw materials of lithium-ion battery value chain. Himadri's extensive network ensures that our products are easily accessible to customers in both domestic and international markets across 49 countries.

Sustainability is an integral

part of our core values and operations, deeply ingrained in our commitment to environmental and social well-being. We have eight zero-liquid discharge facilities and use green energy for more than 90% of our energy needs. These efforts have not only helped lower our environmental footprint but also ensure that our manufacturing processes are in line with the highest safety standards. Through our dedication to innovation and sustainable business practices, we are making a positive impact on the industry.



Vision

Himadri harbours a vision to become a global leader in speciality products by adopting appropriate eco-friendly technologies and enhancing core capabilities through continuous product improvement, technical innovation, and customer satisfaction.



Mission

To be a company that constantly innovates new products and technologies

To have an unrelenting customer focus while being customer's clear choice

Be a company that attracts, develops individuals to build a proud Himadrian team

Stay committed to a sustainable future and to improving the social, economic and environmental well-being of communities in the region of our operations



Our Core Values

Integrity

We are thoroughly professional in all our activities with absolute honesty, and we never compromise on our principles in any way.

Excellence

We always strive to achieve the best level of performance in whatever we do and continuously improve ourselves in order to reach that level.

Safety

The safety of our stakeholders — employees, suppliers, buyers, and society, is of utmost importance to us, and we never settle for any practice which puts it in danger.

Sustainability

We will continue to carry out all our business activities to positively contribute to the creation of a better tomorrow for our future generations.

Leadership's Perspective



We are delighted to publish the maiden issue of our Sustainability Report, highlighting our commitment to sustainability, responsible practices, and ethical governance. We continue to align our business practices with sustainable principles, focusing on environmental stewardship, social impact and governance excellence.

At Himadri Speciality Chemical Ltd we believe that our success is intertwined with the well-being of our planet and society. Ensuring sustainability is a duty we take seriously and is also at the core of our business activities. We understand that our actions today shape the future of our Company, our customers, our communities and the global environment. In light of this, we continue to adhere to the Ten Principles of the United Nations Global Compact, which encompass Human Rights, Labour, Environment, and Anti-Corruption. This report provides a comprehensive overview of how we integrate these principles into our business strategy, corporate culture and daily operations.

As we expand our global footprint, we recognise our obligation to build a robust Environment, Social, and Governance (ESG) framework. We have already set ambitious goals to achieve net-zero emissions by 2050 and are working closely with our

customers and business partners to ensure that our operations are aligned with our sustainability objectives. Our continuous efforts have already yielded significant reductions in our GHG emissions. We have also achieved Zero Liquid Discharge and successfully recycled 99% of our by-products through our value chain partners.

We have strengthened our commitment to research and development with a keen focus on green technologies and are also expanding our range of value-added products. This has enabled us to ensure sustainable development in the long-term and meet the evolving needs of our customers.

Our commitment to social responsibility extends beyond mere compliance with statutory obligations. As responsible corporate citizens, we strive to ensure the holistic well-being of the communities within our social and operational sphere.

We continuously evaluate our sustainability progress and periodically review our priorities to ensure long-term sustainable growth and to create value for all our stakeholders including investors, business partners and our dedicated employees.

Moreover, we remain steadfast in our commitment to prioritise diversity, equity and inclusion within our workforce, fostering an environment where every employee feels valued and respected. We have introduced menstrual leave for our female employees, in recognition of their physical hardships they face during this time. Our MOMAZING motherhood programme further exemplifies our commitment to providing a conducive working environment.

To ensure safety of our employees and help them reach their full potential, we conduct multiple training programmes. In the year under review, we have invested nearly 14,000 hours in training our employees. We have also implemented comprehensive safety protocols and procedures to minimise any potential risks in the workplace. Additionally, our CSR initiatives focus on empowering local communities through education and skill development programmes, fostering sustainable growth and improving livelihoods.

As part of our efforts to inspire trust and ensure transparency, we also implemented comprehensive corporate policies and guidelines that uphold the principles of good governance. These policies continue to serve as the bedrock of our operations and guide us in making responsible and sustainable decisions.

We recognise that sustainability does not have an Expiry date, and there will always be more to do. We remain committed to setting ambitious goals and implementing innovative solutions to address pressing sustainability challenges in the future.

In conclusion, we would like to thank you, our stakeholders, for the unwavering trust you continue to place in us. Together, we will create a brighter and more sustainable tomorrow.

| Objectives | Measures | Target FY 2023* (Against Baseline FY 2021-22) | 2023 Progress vs Plan | FY2023 Progress (1st Apr'22 - 31st Mar'23) | Main Domain | UNSDGs |
|---|---|---|-----------------------|--|-------------|----------|
| Vision Zero Accident / Incident | By 2025, Loss Time Injury frequency Rate below 1 | <1 | | 2.27 | People | |
| Energy Consumption | By 2025, Reduce Energy Intensity per metric tonne of product sold (Vs 2021) | -10% | | -3.23% | Planet | |
| CO₂e emission Intensity | By 2025, Reduce Scope 1 and Scope 2 CO ₂ e emission intensity per metric tonne of product sold (Vs 2021) | -10% | | -14% | Planet | |
| Zero Liquid Discharge | All plant must operate with ZLD status | 0 | | 100% | Planet | |
| Solid Waste | Reduce solid waste (Hazardous and sent to landfill) per metric tonne of product sold | <1% | | 0.01% | Planet | |
| Raw/Input Material | Increase the proportion of Non-virgin raw/ input material from external sources used in production to avoid direct depletion of natural resources | > 95% | | 98.5% | Planet | |
| Gender Diversity | Increase female representation in management team | 4% | | 4% | People | |
| Compliance Training | Increase percentage of Targeted staff, who completed anti bribery and corruption training | >90% | | 99.86% | Governance | |
| Supply Chain Management | By 2023, conduct sustainability assessment of our value chain partners covering at least 50% of group spend | 70% | | 82% | Communities | |

Behind Plan On Schedule Ahead of Schedule New Benchmark

*Financial Year (FY) 2023 - (1st Apr'22 - 31st Mar'23)



**ANURAG
CHOUDHARY**

CMD & CEO

**AMIT
CHOUDHARY**

EXECUTIVE
DIRECTOR

HARMONISE framework

Setting Futuristic and Realistic Targets

| | | |
|---|---|---|
|  | H uman Rights Protection | Ensuring Equality: Upholding Human Rights for All |
|  | A lternative Energy Sources | Harnessing Evolving Technologies to Power Our Future |
|  | R esponsible Sourcing | Empowering Communities through Responsible Sourcing |
|  | M itigating Climate Change | Climate Action: Driving Change, Shaping Our Sustainable Future |
|  | O rganisational Transparency | Creating Pathways to Trust and Accountability |
|  | N on-Discrimination Practices | Embracing Diversity, Eliminating Discrimination |
|  | I nclusive Governance | Driving Change Through Inclusive Governance |
|  | S ocial Responsibility | Building Resilience Through Community Engagement |
|  | E mployee Engagement and Welfare | Flourishing Together: Fostering Employee Empowerment and Well-Being |

The sustainability targets and journey of Himadri Speciality Chemical Ltd are based on the below mentioned ground level operational KPIs which are detailed in Securities and Exchange Board of India (SEBI) mandated Business Responsibility and Sustainability Report (BRSR). Our performance data against these KPIs are showcased in our published Annual Report 2022-23 (BRSR pg 127-162)

- ▶ Training on BRSR
- ▶ Fines and penalties by regulators
- ▶ Disciplinary action on bribery/ corruption
- ▶ Complaints on conflict of interest
- ▶ R&D and capital expenditure (capex)
- ▶ Recycled or reused input material
- ▶ End of life of products
- ▶ Reclaimed products
- ▶ Benefits for employees and workers
- ▶ Retirement benefits
- ▶ Return to work and Retention rates
- ▶ Membership of association(s) or Unions
- ▶ Training of employees and workers
- ▶ Performance and reviews of employees and worker
- ▶ LTIFR for employees and workers
- ▶ Complaints made by employees and workers
- ▶ Assessments on Health and Safety and Working conditions
- ▶ Training on human rights issues and policy(ies)
- ▶ Minimum wages
- ▶ Remuneration/ salary/ wages
- ▶ Complaints on human rights related issues
- ▶ Assessment on labor issues
- ▶ Energy consumption and energy intensity
- ▶ Water disclosure
- ▶ GHG emissions and intensity
- ▶ Waste management
- ▶ Rehabilitation and Resettlement (R&R)
- ▶ Percentage of MSMEs in supply chain
- ▶ Environmental and social disclosure of products
- ▶ Product recalls



As a Company, we pledge our unwavering commitment to growth and sustainability in the forthcoming years. We hope to reach a higher level of commitment to ESG principles through our ambitious HARMONISE framework. This comprehensive framework comprises five key actions, which are meticulously designed to help us achieve sustainable business practices. By focusing on three pivotal aspects of Environment, Social and Governance (ESG), we aspire to ensure a sustainable future for ourselves and those vested in our enterprise.

Our framework enables us to foster research developments that result in new and energy-efficient solutions, enabling us to operate in a more sustainable manner. Moreover, it promotes a culture of trust and growth, while fostering inclusive economic opportunities. This innovative framework also ensures the continued relevance and resilience of our business ventures.

The HARMONISE framework is as a testament to our unwavering commitment to strong business values and the well-being of our

employees. We are committed to working with our stakeholders, achieving our goals, and creating value for our clients and the larger community through constant efforts to promote a green industry.

Our unwavering commitment to sustainability extends far beyond our immediate stakeholders. It is embedded in a larger vision that corresponds with national goals and the principles of the United Nations Global Compact (UNGC). We are committed to incorporating sustainable practises into all aspects of our operations, recognising the interconnection of environmental, social, and economic factors.

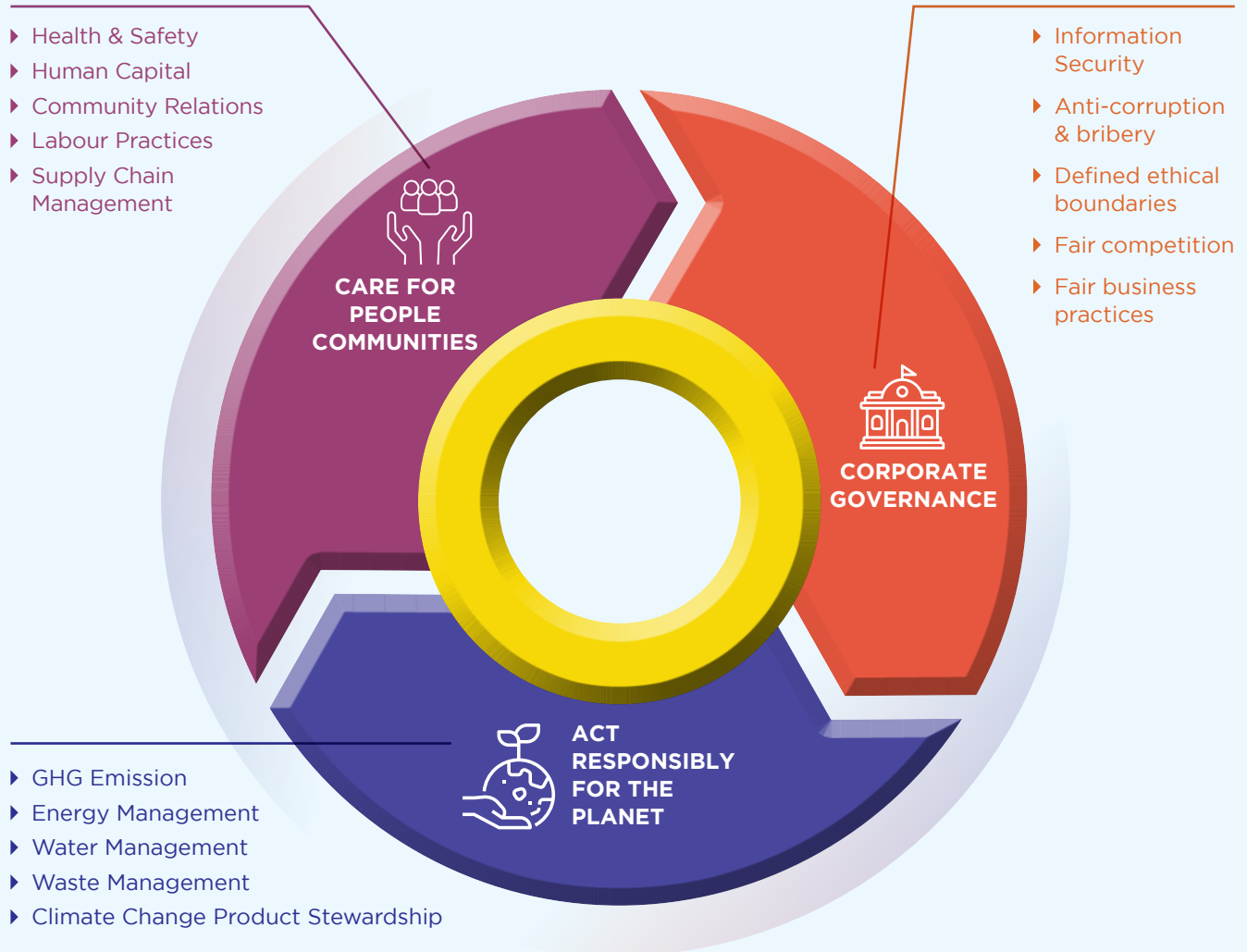
We strive to not only meet but exceed the expectations of our stakeholders by prioritising resource efficiency, reducing our carbon footprint, promoting social responsibility, and championing ethical business practices, while actively contributing to the realisation of the UNGC's sustainable development goals. In doing so, we support the global call for a more equitable, sustainable³ and prosperous future for all.

“

Our framework enables us to foster research & developments that result in new and energy-efficient solutions, enabling us to operate in a more sustainable manner.

”

Creating holistic value for stakeholders



We believe enterprises have the potential to create significant societal benefits alongside economic value. We are devoted to establishing a thriving and healthy organization, built upon this core belief that has deep roots in our history. We hold every employee in our esteemed company to the highest standards of responsibility and transparency. Our staff undoubtedly represents our most valuable asset. In our noble pursuit of progress and prosperity, we wholeheartedly embrace the principles of Environmental, Social, and Governance (ESG) stewardship. With unwavering dedication, we will uphold these timeless ideals and integrate them into the very essence of our endeavors. As we navigate the ever-changing landscape and strive to build a world that is harmonious, just, and sustainable for all, we passionately embrace these principles.

“

We are devoted to establishing a thriving and healthy organization, built upon this core belief that has deep roots in our history.

”

01



Environment

Energy Management

Total energy consumption reduced to 5% from last year FY 2021-22

Himadri makes use of process energy which meets an impressive 90% of our power requisites

Emission Control

Scope 1 emissions reduced by 7% from last year FY 2021-22

Scope 2 Emissions reduced by 16% from last year FY 2021-22

Water Management

Zero Liquid Discharge

10% water reduction intensity from FY 2021-22

Waste Management

31% waste generated reduced from FY 2021-22

Recycling 99% of by-products through value chain partners

38% increase in total waste recycled from last year 2021-22

44% decrease in total waste incinerated from last year 2021-22

3% decrease in total waste sent to landfills from last year 2021-22

02



Social

Man hours training for employees 14986

CSR beneficiaries: 16 villages benefited

30,000 trees planted

373 'Pucca' (RCC) houses constructed in place of 'Kutchha' (mud) houses for underprivileged villagers

4274 Homeopathy treatments

Widow pension: no of beneficiaries 636

As per Himadri's Leave Policy, all the female employees can avail period leave each month

As per Himadri's Leave Policy, every employees is eligible to avail study leave to pursue any course of their choice and come back to work

As per Himadri's Leave Policy, employees are granted travel leave allowance

Himadri has launched a program MOMAMAZING, which is a tribute to motherhood. This program provides all the necessary facilities to women when they are expecting, which includes both pre-natal and post-partum care.

Himadri provides childcare facilities to the employees

Employee turnover rate dropped from 10.99% in FY 22 to 8.57% in FY 23

Employee LTIFR reduced from 4.59% in FY22 to 2.73% in FY 23

Worker LTIFR reduced from 3.85% in FY 22 to 2.02% in FY 23

03



Governance

Zero POSH Cases during FY 23

Zero Whistleblower Cases during FY 23

100% senior management training coverage on "Anti-Corruption and Anti-Bribery" Policy

100% employees training coverage on "Human Rights and Forced Labor" Policy

100% key suppliers are communicated with "Code of Conduct" and "Sustainable Procurement" Policy

Key suppliers' audit and assessment before onboarding according to "Sustainable Procurement" Policy

80% contractors training coverage on "Human Rights and Forced Labor" Policy

Contractors' audit and assessment started

Net Zero

Roadmap

Research

- ▶ Explore innovative methods for capturing and transforming carbon emissions.
- ▶ Utilize upcoming technologies to capture and convert carbon dioxide into value-added innovative products.
- ▶ Achieve a substantial portion of our net-zero emissions target through these innovative technologies.

Adapt

- ▶ Implement new energy sources and technology advancements.
- ▶ Integrate renewable energy solutions for reduced carbon footprint.
- ▶ Shift production to carbon positive inputs for a Low-carbon future.



Recycle

- ▶ Design and create circular products.
- ▶ Encourage innovation and sustainability in customer solutions.
- ▶ Develop circular materials with reduced carbon footprint.
- ▶ Minimize material disposal in landfills.

Reduce

- ▶ Decrease reliance on conventional manufacturing methods.
- ▶ Emphasize maximum possible process optimization.
- ▶ Prioritize energy efficiency in all operational aspects.

Net Zero Roadmap (Scope 1 & 2)

Reduce 10%

by 2025



Reduce emissions by improving and using greener technologies



Research and adapt new ways to capture and convert carbon emissions



Investing in recycling technologies

- ▶ Diversification of fuel types and investment in fuel switching (Scope 1)
- ▶ Investing in electrification and the use of renewable energy (Scope 1 & Scope 2)
- ▶ Reducing CO₂ emission factors for purchased electricity, electricity intensity, energy conservation (Scope 2)

Reduce 10%

by 2030



Adapt and implement circular material-focused products



Focus on adding renewable energy sources

- ▶ Mixed and pure combustion of hydrogen (Scope 1)
- ▶ Implementation of Carbon Dioxide Capture and Storage and Direct Air Capture (Scope 2)
- ▶ Achieve 20% reduction as soon as possible

Reduce 80%

by 2050



Achieve net-zero emission

- ▶ Carbon offset projects and Carbon dioxide Capture, Utilization and Storage
- ▶ Embarking on future generation science based projects opportunities

Scope 3 - Assessment is going on. At exit of 2023 we shall strategise the same as well



Innovation accelerates sustainable product transformation

Portfolio of few products

2010

Offering essential elements to several industries

Until 2010, our focus was on supplying key raw materials to multiple core industries.

We supplied coal tar pitch to aluminium and graphite electrode industries and carbon black to tyre industries. As we specialised in providing vital components to numerous sectors, we quickly rose to prominence in the chemical manufacturing sector.

Core Products



Coal Tar Pitch-Binder Grade



Coal Tar Pitch-Impregnating



Carbon Black



Naphthalene



SNF



C.B. Oil

From core carbon products to value added products

2011 to 2022

Value-added products

Himadri has constantly moved ahead towards integrated business model where it has consistently value added innovated on products

- ▶ Graphite Grade Binder Pitch
- ▶ Graphite Grade Zero QI (Quinolene Insoluble) Coal Tar Impregnated Pitch
- ▶ Battery Components for Lithium-ion Batteries
- ▶ Special Pitch
- ▶ Naphthalene
- ▶ Refined Naphthlene
- ▶ HLSF Oil
- ▶ Light Creosote Oils
- ▶ Heavy Creosote Oils
- ▶ Anthracene Oil/Carbon Black Oil/ CT Oil
- ▶ Pitch Creosote Mixture (PCM)
- ▶ SNF
- ▶ PCE
- ▶ Carbon Black
- ▶ Speciality Carbon Black ONYX, JETEX, KLAREX, ELECTRA, COLORX, BARONX
- ▶ Himcoat Enamel
- ▶ Himcoat Primer-B
- ▶ Himtape
- ▶ Himwrap

From growing carbon value chain to promising mobility and energy storage opportunity

2022 onwards

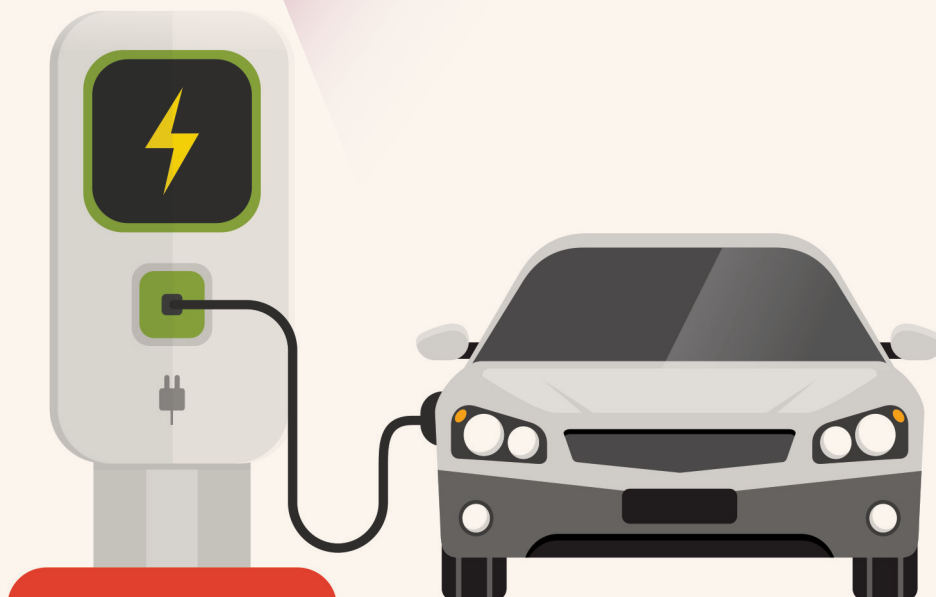
Value-added products

Charging Ahead

The growth
of the lithium-ion
battery market

The rising popularity of electric vehicles and other forms of energy storage have been major factors contributing to the rapid evolution of the lithium-ion battery sector. Himadri plans to be pioneer supplier in this segment.

- ▶ Products forming critical raw materials for lithium-ion batteries



Strong portfolio of specialised products

At Himadri, we cater to a variety of customers by offering specialised products. We have created a strong product portfolio, with focus on R&D. Our deep domain knowledge and world-class know-how help us foster innovative approaches that gives us a competitive edge. Our commitment to deliver superior quality speciality chemicals enables us to consistently introduce value-added products to our diverse portfolio.



New Energy Materials

- ▶ First Indian producer and pioneer of anode material required for lithium-ion battery
- ▶ High capacity, superior rate and long cycle life
- ▶ Enhanced anode offerings for the cell manufacturing process with silicon graphite and hybrid graphite anodes
- ▶ Next-generation LFP cathode materials to cater to the national and global demand for lithium-ion battery
- ▶ Established in-house production of precursor meso coke for anode material, ensuring quality control



Carbon Black

- ▶ Custom-made carbon black solutions tailored for specific applications
- ▶ Carbon black production with the lowest impurities in carcass and tread black is made possible by our backward integration into the cleanest feedstock
- ▶ A proven track record in quality and delivery



Speciality Carbon Black

- ▶ High-performance, customised products
- ▶ Used in various industries such as plastics, fibres, coatings, inks, paints, wires and cables
- ▶ Premium-grade solutions, high-quality products and reliable delivery



SNF (Sulphonated Naphthalene Formaldehyde)

- ▶ Dominant player of SNF in India
- ▶ Products serve the concrete, agro, rubber and gypsum board industries
- ▶ Superior quality and continuous supply are backed by in-house raw material resources



Coal Tar Pitch

- ▶ Largest Indian manufacturer in the industry with over 60% market share
- ▶ Used as a binder in aluminium anode and graphite electrode manufacturing
- ▶ Custom-made grades and contemporary manufacturing facilities



Naphthalene Derivatives

- ▶ Consistent high-quality products
- ▶ Reliable and steady supply through in-house raw material resources
- ▶ Largest Indian player in Refined Naphthalene



Corrosion Protection

- ▶ Anti-corrosion products developed using high-quality, high-temperature carbonised coal tar
- ▶ Optimal resistance to both acid and alkali attacks
- ▶ Can withstand adverse climatic conditions and provide long-lasting protection against severe salinity in seawater



PCE (Polycarboxylate Ether)

- ▶ Leading PCE manufacturing facility
- ▶ The range includes customised products of varying grades to suit specific needs



Speciality Oils

- ▶ Environment-friendly, low sulphur content and customised products
- ▶ Continuous distillation method is backed by superior technology and quality control





INDUSTRIES SERVED



Research-driven Innovation



At the heart of Himadri's operations lies a strong commitment to Research and Development (R&D), which serves as the cornerstone of innovation and inspiration across the Company's diverse ventures. At Himadri, we offer cutting-edge, eco-friendly solutions to our consumers that not only meet their evolving needs but also reduce our carbon footprint. Our continued success and industry leadership hinge on the sustainable growth fostered by R&D, and the incorporation of transformative technologies.

Our advanced laboratories accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL), a constituent board of the Quality Council of India (QCI). Our R&D team, consisting of both national and international experts, showcases proficiency and experience collaborate effectively and bring fresh perspectives to problem-solving. This dynamic blend of knowledge and skills enables us to stay at the forefront

of advancements in our industry and deliver cutting-edge solutions to our clients.

The product innovation pipeline of the Company reflects the positive outcomes of our investment in research and development. The Company gains a competitive edge in its product offerings by leveraging these investments to develop high-value products using unique techniques.

Innovation in process development has resulted in overall efficiency benefits, including lower product prices, improved quality, and better yield. Guided by an innovation-led strategy, the Company is focused on creating new products, particularly in the Lithium-ion Battery (LIB) materials domain. Additionally, the Company is diligently working on reducing energy consumption and carbon footprint in select processes through inventive techniques. Our R&D efforts encompass all three crucial areas: Product, Process, and Technology.

Our In-house Technology

The Company's in-house technology development prepares it to compete in the global markets. This stands out as a differentiator and enables the Company to consistently move ahead.

Product

The strong product development pipeline of the Company stands testament to its continuous focus on the development of innovative and trend-leading products. It has also helped the company to continuously value-add and play across the overall value chain.

Process

The Company's continuous focus on process improvement enhances its efficiencies. This has led to better product yield, improved throughput, and higher energy efficiency.

Technology

Our in-house technology development equips us to compete on a global scale. Diverse offerings such as various grades of Coal Tar Pitch, Advance Carbon Material, and Specialty Carbon Black stand as a testament to the capabilities afforded by our proprietary technology. We strive to reduce manufacturing costs by recycling and reusing waste.

Quality

Himadri adheres to the fundamental principles of quality control, emphasising the importance of achieving consistency and stability. The Company meets its global clients' expectations by consistently prioritising quality and ensuring that it is retained in all the Company's operations, including product development and manufacturing. It has an independent QA team responsible for documentation and data control. Himadri's commitment to quality has led to partnerships with various organisations and helped it gain recognition from the Indian government. The QA team stays up to-date with the latest techniques and technologies through regular training and audits at the Company's state-of-the-art NABL- accredited research lab. The Company complies with established regulations, processes and standards to protect quality while also manufacturing eco-friendly products.

World Class Researcher

Our excellent research team is responsible for the introduction of new product grades, as well as increased output and enhancements in our manufacturing processes. Our research endeavours have been acknowledged in esteemed research journals across the globe.

Innovation Culture

We continue to use new and emerging technologies to drive the transition to a sustainable future, keeping innovation at the forefront of our efforts. We value new ideas, use advanced technologies and foster a culture of innovation and collaboration. This approach allows us to simplify complexities, enhance operational efficiency and drive sustainable growth.

Benefits of R&D

- ▶ Our persistent research and development efforts have resulted in the production of unique products within our acclaimed R&D centre. These include special-grade carbon black derived from raw materials sourced from Coal Tar. We have also developed a specialised grade of carbon black tailored for diverse printing grades, as well as carbon black suited for the unique demands of engineering plastic master batches.
- ▶ Our relentless pursuit of innovation has led to the development of Mesophase Pitch for anode materials, as well as High SP pitch specifically formulated for refractory applications.
- ▶ We have surpassed production targets in the

manufacturing of superior-quality carbon black across various grades, showcasing our flexibility in utilising available raw materials.

- ▶ Our dedicated R&D wing has conducted extensive research and developed revolutionary technologies for utilizing blends of varying qualities of Coal Tar and Coal Tar-based oils in various proportions, either independently or in conjunction with petroleum-based feedstock, thus expanding the scope of our research.
- ▶ Significant improvements to our existing manufacturing processes have been made including the installation of Advanced Failure Mode Analysis and Advanced Product Quality Planning. These enhancements

Improved Value Chain

The value chain of the business has progressively improved over the decade, through indigenous research and development with focus on special product profile.

cover raw material, final goods quality, and the optimisation of Naphthalene output from Coal Tar, with the objective of lowering Naphthalene slippage in heavy oils.

- ▶ Our R&D efforts have yielded various benefits, including increased fuel economy, improved control over inputs, and an overall improvement in the quality of our product, which meets international specifications.
- ▶ We developed Zero-QI pitch, a remarkable achievement that only two other companies globally can lay claim to.



R&D Expenditure

We are constantly challenging status quo through our R&D efforts in multiple segments. This enables us to expand our offerings and continue to be at the forefront of technology advancements. The disbursement of funds for R&D is allocated as either revenue expenditure or capital expenditure and is recorded in the appropriate accounts within the year of its occurrence. Revenue

expenditure includes operational expenses associated with research and development and is duly accounted for. On the other hand, capital expenditure pertains to investments made in procuring equipment and facilities dedicated to research and development activities. Such investments are capitalised and are subject to depreciation in line with the Company's established policy.

In addition, capital and recurrent expenditures on laboratory products, tools, replacement parts, handling equipment, and research personnel wages are assimilated into several relevant categories in accordance with the Company's defined accounting policy. For the current fiscal year under review, the expenditures incurred specifically on Research & Development are as follows:

₹ 3,071.43
Lakhs

Revenue
Expenditure

₹ 168.99
Lakhs

Capital
Expenditure

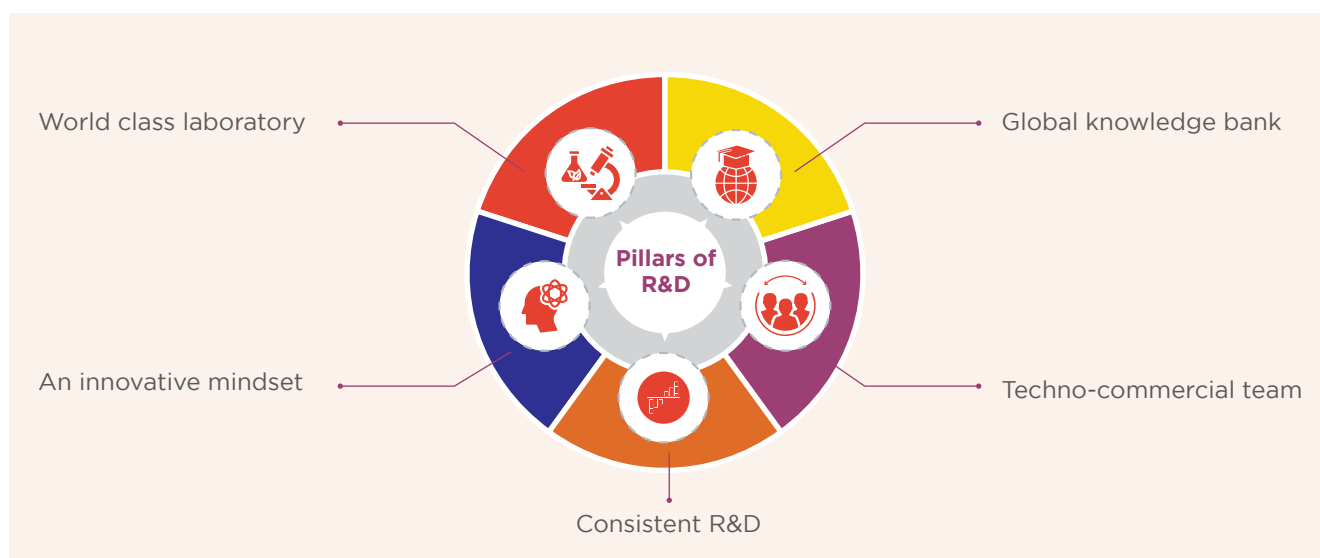
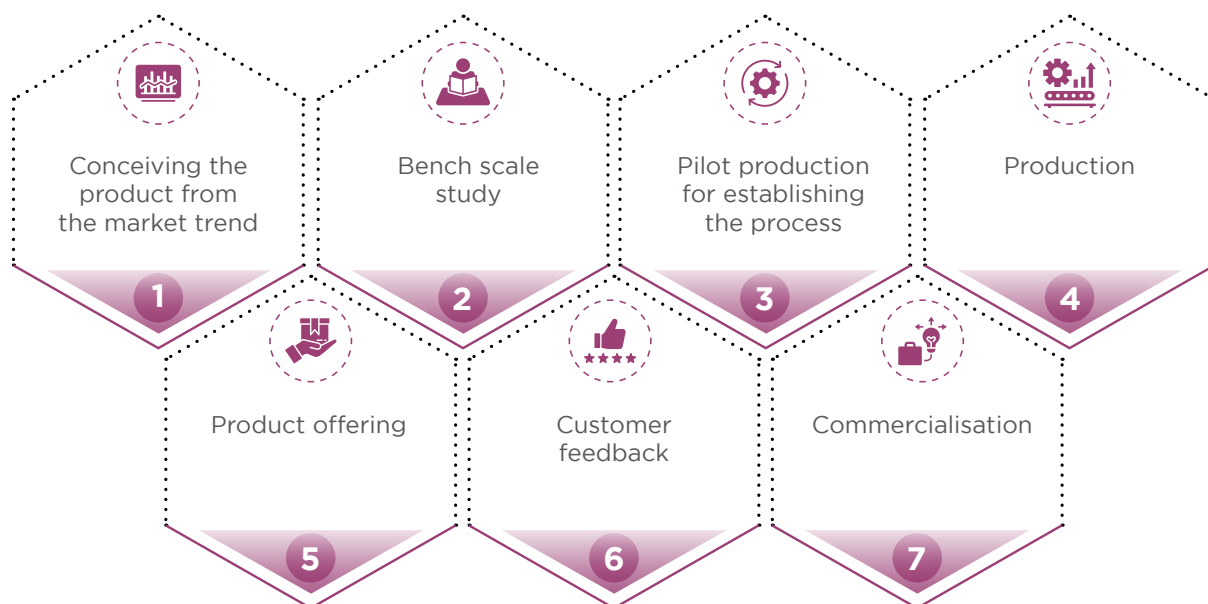
₹ 3,240.42
Lakhs

Total R&D
Expenditure

Total R&D Expenditure as a percentage
of Total Turnover

0.78%

Process of R&D for product development



Quality

Himadri adheres to the fundamental principles of quality control, specifically emphasising the importance of achieving consistency and accuracy through repetition and reproducibility. The Company meets its global clients' expectations by consistently prioritising quality and ensuring that it is retained in all the Company's operations, including product development

and manufacturing. It has an independent QA team responsible for documentation and data control. Himadri's commitment to quality has led to partnerships with various organisations and helped it gain recognition from the Indian government. The QA team stays up-to-date with the latest techniques and technologies through regular training and audits at the Company's state-

of-the-art National Accreditation Board for Testing and Calibration Laboratories (NABL) accredited research lab. Himadri complies with established regulations, processes and standards to protect quality while also manufacturing environment-friendly products through sustainable processes.

At the forefront of Technological Advancements

At Himadri, our innovation driven approach drives us to develop state-of-the-art products, processes, and technology. Our global team of dedicated scientists and engineers, empowers us to continuously innovate and provide future-oriented solutions tailored to meet evolving needs. With a strong emphasis on research and development, we strive to stay at the forefront of technological advancements. By leveraging our global network of experts, we are able to collaborate and exchange ideas, ensuring that our solutions are not only innovative but also practical and effective.



Precursor Meso Coke

- ▶ In-house pitch coke product for anode materials
- ▶ High quality coke to ensure efficient performance
- ▶ Quality control from coal tar to meso coke production



Anode Materials

- ▶ Synthetic Graphite Anode: Capacity and Efficiency Increase
- ▶ Natural Graphite Anode
- ▶ Hybrid Graphite Anode consisting of Synthetic and Natural Graphite: To imbibe the characteristics of both Synthetic and Natural Graphite to provide a unique Anode solution to the Cell Manufacturers.



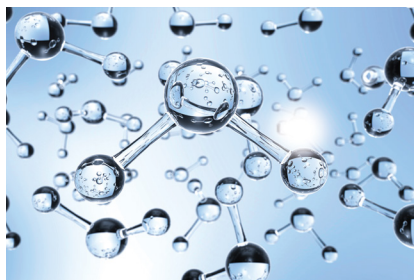
Silicon-based Anode Materials

To store ~9x more lithium ions than graphite enabling higher cell energy density and faster charging. To develop practical (and cost effective) high performance silicon graphite-carbon composite anode materials.



Graphene

- ▶ Usage in EV and Fast Chargers
- ▶ Usage in multiple applications



Cathode Materials

- ▶ Next generation Iron based Cathode: with higher capacities
- ▶ Alternate Cathode Chemistry: Researching on alternate cathode chemistries to reduce dependence on lithium and other rare materials while improving on performance.

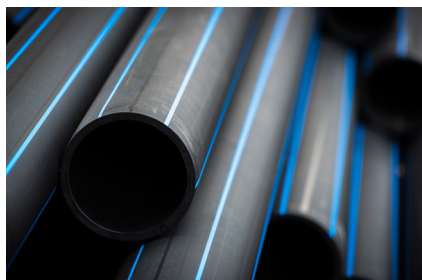


As a prominent manufacturer in the industry, we are recognised for our expertise in specialty carbon black and our seamless integration of research, technology and futuristic development practices. Our commitment to innovation has led us to produce premium grades of specialty carbon black that are widely utilised across various sectors, expanding our global market presence. Our product portfolio now includes the highly acclaimed brands ONYX, JETEX, KLAREX, and ELECTRA, offering top-of-the-line specialty blacks that have gained significant recognition in major regions worldwide.



ONYX

Speciality carbon blacks are premium grades that offer deep black colour and high purity, making them ideal for use in synthetic fibres, high-performance plastics and FDA-compliant applications. These carbon blacks can help customers meet demanding performance requirements without compromising the underlying properties of the polymer.



JETEX

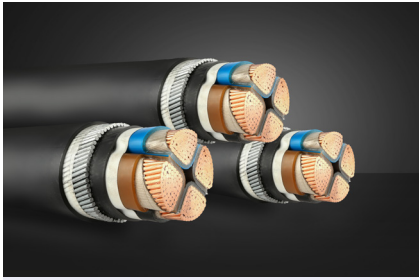
Speciality blacks are designed to provide reliable colour and UV protection for pressure pipes, plastics film, and molding applications. They meet regulatory requirements for pipe and food contact applications, delivering consistent performance across a range of uses.



KLAREX

'Clean' speciality blacks offer low ash and grit levels, which make them easy to disperse and reduce defects, resulting in high processability. KLAREX carbon blacks also enable superior mechanical properties in rubber goods, such as excellent dimensional stability, compression set and smoothness.





ELECTRA

Specialty blacks have low sulfur, Ionics, and physical grit levels, making them appropriate for use in goods with long lives that require electrostatic discharge protection. These carbon blacks can provide conductive properties in power cables and ESD protection in plastics and other applications, helping to prevent damage caused by sudden electrostatic discharge.



COLORX

COLORX is a powder black that functions exceptionally well as a colorant for premium grade inks, paints, adhesives, sealants and coatings, offering high-jetness, smooth processing and better dispersibility.



BARONX

BARONX is our latest innovation in speciality blacks and is a premium-grade pigment that is highly valued in both solvent and aqueous-based coatings and industrial decorative paints.

15 New grades

introduced in Speciality Blacks - for tires, fibres, powder, coating and other polymer applications



With a rich legacy in innovation spanning decades, at Himadri we have consistently demonstrated our technical expertise and unwavering dedication to staying ahead of the curve. Himadri's Coal Tar Division stands at the forefront of cutting-edge innovation, and our commitment to pushing the boundaries of excellence is evident through our robust Research and Development (R&D) efforts. We have harnessed the power of R&D tools such as pilot reactors and distillation units to revolutionize the landscape of customer-centric new product development.

Our new product development portfolio in CTP Division now includes Solvent Oil, 2-6-Lutidine, Phenol, O - Cresol, M P Cresol, Indene, Quinoline, Flourene, Carbozole, Anthraquinone & PCM.



Solvent Oil

Solvent oil is produced from intermediate oil of Coal Tar distillation process. It has various applications in paint industry and is used as in-house solvent for Speciality oil production



2,6-Lutidine

It is a colorless liquid with mildly basic properties and a pungent, noxious odor. It is used as Non-nucleophile base in organic synthesis and formation of silyl ethers.



Phenol

In India, there is a huge demand of Phenol for manufacturing of Phenol-Formaldehyde Resin which is used for Plywood Industries.



O- Cresol

It is used as an intermediate for the production of dyes, pesticides, epoxy resins and pharmaceuticals, and is also used as a component of disinfectants and cleaning agents.



M P Cresol

Meta Para Cresol is used in phenolic resins photoresists, phosphate esters, wire enamel solvents, surfactants, disinfectants and also used in fibre preservatives, wood preservatives and other chemical intermediates.



Indene

Indene is an aromatic, polycyclic hydrocarbon occurring from coal-tar fractions boiling around 175-185°C. Indene is colorless, although samples often are pale yellow. The principal industrial use of indene is in the production of indene/coumarone thermoplastic resins used in electrical wire coatings.



QUINOLINE

Quinoline is used in the preparation of hydroxyquinoline sulfate (a key ingredient in topical antiseptics) and niacin (Vit-B3). It is also used in the manufacture of dyes, as a solvent for resins & terpenes and in the production of other specialty chemicals.



FLOURENE

Fluorene is a white crystalline substance with a violet fluorescence. It has a characteristic, aromatic odor similar to naphthalene. Fluorene is used to manufacture of pesticides, agro-chemicals, dyes and plastics.



CARBAZOLE

Carbazole and its related compounds find versatile applications, chiefly serving as key components in fluorescence, phosphorescence, and thermally activated delayed fluorescence materials, enhancing the performance of electronic devices like OLEDs. Additionally, these compounds are utilized in high molecular applications, showcasing their significance in both small and large-scale material innovations across industries.



ANTHRAQUINONE

Anthraquinone is an aromatic organic compound. It is a yellow, highly crystalline solid, poorly soluble in water but soluble in hot organic solvents. Anthracene is efficiently converted into anthraquinone (L) by oxidation with chromic anhydride in acetic acid. Anthraquinone is manufactured extensively in this way for use as an intermediate in the manufacture of dyestuffs.

PITCH CREOSOTE MIXTURE (PCM)

PCM is a shiny, dark brown to black residue, which contains polycyclic aromatic hydrocarbons and their methyl and polymethyl derivatives, as well as heteronuclear compounds. It is used in making refractory material, industrial paints and as corrosion resistant coating for underground pipelines. Our R&D Grades of PCM includes -

SP02

Low viscous tar - used for making refractory composite.

SP08

Medium viscous tar - used by Refractory & foundry by chemicals manufacturers

SP03

Special tar formulation - used for refractory clay making in high dimension furnace

SP08A

Medium viscous tar - used as an anti-corrosive paint application for coating and industrial insulation.



SP09

Special tar formulation - used for carbon and graphite manufacturing.

SP10

Medium viscous tar - used as an anti-corrosive paint application for coating manufacturing

SP11

Medium viscous tar (an auxiliary of SP10) - used as an excellent surface coating to prevent corrosion from saline environment

SP12

High viscous tar - used as binder in special refractory manufacturing.

Delivering excellence across Geographies

Our extensive global network, spanning across 49 countries, guarantees seamless accessibility of our products to customers in both domestic and international markets.





Map not to scale. Only for representation purpose

Performance

Scorecard

Financial Performance - Standalone

The Company generated total revenue from operations of ₹ 417,184.13 lakhs for FY2023, compared to ₹ 279,131.40 lakhs for FY2022, reflecting a 49.46% increase due to an increase in volume, average realisation, and a shift in product mix.

Earnings before interest, depreciation, and amortization (EBITDA) for FY2023 stood at ₹ 40,817.36 lakhs, excluding the effect of foreign exchange fluctuation loss/gain and other income, compared to ₹ 16,159.31 lakhs the previous fiscal year.

EBITDA improved by 152.59% for the year due to higher volume, average realization, and operational savings. The Company has a Profit after Tax (PAT) of ₹ 20,780.85 lakhs in FY2023, compared to ₹ 6,506.19 lakhs in the previous year.

Financial Performance - Consolidated

On a consolidated basis, overall revenue from operations climbed by 49.46% to ₹ 417,184.13 lakhs in FY23 from ₹ 279,131.77 lakhs in the previous year.

EBITDA for the year stood at ₹ 41,899.31 lakhs, excluding the effect of foreign exchange fluctuation loss/gain and other income, compared to ₹ 16,287.13 lakhs the prior year. EBITDA improved by 157.25% for the year due to higher volume, average realisation, and operational savings.

The Company achieved a Profit after Tax of ₹ 21,585.90 lakhs in FY2023, up from ₹ 3,905.48 lakhs the previous year.

Financial Highlights

The Company's financial performance for the financial year ended 31 March 2023 are summarized below:

(Amount in ₹ Lakhs)

| Sl. No. | Particulars | STANDALONE | | CONSOLIDATED | |
|---------|---|-------------------|-------------|-------------------|-------------|
| | | FY23 | FY22 | FY23 | FY22 |
| i) | Revenue from operations | 417,184.13 | 279,131.40 | 417,184.13 | 279,131.77 |
| ii) | Other income | 2,797.46 | 721.60 | 2,797.46 | 722.16 |
| iii) | Total income (I + II) | 419,981.59 | 279,853.00 | 419,981.59 | 279,853.93 |
| iv) | Expenses | | | | |
| | Cost of materials consumed | 329,728.25 | 239,179.74 | 328,453.74 | 238,453.82 |
| | Changes in inventories of finished goods and work-in-progress | (3,013.87) | (14,177.78) | (3,013.87) | (13,967.65) |
| | Employee benefits expense | 9,094.78 | 8,015.65 | 9,151.30 | 8,076.66 |
| | Finance costs | 6,587.51 | 3,504.05 | 6,606.90 | 3,561.86 |
| | Depreciation and amortisation expense | 4,865.73 | 4,663.40 | 5,084.76 | 4,954.76 |
| | Other expenses | 42,537.96 | 30,721.42 | 42,673.79 | 30,962.89 |
| | Total expenses (IV) | 389,800.36 | 271,906.48 | 388,956.62 | 272,042.34 |
| v) | Profit before exceptional items and tax (III-IV) | 30,181.23 | 7,946.52 | 31,024.97 | 7,811.59 |
| vi) | Exceptional Items | (3,000.00) | - | (3,000.00) | (2,465.06) |
| vii) | Profit before tax (V-VI) | 27,181.23 | 7,946.52 | 28,024.97 | 5,346.53 |
| viii) | Tax expenses | | | | |
| | Current tax | 4,745.61 | 1,388.57 | 4,784.30 | 1,389.29 |
| | Deferred tax | 1,654.77 | 51.76 | 1,654.77 | 51.76 |
| ix) | Profit for the year (VII-VIII) | 20,780.85 | 6,506.19 | 21,585.90 | 3,905.48 |

Changes in Financial Ratio and Change in Return on Net Worth

| | FY23 | FY22 | Variance | Explanation for Change in the ratio by more than 25% |
|--|-------|------|----------|--|
| Debtors Turnover (Sales/Average Debtors) | 8.10 | 5.66 | 43.11% | Increase in sales and collection efficiency |
| Inventory Turnover (COGS/Average Inventory) | 4.96 | 4.06 | 22.17% | NA |
| Interest Coverage Ratio (EBIDTA/Interest) | 8.39 | 5.61 | 49.56% | Increase in EBITDA and reduction in interest resulted in improvement in interest coverage ratio |
| Current Ratio (Current assets/Current Liabilities) | 1.51 | 1.18 | 27.97% | Increase in liquid assets and reduction in trade payables resulted in improvement in current ratio |
| Debt Equity ratio (Net Debt/Equity) | 0.09 | 0.17 | -48.36% | Decrease in Net Debt and increase in profitability led to improvement in Debt Equity ratio |
| Operating Profit Margin (%) (EBIDTA/Revenue) | 9.78 | 5.79 | 68.97% | Increase in operating profit resulted in improved profit margin |
| Net Profit margin (%) (PAT/Revenue) | 4.98 | 2.33 | 113.66% | Increase in net profit resulted in improved profit margin |
| Return on Equity (PAT/Average Equity) | 10.34 | 3.71 | 179.09% | Increase in profitability led to increase in return on equity |



Awards & Accolades



2023
SAFETY
AWARD

WINNER -Outstanding Achievement in Environment Leadership - Greentech Foundation



2023
SUSTAINABILITY
(WASTE
MANAGEMENT)

WINNER - HULLADEK HONOURS (in Waste Management) at the Sustainability Leaders Awards 2023



2022
SUSTAINABILITY
(ENERGY
CONSERVATION)

15th CII ENCON Awards 2022 - Achieved (4.5 out of 5 Stars) in Energy Conservation



2022
CORPORATE
BUSINESS
PARTNERSHIP -
SOCIAL COMMITMENT

Covid Warrior Award - Business Partners's Meet - Awarded to Himadri by HINDALCO (Aditya Birla)



2022
CORPORATE
BUSINESS
PARTNERSHIP

In appreciation for being a Valuable Partner - presented by Tata Steel Limited



2022
BUSINESS
EXCELLENCE

CEAT - WeConnect Awards - Kaizen - for Outstanding Performance 2022



2022 **CSR - RURAL DEVELOPMENT**

WINNER for Outstanding Achievement in "Rural Development" Category 2022



2022 **QUALITY MANAGEMENT**

Awarded in CII Convention on Quality Circle



2021 **HUMAN RESOURCE MANAGEMENT**

Best Employer Brand Award received at 15th Employer Branding Awards from World HRD Congress



2021 **BUSINESS EXCELLENCE**

CEAT QBM Excellence League - Best Kaizen- for Outstanding Performance 2021



2020 **CSR - GENDER EQUALITY & WOMEN EMPOWERMENT**

7th CSR INDIA AWARD 2020 - Winner - for promoting Gender Equality and Empowering Women category - Greentech Foundation



2020 **BUSINESS EXCELLENCE**

Recognized as the 'Fastest Growing Company' in ET Bengal Corporate Awards 2020



2019 **ENVIRONMENT MANAGEMENT**

Winner in Chemical Sector for outstanding achievement in Environment Management - Greentech Foundation



2018 **SAFETY MANAGEMENT**

Winner "Gold Award" in Chemical Sector on Safety Management from Greentech Foundation



2018 **WATER MANAGEMENT**

Winner - CII National Award for Excellence in Water Management 2018

Building a Responsible Future



Our sustainability approach is based on a strong commitment to responsibly benefit society, our people, shareholders, communities, and other stakeholders. We aim to optimise economic value while meeting environmental and social standards. Our sustainability strategy, based on the Environmental, Social and Governance (ESG) framework, aims to create long-term stakeholder value and sustainable growth for our business. It stems from our responsibility towards the three key pillars - People, Planet and Community.

Governments across the world are now committing adherence to stringent environmental standards to combat climate change. We have successfully established a sustainable business in alignment with these standards. We have made substantial investments in implementing eco-friendly measures, which helped achieve 'Zero Discharge' across our facilities.

We also encourage our employees and stakeholders to conserve natural resources by implementing

sustainable practices in their daily lives. This includes promoting the use of renewable energy sources and minimising waste generation through recycling and proper disposal methods. We have also engaged the expertise of eminent global environmental specialists to conduct comprehensive third-party audits of its environmental safety measures and assess their impact on the environment.

These auditors meticulously examine all vital parameters at the Company's facilities, including surface water, soil and groundwater toxicity levels. We have established our credentials as a 'zero discharge' organisation as a consequence of such stringent procedures.

Moreover, our integrated manufacturing model utilises all byproducts generated within its operations, effectively minimising waste. The Company remains unwavering in its commitment to adhere to the stringent environmental management guidelines prescribed by the Central Pollution Control Board. This steadfast compliance ensures that all our sites maintain

zero liquid discharge, reflecting our unwavering dedication to environmental preservation.

Sustainability is an intrinsic component within our broad strategy pillars, and we place a strong focus on Environment, Social, and Governance (ESG) issues. We work tirelessly to achieve these strategic pillars, driven by our prestigious Board of Directors. Assuring the highest standards of corporate governance has been and will continue to be our top responsibility.

“

We have established our credentials as a 'zero discharge' organisation as a consequence of such stringent procedures.

”

Continuous dialogues

that Decide our Priorities



Stakeholders at Himadri

We strive to establish an organisational framework that fosters sincere and constructive interactions with our esteemed stakeholders. The valuable insights from these interactions empower us to effectively prioritise issues and align our strategic endeavours with their expectations. In light of the ever-evolving sustainability landscape on a global scale, we have taken the initiative to implement a comprehensive stakeholder engagement approach. This approach allows us to revisit the environmental, social, and governance (ESG) challenges that are of utmost significance to our quest for value creation.

“The valuable insights from these interactions empower us to effectively prioritise issues and align our strategic endeavours with their expectations.

”




Engagement Method

We engage with our esteemed stakeholders through diverse means of communication. Our website acts as a platform for the dissemination of a variety of information about the company, its business activities, divisions, products, clients and investment details. The websites of the Stock Exchanges also provide extensive information on the Company’s financial performance and other required disclosures about its operations. These sources of information are accessible to all stakeholders of the Company, ensuring transparency and openness.

While developing our stakeholder engagement process, we took into consideration the following stakeholder groups:

| Stakeholders | Importance of Stakeholders |
|----------------------------------|--|
| Shareholders and Investors | Shareholders and investors are critical to the functioning of the Company. They provide capital, expertise and accountability to the Company. Moreover, by associating with reputed investors and shareholders, the Company can attract new investors and customers. |
| Customers | Our customers generate a large part of our revenue that sustains our businesses. |
| Communities | Local communities are crucial to the Company’s long-term success since they help us obtain the social license to operate. Through our targeted initiatives, we have created more opportunities to improve their employable skills and scope for income. |
| Business Partners and Suppliers | Because of the nature of our business, vendors, and suppliers form an important part of the supply and value chain. They enable us to do our business in a more coordinated and sophisticated manner while working towards sustainable development. |
| Employees | Our people comprise our greatest assets. Their hard work and dedication contributes significantly to our growth and success |
| Government and Regulatory Bodies | They provide the Company with guidance on the laws of the land and other rules we must follow in order to create value. |

Our stakeholder engagement process is further elaborated in the below section.

| Shareholders & Investors | Key Expectations | Mode of Engagement |
|---|---|---|
|  | <ul style="list-style-type: none"> ▶ Observing sustainable growth in revenues and profits ▶ Dissemination and communication of material information in a timely manner ▶ Regular dividend pay out ▶ Strong balance sheet ▶ Coherent Risk management ▶ Prompt problem solving | <ul style="list-style-type: none"> ▶ Annual general meetings ▶ Annual report ▶ Publication of periodical results on STX websites ▶ Press releases and Newspaper ▶ Dividend payment ▶ Website of the company ▶ Handling investor complaints through SCORES, Stock Exchanges and direct emails |
| Customers | Key Expectations | Mode of Engagement |
|  | <ul style="list-style-type: none"> ▶ Updating regularly on new products and capabilities ▶ Operational efficiency ▶ Lead time ▶ Product Quality ▶ Products improvisation by value addition ▶ Competitive pricing ▶ Sensitive Information Privacy | <ul style="list-style-type: none"> ▶ One-on-one interactions ▶ Customer Meetings ▶ E-mails ▶ Feedback ▶ Mechanism Survey |
| Business Partners and Suppliers | Key Expectations | Mode of Engagement |
|  | <ul style="list-style-type: none"> ▶ Contract-based management ▶ Timely payment ▶ Fair trade practises ▶ Quality, Cost & Delivery Improvement ▶ Technology sharing ▶ Fair commercial terms ▶ Partnering in new product development ▶ Rare to none fluctuations in delivery schedules ▶ Business avenue growth and improved ROI | <ul style="list-style-type: none"> ▶ Emails ▶ Site Visits ▶ One-to-one interactions ▶ Business partner survey ▶ Regular structure meetings |

Communities / Social Organizations



| Key Expectations | Mode of Engagement |
|--|---|
| <ul style="list-style-type: none"> ▶ Ensuring social development ▶ Creating value for communities ▶ Environment-friendly practices ▶ Generating employment opportunities | <ul style="list-style-type: none"> ▶ CSR initiatives and expenditures ▶ Search for NGOs/ Social organizations for CSR expenditure ▶ Impact assessment and analysis |

Employees



| Key Expectations | Mode of Engagement |
|---|---|
| <ul style="list-style-type: none"> ▶ Rewards based on performance ▶ Growth opportunities ▶ Regular remuneration payment ▶ Conducive working environment | <ul style="list-style-type: none"> ▶ Frequent internal communication ▶ Employee engagement initiatives ▶ Training and development programs ▶ Employee satisfaction survey |

Regulatory Bodies and Government



| Key Expectations | Mode of Engagement |
|--|--|
| <ul style="list-style-type: none"> ▶ Disclosing business information properly ▶ Compliance with industry norms, laws and regulations ▶ Ethical business conducts ▶ Communicating the compliance status regularly ▶ Community engagement | <ul style="list-style-type: none"> ▶ Annual report and regulatory filings ▶ Meeting on government directives and policy development ▶ Facility inspection ▶ Periodic evaluation and improvement of our benchmarks conforming to prevailing ESG requirements ▶ Being a part of industry forums and meets |

Identifying Issues Material to Us

In line with the GRI G4 Guidelines, we regularly engage with our stakeholders to identify topics that are material to our value creation process. These assessments help us gain a comprehensive understanding of the material issues, the risks and opportunities to our business and prepare for future challenges to the long-term performance of the business.

Matters that directly or indirectly impact our ability to generate and uphold economic, environmental, and social value for ourself, our stakeholders, and society as a whole, are given more importance. In our endeavour to understand the ESG (Environmental, Social, and Governance) concerns that hold material importance for our business and stakeholders, we have undertaken a comprehensive materiality assessment activity during the fiscal year, 2023. This exercise aims to identify issues that bear significance to our

stakeholders in terms of short-term, medium-term and long-term stability. To accomplish this undertaking, we have engaged with a diverse array of over 100 internal and external stakeholders.

In our recent appraisal conducted in 2023, we have seamlessly amalgamated the assessment of materiality with our company's risk management process, ensuring that broader sustainability matters are duly accounted for when evaluating risks and opportunities across the entire organisation.



Materiality Matrix

“

By adopting this approach, we strive to create a harmonious balance that contributes to the betterment of our world.

”

The Materiality matrix presents a thorough analysis of our sustainability strategy and performance, providing a comprehensive view of our operations. This matrix portrays the significant aspects that are crucial to the management of our organisation and hold significance for our stakeholders. Through careful evaluation, these concerns have been ranked on a scale of high to low relevance, considering the perspectives of both internal and external stakeholders.

We have restructured our operations after examining the matrix to give the issues that are most crucial to our business the highest priority. It is important to recognise that these challenges are interrelated and should not be viewed in isolation, as they often have interconnected and adverse effects on one another. It reflects our unwavering commitment and performance in various areas such as human resource development, diversity and inclusion, learning and development, health, safety, and wellbeing, human rights and compliance, customer experience and loyalty, supply chain management, climate change, environmental conservation, and community engagement

To address these concerns effectively, we have adopted an integrated and holistic approach to managing sustainability. We hold ourselves to high standards in safeguarding the well-being of our planet, promoting societal progress, and pursuing sustainable development. By adopting this approach, we strive to create a harmonious balance that contributes to the betterment of our world.

Materiality Procedure

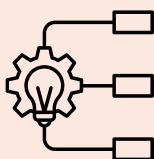
To foster sustainability, understanding the materiality of ESG concerns is important. Materiality refers to the identification and prioritisation of ESG factors that have the most substantial influence on a Company's performance, reputation and value creation. The following steps are undertaken to conduct a comprehensive materiality survey:

1. Identification of Stakeholders



We identified crucial stakeholders, including investors, customers, and employees, who play a significant role in our value creation process. By engaging with these key groups, the survey aimed to uncover essential insights into environmental, social and governance aspects that influence the Company's performance, reputation and long-term viability.

2. Evaluating Standards and Frameworks



A detailed analysis of important benchmarks, including the Sustainability Accounting Standards Board (SASB), MSCI, and Business Responsibility and Sustainability Reporting (BRSR), was carried out to evaluate and align with internationally known standards and frameworks. The materiality assessment sought to improve accountability, comparability, and transparency, enhancing the Company's reputation in tackling important environmental, social, and governance concerns.

3. Online Materiality Survey



A comprehensive online survey was conducted to capture the materiality preferences of the identified stakeholders. The survey was carefully designed and distributed through a user-friendly platform, and covered topics such as material issues, reporting practices, decision-making processes, ESG factors, industry-specific concerns, and engagement preferences. After the survey was completed, careful data analysis revealed important insights that shaped the organisation's reporting, strategy, and materiality framework.

4. Diagnosis Assessment



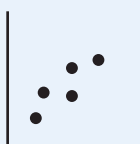
After identifying the material issues through the online survey based on peers and stakeholders' preferences, a comprehensive assessment and scoring process is conducted. This involves thorough evaluation of each identified issue's importance and its impact on the organisation's performance, reputation, and overall sustainability. By taking into consideration the opinions and priorities of peers and stakeholders, the scoring criteria enable a more precise and pertinent evaluation of materiality.

5. Highlighting Key Material Issues



Once the assessment and scoring of the identified material issues, considering inputs from Himadri and other stakeholders, are completed, the final scores are plotted on a scatter plot. This visual representation allows for a clear and concise overview of the materiality landscape, showcasing the relative importance of each issue to Himadri. The scatter plot highlights the key material issues that hold the greatest significance for Himadri, based on their scores.

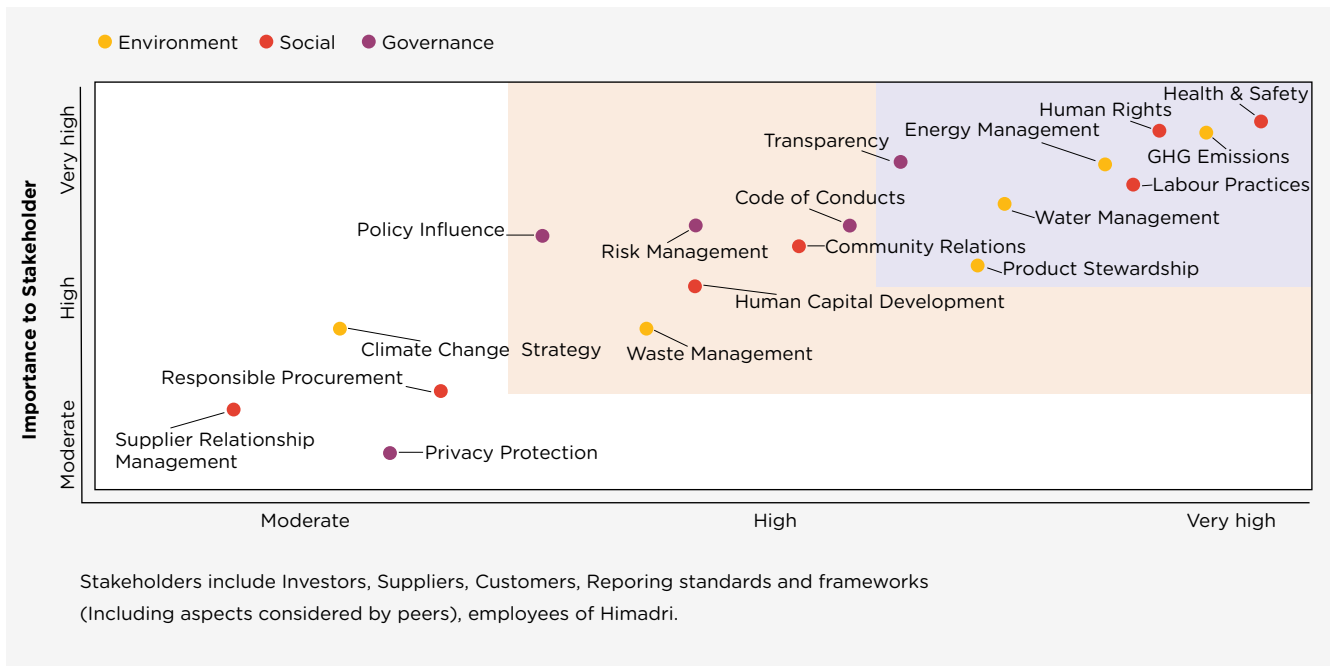
6. Final Materiality Matrix



The materiality matrix is meticulously fine-tuned through collaborative efforts by the Himadri and PwC teams. This consultative approach fosters a well-rounded perspective and enhances the matrix's credibility, empowering the organization to make well-informed decisions and disclosures based on materiality assessment.

Mapping our material issue

In the matrix below, we have mapped the material issues with respect to its importance to our stakeholders and our Company.



Material topics as per the matrix and their scope

| | | |
|------------------|----------------------------|--|
| VERY HIGH | Health & Safety | Implementing initiatives targeted to vision zero accident/ incident and increasing training programmes are necessary to guarantee the highest standards of health and safety for employees. |
| | GHG Emissions | The process involves calculating, monitoring and reporting the total emissions from operations, identifying emission sources and documenting efforts to reduce emissions. |
| | Human Rights | Conducting periodic human rights due diligence across the entire value chain is necessary to handle human rights-related concerns, such as non-discrimination and compliance with laws against child labour. |
| | Energy Management | Energy management practices encompass various initiatives, including disclosing the energy mix, implementing energy-efficient measures, and procuring renewable energy to support company operations. |
| | Labour Practices | Positive labour practices across the Company includes promoting gender diversity, implementing equal pay policies and fostering a flexible working environment. |
| | Water Management | Water management practices involve tracking water sources, implementing measures to reduce water consumption and introducing water recycling and management techniques. |
| | Transparency | An efficient governance system ensures the transparent reporting of important issues to employees and stakeholders, upholding transparency in Company. |

| | | |
|-------------|----------------------------------|---|
| HIGH | Code of Conduct | By providing training, creating an ethics policy framework, and raising awareness across all departments, the highest standard of behaviour and ethics are upheld. |
| | Community Relations | Our actions are based on our dedication to helping communities in which we belong. As our society progresses holistically, we consistently use our resources and experience to bring about positive change. |
| | Risk Management | An effective risk management system is in place to identify and mitigate various business risks, including those related to Environmental, Social and Governance (ESG) concerns. |
| | Human Capital Development | Human Capital development includes employee training, inter-departmental learning opportunities, and job upskilling. |
| | Waste Management | Waste management practice focuses on segregating, recycling and proper disposal of hazardous waste, generated from operations. |
| | Policy Influence | Policy influence involves the Company's participation in political campaigns, while tax strategy pertains to the Company's transparency regarding tax-related matters and its avoidance of involvement in any tax evasion issues. |

| | | |
|-----------------|---|---|
| MODERATE | Product Stewardship | Product stewardship is prioritised by implementing rigorous quality control measures throughout the entire production process. This ensures that our products not only meet regulatory requirements but also minimise their environmental impact, making them safe for both consumers and the planet. |
| | Climate Change Strategy | Climate change strategy involves assessing climate change risks to gain insights into their effects on business operations. |
| | Responsible Procurement | Ensuring ethical raw material procurement, refraining from sourcing from conflict zones and ensuring quality standard of the materials being used. |
| | Supplier Relationship Management | Supplier management involves managing the relationships and interactions with suppliers to ensure timely delivery of goods and services that meet quality standards and specific sustainability criteria and sharing knowledge by exchanging best practices with them. |
| | Privacy Protection | To ensure privacy safeguards throughout the entire value chain, we have implemented a well-defined policy, and monitor and report any instances of data breach. |

Building a Sustainable Planet



PRIORITISING PRUDENT ENERGY & GHG EMISSION MANAGEMENT



WATER MANAGEMENT & WASTE MANAGEMENT



CLIMATE CHANGE PRODUCT STEWARDSHIP



Our business operates in alignment with the environment, establishing a robust environmental management system. We assess environmental impacts, focusing on production and distribution, and implement measures to mitigate them.

To strengthen environmental protection activities, internal and external audits are carried out on a regular basis.

Himadri adheres to environmental laws, ensuring proper usage of chemicals, reducing emissions, and minimizing discharges into water bodies and the environment.

Himadri's Environmental Management System ensures compliance with ISO 14001:2004 standards, handling, storage, transportation, treatment, and disposal of waste materials.

Environmental stewardship involves training programmes for employees, promoting environmental awareness and responsibility within the organisation.



PRIORITISING PRUDENT ENERGY & GHG EMISSION MANAGEMENT

Conservation of Energy

Efficient energy and electricity management are crucial for lowering our environmental footprint and fostering a culture of conscientious consumption, boosting operational efficiency and minimizing wastage.

At Himadri, we prioritize sustainable practices, utilising analytics, process ameliorations, and technologically advanced machinery. We



PRIORITISING PRUDENT ENERGY & GHG EMISSION MANAGEMENT

focus on clean, eco-friendly power generation, utilising low caloric waste gas from carbon black process through specially designed boilers.

To conserve energy, we utilise process energy to fulfill 90% of power requirements, promoting environmental preservation and resource conservation.

Himadri prioritizes operational efficacy, focusing on green building principles and reducing energy usage, resulting in reduced operating expenses.

Initiatives Taken for Energy Management

Himadri, in association with Nu Energy India, has implemented an Energy Audit system, following BEE standards and government regulations, every three years. The audit focuses on energy efficiency measures, including minimising raw coal tar loading, reducing wall skin losses, and optimising idle material reheating. The Company also installs energy-efficient LED lights and an Active Harmonics Filter to reduce power demand.

Steps taken to conserve energy

At Himadri, we have implemented improvements to enhance energy efficiency and sustainability, including the MLDB system for centralised control of LED lights, resulting in daily savings of 150KW. The transition from conventional lighting to LED lights has also contributed to 4.5MW daily savings.

Utilising Alternate Source of Energy

Our waste heat recovery system converts partial waste heat into low-pressure steam, generating 400 kg/hour of steam daily. By introducing tempered water into the Pitch granulation unit and using the Falling Film Heat Exchanger (FFHE), the system generates 400 kg/hour of low-pressure steam at 3-4 Kg/Cm². This system results in cost savings of ₹8,800 per day and an annual profit of ₹29.04 Lakhs. This innovative approach aligns with our commitment to sustainable growth and increased profitability.

We utilize a heat exchanger to capture thermal energy from boiler blowdown water, resulting in a 27°C temperature gain and 324,000 Kcal/hour energy recovery. This sustainable approach reduces steam consumption by 9.6 tons per day, demonstrating our commitment to harnessing valuable energy and minimizing waste.

To ensure sustainability and efficiency, we have undertaken several strategic initiatives. A Micro Turbine has been commissioned to harness waste stream from the turbine, effectively generating additional power during the production process. Our power generating plant, built on a waste heat recovery system, has a capacity of 32MW. This system, integrated into the Carbon Black manufacturing process at Mahistikry, District Hooghly, West Bengal, not only supports the company's manufacturing operations but also supplies surplus power to the Grid. This dual approach yields multiple benefits: it mitigates pollution by utilizing waste stream for power generation, making the company an environmentally responsible establishment. Moreover, the surplus power supplied to the Grid provides economic advantages, fostering expansion opportunities.

“

The audit focuses on energy efficiency measures, including minimising raw coal tar loading, reducing wall skin losses, and optimising idle material reheating.

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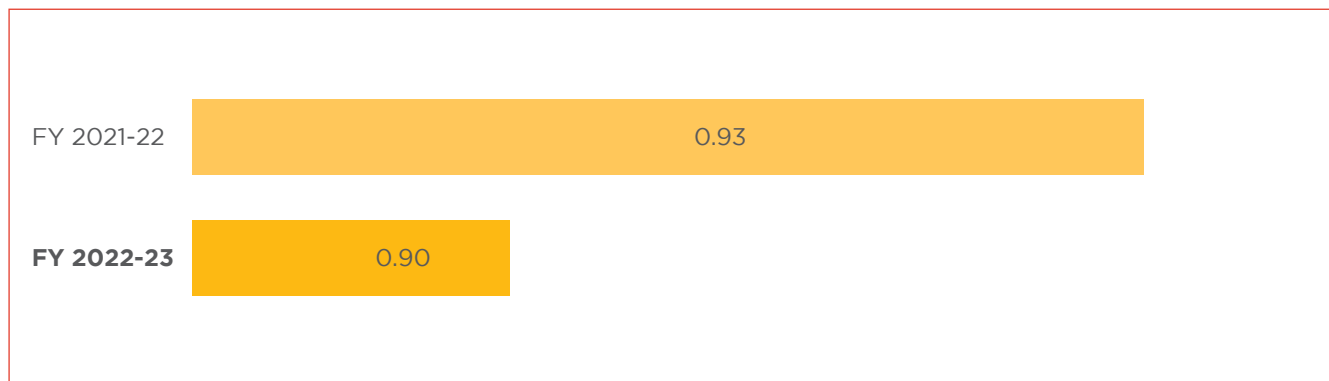


PRIORITISING PRUDENT ENERGY & GHG EMISSION MANAGEMENT

Our Energy Profile

| Parameter | Unit | FY 2022-23 (Current Financial Year) | FY2021-22 (Previous Financial Year) |
|--|-----------|---|---|
| Total Electricity Consumption (A) | GJ | 337,171 | 319,730 |
| Total Fuel Consumption (B) | GJ | 24,345 | 24,740 |
| Total Energy Consumption Through Other Sources (C) | | NIL | NIL |
| Total Energy Consumption (A+B+C) | GJ | 361,516 | 344,470 |
| Energy Intensity Per Rupee of Turnover (Total Energy Consumption/Turnover in rupees) (approx.) | J/INR | 8,666 | 12,341 |
| Energy Intensity Per Quantity of Goods sold (Total Energy Consumption/Quantity of Goods Sold) | GJ/MT | 0.90 | 0.93 |

Energy Intensity Per Quantity of Goods Sold (Total Energy Consumption/Quantity of Goods Sold GJ/MT)



Case Study

01

Value Creation through Captive Power Generation Plant

At Himadri, we notably meet 90% of the power required for our operations through our own power plant, with a capacity of 32MW. We have furthered our commitment to environmental protection by finding innovative ways to reduce waste gas and off-gas venting during carbon black production. By implementing a process that circulates and feeds off-gas into power generation, we have significantly contributed towards lowering Greenhouse Gas (GHG) emissions. The primary components of this power plant consist of three boilers, sufficiently meeting the energy demands of the entire unit in West Bengal. Any excess electricity generated beyond the requirements

is sold to the local grid, making this initiative a key driver of the energy saving and environmental benefits. We have managed to sell 60,620 MWH of electricity to the local grid after fulfilling our own requirements.

The power generation process involves three waste heat recovery water tube boilers, with two having a capacity of 40tph and one with a capacity of 75 tph. The off-gas generated during carbon black production is fed into an external combustor chamber. After combustion, the off-gas produces flue gas, which is then distributed through a pipeline to generate steam. The steam generation occurs through the circulation of flue gas

on the shell side and water on the tube side of a panel tube. All three boiler follow the same process, and the generated steam is collected in a common steam header and redistributed to the three respective turbines for power generation. Out of the three turbines, two turbines have a capacity of 12MWH each, and one turbine has a capacity of 8 MWH.

By utilising process emissions for power generation, we have effectively reduced our consumption of conventionally produced electricity. This reflects our strong commitment to sustainability and environmental stewardship.

Case Study

02

Value creation through equipment upgrade: Harmonic Filter

During an investigation, it was observed that the LT Feeders of the plant had remarkably high levels of Total Voltage and Current Harmonic Distortion (THDV & THDI), causing significant impact on most LT motors due to various odd-order harmonics. This situation led to a substantial increase in line losses. Moreover, the LT Capacitors in the Automatic Power Factor Control Panels experienced dangerous harmonic resonance, resulting in occasional drops in the power factor at the LT Power of Control Centre of Transformers. Measurements in Feeders and Motors indicated that power factor at motor terminals dropped due to the harmonic effect.

The problems caused by harmonic currents were quite concerning. They led to overloading of neutrals, overheating of transformers, nuisance tripping of circuit breakers, and over-stressing of power factor correction capacitors. Additionally, there were issues related to the skin effect.

Harmonic voltages, on the other hand, resulted in voltage distortion

and zero-crossing noise, further complicating the situation. The effects of these harmonics were widespread, causing overheating and failure of electric motors, power factor correction capacitors, distribution transformers, and neutral conductors. It also reduced the efficiency of power generation, transmission, and utilisation, while prematurely aging the electrical plant components and shortening their lifespan. To make matters worse, electronic equipment malfunctioned, metering equipment experienced high measurement errors, and protective equipment showed spurious operation.

With a clear understanding of the problems, the objectives were set to address the issues effectively. The primary goals were to reduce input current harmonics to less than 5% and improve the power factor from 0.75 to a much more desirable 0.98. For this purpose, an active harmonic filter (AHF) was introduced as a potential solution. The AHF panel came with impressive features, including a closed-loop active filter with source current sensing, harmonic attenuation of upto 96%,

programmable selective harmonic elimination, and PF compensation that worked for both leading and lagging power factors. It enabled us to switch between PF and harmonic compensation. The design relied on IGBT-based inverters and offered the option for multiple paralleling. Notably, the AHF panel was equipped for shunt operation and had self-current limiting capabilities.

The AHF panel, together with the Capacitor Bank, produced remarkable results. The input power showed a considerable decrease, going from 803 KW to 765 KW, while the power factor improved significantly, going from 0.86 to 1. Additionally, the input current distortion was impressively reduced from 2.4% to a mere 0.9%. The input KVA also experienced a significant reduction, dropping from 939 to 767 KVA, which meant a direct reduction of 172KVA. Moreover, the implementation of the AHF panel and Capacitor Bank held the potential for substantial energy savings, with an estimated annual energy saving potential of approximately 13,62,240 KVAH, considering 330 working days.





PRIORITISING PRUDENT ENERGY & GHG EMISSION MANAGEMENT

Optimising our Carbon Footprint

For the preservation of our environment and the maintenance of a balanced equilibrium, greenhouse gas emissions must be checked. Unchecked emissions pose a serious risk to the environment and it is imperative to take decisive action to mitigate such risks.

We have begun the difficult process of limiting our emissions to maintain the 1.5°C trajectory of global warming, in line with our pledge. According to the new zero benchmark set by SBTi, our goal is to reduce emissions as far as is practical while only taking into account compensating residual emissions.

Through the reduction of our energy consumption per production unit, we strive to diminish our CO₂ emissions and other greenhouse gases. All of the company's facilities adhere to the stipulated emission standards set by various Central/State pollution control boards. Moreover, all emissions generated by the company remain well within the permissible limits outlined by the State Pollution Control Board (SPCB) and Central Pollution Control Board (CPCB).

THE FOUR PILLARS OF OUR NET ZERO STRATEGY



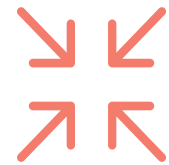
RESEARCH



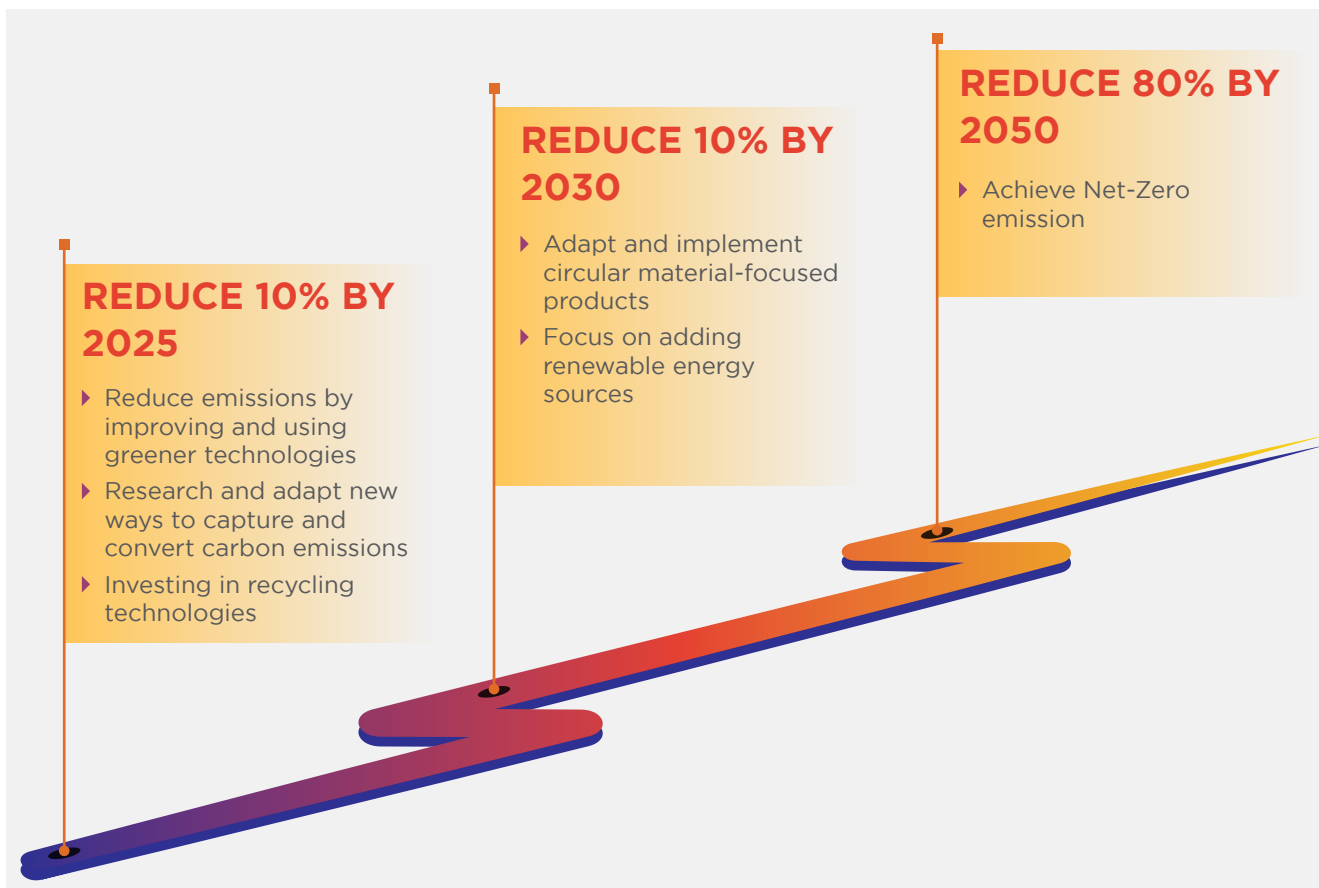
ADAPT



RECYCLE



REDUCE



Initiatives Taken to Achieve Net Zero

At Himadri, we have undertaken numerous measures to curtail greenhouse gas (GHG) emissions stemming from our operations, demonstrating our commitment to environmental responsibility. These include the establishment of captive power generation plant that efficiently utilizes tail gas, enabling a value chain integration.

Continuous re-crystallization has been installed to minimize energy consumption, thereby improving overall energy intensity.

We are a net exporter of electricity, with more than 90% of our internal electricity requirements being met by our own power plant. As part of our business value chain, we have

successfully exported 60,620 MWH units of electricity to the grid, generated from our captive power plant.

To further enhance energy efficiency, specially designed energy-efficient reactors have been installed, resulting in a significant positive impact on overall efficiency by 1.5%. Waste heat recovery techniques have been implemented, converting a portion of the waste heat into usable low-pressure steam at a rate of 800kg per hour.

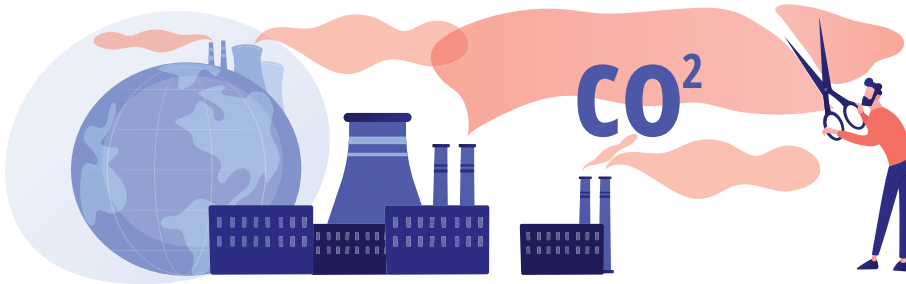
This recovered steam is then utilised for tracing purposes, replacing the previously used electrical tracing methods. Additionally, a micro turbine

has been installed within the captive power plant value chain, effectively conserving waste energy and generating additional electricity.

Our reactor design has improved efficiency and reduced PNA content, resulting in reduced carbon footprint and improved process capability. The implementation of secondary Air pre-Heater and Oil Pre Heater design has helped in minimising CO₂ generation and overall carbon footprint. Vacuum breathers in raw material storage control volatile organic content, demonstrating our commitment to operational efficiency and environmental impact reduction.



PRIORITISING PRUDENT ENERGY & GHG EMISSION MANAGEMENT



Our Emission Profile

| Parameter | Unit | FY 2022-23 (Current Financial Year) | FY2021-22 (Previous Financial Year) |
|---|------------------------|---|---|
| Scope 1 emissions | tCO ₂ e | 385,752 | 415,145 |
| Scope 2 emissions | tCO ₂ e | 2,112 | 2,520 |
| Total Scope 1 & Scope 2 emissions per rupee of turnover | tCO ₂ e/INR | 0.000009 | 0.000015 |
| Intensity (Total emissions/quantity of goods sold) | tCO ₂ e/MT | 0.96 | 1.12 |

Scope 1 Emissions

The direct emissions that result from the burning of diesel fuel in the generator sets we employ to power our campuses are included in our scope 1 emissions. Additionally, fugitive emissions from our operations are also included in scope 1 emissions. The heating, ventilation, and air conditioning systems installed at our facilities are a source of these fugitive emissions. These emissions add to our entire carbon footprint collectively and highlight the importance of actively managing and reducing our environmental impact.

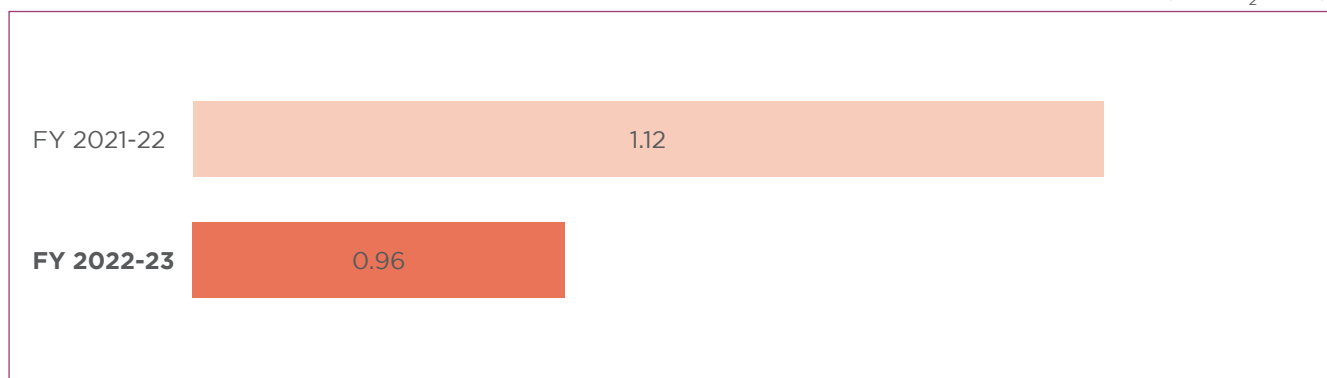
Scope 2 Emissions

Our strategy for mitigating Scope 2 emissions centres around enhancing energy efficiency and embracing a greater reliance on renewable energy sources to drive our operations. Our goal is to curtail the indirect emissions associated with our energy consumption. To achieve this, we are implementing energy-saving initiatives and procuring a higher proportion of renewable energy. By adopting these measures, we aim to make a meaningful contribution towards reducing our carbon footprint and promote sustainable practices within our organisation.



Total Scope 1 & Scope 2 Emission Intensity (Total emissions/quantity of goods sold)

(in tCO₂e/MT)



Case Study

01

Fuel Switch to Achieve Higher Energy Efficiency and Lower Carbon Emission Intensity

At Himadri, we have successfully implemented a high-performance multifunctional fuel additive across our reduction processes, targeting various fuel applications such as furnace oil, carbon black feedstock, light diesel oil, low sulfur heavy stock, and more. This additive has led to remarkable improvements in fuel efficiency and carbon emission reduction, optimising our production operations. The specially formulated compound, dissolved in aromatic solvent and readily soluble in fuel oil, acts as a combustion catalyst, significantly accelerating the oxidation of unburnt hydrocarbons during heavy fuel oil combustion. With this implementation, we have effectively addressed the challenge posed by asphaltene's complex structure, which previously hindered complete combustion and resulted in carbon deposits, soot, and particulate matter emission.

The benefits we have obtained after fuel additive implementation are extensive and encompass various aspects:

1. Chemical Benefits

The speed of oil combustion has increased, leading to enhanced fuel efficiency. Additionally, combustion of unburnt hydrocarbons has accelerated and led to better fuel utilization.

2. Mechanical Benefits

Requirement of excess air has reduced, resulting in minimised heat loss through flue gas. Heat transfer efficiency has improved, leading to reduced heat loss through heat transfer surfaces. Spray pattern, flame homogeneity, and fuel flow properties have enhanced. There has been a considerable reduction in sludge formation and clogging in pipes, filters and nozzles. Once the additive disperses, it suspends any existing sediment in storage tanks,

while providing protection against water-induced corrosion. All of this has led to reduced frequency of mechanical maintenance and an increased equipment lifespan.

3. Economic Benefits

Himadri has achieved approximately 4% fuel savings, contributing to cost-efficiency due to this initiative.

4. Environmental Benefits

Emissions have significantly reduced, along with the particulate matter in flue gases.

Overall, the specific fuel consumption per tonne of production has decreased by 8-9% compared to the previous approach without additives. Additionally, carbon emissions have notably reduced by 7% per tonne of production, reflecting the Company's commitment to high efficiency and sustainable practices in fuel utilisation.



Air Emission

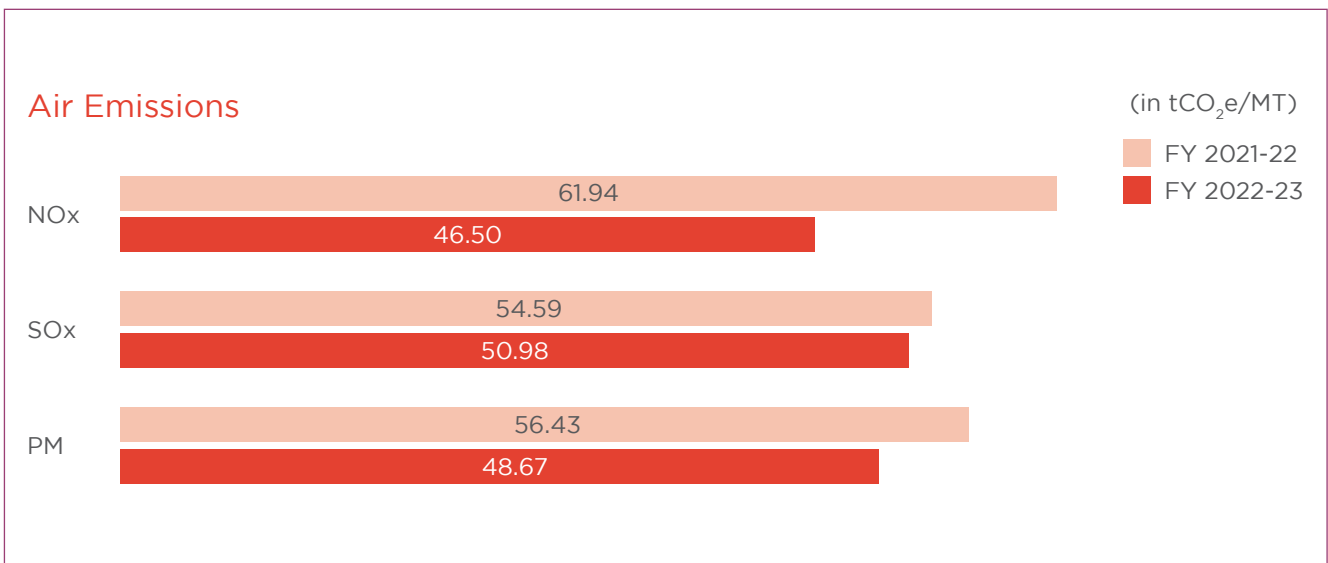
Environmental hazard from air emissions, including greenhouse gases, poses significant threats to our ecosystem and requires urgent attention. In our commitment towards environmental stewardship, we have undertaken measures to diligently monitor and control air emissions. By employing robust technologies and adhering to stringent regulations, we ensure that the emissions remain within permissible limits. This resolute action reflects the Company's unwavering dedication to safeguarding the environment and prioritising the welfare of both present and future generations.

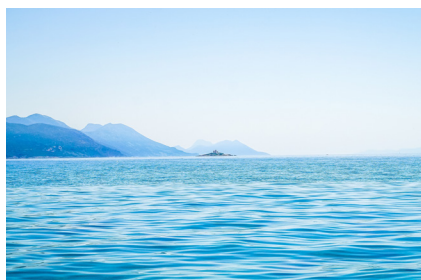
By conscientiously measuring and controlling air emissions, we strive to minimise the adverse effects on air quality, mitigate climate change and contribute to the preservation of a healthier, sustainable world.



PRIORITISING PRUDENT ENERGY & GHG EMISSION MANAGEMENT

| Parameter | Unit | FY 2022-23 (Current Financial Year) | FY2021-22 (Previous Financial Year) |
|-------------------------|-------|---|---|
| NOx | mg/m3 | 46.50 | 61.94 |
| SOx | mg/m3 | 50.98 | 54.59 |
| Particulate Matter (PM) | mg/m3 | 48.67 | 56.43 |





WATER MANAGEMENT & WASTE MANAGEMENT

Optimising Resources for a Sustainable Future

Sustainable development pivots on the prudent management of water resources. At Himadri, we are dedicated to practising responsible water stewardship. We prioritise the efficient use of water resources throughout our operations, implementing innovative technologies and processes to minimise our water footprint. Moreover, we regularly monitor and assess our water usage to identify areas for further improvement and ensure long-term sustainability.

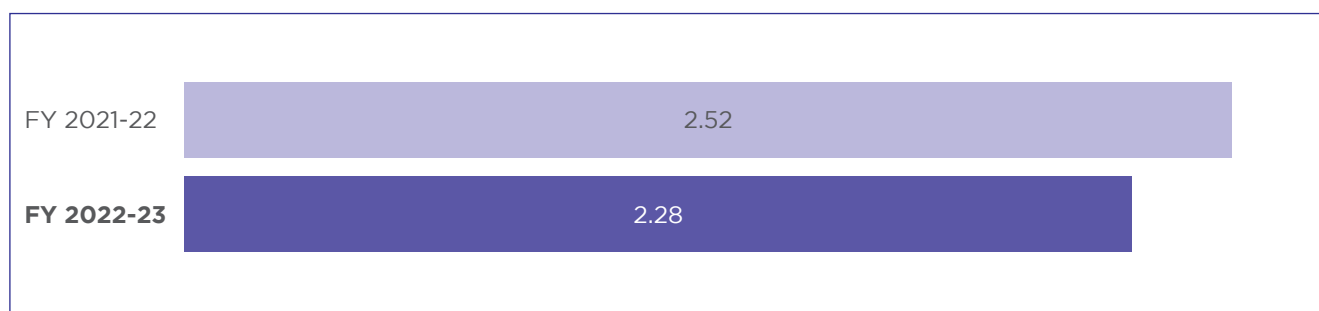
We have implemented Zero Liquid Discharge by devising a policy and establishing necessary infrastructure for its implementation. The water containing organic matter is separated from the water containing inorganic substances. Both types of water, organic and inorganic, undergo treatment at a shared effluent treatment plant and are then directed to the equalisation tank to be reused in the water recycling facility. The recycled water serves as a dilutant for the concentrated solution that goes through the processes such as Reverse Osmosis (RO), De-Mineralisation (DM), or Effluent Treatment Plant (ETP), depending on the requirements. The equalised stream is further treated in permeating units, which are utilised in cooling towers, while the remaining stream is utilised as gas in the Carbon Black Process.

Details on our Water Consumption

| Parameter | Unit | FY 2022-23 (Current Financial Year) | FY2021-22 (Previous Financial Year) |
|--|--------|---|---|
| Water Withdrawn by Source | | | |
| i) Surface Water | | Nil | Nil |
| ii) Ground Water | KL | 913,328 | 926,744 |
| iii) Third Party Water | KL | 8,175 | 9,045 |
| Total Volume of water Withdrawal | KL | 921,503 | 935,789 |
| Total Volume of Water Consumption | KL | 921,503 | 935,789 |
| Water Intensity Per Rupee of Turnover (Water Consumed / Turnover) | KL/INR | 0.000022 | 0.000034 |
| Water Intensity Per Quantity of Goods Sold (Total Water Consumption / Quantity of Goods Sold) | KL/MT | 2.28 | 2.52 |

Water Intensity Per Quantity of Goods Sold (Total Water Consumption / Quantity of Goods Sold KL/MT)

(in KL/MT)





WATER MANAGEMENT & WASTE MANAGEMENT

Case Study

01

Reduction of water consumption using efficient equipment and technology

We have implemented an efficient condensate recovery system, which allows us to recover 60% of the low-pressure (LP) steam used in all equipment, line tracing, and coils. Through an effective steam trap system, we exchange heat and convert LP steam into condensate water, which is collected in a condensate tank. This water is then transferred to a main storage tank and is reused in our processes, significantly reducing the quantity of RO water generated and thus lowering our ground water consumption. This, in turn, leads to reduced electrical power consumption from the RO unit. Additionally, measures like Steam

Line Walk and Trap Maintenance have been implemented to minimise steam leakage and further improve condensate recovery. Our future goal is to achieve 80% condensate recovery through the implementation of efficient steam traps.

To recycle wastewater, we have set up a Water Recovery Plant (WRP). The WRP receives treated wastewater from various sources such as ETP, DM plant backwash, RO plant reject water, and cooling tower blowdown water. After going through the treatment process, the water is reused for cooling tower makeup, process utilisation, and RO plant feed. This significant water

recycling effort reduces our reliance on ground water resources.

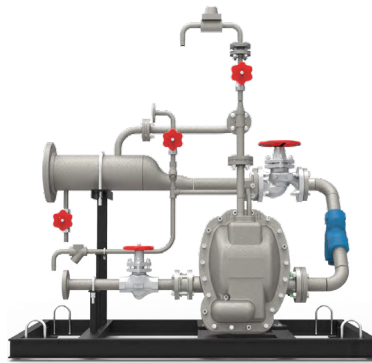
To ensure efficient monitoring and control of water consumption, we have installed flow meters in various water streams. This allows us to perform deviation analysis and include water consumption KPI in our daily and monthly review meetings. Regular calibration schedules are in place for each flow-meter as a preventive measure. Our commitment to water recycling and conservation is reflected in our efforts to optimise condensate recovery and efficiently manage water usage across different processes and areas within the plant.



Condensate Pumping Package



Steam Operated Pump Trap (SOPT)



Skid Mounted SOPT



Pumping Trap Condensate Recovery System (PTCRS)

Efficient Waste Management

Our overall sustainability strategy underscores the importance of effective waste management. We are committed to reducing our environmental footprint through proficient waste management practices such as recycling, reusing, and responsibly disposing of waste.

We have established robust waste management systems and procedures, adhering to the ISO 14001. We have implemented the 'Scrap to By-Product' strategy, recycling scrap materials to the extent possible. Moreover, in collaboration with our value chain partners, we have achieved a recycling rate exceeding 99% for our by-products. As for waste such as ETP sludge and others are disposed of through an agency authorised by the local pollution control board, primarily through onward neutralisation treatment followed by landfilling. Only a minute fraction, which is unsuitable for landfilling, undergoes incineration.

Waste Management Quantum

| Parameter | Unit | FY 2022-23 (Current Financial Year) | FY2021-22 (Previous Financial Year) |
|--|------|---|---|
| Plastic Waste | MT | 127.62 | 77.14 |
| E-Waste | MT | 4.22 | 3.40 |
| Battery Waste | MT | 1.17 | 1.12 |
| Other Hazardous Waste ETP Sludge, Used Oils and Others | MT | 3.07 | 4.43 |
| Other Non-Hazardous Waste Generated | MT | 442.01 | 342.15 |
| Process and Metals | MT | 1,270.66 | 913.46 |
| Total Waste Generated | MT | 1,848.75 | 1,341.70 |
| Total Waste Recycled | MT | 1845.68 | 1337.27 |
| Total Waste Incinerated | MT | 1.63 | 2.94 |
| Total Waste Sent to Landfills | MT | 1.44 | 1.49 |

Case Study

02

Installation of Biogas Plant

As part of our initiative to reduce Greenhouse Gas emissions and explore alternative sources of LPG gas, we have installed a Biogas plant with a capacity to process 200kg of canteen waste per day, resulting in 20m² of Biogas generation.

The Biogas generation process involves segregating the waste and converting it into a slurry, using a mixer. This slurry undergoes aerobic digestion in a pre-digester tank using thermophilic bacteria and hot water. The main digester tank then carries out methanation or anaerobic digestion by methanogenic bacterial consortium, producing biogas mainly composed of methane, which collected from the floating head of the tank. The remaining slurry is sent to manure pits, where nutrient-rich water

separates out and can be recycled for gardening purposes. The energy generated by the biogas plant can be used as a substitute for LPG gas in cooking, while residue serves as organic manure for our internal horticulture.

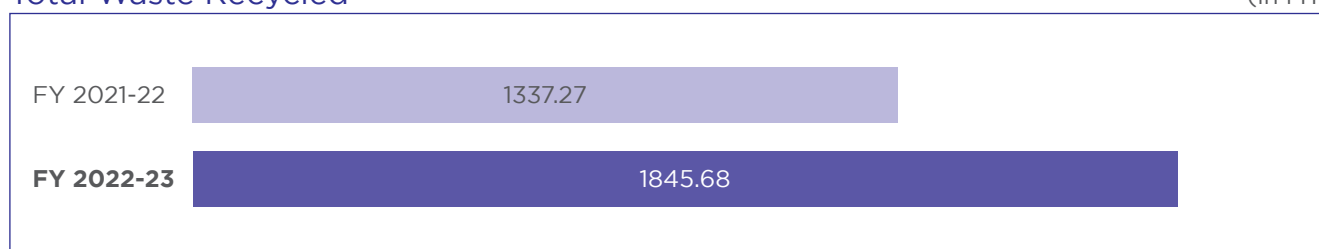
The biogas plant offers convenient and hygienic way to treat biodegradable waste, creating a clean and pollution-free environment without attracting flies, mosquitoes, or rodents. Additionally, it consumes very little water and electricity, leading to cost savings. Moreover, the compact size of the plant reduces the need for water transportation. We contribute to sustainability by reducing our reliance on LPG and other petroleum-based fuels. The

production of organic manure as a by-product further adds to the plant's environmental benefits.

The biogas plant consists of various components, including the Mixer/ Crusher for processing organic water into a uniform slurry, the primary digester for methane fermentation, and BOD reduction. In cases where there is a large quantity of garden waste, a fungal digester is employed to handle lingo-cellulosic materials. The biogas produced in the main digester is collected in a gas holder and transferred using 1" GI piping to a balloon made of HDPE for additional storage. The treated overflow of the main digester is directed to sludge drying beds or manure pits to produce high-quality organic manure.

Total Waste Recycled

(in MT)





CLIMATE CHANGE & PRODUCT STEWARDSHIP

Sustainability has always been a core principle guiding Himadri Specialty Chemical Ltd's journey. As part of our ongoing commitment to improving our product portfolio and production processes, we have embarked on a mission to comprehensively understand the environmental footprint associated with our products. This understanding is instrumental in making informed decisions that will shape our sustainable future.

To advance this strategy, we have undertaken a thorough Life Cycle Assessment (LCA) for our major product lines. These assessments adopt a holistic approach, encompassing emissions and impacts from upstream and downstream transport including our operational activities. Our objectives in conducting these assessments are threefold:

“

At Himadri Speciality Chemical Ltd, our commitment to sustainability is not just a principle; it's a driving force propelling us towards a more environmentally responsible and resilient future.

”

▶ **Identifying Environmental Improvement Opportunities**

We aim to pinpoint areas within the life cycle of our products where we can enhance their environmental performance. This involves evaluating various stages in the product's life, from its inception to its ultimate disposal.

▶ **Informed Decision-Making**

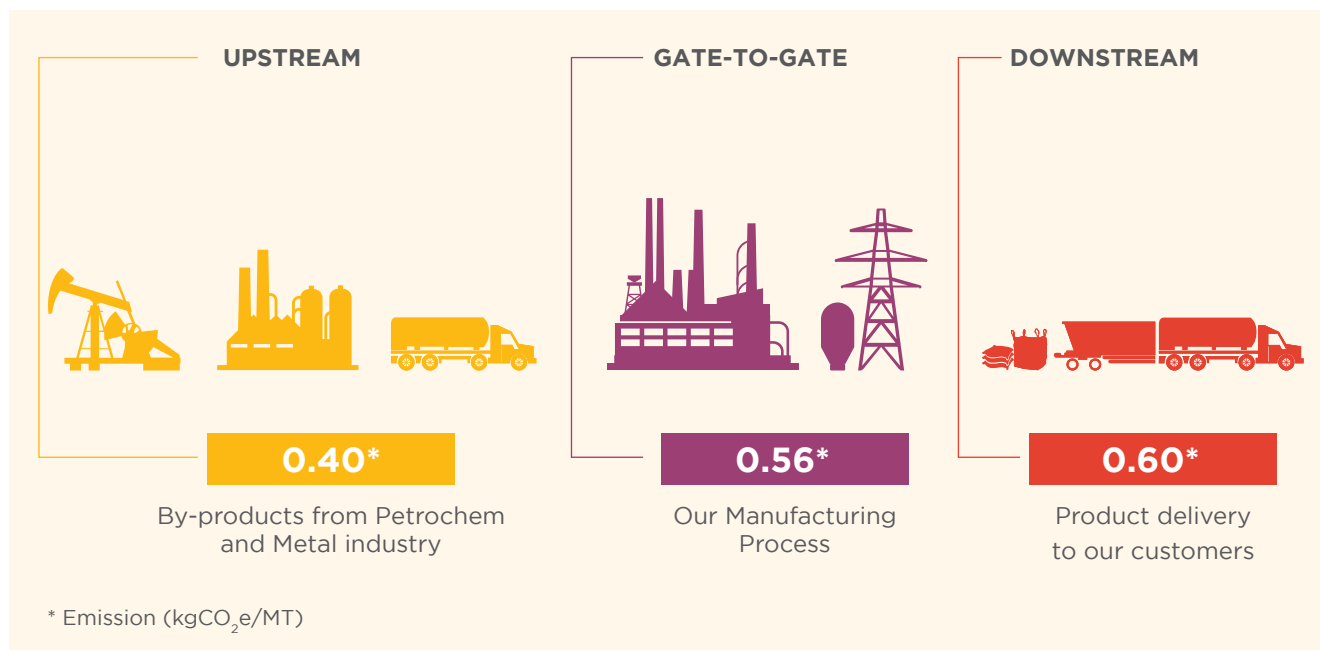
The insights garnered from these assessments play a pivotal role in informing decision-makers within our organization. This information guides strategic planning, prioritisation efforts, and informs choices related to product and process design or redesign.

▶ **Environmental Performance Indicators**

We also utilize the outcomes of these assessments to select pertinent environmental performance indicators. These indicators encompass measurement techniques, and contribute to our broader initiatives, such as implementing eco-labeling schemes, substantiating environmental claims, or creating environmental product declarations.



Life Cycle Emission of Our Products



Circular Economy & GHG Abettor

Himadri Speciality Chemical Ltd, has emerged as a commendable example of responsible and environmental stewardship in the chemical industry. Our unique strategy revolves around the utilization of waste materials from the petrochemical and ferrous industries as our principal raw materials. By incorporating these waste materials into our production processes, we not only reduce the environmental burden of waste incineration but also curtail the demand for virgin resources. This circular economy approach significantly lessens the carbon footprint associated with raw material extraction and production.

One of the standout features of our sustainable practices is the captive power plant installed at the Mahistikry unit, West Bengal, India. This facility ingeniously employs waste gases produced

during various manufacturing operations to generate electricity reducing greenhouse gas emissions. The energy generated powers our own operations and has reduced reliance on external energy sources, many of which are fossil fuel-based.

At Himadri, we not only fulfill our own energy needs but also export a portion of the electricity generated by our captive power plant to the state grid. This action helps to support India's transition to a more sustainable energy mix and also mitigates greenhouse gas emissions at a national level.

Thus, Himadri, through its exemplary approach to environmental responsibility has become a net abettor in reducing greenhouse gas emissions. Our commitment to sustainability sets a high standard for the industry and demonstrates that

innovative practices can lead to both environmental and economic benefits.



Being a responsible Social Steward



**HEALTH & SAFETY
HUMAN CAPITAL**



**COMMUNITY RELATION
LABOUR PRACTICES**



SUPPLY CHAIN MANAGEMENT



We believe that our talent pool is our most valued asset. We aim to create long-term value for our people while keeping diversity, inclusivity and employee well-being at the core. We strive to create a safe and conducive working environment and focus on delivering a superior employee experience so that our people can become an improved version of themselves. . Community development lies at the very heart of our sustainability strategy. We believe it is our responsibility to engage in sustainability-based activities that are focused on providing quality education, environmental stewardship, sustainable livelihoods and healthcare promotion.



**HEALTH & SAFETY
HUMAN CAPITAL**

Human Rights

Himadri upholds human rights principles, recognising and valuing individual rights and upholding equity and righteousness. We strictly condemn any form of discrimination based on race, colour, gender, religion, or nationality and are committed to cultivating a work environment that nurtures growth and development of our people.

Diversity and Inclusion

At Himadri, we firmly believe in upholding Diversity and Inclusion as fundamental aspects of our organisational ethos. We ensure that every individual in our organization feels respected and appreciated.

Our hiring strategies focus on finding the best people for the job who bring diversity of thought, experience, cultures, gender, age, and expertise to enrich the organisational culture and add impetus to innovation and sustainable growth. The organisation has a zero tolerance policy for any kind of discrimination across our operations, be it in our hiring, training, promotion, assessment, or remuneration on the basis of nationality, race, colour, religion, creed, sexual orientation, gender identity, age, disabilities.



HEALTH & SAFETY HUMAN CAPITAL



Gender Pay Parity

At Himadri, we hold ourselves accountable to the highest standards of fairness and equity when it comes to compensation. Our steadfast dedication is exemplified by the implementation of a remuneration policy that upholds a 1:1 ratio. We strictly adhere to this policy, ensuring that all employees are compensated in accordance with their merit and without any form of discrimination.



Women Empowerment

Gender diversity enhances competitive advantage for us, with a focus on achieving gender parity and inclusivity, promoting women's representation in leadership roles, and prioritizing inclusivity at all organizational levels.

On a quarterly basis, the Board evaluates female composition, implementing programmes and campaigns to address career development needs across the company's hierarchy.

In our efforts to honour female employees, we organize annual women's day workshops, celebrating their accomplishments and resilience. These gatherings foster camaraderie, shared experiences, and unity among our female workforce, fostering a strong sense of support.

Himadri's leave policy acknowledges women's menstruation challenges, offering paid leave of two days each month. This policy demonstrates the Company's commitment to supporting women's overall well-being.

Anti-Discrimination

At Himadri, we strictly condemn discrimination. Our recruitment process focuses on merit. Every aspiring or existing employee is evaluated solely based on their credentials and suitability for the position.



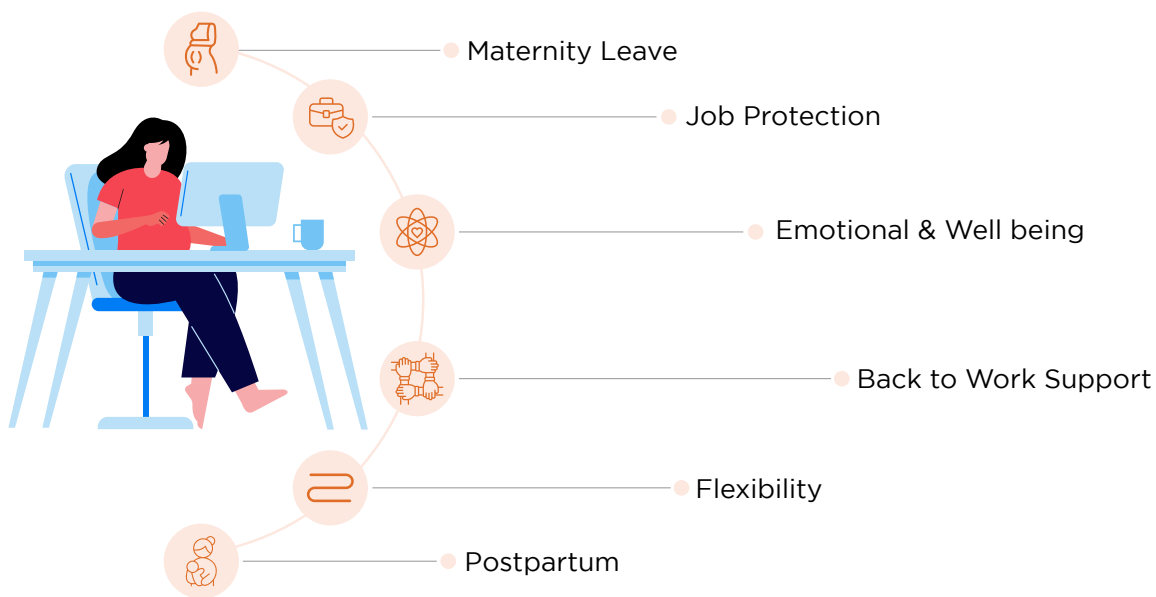
HEALTH & SAFETY HUMAN CAPITAL

MOMAZING- Tribute to Motherhood

At Himadri, we value unique experiences and inherent processes, fostering a compassionate, empathy-driven workplace based on compassion, empathy, and inclusion for employees.

Himadri's Momazing programme provides care and support to expectant mothers, encompassing prenatal and postpartum assistance, aiming to elevate and uplift women.

Our Company provides its female employees with six months of paid maternity leave to celebrate the birth of their child. In order to relieve postpartum depression and ensure mental well-being of our women colleagues at this sensitive time, we provide hospitalisation, and medical expenses.



Ensuring Occupational Health and Safety

Workplace health and safety is our foremost priority. We have implemented various safety measures and workplace environment enhancements, which have minimised accidents and health hazards. Our personnel have access to quality health insurance. We are committed to protecting the environment, preserving natural resources and ensuring a safe working environment for our people. In addition, we have established a Health, Safety and Environment Committee to offer a secure, safe environment both inside and outside our organisation.

The functions and duties of the HSE (Health, Safety and Environment) Committee include-

- ▶ Directing the organisation to achieve the objectives defined in the 'Health, Safety and Environment Policy' with the guidance of the Management.
- ▶ Successfully addressing all concerns regarding Health, Safety and Environment, while striving to reduce our ecological footprint.
- ▶ Raising Health, Safety and Environmental Pollution Awareness among all workers.
- ▶ Offering training and conducting promotional activities concerning Health, Safety and Environment.
- ▶ Addressing areas for improvement after Safety, Environment and Occupational Health Surveys, Safety Audits and Risk Assessments, while also identifying causes of accidents (if any).
- ▶ Reviewing on-site emergency plans and disaster control measures to ensure effective execution.
- ▶ Investigating any complaint on the likelihood of an imminent danger to the safety and health of workers, suggesting corrective measures and reviewing its implementation.
- ▶ Analysing operational procedures for identification of hazards and environmental concerns along with their mitigation measures (i.e., hazop studies of our processes).

We have made improvements to safety measures, including

the installation of a fire detection system, to reaffirm our commitment to safety. Health talks and seminars have been conducted by leading subject matter experts to educate employees on health risks, while medical check-ups were also organised to emphasise the notion that prevention is better than cure. Physiotherapy and yoga sessions have been arranged to improve the overall health of our personnel. We have also expanded medical coverage and offered term insurance. Further, we have launched an accidental policy.

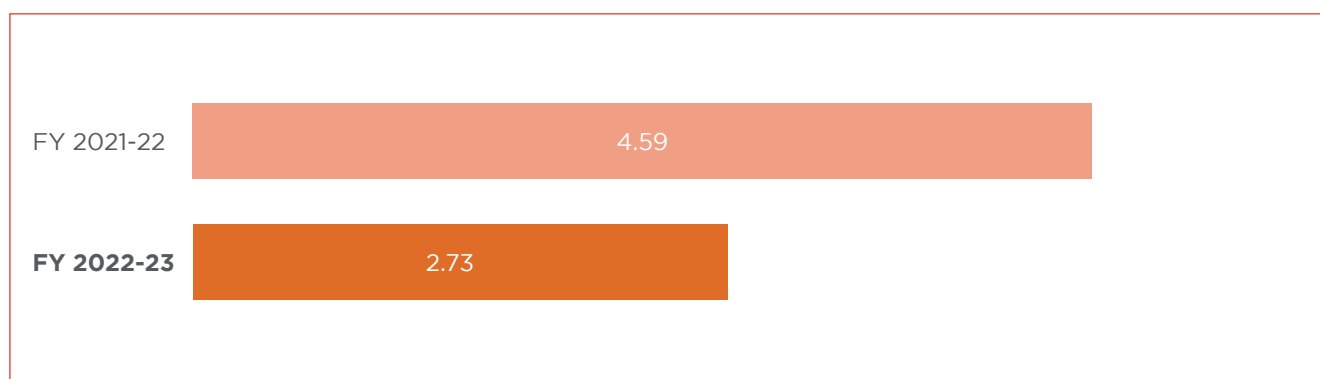
We also encourage our team members to volunteer and support the families of deceased coworkers through the 'Each One Reach One' initiative. Through wellness activities that are scheduled using an employee wellness calendar, we aim to improve the employee's well-being score.



Details of Safety Related Incidents

| Parameter | Category | FY 2022-23 (Current Financial Year) | FY2021-22 (Previous Financial Year) |
|---|-----------|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 2.73 | 4.59 |
| | Workers | 2.02 | 3.85 |
| Total Recordable Work-Related Injuries | Employees | 6 | 11 |
| | Workers | 8 | 11 |
| No. of fatalities | Employees | Nil | Nil |
| | Workers | Nil | Nil |
| High-Consequence Work-Related Injury or Ill-Health (Excluding Fatalities) | Employees | 1 | 1 |
| | Workers | Nil | 2 |

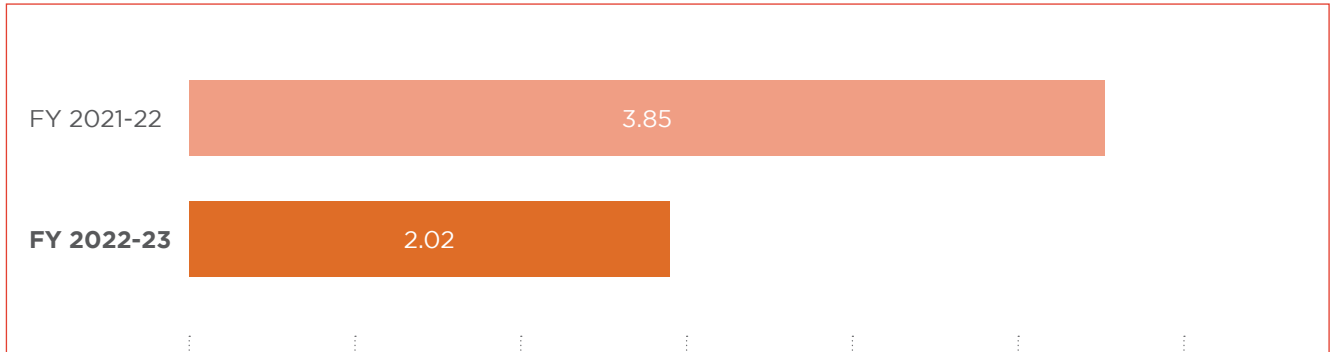
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) for Employees



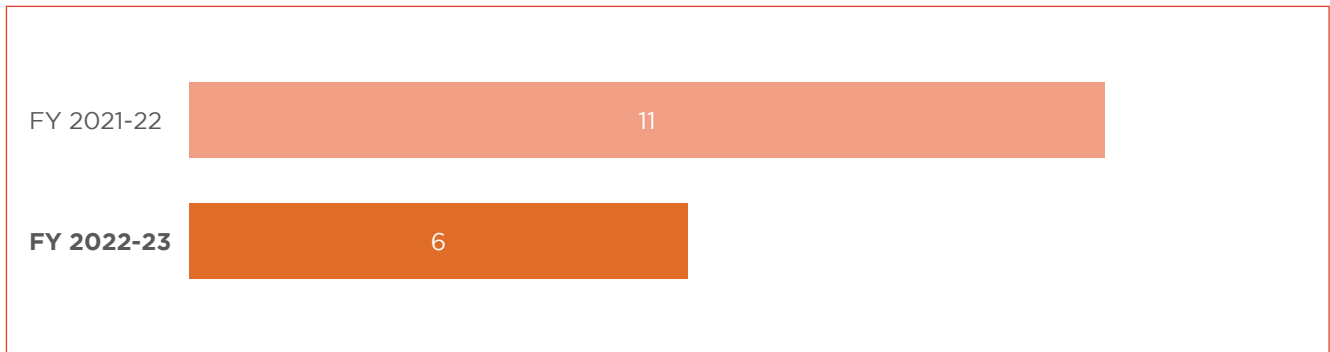


HEALTH & SAFETY HUMAN CAPITAL

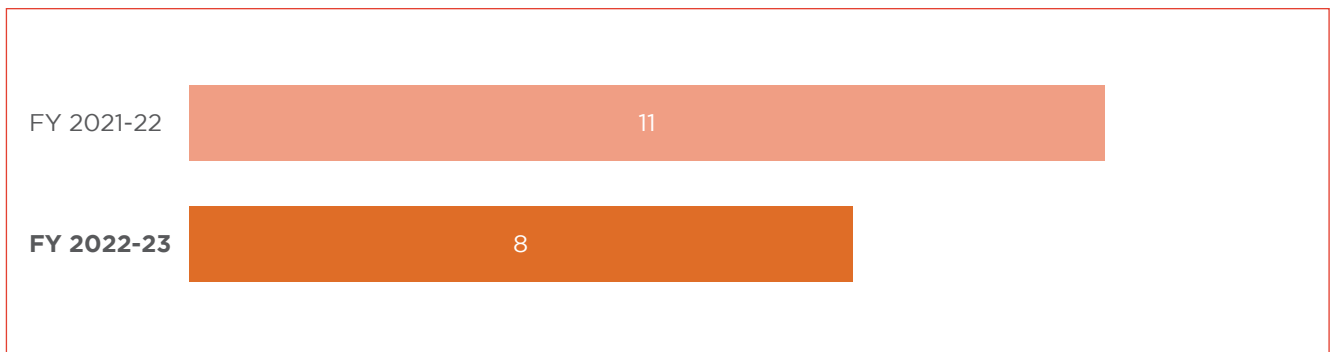
Lost Time Injury Frequency Rate (LTIFR)
(per one million-person hours worked) for Workers



Total recordable work-related injuries for Employees



Total recordable work-related injuries for Workers



Prioritising Safety at Himadri

At Himadri, our Safety Committee plays a critical role in fostering a safe work environment by implementing best practices. The Committee comprises representatives from various departments, including management, operations and processes, maintenance and HSE, with rotating members from other departments. Together, they form a team focused on effectively addressing workplace safety and health concerns and ensuring an inclusive atmosphere. The Safety Committee carefully identifies safety requirements, provides a platform for addressing safety-related concerns, implements safety training initiatives and promptly reports any unsafe conditions or acts within predefined timelines. Within its scope, the Committee enforces safety rules, handles safety suggestions, conducts thorough safety inspections and audits, as well as diligently communicates

its activities to the senior facility manager.

The Safety Committee adheres to our company standards, local statutory authorities, ISO 45001:2018 guidelines and OSHA guidelines to foster a safe and healthy work environment. Employees are involved in the decision-making process, encouraged to offer suggestions and promptly report hazards at regular quarterly meetings, with complete minutes documented. The Safety Committee's primary responsibilities include assessing the Management's response to safety recommendations, conducting comprehensive workplace inspections, identifying potential hazards, proposing corrective actions, reviewing safety programmes and promoting a culture of accountability for safety and health. In addition, the Committee undertakes accident and incident investigations and

provides specialised safety training to its members and other employees.

The Chairperson of the Safety Committee prepares the meeting agenda, organises sessions and presides over them. Meanwhile, the Secretary diligently records meetings minutes and reports on the status of recommendations. All committee members share the responsibility of promptly reporting unsafe conditions, participating in safety meetings, suggesting safety improvement ideas and encouraging others to prioritise safety at work. The Committee operates with utmost efficiency, following well-established guidelines, maintaining accountability and conducting effective meetings. Meeting agendas are distributed well in advance, encompassing discussion topics, minutes from previous meetings and relevant information.

Managing Risks for Sustainable Growth

At Himadri, our risk assessment framework defines the purpose, scope and responsibilities for both the Management and employees. It covers risk identification, mitigation and risk assessment based on severity and likelihood, ensuring an effective risk management process.

Regular risk assessment training also ensures workforce safety and boosts productivity. Regularly scheduled and maintained, attendance records monitor employee participation and development. Emphasising health and safety, we foster a secure and productive work environment for all employees.

We adhere to PPE Standards and Guidelines to ensure a secure work environment. To identify potential hazards and determine the appropriate PPE for each task, we conduct thorough risk assessments

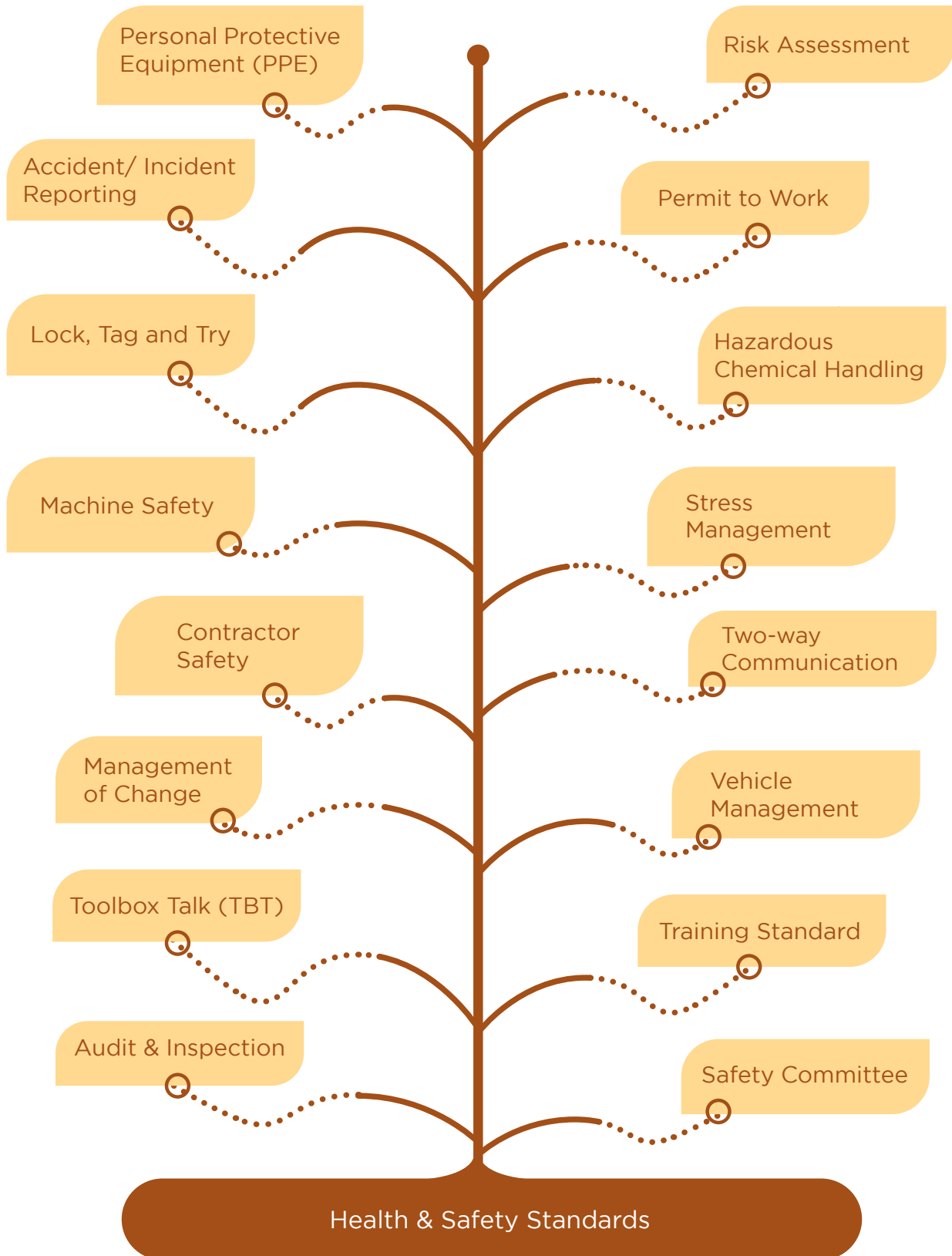
for all operations and job roles. These guidelines state the specific types of protective equipment needed for various tasks, including helmets, gloves, goggles, face shields, earplugs, respirators and protective clothing. This advisory document also provide clear instructions on wearing, using and maintaining PPE to ensure its effectiveness.

To educate employees on personal safety and PPE usage, we conduct robust training programmes. We emphasise the importance of taking precautionary measures and using PPE to minimise risks and injuries. Regular updates on PPE Standards and Guidelines are provided to keep everyone informed about the latest safety protocols and equipment requirements. We encourage open communication and feedback from employees regarding safety concerns or suggestions for improvement.

All hazardous chemicals and substances used within Himadri's premises are registered and listed, ensuring compliance with regulatory requirements and enabling proper tracking of quantities. Additionally, each hazardous substance is accompanied by a Safety Data Sheet (SDS) that provides vital information, including properties, hazards, handling precautions and emergency response procedures. We ensure easy access to safety information by making the Safety Data Sheets readily available to anyone who may need them. This approach facilitates swift and appropriate responses to any incidents or emergencies that may occur.



HEALTH & SAFETY HUMAN CAPITAL



For detailed information on mandatory policies, kindly refer our website at www.himadri.com and our Annual Report for FY 2022-23.

Raising Awareness on Safety Through Training

We value diversity and inclusiveness in our workforce and are committed to creating a work environment where all our people feel comfortable and secure. To this end, we provide health and safety instructions in local languages, removing language barriers and ensuring easy comprehension of critical safety protocols. Effective communication is crucial for employee well-being, especially during emergencies.

To ensure a safe work environment, we conduct regular and comprehensive training sessions covering various health and safety topics. Our training programmes span multiple subjects, including work permit systems, accident investigation, chemical hazards in SNF (Sulphonated Naphthalene Formaldehyde) chemicals, hazard identification and risk assessment (HIRA), advanced fire-fighting techniques, electrical safety, personal protective equipment

(PPE) usage, at-risk behaviours, working at heights, job hazard analysis tools, basics of fire-fighting operations, chemical handling, confined space entry and Health, Safety and Environment Risk Assessment (HSERA).

Our training programme is crucial for employee safety and well-being. We follow a strict calendar, ensuring all employees receive the necessary education and knowledge to handle risks and hazards. Attendance in these sessions is mandatory for all employees as it fosters a safety-oriented culture and reinforces a sense of responsibility. Regular, diverse sessions equip our employees with essential skills and knowledge to prevent accidents, respond to emergencies and maintain a secure working environment.

Safety is not merely a compliance concern at Himadri; it is an integral part of our organisational values, upheld by each individual within our team.

We prioritise the well-being and safety of all employees, including subcontractors. They work closely with our dedicated safety teams to understand their specific services and potential hazards. Based on this, we create specialised training courses tailored to their tasks and responsibilities, equipping them with the knowledge and skills necessary to perform their duties safely and efficiently.

In addition, we offer comprehensive training and support to safeguard the well-being of our subcontractors while they are on our premises. Open communication and collaboration with our subcontractors are encouraged to maintain a safe work environment for everyone. We continuously strive for improvement through regular safety audits and by fostering a safety-conscious culture throughout our organisation. Keeping safety at the forefront of all our operations, we focus on building strong partnerships with our subcontractors.

“ Safety is not merely a compliance concern at Himadri; it is an integral part of our organisational values, upheld by each individual within our team. ”





HEALTH & SAFETY HUMAN CAPITAL

Addressing Risks to Safety

We have a detailed document that outlines the step-by-step procedure for addressing health and safety risks. Our management team plays a crucial role in this process, with their responsibilities clearly defined in the document. The key stages of our Management of Change (MOC) process are as follows-



▶ Initiator

The MOC process begins with an initiator who proposes a new idea or change. This initiator can be an employee, a department head, or any stakeholder who recognises the need for operational change.



▶ Appraisal

Once the change proposal is presented, relevant stakeholders and experts conduct an in-depth appraisal that evaluates the potential health and safety risks associated with the proposed change.



▶ Approval

After a careful assessment, the proposed change is submitted for approval to the appropriate management level. This ensures decision-makers are fully aware of the potential implications and risks before proceeding further.



▶ Implementation

Upon approval, the change is implemented following a carefully curated plan. The implementation phase involves incorporating health and safety measures into the new process to minimise risks and facilitate a seamless transition.



▶ Verification

The implemented change undergoes verification to ensure it aligns with the intended outcomes and that health and safety measures have been effectively integrated.



▶ Training and Awareness

Proper training and awareness programmes are conducted for all relevant employees to ensure they are well-equipped to handle the change and understand the associated health and safety protocols.



▶ Documentation

Throughout the MOC process, detailed documentation is maintained to record the steps taken, risk assessments and safety measures implemented. This documentation serves as a reference for future assessments and audits.



▶ Closure of MOC Process

Once the change has been successfully integrated into operations and all necessary safety checks are in place, the MOC process is formally closed. However, monitoring and evaluation continue to ensure ongoing safety and effectiveness.

“ Throughout the MOC process, detailed documentation is maintained to record the steps taken, risk assessments and safety measures implemented.

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Additionally, we acknowledge that certain changes may require immediate attention. In such cases, we have provisions for temporary changes and emergency changes. Temporary changes may be implemented under specific circumstances with appropriate risk management, while emergency changes address critical situations that require immediate action to safeguard health and safety.



COMMUNITY RELATION LABOUR PRACTICES



Prudent Labour Practices

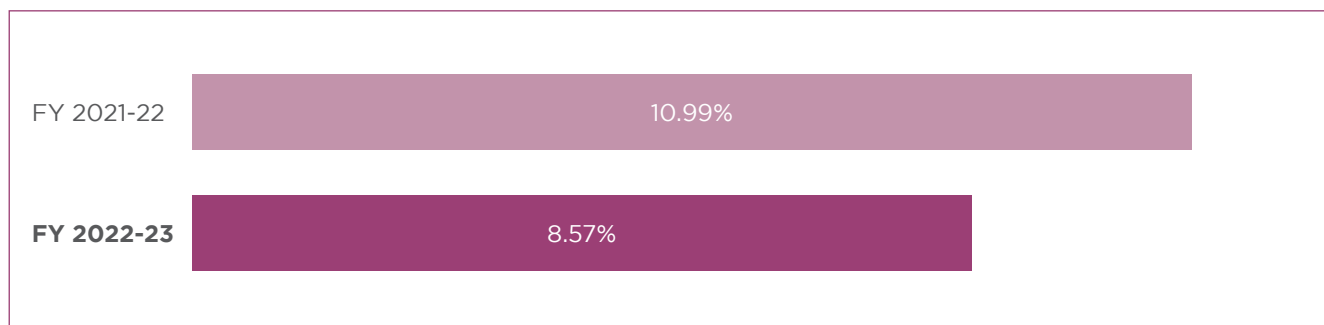
The foundation of any industrial company is its labour relations. To promote a healthy employer-employee relationship, we keep open lines of communication and inform our people of our long-term objectives. As a result, operations are more productive and there are less conflicts between employees and management. We offer several development opportunities for workers at all levels. This makes the surroundings comfortable with workplace relations remaining cordial due to the adoption of effective, performance-based policies.

For recognising the dedicated efforts of our personnel, we honour them on the organisation's founding anniversary. The employees receive awards from the organisation via a virtual platform in front of their families.

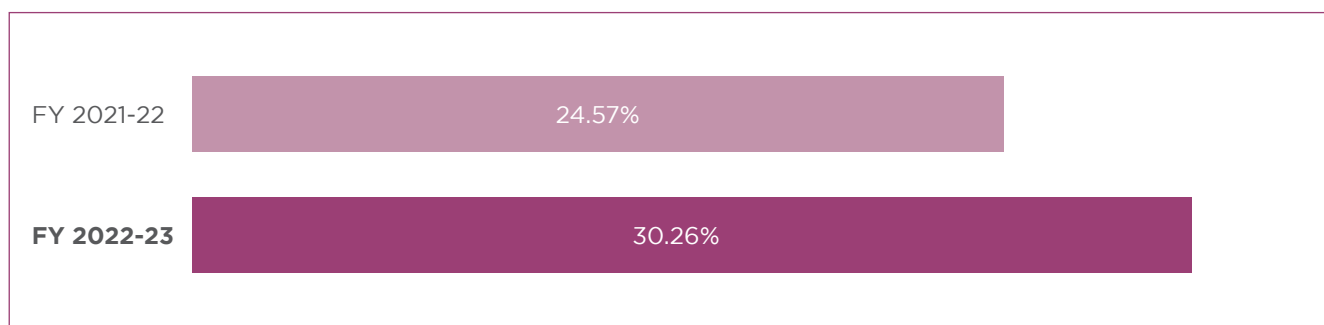
Turnover Rate for Employees

| Parameter | FY 2022-23 (Turnover Rate in Current FY) | | | FY 2021-22 (Turnover Rate in Previous FY) | | |
|------------------------|---|--------|-------|--|--------|-------|
| | Male | Female | Total | Male | Female | Total |
| Employee Turnover Rate | 7.86 | 0.71 | 8.57 | 10.34 | 0.65 | 10.99 |
| Worker Turnover Rate | 27.18 | 3.08 | 30.26 | 24.57 | 0.00 | 24.57 |

Turnover rate for Employees



Turnover rate for Workers





COMMUNITY RELATION LABOUR PRACTICES

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We prioritise a healthy work-life balance for our employees, adhering to a 9am-5pm schedule and avoiding overtime unless necessary.

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Work Environment at Himadri

We prioritise a healthy work-life balance for our employees, adhering to a 9am-5pm schedule and avoiding overtime unless necessary. This helps prevent burnout and stress, while ensuring employees have sufficient rest and rejuvenation. By adhering to designated working hours, we create an environment that allows employees to effectively manage their time, achieve goals and enjoy personal pursuits. If there are exceptional circumstances that require employees to work beyond the designated working hours, we expect managers to carefully evaluate the situation, minimise such instances, and provide suitable compensatory measures or time off in recognition of the additional effort.

According to our leave policy, if employees are required to work on sundays/ national holidays, they are entitled to compensatory leave during the week. We understand that working on weekends can disrupt personal commitments and impact overall well-being, which is why we provide this opportunity for employees to regain their time off.

It is essential to note that this policy is in place to acknowledge the exceptional circumstances in which employees are required to work on Sundays.



Childcare Facility

We prioritise employee welfare and work-life balance by partnering with local creche facilities. This allows employees to access day care services near their premises, enabling them to focus on their professional duties.



Unbiased Recruitment Process

We have a rigorous anti-discrimination policy that serves as the foundation of our organisational values. To help our people grow both personally and professionally, we foster an inclusive work environment where every individual has equal opportunities based on their qualifications, skills and capabilities. Our recruitment process is entirely merit-based, devoid of any biases or preferences. We prohibit any form of discrimination, be it related to gender, race, ethnicity, religion, age, disability, and so on.

We do not consider any minority certificates or documents during the hiring process. For us, such certificates do not serve as a basis for assessing an individual's suitability for employment. Instead, we emphasise assessing candidates' skills, experience, education and qualifications that are directly relevant to the roles they are applying for.

Further, we reject any notion of providing special treatment or privileges to any group of individuals within our organisation. Instead, we foster a culture of equal opportunity where every employee is recognised and rewarded based on their performances, dedication and contribution to the Company's goals. Our policies, processes and practices are designed to treat all employees fairly and equitably, ensuring that everyone has access to the same opportunities for growth, development and advancement within the Company.

Nurturing our Talent Pool

We conduct an annual employee satisfaction survey to assess employee satisfaction and well-being. This survey gathers feedback, understands grievances, and identifies areas for improvement within administration. By seeking input, we create an inclusive and supportive work environment where employees' opinions are heard and valued. We encourage honest feedback on organisational culture, management practices, communication, benefits and growth opportunities.

The HR team analyses the employee satisfaction surveys to address grievances and create a better workplace environment. They identify trends, areas of

concern and develop action plans. Conducting regular surveys is essential for fostering a culture of continuous improvement and making data-driven decisions that positively impact employees' experiences at Himadri.

At Himadri, we realise the importance of maintaining a healthy work-life balance, allowing our employees to take time off to rejuvenate. We offer a Leave Travel Allowance (LTA) to our employees earning ₹21,000 and above. The LTA is a special benefit offered to assist our employees in fulfilling their travel aspirations. It allows eligible individuals to claim reimbursement for travel-related expenses incurred within the

country, including not only their own travel expenses, but also that of their eligible family members.

By extending the LTA to employees earning ₹21,000 and above, we seek to foster greater employee satisfaction and enhance their quality of life. The LTA also encourages them to explore new destinations and create cherished memories. Himadri's commitment to employees goes beyond just benefits, providing comprehensive and competitive benefits that cater to their evolving needs. We believe that a satisfied and rejuvenated workforce contributes positively to our growth.



Remaining Agile in a Dynamic Operating Environment

At Himadri, we foster an inclusive and flexible work culture and prioritise work-life balance. We offer our personnel remote work for up to seven times a year, recognizing the significance of personal obligations and the need for a flexible schedule. However, as an organisation engaged in manufacturing, we require the physical presence of on-field engineers, employees and workers to carry out our operations. As we are unable to offer them work-from-home options, we focus on ensuring their welfare and job satisfaction. In rare instances where circumstances demand overtime or work on Sundays, compensatory time off is granted during the week. This serves as a token of appreciation for their commitment to maintaining the seamless operations of our facility.



Focused on Human Capital Development

Our strategies are focused on meeting the requirements of our personnel and are intended to offer them learning opportunities. We strive hard to create a conducive work environment and prioritise professional growth. Moreover, we take all possible measures to recruit new talent, provide the required training and keep highly skilled, deserving employees. The intention is to foster an environment where workers can feel a sense of purpose in their job and contribute to the success of our organisation. Employee empowerment and a warm environment inspire people to use their skills and reach their full potential, which leads to greater performance.

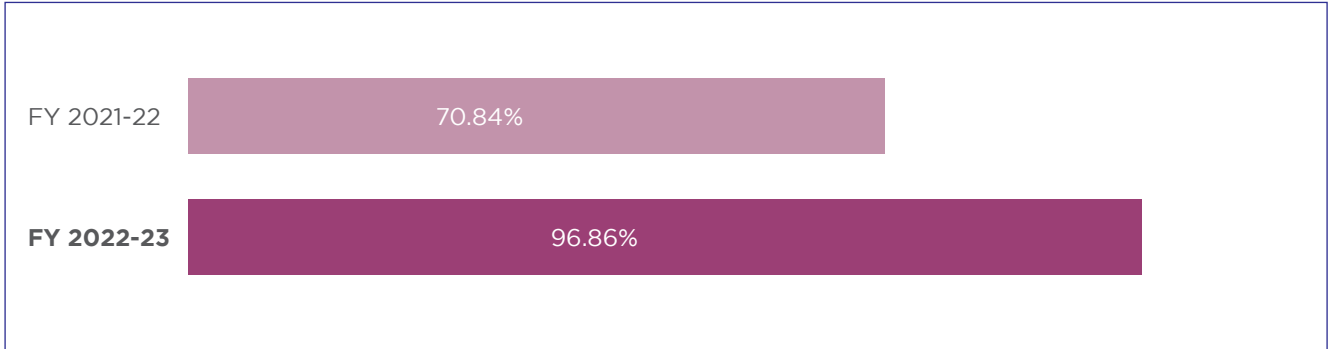
To completely revamp the employee life cycle, we have introduced a digital platform that will help our people easily access our policies and procedures. Going forward, we will continue to promote talent acquisition, e-onboarding, performance management and e-learning practices for better-managed processes across all locations, reducing process delays, and aiming for a paperless workplace with seamless activities.



COMMUNITY RELATION LABOUR PRACTICES

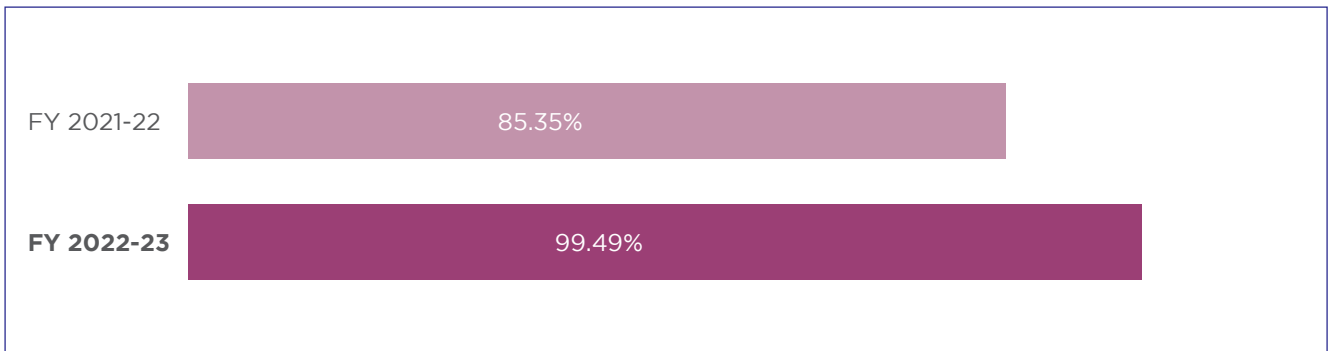
Training Offered to Employees on Human Rights issues

(in %)



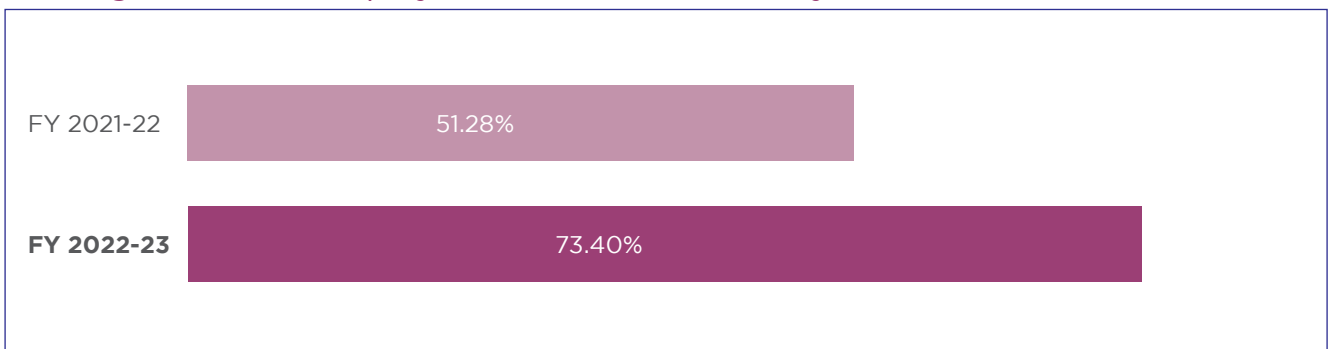
Training Offered to Workers on Human Rights issues

(in %)



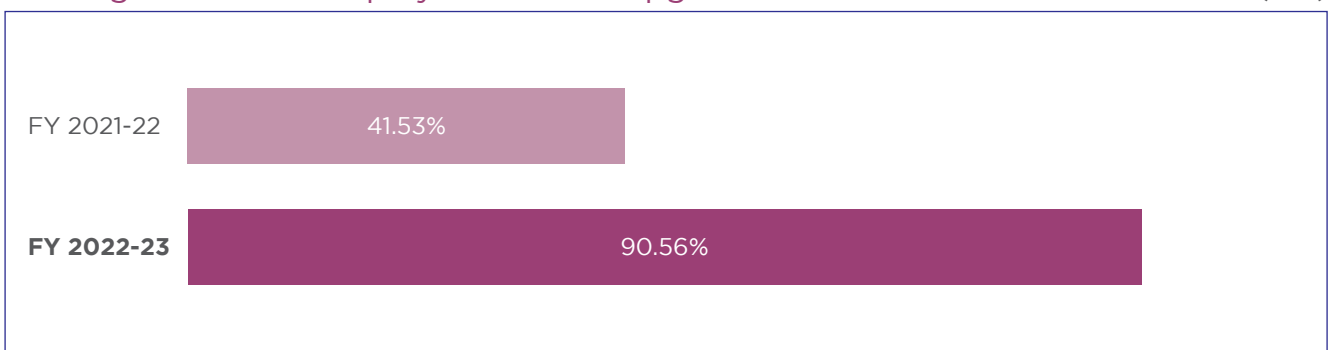
Training Offered to Employees on Health and Safety Measures

(in %)



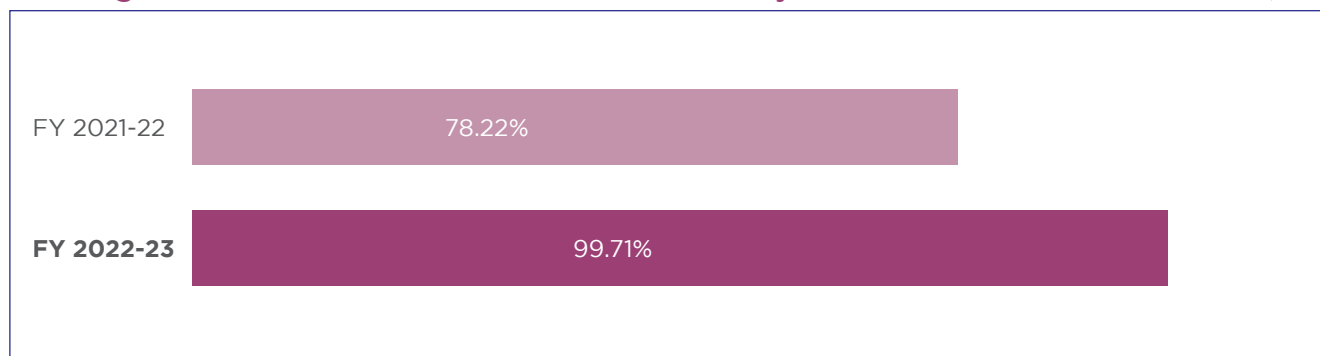
Training Offered to Employees on Skill Upgradation

(in %)



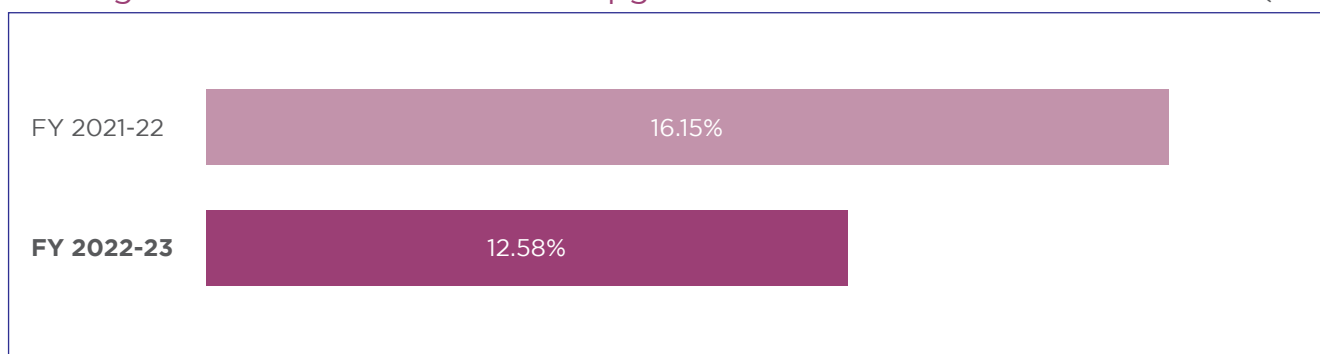
Training Offered to Workers on Health and Safety Measures

(in %)



Training Offered to Workers on Skill Upgradation

(in %)



Creating Individual Career Development Plans

As a responsible employer, we recognise the importance of individual career development and consistent growth. Our Individual Career Development Plan is designed to support each team member in identifying and achieving their professional goals. We believe that investing in our employees' development not only enhances their skills but also contributes to the overall success of our organisation.

We offer numerous opportunities for career advancement and skill enhancement to our personnel. To contribute to the individual career development of our team members as well as enabling them to reach their full potential, we have implemented the following measures-

► Goal Setting

We encourage employees to set clear and specific career goals aligned with their interests and aspirations through interactive sessions. To help them achieve their objectives, we also provide them with the requisite guidance and training.

► Skills Assessment and Training/ Development Programmes

Regular skills assessments help our team members identify strengths and areas for improvement through an assessment matrix, performance

evaluations and feedback sessions. This process considers diverse departments and individual job roles, comparing skill levels against desired targets. This also helps identify gaps and areas for improvement, facilitating the creation of targeted training and development programmes. By aligning the matrix with our organisational objectives, we can ensure employees have the right skills to contribute effectively to their teams and the organisation. Regularly reviewing and updating the assessment matrix

ensures it remains relevant to the evolving needs of the organisation and the dynamic operating environment.

► Internal Job Postings and Transfers

We promote internal promotions as a means of fostering career advancement and growth. To this end, we regularly post job openings and encourage our employees to apply for positions that match their career aspirations. We believe that internal transfers or promotions can present invaluable growth



COMMUNITY RELATION LABOUR PRACTICES

opportunities for our workforce. By reviewing the assessment matrix and identifying employees who possess the necessary skill sets and potential, we support their transition into new roles within the organisation. This internal mobility not only allows individuals to explore new challenges and expand their skill sets but also contributes to a culture of knowledge-sharing and cross-department collaboration. Through this approach, we nurture talent from within and create a dynamic environment that encourages

professional growth and long-term commitment among our employees.

▶ **Mentoring and Coaching**

We have established formal and informal mentoring programmes to connect employees with experienced professionals who can provide guidance, share insights and offer assistance for their career development

▶ **Networking Opportunities**

We encourage employees to participate in industry events, conferences, or professional

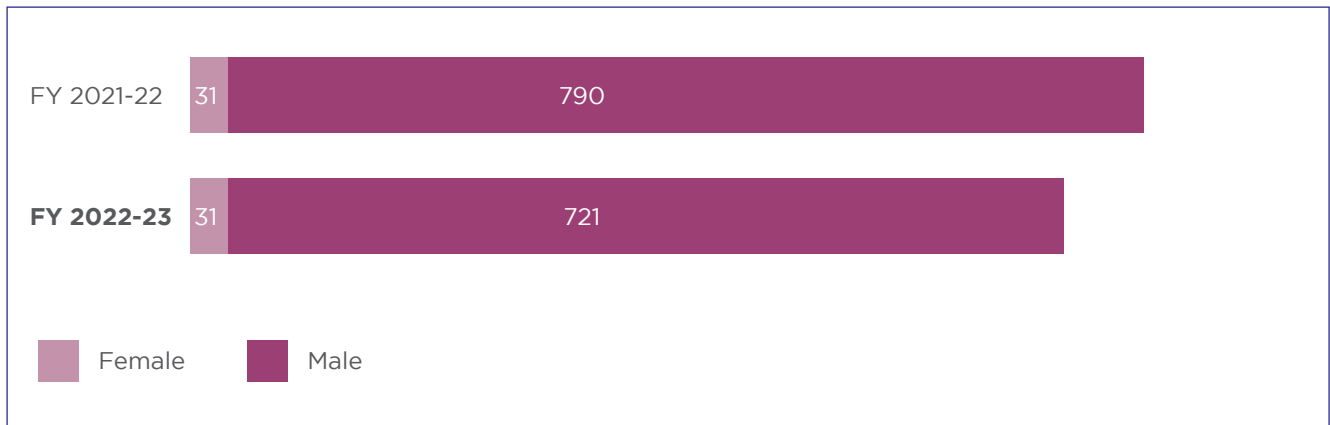
networking groups to expand their professional connections and gain exposure to new ideas and opportunities.

▶ **Recognition and Rewards**

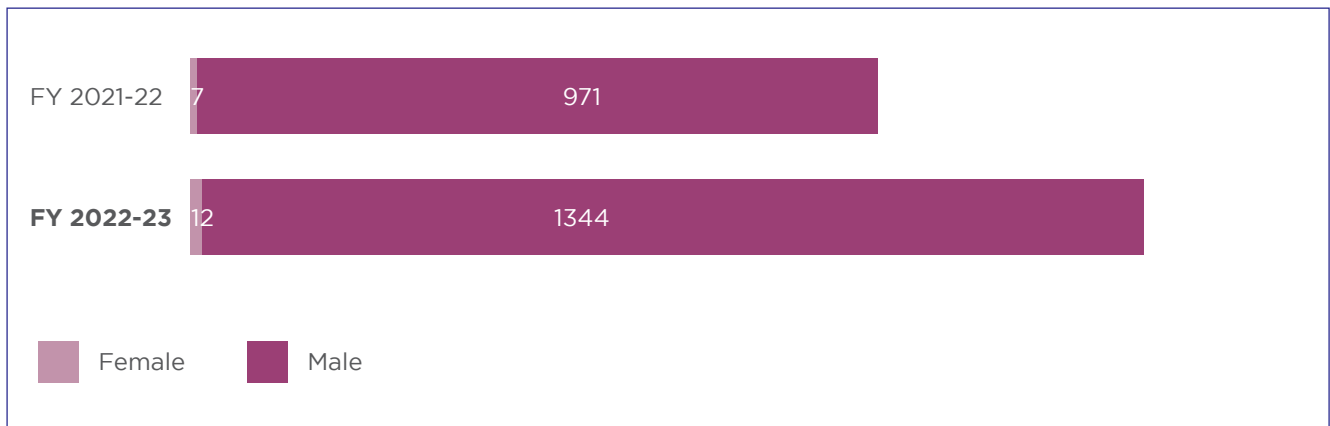
We foster positivity in our workplace by recognising and rewarding our employees for their achievements, efforts and progress. We celebrate milestones and create a supportive environment that values and encourages individual growth.

Training Given to Employees and Workers

Employees



Workers





SUPPLY CHAIN MANAGEMENT

At Himadri, we have instituted a comprehensive sustainable procurement policy that holistically addresses environmental concerns. Our policy expressly affirms our dedication to evaluating our suppliers to ensure their compliance with all environmental regulations and standards. Within this sustainable procurement framework, we've allocated a specific section to labor practices and human rights. This section explicitly requires our suppliers to actively promote fair labor practices and maintain safe working conditions for their employees. We also insist that our suppliers establish and enforce a robust human rights policy while taking rigorous measures to eliminate any instances of forced or child labor within their entire supply chain.

Our comprehensive sustainable procurement policy encompasses various facets, including product quality, as we prioritize customer satisfaction and strive for seamless business continuity. We meticulously carry out supplier due diligence and assessments as part of Himadri's unwavering commitment to sustainability. These assessments involve a detailed questionnaire that delves

into critical ESG (Environmental, Social, and Governance) issues. These encompass factors like business integrity, anti-corruption and anti-bribery measures, transparent information disclosure, the propagation of social responsibility throughout the value chain, fair competition, health and safety standards, safeguarding human rights, the prevention of forced and child labor, equitable compensation and remuneration practices, the protection of freedom of association, and a dedicated environmental segment covering topics like air pollution, greenhouse gas emissions, waste and water management, and responsible sourcing of raw materials.

Himadri conducts thorough supplier audits, employing a structured questionnaire divided into six overarching sections, each containing detailed sub-sections. These sections cover aspects such as the inspection of raw materials and incoming materials, the manufacturing process, inspection and handling of finished products, protocols for handling non-conforming products, management of customer complaints, and an overview of environmental health and safety practices.

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We meticulously carry out supplier due diligence and assessments as part of Himadri's unwavering commitment to sustainability.

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SUPPLY CHAIN MANAGEMENT

Supplier ESG Risk Management Process

In today's ever-evolving business landscape, sustainability and responsible corporate practices have taken center stage. Organizations worldwide are increasingly recognizing the importance of Environmental, Social, and Governance (ESG) factors in their operations. To effectively navigate this new paradigm and mitigate potential risks, companies have implemented robust Supplier ESG Risk Management Processes. These processes encompass supplier selection, categorization, in-depth risk evaluation, and strategic risk mitigation strategies. In this context, we will delve deeper into the key components of a comprehensive Supplier ESG Risk Management Process, highlighting how it ensures sustainable and responsible supply chain practices while fostering resilience and value creation in an environmentally and socially conscious world.

Supplier Evaluation and Pre-Risk Assessment



► Supplier Selection via Preliminary Self-Assessment

This step involves selecting potential suppliers through an initial self-assessment process. Suppliers are asked to evaluate and disclose their own ESG practices and policies.

► Initial Mechanism for Evaluating ESG Factors

Once suppliers are identified, an initial evaluation matrix is used to assess their ESG performance. This can involve examining their existing sustainability practices, policies, and any relevant certifications.

Supplier Categorization

Criticality Analysis Based on



► Volume of Supplies

Suppliers are categorized based on the volume of goods or services they provide. Suppliers with a high volume of supplies may have a more significant impact on the company's ESG goals.

► Procurement Spent

The financial impact of each supplier on the organization is assessed, considering the amount of money spent on their products or services.

► Geographic Proximity

The distance between the supplier and the company is considered. This may be relevant for assessing environmental impacts related to transportation.

► Price Sensitivity

The sensitivity of the products or services to price fluctuations is evaluated, as this can affect the risk associated with the supplier.

Supplier ESG Risk Assessment



► Categorization of Suppliers Based on ESG Risk

Suppliers are categorized into different risk categories based on their ESG performance and potential impact on the organization. This categorization helps prioritize risk mitigation efforts.

► Conducting Supplier Audits

In-depth audits are carried out to assess the supplier's ESG practices and compliance with established standards. These audits can include on-site inspections, document reviews, and interviews with supplier representatives.

► Gathering Data from Third-Party Sources and Databases

Additional information and data related to the supplier's ESG performance may be obtained from third-party sources and databases to supplement the evaluation process.

Supplier Risk Mitigation



► Identifying Gaps and Opportunities for Improvement

After conducting assessments and audits, any gaps, or deficiencies in a supplier's ESG practices are identified. Likewise, opportunities for improvement are recognized.

► Developing a Comprehensive Risk Mitigation Strategy for Suppliers

A tailored risk mitigation strategy is created for each supplier based on their categorization and the findings from assessments. This strategy may include specific actions, timelines, and performance metrics to address ESG risks and enhance ESG performance evaluation process.

In summary, this Supplier ESG Risk Management Process involves a structured approach to assess and manage the environmental, social, and governance risks associated with suppliers. It ensures that suppliers are evaluated comprehensively, categorized based on their impact and risk, and then subjected to appropriate risk mitigation measures to improve ESG performance and align with the organization's sustainability goals.

Empowering our Communities



“

Throughout the year, we organised multiple free eye check-up camps at rural medical centres in Mahistikry and Belechonga villages in Hooghly.

”

At Himadri, our primary objective is to assist those who are underserved and help them become self-sufficient. In keeping with this, we implement various well-thought-out and targeted initiatives focused on women's empowerment, healthcare and education. We undertook the following CSR programmes during the reporting year-

▶ Promoting Education

At the start of each academic year, we distribute books to students of all academic levels, from Kindergarten to Post-graduation, to promote education. This effort supports students from neighbouring villages in continuing their education. Additionally, we celebrate the achievements of outstanding students by rewarding them with multiple prizes and offering scholarships. We have also contributed to the development of school buildings and libraries, thereby empowering rural and tribal children by making quality education accessible.

▶ Making Healthcare Accessible

Throughout the year, we operate a Free Village Medical Centre (VMC) in communities around our manufacturing facility, providing free medical consultations and medicines. We help with renal dialysis, eye testing, eye surgery, spectacle and medicine distribution and alternative treatment methods including Ayurveda, Naturopathy, and Homeopathy. Throughout the year, we organised multiple free eye check-up camps at rural medical centres in Mahistikry and Belechonga villages in Hooghly.

▶ Community Development

Our commitment to social welfare drives us to implement various welfare initiatives for improving the quality of life for the communities we operate in. Our endeavours include repairing village roads and offering financial assistance to residents to help them build shops and secure sustainable livelihood opportunities.

- ▶ Established a green belt surrounding our facility by planting over 50,000 trees.

- ▶ Our ongoing Rural development project has benefitted several villagers residing near the Mahistikry plant. We have replaced their 'Kutchra' (mud) houses by building 'Pucca' (RCC) houses.

Himadri Speciality Chemical Ltd has taken significant steps towards enhancing rural development. The company has successfully built durable RCC houses in five neighbouring villages of its Mahistikry plant, providing shelter and improving the lives of around 1700 residents. These beneficiaries are part of the following local gram panchayats (village councils), which serve as the fundamental governing bodies in Indian villages.

- ▶ Chandanpur Gram Panchayat
- ▶ Kaikala Gram Panchayat
- ▶ Asutosh Gram Panchayat
- ▶ Bandipur Gram Panchayat
- ▶ Kinhanbati Gram Panchayet
- ▶ Elipum Gram Panchayet
- ▶ Pantre Gram Panchayet
- ▶ Sahadeb Gram Panchayet

This initiative seeks to offer secure and long-lasting housing solutions to individuals from economically weaker sections of the society, who were previously residing in substandard conditions. Alongside the construction of durable homes, the company has also established kitchens and sanitation facilities to address the essential requirements of underprivileged villagers. These endeavours are geared toward enhancing the overall quality of life and hygiene standards within the community.

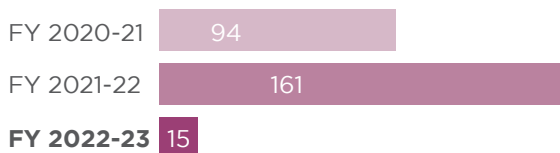
Moreover, the company has inaugurated Nasibpur Kishalaya, a specialized school designed to cater to the educational and support needs of differently-abled children within the area.

In summary, the company’s rural development efforts encompass the following key initiatives:



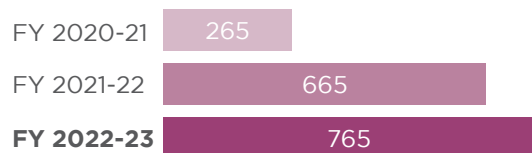
Rural Development (Kuchha to Pucca)

Total Work Completed



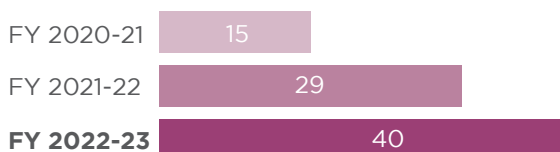
Pension Distribution

Total Beneficiary Count



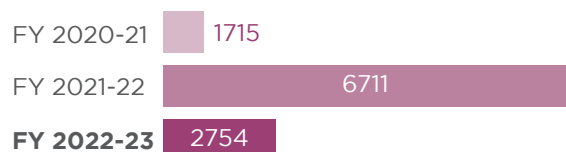
Toilet Construction

Total Work Completed



Medical Treatment

Total Beneficiary Count



Implementing a robust Governance Framework



Built on the cornerstone of good corporate governance, Himadri has been consistently delivering innovation and driving sustainable growth while being a Trust Positive organisation that upholds the highest standards of ethics.

Our robust corporate governance, along with world-class products and unparalleled service, has earned us the trust of our stakeholders. This trust, in turn, has enabled us to attract and retain financial capital and the finest talent, strengthen our relationships with our stakeholders and ensure high-impact social interventions that uplift communities. We have institutionalised the highest standards of corporate conduct and practices in our day-to-day processes.

Leading with Transparency

We uphold the values of Integrity, Commitment, Passion, Seamlessness, and Speed to attain excellence in corporate governance. Our Board, which includes Executive, and Independent Directors, provides guidance on all aspects of our operations, ensuring sustainable resource utilisation aligned with our vision and mission.

Empowerment, integrity, and safety of our employees is a top priority at Himadri. We focus on ensuring a diverse and vibrant work environment, as well as upholding transparency in all our interactions. To achieve this, we have clearly defined principles, policies, procedures, responsibilities, and accountabilities. Addressing governance issues in an effective and transparent manner is a crucial aspect of ensuring accountability.

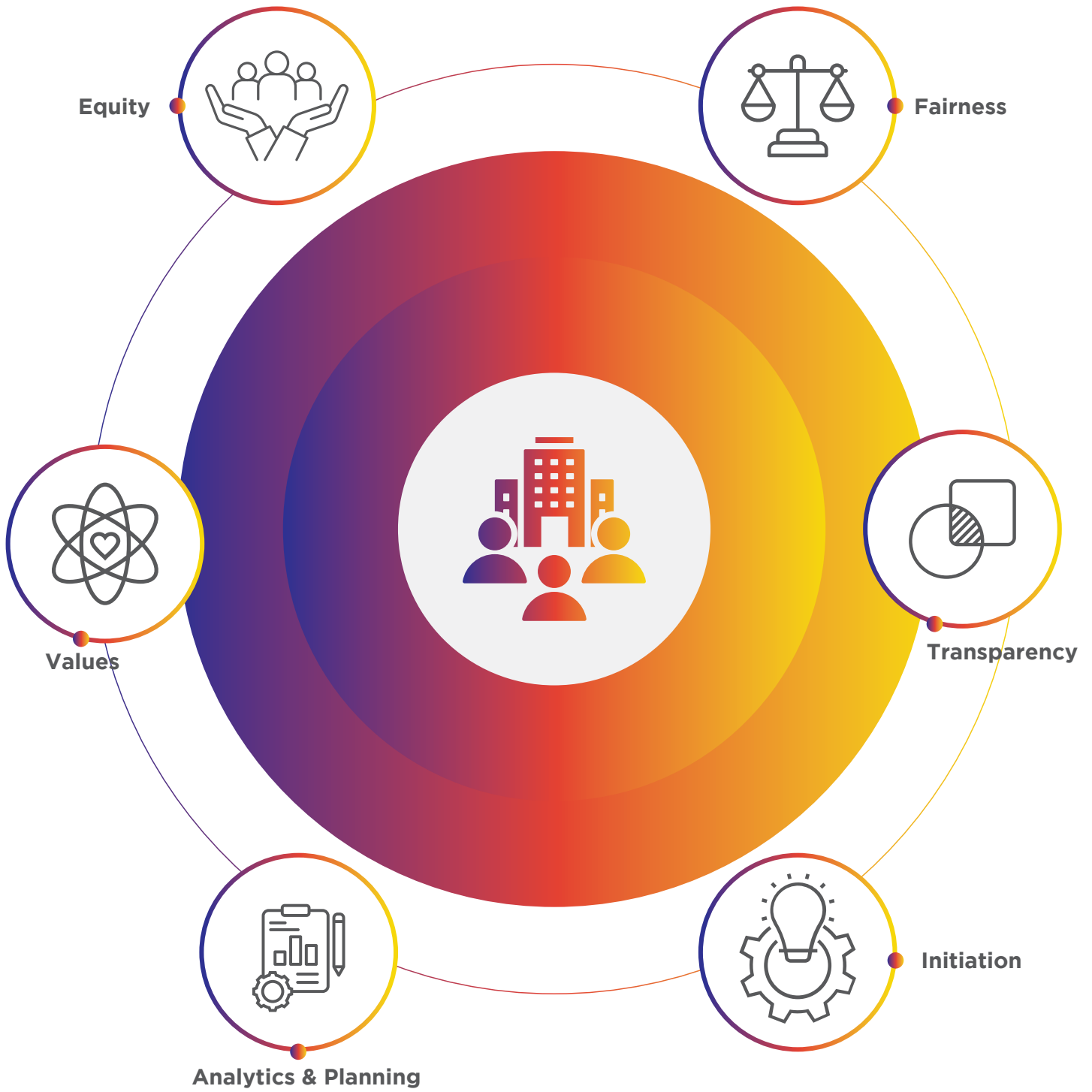
A sound corporate governance and compliance culture provides the necessary oversight and accountability, strengthens internal and external relationships, builds trust, and promotes long-term sustainability of our organisation. We have a robust governance structure which ensures compliance with all relevant rules and regulations. Our Chairman cum Managing Director heads the management team and is responsible for achieving the targets set by our Board.

Apart from financial value, our governance efforts have paid off sustainably by delivering on intangibles such as increased reputation and goodwill.

“

Empowerment, integrity, and safety of our employees is a top priority at Himadri. We focus on ensuring a diverse and vibrant work environment, as well as upholding transparency in all our interactions.

”



Sustainability

Governance

| | Member Name | Designation in the company |
|--|---------------------------|--|
| Sustainability Committee at Board | Mr. Anurag Choudhary | Chairman cum Managing Director & CEO |
| | Mr. Amit Choudhary | Executive Director |
| | Mr. Santimoy Dey | Independent Director |
| Sustainability Council | Mr. M B Gadgil | Business Head New Energy Materials Division |
| | Mr. Kamlesh Kumar Agarwal | Chief Financial Officer |
| | Mr. Monojit Mukherjee | Business President, Carbon Black Division |
| | Mr. Somesh Satnalika | Executive Vice President, CTD and Strategy |
| | Dr. Soumen Chakraborty | President, Carbon Black Division |
| | Mr. Avijit Sasmal | Chief Sustainability Officer |
| | Mr. Kunal Mukherjee | Vice President, Human Resources |
| | Ms. Monika Saraswat | Company Secretary & Compliance Officer |

CMD & CEO
Is ultimately responsible for the delivery of the Sustainability initiative

| Functionaries | Oversight and Accountability |
|---|---|
| <ul style="list-style-type: none"> ▶ Holds accountability and oversight for all matters related to sustainability ▶ Oversees the definition of the Sustainability strategy and initiatives ▶ Sets the main targets, reviews performance and progress ▶ Approves Group sustainability-related policies ▶ Receives reports from the CSO on the Sustainability initiative ▶ Is responsible for the progress of the Group against its sustainability objectives ▶ Communicating with the regulatory bodies, internal and external stakeholders with transparency | <ul style="list-style-type: none"> ▶ Culture and values ▶ Human rights ▶ Health and safety ▶ Climate change ▶ Product safety and quality performance ▶ Gender diversity ▶ Anti-bribery and corruption ▶ Environmental matters ▶ Biodiversity ▶ Talent management ▶ Supply chain/responsible sourcing ▶ Conflict minerals |
| <ul style="list-style-type: none"> ▶ Overseeing the day-to-day sustainability matters ▶ Deploying initiatives to further the company's sustainability aspirations ▶ Regular monitoring of the sustainability activities and operations ▶ Preparation and publication of the company's sustainability reports ▶ Reporting to the Sustainability Committee at Board ▶ Issuing disclosures in accordance with global and national practises | <ul style="list-style-type: none"> ▶ Oversees the Sustainability Committee at Board's sustainability activity ▶ 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 |

Governance Structure

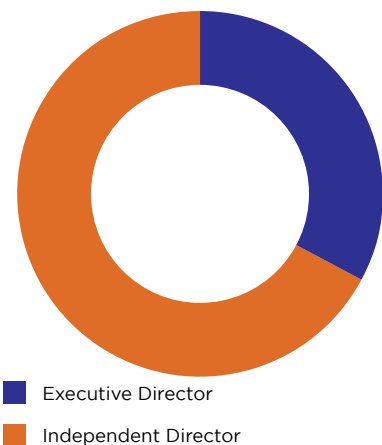
and Board's responsibility

We have a diverse and experienced Board whose responsibility is to promote sustainable development practices and create long-term value for all stakeholders. The Board provides strategic guidance in all areas of our operations while ensuring the optimal utilisation of resources and governance and sustainability matters. We make all decisions in alignment with our vision and mission statement and design strategies that are in the best interests of all stakeholders. Board Committees, mostly headed by Independent Directors, implement the Board's decisions, and maintain continuous oversight through rigorous reviews of policy and procedure implementation.

Board Composition

- ▶ **Mr. Anurag Choudhary**
Chairman cum Managing Director & Chief Executive Officer ("CMD & CEO")
- ▶ **Mr. Santosh Kumar Agrawala**
Independent Director
- ▶ **Mr. Shyam Sundar Choudhary**
Executive Director
- ▶ **Mr. Girish Paman Vanvari**
Independent Director
- ▶ **Mr. Amit Choudhary**
Executive Director
- ▶ **Mr. Gopal Ajay Malpani**
Independent Director
- ▶ **Mr. Sakti Kumar Banerjee**
Independent Director
- ▶ **Ms. Rita Bhattacharya**
Independent Director
- ▶ **Mr. Santimoy Dey**
Independent Director

Composition of Board as on 31.03.2023



Key Distinguishing Facts

The number of Independent Directors are two times the number of Executive Directors

The attendance at the Board meetings is more than 95%

All the members of the Board have experience of 20+ years

The Company has a balanced mix of Executive and Non-Executive Independent Directors in accordance with SEBI Listing Regulations. As on 31 March 2023, the Board consisted of 9 (Nine) Directors, out of which 3 (Three) Directors were Executive and 6 (Six) were Independent Directors including one Independent Woman Director.

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 (here-in-after referred to as "Act") and Regulation 17 of SEBI Listing Regulations. The Company has passed special resolution for Independent Director, who has attained the age of seventy-five years, in compliance with Regulation 17(1A) of the SEBI Listing Regulations and also passed special resolution for Executive Director who has attained the age of seventy years, in compliance with Section 196 of the Act.

Further, in the opinion of the Board, all the Independent Directors of the Company satisfy the criteria/conditions of independence as laid down in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and they have also registered in the data bank of Independent Director and renewed their registrations as required under Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014. All the Independent Directors of the Company have complied with Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014 by passing online proficiency self-assessment test or exempted therefrom as per the Rule.

In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or affect their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

Governance Structure



Board Committees



Audit Committee is responsible for overseeing the financial reporting process and to ensure that the financial statement of the Company is correct, sufficient, and credible. The Committee is also responsible for evaluation of internal financial controls and risk management systems, review of inter corporate loans and investments, related party transactions and functioning of whistle blower mechanism.



Nomination and Remuneration Committee has been tasked with the formulation of criteria for determining qualifications, positive attitudes and independence of directors, criteria for evaluation of performance of directors, devising a policy on diversity of Board, identifying person qualified to become directors and who may be appointed in Senior Management and recommending to the Board all remuneration payable to directors, KMP and senior management.



Stakeholders Relationship Committee has been charged with the responsibility of resolving the grievances of the security holders of the Company and to review the measures taken for redressal of the grievances.

Board Committees



Corporate Social Responsibility (CSR) Committee

is responsible for formulating the CSR Policy and Annual Action Plan of the Company, it approves the CSR projects and activities to be undertaken, expenditure to be incurred on the CSR activities and monitor its implementation and progress from time to time.



Risk Management Committee

is entrusted with formulation of detailed risk management policy including Business Continuity Plan, to monitor and oversee implementation of risk management policy and evaluating the adequacy of risk management systems. It also assists the Board in identification, classification, and mitigation of non-financial risks, implementing proper internal checks and timely reviewing the effectiveness of risk management and control system.



Environment, Social and Governance (ESG) Committee

has been delegated with the task of assisting the Board in meeting its responsibilities in relation to Environment, Social and Governance matters, reviewing policies, standards and guidelines regarding sustainable development of Company's projects and operations. It reviews the ESG targets and implementation of ESG Management Systems across all levels of the Company.

Code of Conduct and Our Policies

We believe that establishing a value-based organisational culture requires the formulation and fair implementation of the right processes. To ensure a uniform and comprehensive Code of Conduct, we apply it to the entire workforce across designations, and our norms and various organisational policies align with it. These measures provide our employees with the right direction towards healthy conduct and help foster an ethical work culture, making us a conducive place to work. We have integrated compliance with the Code of Conduct into our employee compensation and performance appraisal systems, reinforcing the importance of adherence. We also undergo regular internal audits to ensure the effectiveness of our compliance efforts. Upholding

a zero-tolerance policy, we take disciplinary actions in the event of any breach, including warnings and, if necessary, dismissal. These measures reflect our commitment to upholding high standards of conduct throughout the organisation.

At Himadri, the Code of Conduct sensitizes and creates awareness amongst our employees. Compliance with our values is a part of every employee's performance appraisal, and we strictly do not tolerate any anti-trust and anti-competitive practices. We have a customised Code of Conduct e-learning module that employees go through every year for reinforcement.

In FY 2022-23, 88% of our employees, including both

management and staff cadre, have completed the training. We have in place a vigil mechanism pursuant to which a committee has been constituted to redress complaints from Directors and Employees concerning unethical behaviour, actual or suspected fraud and violation of the Code of Conduct. We also have an Anti-Money Laundering and Anti-Bribery and Corruption Policy that outlines the Company's zero-tolerance approach towards bribery and corruption.

Our policies are outcomes of our commitment to our core values and guide us in our day-to-day operations and governance. They continuously evolve with prevailing regulations and by interactions with stakeholders.

Our Comprehensive Policies

| | | |
|--|--|--|
| <div style="background-color: #1a3d54; color: white; padding: 10px; margin-bottom: 10px;">  <h3 style="margin: 0;">Labour & Human Rights</h3> </div> <ul style="list-style-type: none"> ▶ Leave ▶ Recruitment ▶ Career Progression ▶ Human Rights ▶ Diversity, Equity, and Inclusion ▶ Prevention of Sexual Harassment ▶ Whistleblower ▶ Transportation ▶ Performance Linked Incentive instead ▶ Employee Gift & Welfare ▶ Canteen ▶ Employee Health & Safety ▶ Drug & Alcohol ▶ Mobile Phone ▶ Long Service Award ▶ Travel ▶ Onboarding ▶ Loan & Advance ▶ Referral ▶ Child/Forced Labor | <div style="background-color: #e85c3d; color: white; padding: 10px; margin-bottom: 10px;">  <h3 style="margin: 0;">Ethics</h3> </div> <ul style="list-style-type: none"> ▶ Information Technology ▶ Code of Business Conduct ▶ Anti-Corruption Due Diligence Program ▶ Specific Approval Procedure for Sensitive Transactions ▶ Information Security Due Diligence Program ▶ Information of Record Retention Schedule Policy ▶ Incident Response Procedure ▶ Measure of Gaining Stakeholder Consent ▶ Information Security Risk Assessment ▶ Policy on Prevention and Detection of Bribery, Fraud and Other Corruptions ▶ Fair Competition | <div style="background-color: #e85c3d; color: white; padding: 10px; margin-bottom: 10px;">  <h3 style="margin: 0;">Environment</h3> </div> <ul style="list-style-type: none"> ▶ Environment Policy ▶ Bio Diversity ▶ Water Management ▶ Waste Management ▶ Energy Management ▶ Energy & GHG Emission ▶ Local and Accidental Pollution ▶ Customer Health & Safety ▶ Product End of Life ▶ Promotion of Sustainable Consumption |
| | <div style="background-color: #f1c40f; color: white; padding: 10px; margin-bottom: 10px;">  <h3 style="margin: 0;">CSR</h3> </div> <ul style="list-style-type: none"> ▶ Corporate Social Responsibility Policy | <div style="background-color: #8e44ad; color: white; padding: 10px; margin-bottom: 10px;">  <h3 style="margin: 0;">Sustainable Procurement</h3> </div> <ul style="list-style-type: none"> ▶ Sustainable Procurement Policy ▶ Supplier Code of Conduct |

For detailed information on mandatory policies, kindly refer our website at www.himadri.com and our Annual Report for FY 2022-23.

Compliance

Himadri has one of the highest standards of governance in its business, striving to maintain parity & transparency, therefore enabling long-term value creation for all stakeholders. The Company has developed a strong foundation for making corporate governance a way of life by constituting a Board, which is active, well informed and intellect, using several Board Committees as a mechanism for managing its affairs.

Going beyond legal and regulatory obligations, at Himadri we have always been at the forefront of ensuring compliance through responsible business practices. Our Board ensures that all regulations are respected, in letter and spirit.

Prudent


Risk Management

We believe a strong risk management culture is essential for our long-term success. Our risk approach aims to enable consistent risk assessment and mitigation throughout the organisation.


We evaluate risks in the internal and external environment, the cost of mitigating risks and the incorporation of risk mitigation measures into our operational strategies. To identify distinct risks and take appropriate action to address them, we have developed a comprehensive policy on Risk Management (the Risk Assessment and Minimisation Process). This policy was developed under the guidance of our Senior management.

Risks and Mitigation Measures

We assess risks and create new strategies in response to shifting market dynamics. The Audit Committee and Management collaborate to identify and mitigate risks.

| Economic Slowdown | Risk | Mitigation |
|---|--|---|
|  | <ul style="list-style-type: none"> A downturn in India's economy could result in lower revenues for our Company, affecting our profitability. | <ul style="list-style-type: none"> We export our products to 49 countries across diverse sectors, including. Pharma, Agrochemicals, Dyes, Paints, Tyres and others, mitigating business risks both domestically and internationally. |

| Risk | Mitigation | Raw Material |
|--|--|---|
| <ul style="list-style-type: none"> The Chemical sector faces concerns regarding raw material availability, mobility and price volatility. Manufacturing can be hampered by the lack of raw materials or a sudden price spike. | <ul style="list-style-type: none"> As a leading player in the sector, maintain at least a 60-day inventory to avoid being impacted by raw material shortages. We keep a ready stock of raw materials and finished products. |  |

| Environmental Risks | Risk | Mitigation |
|---|---|---|
|  | <ul style="list-style-type: none"> We are engaged in the production of chemicals, which might pose a significant threat to the environment in case of any mishaps. | <ul style="list-style-type: none"> Our facilities adhere to environmental rules and regulations, with robust safety procedures and practices in place. We dispose of hazardous materials safely and invest in eco-friendly projects to become a 'Zero Discharge' facility. |

| Risk | Mitigation | Competition Risks |
|---|--|---|
| <ul style="list-style-type: none"> We operate in a highly competitive sector with several other manufacturers producing offerings similar to ours, both in India and abroad. | <ul style="list-style-type: none"> We strive to remain aware of new prospects in the Chemical industry and diversify our portfolio. We have set up seven facilities, marking our presence across four Indian states from east to west. We operate a fully dedicated fleet of over 170 tankers to ensure timely delivery and procurement. This strategic market presence has significantly benefited us. Several aluminium and graphite companies in India have been our clients for over two decades now. |  |

UN SDG

Progress Report




We aspire to build sustainable and resilient infrastructure in developing nations while also encouraging advancements in indigenous technology, research, and innovation in the domain of speciality chemicals. By facilitating the extraction and recycling of carbon black from waste tyres into valuable new products such as rubber compounds, our products play an essential role in promoting a circular economy.

We understand that attaining sustainable development demands widespread adoption of eco-friendly technologies. We have also engaged with the US Environmental Protection Agency as part of our commitment to keeping up with the latest emission reduction targets. Through these efforts, we aim to kindle positive change and contribute to a greener and more sustainable future.



| ESG | Material Topic | Mapping of SDGs |
|---|---|---|
|  <p>Environment</p> | <p>Resource Efficiency: We focus on optimum resource utilisation to reduce the adverse environmental impact of our products and operations.</p> <p>Climate Change: We aim to contribute to the global fight against climate change by implementing several initiatives to curb our environmental footprint.</p> <p>Water Stewardship: We are striving to reduce our reliance on freshwater sources by implementing targeted measures to conserve water. We are happy to share that we have already achieved Zero Liquid Discharge in our facilities.</p> |  |

| ESG | Material Topic | Mapping of SDGs |
|--|--|---|
|  <p>Social</p> | <p>Human Capital: We acknowledge our employees as our most valuable asset. Investing in training and upskilling programmes from time to time enables our personnel to develop forward-thinking strategies and meet evolving customer demands.</p> |    |
| | <p>Local Hiring: Empowering the communities we serve is one of our focus areas. In line with this, we engage with local academic institutions and hire local talent, facilitating their growth.</p> |    |
| | <p>Diversity, Equity and Inclusion: DEI is integral to our work culture. Our DEI strategy has been designed to make every employee, stakeholder and contractual worker feel included and valued.</p> |   |
| | <p>Talent Acquisition and Retention: Talent management at Himadri is not merely limited to attracting and retaining skilled employees, but also upskilling employees and enabling them to transition to leadership roles.</p> | |
| | <p>Safety at Workplace: Providing a safe work environment is important to us. We have created systems to ensure that our employees are working in a protected environment.</p> | |
| | <p>Responsible Corporate Citizenship: We engage our employees in integrated community development projects, which helps make a meaningful impact on our local communities and the society at large.</p> | |
| |  <p>Governance</p> | <p>Sustainable Procurement: To foster sustainability across our entire value chain, we have developed a procurement strategy that evaluates suppliers and vendors on specific ESG criteria and conducts programmes that increase their knowledge of sustainability concerns.</p> |
| <p>Governance and ethics: We have implemented processes and policies that ensures we operate ethically. This has also helped our organisation gain credibility over the years.</p> | |  |
| <p>Cybersecurity: Rapid digitisation is posing a threat to cybersecurity leading to rising incidences of data breaches. This makes it critical for us to have adequate cybersecurity and data protection measures in place.</p> | | |

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* <https://www.himadri.com/pdf/annual-report-31-03-2023.pdf>

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* <https://www.himadri.com/pdf/annual-report-31-03-2023.pdf>

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| Tax | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Not Applicable to Himadri | |
| GRI 207: Tax 2019 | 207-1 Approach to tax | Not Applicable to Himadri | |
| | 207-2 Tax governance, control, and risk management | Not Applicable to Himadri | |
| | 207-3 Stakeholder engagement and management of concerns related to tax | Not Applicable to Himadri | |
| | 207-4 Country-by-country reporting | Not Applicable to Himadri | |
| Topic Standard - Environment | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Material Topics as per the matrix and their scope; Water Management and Waste Management | 42, 54 & 55 |
| GRI 301: Materials 2016 | 301-1 Materials used by weight or volume | Water Management and Waste Management | 54 & 55 |
| | 301-2 Recycled input materials used | Water Management and Waste Management | 54 & 55 |
| | 301-3 Reclaimed products and their packaging materials | Water Management and Waste Management | 54 & 55 |
| Energy | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Material Topics as per the matrix and their scope; Prioritizing prudent energy and GHG emission Management | 42, 46 & 47 |

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| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | Prioritizing prudent energy and GHG emission Management | 46 & 47 |
| | 302-2 Energy consumption outside of the organization | Prioritizing prudent energy and GHG emission Management | 46 & 47 |
| | 302-3 Energy intensity | Prioritizing prudent energy and GHG emission Management | 46 & 47 |
| | 302-4 Reduction of energy consumption | Prioritizing prudent energy and GHG emission Management | 46 & 47 |
| | 302-5 Reductions in energy requirements of products and services | Prioritizing prudent energy and GHG emission Management | 46 & 47 |
| Water and effluents | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Material Topics as per the matrix and their scope; Water Management and waste management | 42, 53 & 54 |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource | Water Management and waste management | 53 & 54 |
| | 303-2 Management of water discharge-related impacts | Water Management and waste management | 53 & 54 |
| | 303-3 Water withdrawal | Water Management and waste management | 53 & 54 |
| | 303-4 Water discharge | Water Management and waste management | 53 & 54 |
| | 303-5 Water consumption | Water Management and waste management | 53 & 54 |
| Biodiversity | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Not Applicable to Himadri | |
| GRI 304: Biodiversity 2016 | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Not Applicable to Himadri | |
| | 304-2 Significant impacts of activities, products and services on biodiversity | Not Applicable to Himadri | |
| | 304-3 Habitats protected or restored | Not Applicable to Himadri | |
| | 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations | Not Applicable, IUCN Red List species and national conservation list species with habitat in areas that have not been impacted by Himadri's operations | |
| Emissions | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Material Topics as per the matrix and their scope; Prioritizing prudent energy and GHG emission Management | 42, 48-51 |

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| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | Prioritizing prudent energy and GHG emission Management | 50 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Prioritizing prudent energy and GHG emission Management | 50 |
| | 305-4 GHG emissions intensity | Prioritizing prudent energy and GHG emission Management | 50 |
| | 305-5 Reduction of GHG emissions | Prioritizing prudent energy and GHG emission Management | 48-51 |
| | 305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions | Prioritizing prudent energy and GHG emission Management | 52 |
| Waste | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Material Topics as per the matrix and their scope; Water Management and waste management | 42, 54 & 55 |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | Material Topics as per the matrix and their scope; Water Management and waste management | 54 & 55 |
| | 306-2 Management of significant waste-related impacts | Material Topics as per the matrix and their scope; Water Management and waste management | 54 & 55 |
| | 306-3 Waste generated | Material Topics as per the matrix and their scope; Water Management and waste management | 54 & 55 |
| | 306-4 Waste diverted from disposal | Material Topics as per the matrix and their scope; Water Management and waste management | 54 & 55 |
| | 306-5 Waste directed to disposal | Material Topics as per the matrix and their scope; Water Management and waste management | 54 & 55 |
| Supplier environmental assessment | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Material Topics as per the matrix and their scope; Supply chain management | 42, 73, 74 & 75 |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | Supply chain management | 73, 74 & 75 |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | Supply chain management | 73, 74 & 75 |
| Topic Standard - Social | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Material Topics as per the matrix and their scope; Community relation labour practices | 42, 67-72 |

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| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | Community relation labour practices | 67 |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Community relation labour practices | 68-72 |
| | 401-3 Parental leave | Comprehensive Policies | 85 |
| Labor/management relations | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Health & Safety Human Capita | 64 |
| GRI 402: Labor/ Management Relations 2016 | 402-1 Minimum notice periods regarding operational changes | Health & Safety Human Capital | 64 |
| Occupational health and safety | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Material Topics as per the matrix and their scope; health & safety human capital | 42, 60-66 |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | Health & safety human capital | 60-66 |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Health & safety human capital | 60-66 |
| | 403-3 Occupational health services | Health & safety human capital | 60-66 |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Health & safety human capital | 60-66 |
| | 403-5 Worker training on occupational health and safety | Health & safety human capital | 60-66 |
| | 403-6 Promotion of worker health | Health & safety human capital | 60-66 |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Health & safety human capital | 60-66 |
| | 403-8 Workers covered by an occupational health and safety management system | Health & safety human capital | 60-66 |
| | 403-9 Work-related injuries | Health & safety human capital | 61 & 62 |
| | 403-10 Work-related ill health | Health & safety human capital | 61 & 62 |
| Training and education | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Material Topics as per the matrix and their scope; Health & safety Human capital | 42, 67-72 |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | Health & safety Human capital | 72 |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | Health & safety Human capital | 70 & 71 |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | Health & safety Human capital | 71 & 72 |

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| Diversity and equal opportunity | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Material Topics as per the matrix and their scope; Health & safety human capital | 42 |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | Governance Structure and Board's responsibility; Board Composition | 80-82 |
| | 405-2 Ratio of basic salary and remuneration of women to men | Available in Annual Report 2022-23 | |
| Non-discrimination | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Material Topics as per the matrix and their scope; Health & safety human capital | 42 |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | Health & safety human capital | 58 |
| Freedom of association and collective bargaining | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Mapping our material issue | 42 |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Refer to website: www.himadri.com | |
| Child labor | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Material Topics as per the matrix and their scope; Health & safety human capital | 42 |
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | Supply Chain Management | 73 |
| Forced or compulsory labor | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Material Topics as per the matrix and their scope; comprehensive policies | 42 |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | Comprehensive Policies | 73 |
| Security practices | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Information Security Due Diligence Program | 85 |
| GRI 410: Security Practices 2016 | 410-1 Security personnel trained in human rights policies or procedures | Code of conduct and our policies | 84 |
| Rights of indigenous peoples | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Not Applicable to Himadri | |
| GRI 411: Rights of Indigenous Peoples 2016 | 411-1 Incidents of violations involving rights of indigenous peoples | Not Applicable to Himadri | |

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| Local communities | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Material Topics as per the matrix and their scope; Empowering our communities | 42 |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | Empowering our communities | 76 & 77 |
| | 413-2 Operations with significant actual and potential negative impacts on local communities | Empowering our communities | 76 & 77 |
| Supplier social assessment | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Material Topics as per the matrix and their scope; Supply Chain Management | 42 |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria | Supply Chain Management | 74 & 75 |
| | 414-2 Negative social impacts in the supply chain and actions taken | Supply Chain Management | 74 & 75 |
| Public policy | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Policies & Accountability | 42 |
| Customer health and safety | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Material Topics as per the matrix and their scope | 42 |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | Research Driven Innovation | 23 |
| Marketing and labeling | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Not Applicable to Himadri | |
| GRI 417: Marketing and Labeling 2016 | 417-1 Requirements for product and service information and labeling | Not Applicable to Himadri | |
| | 417-2 Incidents of non-compliance concerning product and service information and labeling | Not Applicable to Himadri | |
| | 417-3 Incidents of non-compliance concerning marketing communications | Not Applicable to Himadri | |
| Customer privacy | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Refer to Annual Report 2022-23 (Annexure X- Principle 9, Pg 160) | |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Annual Report 2022-23 (Annexure X- Principle 9, Pg 160) | |





Himadri Speciality Chemical Ltd