

July 4, 2024

HIL/SE/2024-25/24

To
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001
Scrip Code: 509675

To
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051
NSE Symbol: HIL

Sub: Business Responsibility and Sustainability Report for the financial year 2023-24

Ref: Regulation 34 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Please find enclosed herewith the Business Responsibility and Sustainability Report (“**BRSR**”) for the financial year 2023-24 which forms part of the Annual Report for the financial year 2023-24 and is available on the website of the Company at <https://hil.in/wp-content/uploads/2024/07/HIL-Annual-Report-FY2023-24.pdf>

Kindly take the same on record.

Yours faithfully,
For HIL Limited

Nidhi Bisaria
Company Secretary & Compliance Officer
Membership No.5634

Encl: as above

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity:

S. No.	Particulars	
1.	Corporate Identity Number (CIN) of the listed entity	L74999TG1955PLC000656
2.	Name of the listed entity	HIL Limited
3.	Year of incorporation	1955
4.	Registered office address	Office No. 1 & 2, L7 Floor, SLN Terminus, Survey No. 133, Near Botanical Gardens, Gachibowli, Hyderabad-500032, Telangana, India
5.	Corporate office address	6 th Floor, Birla Tower, 25, Barakhamba Road, New Delhi - 110 001
6.	E-mail address	cs@hil.in
7.	Telephone no.	040-68249000
8.	Website	www.hil.in
9.	Financial year for which reporting is being done	April 1, 2023 to March 31, 2024
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. National Stock Exchange of India Limited (NSE)
11.	Paid-up capital	₹ 754.09 Lakhs
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Ajay Kapadia Chief Financial Officer Phone: 040-68249000 E-mail: ajay.kapadia@hil.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone basis
14.	Name of assurance provider	Not applicable
15.	Type of assurance obtained	Not applicable

II. Products/Services:

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of main activity	Description of business activity	% Turnover of the entity
1.	Roofing Solutions	Manufacture and sale of Fiber Cement Humid Cure Roofing Sheets	51.42%
2.	Building Solutions	Manufacture and sale of Autoclaved Aerated Concrete Blocks (Fly Ash Blocks), Fiber Cement Board and Panels.	24.44%
3.	Polymer Solutions	Manufacture and sale of a wide range of plumbing solutions, including CPVC, UPVC, Column Pipes, SWR and Pressure Pipes and Fittings ideal for household, industrial, and commercial applications; and Wall Care Putty.	24.00%

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Products/Services	NIC Code	% of total turnover contributed
1.	Fibre Cement Sheets and Panels	23953	61.26%
2.	UPVC and CPVC Pipes and Fittings	22209	15.35%
3.	Putty and Dry Mix	23949	6.83%
4.	Fly Ash Blocks	23954	14.36%

III. Operations:

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	24 plants (at 12 manufacturing locations)	6 Regional offices and 41 sales depots	71
International		NIL	

Each manufacturing location has administrative offices within the plant and is not included in the number of offices.

19. Markets served by the entity:

a. Number of locations:

Locations	Number
National (No. of States)	27 States and 7 Union Territories
International (No. of Countries)	2 - Nepal and Sri Lanka

b. What is the contribution of exports as a percentage of the total turnover of the entity: 0.52%

c. A brief on types of customers

HIL's customers encompass individuals and organizations procuring materials for the construction, repair, or renovation of residential, commercial, and institutional infrastructure and real estate developments. They are serviced through a network of dealers and distributors as well as directly and hence they comprise the Company's downstream value chain customers. Additionally, the end customers would also include infrastructure companies (EPC), builders, and contractors. HIL also partners with construction professionals like architects, interior designers, MEP, and PMC consultants who either directly purchase or influence the purchase of HIL's products and solutions.

IV. Employees:

20. Details as of the end of the Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1,199	1,143	95.33%	56	4.67%
2.	Other than Permanent (E)	45	43	95.56%	2	4.44%
3.	Total employees (D + E)	1,244	1,186	95.34%	58	4.66%
WORKERS						
4.	Permanent (F)	640	640	100%	-	NA
5.	Other than Permanent (G)	4,263	4,223	99.06%	40	0.94%
6.	Total workers (F + G)	4,903	4,863	99.18%	40	0.82%

- All managerial cadre personnel have been considered as 'Permanent Employees'.
- Fixed term contracts personnel (Direct and through 3rd parties) are categorized as 'Other than Permanent Employees'.
- All associates and non-management employees at plants have been considered as permanent workers.
- All contract workers have been considered as other than permanent workers.

b. Differently abled employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	1	1	100%	-	NA
2.	Other than Permanent (E)	-	-	-	-	NA
3.	Total employees (D + E)	1	1	100%	-	NA
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	-	-	NA	-	NA
5.	Other than Permanent (G)	-	-	NA	-	NA
6.	Total workers (F + G)	-	-	NA	-	NA

21. Participation/Inclusion/Representation of women

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	17%
Key Managerial Personnel*	3	1	33%

*Including Managing Director & CEO

22. Turnover rate for permanent employees and workers

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	21%	21%	21%	25%	49%	26%	19%	28%	19%
Permanent Workers	7%	-	7%	7%	-	7%	5%	-	5%

Figures have been rounded off to zero decimals

V. Holding, Subsidiary, and Associate Companies (including joint ventures):

23. Names of holding/subsidiary / associate companies / joint ventures

S. No.	Name of the holding/subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by the listed entity	Does the entity indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	HIL International GmbH, Germany	Wholly Owned Subsidiary	100%	No. However, certain business responsibility initiatives related to ethics, transparency, accountability, the sustainable use of resources, and the well-being of employees have been adopted by the Company's subsidiaries.
2.	Parador Holdings GmbH, Germany	Step Down Subsidiary	100% held by HIL International GmbH, Germany	
3.	Parador GmbH, Germany	Step Down Subsidiary	100% held by Parador Holdings GmbH, Germany	
4.	Parador Parkettwerke GmbH, Austria	Step Down Subsidiary	100% held by Parador GmbH, Germany	
5.	Parador UK Limited	Step Down Subsidiary	100% held by Parador GmbH, Germany	
6.	Parador (Shanghai) Trading Co. Ltd., China	Joint Venture	50%	
7.	Supercor Industries Limited, Nigeria	Joint Venture	33%	

VI. CSR Details:

- 24. (i) Whether CSR is applicable as per section 135 of the Companies Act, 2013: Yes
- (ii) Turnover (in ₹): 2,230.85 crore
- (iii) Net worth (in ₹): 1,190.76 crore

VII. Transparency and Disclosures Compliances:

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom the complaint is received	Grievance redressal mechanism in place (Yes/No) (If yes, then provide web-link for the grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Communities	Yes. Refer to Principle 8, Essential Indicator 3 for details.	Nil	-	NA	Nil	-	NA
Investors (other than shareholders)	Yes*	Nil	-	NA	Nil	-	NA
Shareholders	Yes*	Nil	-	NA	Nil	-	NA
Employees and Workers	Yes**	2	-	Timely resolution of complaints	Nil	-	NA
Customers (Dealers and Distributors)	Yes. Complaints are received through DIMS portal and investigation is conducted with an on-site visit. Valid complaints are resolved within 15 days of authentication.	658	9	Complaints include Manufacturing defects, application, or transit and packing. The balance will be resolved in due course	547	-	All complaints were resolved
Value Chain Partners	Yes*	1	-	Received through the whistleblower mechanism.	Nil	-	NA

* <https://hil.in/investor-relations/investor-grievance/>

** <https://hil.in/wp-content/uploads/2019/07/HIL-WHISTLE-BLOWER-POLICY-REVISED-19-03-19.pdf>

+ HIL actively engages with its suppliers to address any operational issues as they arise, additionally, every spend category has defined grievance and escalation mechanisms which are mentioned in the purchase order.

26. Overview of the entity’s material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Water Management	Risk	Water is a key component for some of HIL's product categories. Industrial water usage is regulated by environmental compliance	HIL has focused on the reduction of water consumption in its processes as well as promoting water recycling. It has also installed water flow	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
	(Efficiency, Recycle & Reuse)		and fresh water comes at a cost. From a water stress region perspective, HIL's Faridabad plant is in the "Over-Exploited" category while the Thimmapur plant is in the "Semi-Critical" category. Prudent water management is also crucial for ensuring healthy relationships with the communities in which HIL operates and is a focus area for the Company.	meters with a telemetry system to monitor water usage. The Company has also added advanced STP units to minimize freshwater usage for maintaining its green belt. To recharge groundwater levels the Company has upgraded its rainwater harvesting, dug additional groundwater recharge wells, and created stormwater ponds. The positive impacts of these initiatives will reflect in our subsequent disclosures. <i>For data, please refer Principle 6, Essential Indicator 3, 4 & Leadership Indicator 1, and technology improvements in Principle 6, Essential Indicator 5, and Leadership Indicator 4.</i>	
2	Waste Management & Circular Economy	Risk and Opportunity	(Risk) Poor waste management practices lead to compliance/regulatory risks as well as cause pollution, health risks, etc to HIL's communities. From a regulatory perspective, there is an increased focus beyond hazardous waste for example the EPR Rules. Non-compliance could lead to regulatory and legal implications. (Opportunity) HIL uses the waste from other industries for its manufacturing processes which helps improve the Company's environmental impact. Additionally, waste minimization improves resource efficiency while waste management process improvements positively impact margins.	HIL has implemented robust waste management processes to ensure appropriate storage and disposal of waste as per regulatory norms for both hazardous and non-hazardous waste. Waste disposal is handled by authorized recyclers and disposal vendors. The Company actively recycles dry waste within its manufacturing operations while maintaining quality norms. The Company is increasing its focus on identifying opportunities to leverage the 3R's principles of waste management. The Company also works with its vendors to minimize packaging material in raw materials, while also complying with the EPR regulations. In the last two years there has been a progressively increased focus on housekeeping leading to identification and disposal of stored waste. The Company will benefit from these efforts in subsequent periods. <i>For details, please refer Principle 6 Essential Indicator 10 and Principle 2, Essential Indicator 4, and for data Principle 2, Leadership Indicator 3, and Principle 6, Essential Indicator 9.</i>	Negative/ Positive
3	GHG emissions	Risk and Opportunity	(Risk) Energy-intensive manufacturing processes, material sourcing, transportation, etc contribute to HIL's operational carbon footprint. Potential regulations on GHG emissions are anticipated which would impact the Company and the dynamics of its target markets. (Opportunity) - Green Buildings and reducing the impact of building materials on GHG emissions during the O&M phase are significant industry trends. This aspect is of increasing importance to multiple stakeholders including customers, investors, and regulators.	HIL is focused on being "future-ready" and strategically addresses the risk posed by climate change and greenhouse gas (GHG) emissions. The Company is taking targeted measures which include a comprehensive review of energy-intensive manufacturing processes and environmentally friendly material sourcing practices. Anticipating potential regulatory changes related to GHG emissions, the Company intends to proactively adjust its operational strategies to align with emerging requirements, thereby mitigating regulatory risks and ensuring resilience in addressing its target markets. This approach would also enable the Company to reduce the carbon footprint for its products and expand its green product certifications to help its customers achieve LEED and other green building certifications. <i>For details, please refer Principle 6, Essential Indicator 8, Leadership Indicator 4, and for data Principle 6, Essential Indicator 7.</i>	Negative/ Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Energy Management and Renewable Energy	Risk and Opportunity	<p>(Risk): Rising energy costs, coupled with increasing government ambitions towards renewable energy necessitate a proactive approach. Failure to implement effective energy management strategies could result in adverse financial impact, compliance issues, and reputational damage.</p> <p>(Opportunity): Optimizing energy usage through energy-efficient measures reduces operational costs. Embracing renewable energy sources and innovative technologies mitigates long-term risks associated with energy volatility and regulatory changes.</p>	<p>HIL actively implements energy-saving measures, such as installing energy-efficient equipment and modern lighting systems across its plants. The Company has invested in wind and solar energy installations at select plant locations and will be evaluating opportunities to increase its renewable energy assets. Current and future investments in energy conservation equipment besides optimized designs and operational improvements, underscore the Company's dedication to sustainable operations. Increased Capex as detailed in Principle 2 Essential Indicator 1 would lead to an improved energy performance in subsequent periods.</p> <p><i>For details, please refer Annexure VI - Conservation of Energy of Board's Report, Principle 6 Leadership Indicator 4, and for data Principle 6 Essential Indicator 1.</i></p>	Negative/ Positive
5	Innovation for Sustainable products	Opportunity	<p>Innovation for sustainable products is propelled by escalating consumer demand for environmentally friendly alternatives. Product differentiation in this aspect provides a competitive edge. Maintaining reputation as a sustainability-focused organization enhances brand value and trust. Engaging in sustainability-driven innovation fosters opportunities for revenue growth from non-asbestos products.</p>	<p>HIL invests in R&D through a dedicated team with the required infrastructure to deliver positive innovation outcomes. The Company actively partners with research institutes to co-create products aimed at minimizing their environmental impacts. HIL prioritizes innovation to design and manufacture environmentally friendly solutions, aligning with its commitment to sustainability. The objective is to strengthen its competitive edge, build trust as a sustainability-focused brand, and create revenue opportunities, especially with non-asbestos products.</p> <p><i>For details, please refer Annexure VI - Technology absorption of Board's Report.</i></p>	Positive
6	Sustainable Supply Chain	Risk and Opportunity	<p>(Risk) As a manufacturing organization, ensuring availability and quality of raw material is critical to the HIL's business performance and resilience. Additionally, its value chain can be a source of commodity price shocks besides reputational risk due to the environmental and social practices of its suppliers. A lack of accountability within a firm's suppliers could lead to reputational damage and regulatory scrutiny.</p> <p>(Opportunity) Understanding and addressing supply chain risks helps HIL build a more resilient business and implementing sustainable practices throughout the value chain can help reduce its overall environmental footprint and improve social impact.</p>	<p>Proactive engagement with suppliers helps HIL to build long-term partnerships and resilience in the supply chain. A significant number of its suppliers are also large enterprises with well-established sustainability practices. The Company is expanding the role of ESG criteria in its supplier selection. The Company works closely with suppliers in key product categories to ensure regular supply and implement improvements in its processes based on feedback. This collaborative approach reduces operational risks, builds a cost advantage, and enhances overall business resilience. The Company communicates its sustainability initiatives to vendors and encourages them to follow suit.</p> <p><i>For details on Sustainable Sourcing, please refer to Principle 2, Essential Indicator 2.</i></p>	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Occupational Health & Safety	Risk	Safety incidents, ambient environment, and working conditions pose risks to regulatory compliance, reputation, and business continuity. Non-compliance may lead to penalties and legal issues, impacting finances and reputation. Loss of stakeholder trust could affect market share and talent retention while operational disruptions may impact revenue and customer satisfaction. Addressing these risks is crucial for employee well-being and sustaining business performance.	HIL's management approach to risk encompasses comprehensive standards for key EHS areas, focusing on employee safety. These include ongoing hazard identification and risk assessments through routine and spot safety checks and safety training. Through the identification of high-risk areas, investment in technological solutions, and awareness initiatives, the Company ensures a proactive stance toward injury prevention. Additionally, its investments in digitalising EHS systems facilitate real-time reporting, tracking, and implementation of action plans. <i>For details, please refer Principle 3, Essential Indicators 10-15.</i>	Negative
8	Product Safety	Risk	Product safety concerns may impact the Company's ability to continue to generate value for its customers. Workers engaged in installation, maintenance, and repair, as well as building occupants face associated risks. Compliance with asbestos regulations governing its use, handling, and disposal adds complexity and any product liability risks stemming from failures and disposal require meticulous management.	The Company has adopted a harm-free manufacturing process, eliminating dry asbestos use to ensure worker and end-user safety. Clear communication of safe handling and disposal instructions mitigates risks across the product lifecycle. HIL has obtained relevant certifications and adheres to industry standards to ensure safety and compliance. Regular audits validate its risk mitigation, providing stakeholder assurance. Additionally, HIL is exploring measures to phase out asbestos, prioritizing safer alternatives to align with evolving market and regulatory trends toward environmental sustainability.	Negative
9	Digitalisation	Opportunity	Digital Technology delivers significant value by enhancing operational efficiency while also improving stakeholder experience. Transforming HIL to be a 'Digitally Native' organization is crucial to building a future-ready organization.	HIL has developed its Digital & Technology strategy roadmap aligned with the Company's objectives on research and innovation. HIL has implemented digital solutions and analytics across key value chain operations including sales and marketing, operations, HR, finance, supply chain, etc. HIL continues to invest in its digital infrastructure and knowledge management besides launching a Digital Academy to build and nurture digital expertise. <i>For details, please refer the section on Digitalisation of the MD&A.</i>	Positive
10	Human Capital	Opportunity	Investing in human capital development through engagement, learning, and development and a focus on career development improves productivity, teamwork, and innovation. Engaged and skilled employees contribute positively to organizational resilience and adaptability in dynamic market conditions. Moreover, prioritizing employee well-being and professional growth strengthens brand reputation, and stakeholder trust helps to attract and retain talent while grooming business leaders.	HIL's vision is to be an employer of choice and HIL invests significantly in ensuring active employee engagement with a focus on learning and development and career progression through mentorship. The Company has active top-down and bottom-up communication channels with initiatives like the CHRO Hub and Parichay to ensure interaction with the leadership. The Company continues to invest in mentorship coaching, and higher education support. To groom leaders for the future, the Company invests in a variety of initiatives like the CXO transition lab, succession planning assessment centres, and Leadership Development Programs. <i>For details, please refer the Human Resources section of the MD&A.</i>	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	Diversity and Equal Opportunity	Opportunity	Diversity and equal opportunity offer a significant advantage. By fostering an inclusive workforce, the Company accesses a wider talent pool, promoting creativity and collaboration. This can enhance HIL's reputation as a socially responsible corporation, while also improving its understanding of diverse customer preferences worldwide. Furthermore, prioritizing diversity aligns with global corporate social responsibility trends, boosting the Company's competitiveness and making it a preferred partner for customers and stakeholders.	Diversity and Inclusion (D&I) is one of the major thrusts of HIL as laid out in its vision statement. The Company's efforts are led by the Executive Leadership and HR, supported by expert inputs from external partners. The Company has an exemplary record with POSH which is due to its focus on gender sensitivity, POSH training for the entire workforce and a robust grievance management system. The Company's emphasis is to nurture women leaders, creating an inclusive hiring and talent pipeline while designing supportive policies to ensure flexibility in the workplace. HIL conducts FGDs and leadership interactions to understand needs and challenges while providing mentorship interventions to support career development.	Positive
12	Labour Relations	Risk	Effective management of labour relations is essential for HIL to maintain operational continuity and foster positive stakeholder relationships. The nature of the Company's operations due to seasonality and the skills required, necessitates a significant contractual workforce. Issues including wage disputes, working conditions, freedom of association, etc could potentially lead to work disruptions, decreased productivity, compliance issues, or legal liabilities.	HIL has a specialised industrial relations function aligned with its human capital management strategy. To mitigate labour relations risks, the Company has strong governance and policy frameworks in place to monitor and ensure adherence to statutory and regulatory requirements, human rights laws, Health and Safety, working conditions, and grievance procedures. The Company has appropriate checks and balances and active monitoring of its contractual workforce partners. The Company focuses on proactive management, maintaining open communication channels, and addressing issues. Ensuring operational continuity and a productive work environment. <i>For details, please refer Principle 3 and Principle 5.</i>	Negative
13	CSR	Opportunity	Through targeted CSR initiatives, HIL has identified key social challenges it wants to address and promote inclusive growth in India. These initiatives not only benefit underprivileged communities but also strengthen the Company's relationship with stakeholders, fostering a symbiotic partnership for social and economic development. By aligning CSR efforts with societal needs and regulations, HIL demonstrates its dedication to creating positive social impact and building a thriving, sustainable society.	HIL's CSR strategy is to create a sustainable, community-driven model, that will have a positive and lasting social, economic, and environmental impact by focusing on the specific needs of vulnerable and marginalized communities. This includes individuals who are unable to realize their rights or enjoy opportunities due to adverse physical, mental, social, economic, cultural, political, geographic, or health circumstances. <i>For details on CSR initiatives please refer Principle 8, Leadership Indicator 6.</i>	Positive
14	Corporate Governance and Risk Management	Risk	As a listed entity, HIL is expected to comply with all the statutory laws and regulations applicable to the Company. Ensuring a focus on business ethics, and strong checks and balances on financial and non-financial aspects is an integral part of the Company's approach. This has to be balanced with an effective risk management process to address operational challenges and plan for unexpected contingencies to ensure resilience. Financial risks, commodity price fluctuations, supply chain disruptions, macroeconomic and geopolitical uncertainties, and ESG risks need to be understood and addressed.	HIL employs a comprehensive strategy to mitigate risks across various fronts, which involves long-term global supplier partnerships and operational diversification, forward contracts, continuous investment in advanced technology, strict quality control processes, and industry accreditation, along with a well-managed EHS program which helps to sustain growth and value creation. <i>For details on other Key Risks, please refer the section on Risk Management of the MD&A.</i>	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies, and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines on Responsible Business Conduct (NGRBC) released by the Ministry of Corporate Affairs has updated and adopted nine areas of Business Responsibility. These are briefly as under:

P1 - Ethics, Transparency & Accountability	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable
P2 - Product Lifecycle Sustainability	Businesses should provide goods and services in a manner that are safe and contribute to sustainability throughout their life cycle
P3 - Employee Well Being	Businesses should respect and promote the wellbeing of all employees
P4 - Stakeholder Engagement	Businesses should respect the interests of, and be responsive toward all stakeholders, especially those who are disadvantaged, vulnerable, and marginalized
P5 - Human Rights	Businesses should respect and promote human rights
P6 - Preservation of Environment	Businesses should respect, protect, and make efforts to restore the environment
P7 - Responsible Advocacy	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8 - Inclusive Growth & Equitable Development	Businesses should support inclusive growth and equitable development
P9 - Customer Value	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether the entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes, refer Note 1	No, refer Note 2	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	No ⁺	No ⁺	Yes	No ⁺	No ⁺	2	Yes	No ⁺
c. Weblink of the Policies, if available	*	**	-	#	##	-		#	**
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes Refer Note 3		No	No	Yes Refer Note 3			No	Yes Refer Note 3
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by the entity and mapped to each principle	<ul style="list-style-type: none"> ▶ P2 and P9: ISO 9001 ▶ P6 and P3: IS-15778:2007, IS-13592:2013, IS-4983:2000 (Faridabad, Golan & Thimmapur) ▶ P6 and P3: IS-7834: Part-1:1987, IS-14735:1999 (Golan), IS-14871:2000 (Kondapalli) ▶ P6 and P3: IS-2185: Part-3:1983 (Thimmapur, Chennai, Jhajjar, Golan) ▶ P6 and P3: IS-459:1992 (Kondapalli, Faridabad, Sathariya, Wada, Jasidih, Balasore) ▶ P3 and P5: Great Places to Work Certified - April 2023 to April 2024 ▶ P2 and P6: GreenPro Award for Birla HIL CPVC Pipes- 2023-25 ▶ P2 and P6: GRIHA Certified Birla Aerocon AAC Blocks and Panels ▶ P9: ISO 27001-2013 								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<p>5. Specific commitments, goals, and targets set by the entity with defined timelines, if any</p>	<p>Environmental</p> <ul style="list-style-type: none"> ▶ Determine a baseline for target setting on environmental impacts by FY2025 - GHG and air emissions, energy, water and waste ▶ Improve energy efficiency, re-mix and reduce GHG emissions ▶ Implement and stabilize ZLD processes across all plants by FY2025 ▶ ISO 14001 at all plant locations by FY2027 <p>Social</p> <ul style="list-style-type: none"> ▶ LTIFR <1, Zero fatality Year-On-Year ▶ ISO 45001 at all plant locations by FY2027 ▶ D&I roadmap at HIL to be finalized by FY2025 ▶ GPTW Rank: Continue to be in the Top 50 in India ▶ 2 average learning person-days per employee in FY2025 <p>Governance</p> <ul style="list-style-type: none"> ▶ 100% training on the Code of Conduct, Human Rights and POSH ▶ Zero environmental and labour non-compliances ▶ Transform HIL into a 'Digital Native' Organization 								
	<p>6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met</p>	<p>Environmental</p> <ul style="list-style-type: none"> ▶ Improvement in the share of renewable energy in total energy consumption driven by the use of biomass ▶ Improvements in Zero Liquid Discharge: Please refer to Principle 6, Essential Indicator 5 ▶ Six roofing product plants identified for ISO 14001 and preparation is underway for certification in FY2025 ▶ 2 new plants have been included in the scope which are at the initial phase of operational stability which has impacted energy and emissions intensity <p>Social</p> <ul style="list-style-type: none"> ▶ 29,000 hours of safety training, no major/serious accidents were reported ▶ GPTW Rank 27 for FY2023-24 ▶ Implemented new policies (mentorship, work-life balance, etc.) and structured feedback mechanisms to support gender diversity at HIL ▶ 1.72 average learning person-days per employee achieved ▶ Product Portfolio with Green Certification expanded to include Charminar Fortune and CPVC pipes & fittings <p>Governance</p> <ul style="list-style-type: none"> ▶ 100% training on the Code of Conduct and POSH ▶ No non-compliances on environment or labour laws have been notified to HIL. 							

Note 1: EHS and Quality Policy have clauses that cover key aspects of product safety throughout the life cycle.

Note 2: The Company is a member of various industry associations and trade unions as disclosed in Principle 7, Essential Indicator 1. However, currently, the Company doesn't engage in public policy advocacy and therefore, there is no need for a policy.

Note 3: The Company ensures that the value chain partners are aware of the Company's Codes and Policies. Elements of Principles 1, 5, and 9 are included in the contracts. Principles 2, 3, and 5 form a part of HIL's supplier engagement. A significant proportion of HIL's procurement is with suppliers who have implemented robust ESG-focused systems.

*<https://hil.in/wp-content/uploads/2022/09/Code-of-Conduct-board-senior-management.pdf> and <https://hil.in/wp-content/uploads/2019/07/HIL-WHISTLE-BLOWER-POLICY-REVISED-19-03-19.pdf>

** <https://hil.in/wp-content/uploads/2024/03/Quality-Policy.pdf>.

+ These policies have been approved by the MD & CEO.

<https://hil.in/wp-content/uploads/2023/06/HIL-Corporate-Social-Responsibility-Policy-1.pdf>

<https://hil.in/wp-content/uploads/2020/05/Human-Rights-Policy-Ver-1.0.pdf>

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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Governance, leadership, and oversight

7. Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

HIL is committed to accelerating its ESG journey which not only aligns to the global expectations but also serves as a catalyst for our long-term success and resilience in the face of evolving market dynamics. We have a proud legacy of pioneering positive change, not just within the industry but in the communities where we operate as well, and our commitment remains steadfast. We continue to seek agile ways for this transition, through continuous innovation, and investments in research, technological interventions, and partnerships. The ESG targets undertaken reflect our cognizance of the urgency of the decarbonisation journey to meet the evolving stakeholder expectations. I encourage you to read our BRSR to gain a comprehensive understanding of the progress we have made.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). Mr. Akshat Seth, Managing Director & CEO is responsible for the implementation and oversight of the business responsibility policies.

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. The Managing Director and CEO along with the executive leadership team are collectively and individually responsible for decision-making and performance on sustainability issues. They drive and monitor the overall performance and periodically inform the Board on ESG matters. The overall performance is assessed at least once in a year by the Board.

10. Details of review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Performance against above policies and follow up action	Managing Director & CEO									Half-yearly							
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Managing Director & CEO									Half-yearly								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

No

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
The entity does not consider the principles material to its business (Yes/No)							No			
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	Yes, refer Note 2 of answer to question (1)		NA	NA
The entity does not have the financial or human and technical resources available for the task (Yes/No)							No			
It is planned to be done in the next financial year (Yes/No)							No			
Any other reason (please specify)							No			

SECTION C:

PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT, AND ACCOUNTABLE

Essential Indicators:

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in the respective category covered by the awareness programmes
Board of Directors Key Managerial Personnel	The Board of Directors and Key Managerial Personnel (KMPs) have attended 20 familiarization programs during the Board meetings and other Committee meetings	The familiarization and other training programs are aligned with the responsibilities of the Board, SEBI Listing Regulations and all the relevant BRSR Principles. The details are available at https://hil.in/wp-content/uploads/2024/04/Familiarization-Program-for-IDs-dt-31032024_26042024.pdf	100%
Employees other than BoD and KMPs	409	<ul style="list-style-type: none"> ▶ Principle 1 ▶ Principle 3 ▶ Principle 5 ▶ Principle 8 ▶ Principle 9 	92.33%
Workers (Permanent)	101	<ul style="list-style-type: none"> ▶ Principle 1 ▶ Principle 3 ▶ Principle 5 ▶ Principle 9 	58%

*Coverage of Principle 3 (Upskilling and Health and Safety) training for other than permanent workers is available in Principle 3 Essential Indicator 8.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity’s website):

HIL periodically evaluates the regulatory compliance risks pertaining to its business and takes necessary actions to mitigate such risks. Its commitment to regulatory compliance is reaffirmed by the online compliance tool ‘Legatrix’. The tool links statutory compliances to each area of corporate activity and is managed by the Company’s Legal Head. No Regulatory Authority or Courts issued or imposed any order or penalty on the Company that could have a negative impact on its future operations.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

No regulatory authority or courts have issued or imposed any order or penalties on the Company. Hence, not applicable.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The policy related to the prevention of bribery and corruption is embedded in HIL's Codes of Conduct for Employees, Directors, and Senior Management. It is also a part of the Whistle Blower Policy and other HR policies and practices. The required steps to ensure easy and objective reporting of incidents are outlined in the Whistle Blower policy. All complaints received from whistle-blowers are placed before the Audit Committee and the Board of Directors every quarter.

The Company ensures that the stakeholders are aware of and understand the whistle blower mechanism and Code of Conduct to ensure effective implementation. The relevant policies can be accessed at HIL's website under <https://hil.in/wp-content/uploads/2022/09/Code-of-Conduct-board-senior-management.pdf> and <https://hil.in/wp-content/uploads/2019/07/HIL-WHISTLE-BLOWER-POLICY-REVISED-19-03-19.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24	FY 2022-23
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of conflict of interest of the KMPs	Nil		Nil	

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:

Not applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-24	FY 2022-23
Number of days of accounts payables	45*	44*

*Days accounts payables have been calculated based on goods and services procured and will differ from the value in the Notes to the Standalone Financial Statements, Section 56, Ratios.

9. Openness of business: Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases (Procurement)	a. Purchases from trading houses as % of total purchases	3.33%	5.12%
	b. Number of trading houses where purchases are made from	22	71
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	85.94%	72.04%
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	54.14%	54.89%
	b. Number of dealers/distributors to whom sales are made	2,989	2,787
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	10.29%	10.02%
Share of RPTs in	a. Purchases (Purchases with related parties /Total Purchases)	0.67%*	0.65%*
	b. Sales (Sales to related parties/ Total Sales)	0.06%*	0.08%*
	c. Loans & advances	100%+	Nil
	d. Investments (Investments in related parties/ Total Investments made)	Nil	Nil

*Both goods and services purchased from and sold to Related Parties have been considered.

+Loan given to wholly owned subsidiary HIL International GmbH, Germany amounting to ₹ 3,641.30 lakh.

Leadership Indicators:

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by the value of business done with such partners) under the awareness programmes
3,016 (Influencer Meetings with 72,779 participants in total)	Installation, Product Video, Technical Datasheet, Commercial Policy and Product Certifications (including Green certifications)	Not direct customers and hence cannot be calculated
20 (Retailer Meetings with 1,909 participants in total)	Installation, Product Video, Technical Datasheet, Commercial Policy and Product Certifications (including Green certifications)	Not direct customers and hence cannot be calculated

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, HIL has stringent processes in place to manage conflicts of interest among Board Members and Senior Management. Every Director of the Company discloses his/her concern or interest in the Company, or companies or bodies corporate or firms or other association of individuals and any change therein, annually or upon any change, which also includes the shareholding. Further, a declaration is also taken annually from the Directors (as per the Code of Conduct) confirming that they will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company.

The Corporate Secretarial team maintains a database of the Directors and the entities in which they are interested. This helps in identifying and tracking conflicts of interest involving the Directors and KMPs of the Company. This list is shared with the finance department which flags off any conflict of interest.

The senior management also annually affirm that they have not entered into any material, financial and commercial transactions, which may have a potential conflict with the interest of the Company at large. During Board Meetings, the concerned Directors abstain from participating in the items in which they are concerned or interested.

PRINCIPLE 2

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE:

Essential Indicators:

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	54%*	Not available	Reduction in usage of asbestos, products for supporting Green buildings, Green Product certifications, enhancements to improve waterproofing and durability
Capex	17%	3%	Improvements* in Health and Safety equipment and safeguards, Investments to improve Ambient Air Quality, Dust Collection, Sewage Treatment, and Rainwater Recharging systems.

Note: By design, the capex in Plant and Machinery factors energy efficiency, safety, and ergonomics for new equipment. For the calculations, figures for FY2023 have been regrouped, corrected, and updated wherever necessary.

*R&D expenses are not tracked project-wise, since resources are shared across projects for each SBU. The figure is based on the %age of projects with specific improvements in Environmental and Social Impacts. This figure is estimated for FY 2023-24 and is not available for FY 2022-23.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) : No

HIL continues to invest in building its supplier base domestically for supply chain resilience, sustainable development and reducing its logistics carbon footprint. The Company has identified its critical raw materials (cement, resin, and chrysolite) and has established appropriate engagement mechanisms to ensure sustainable practices. The Company's suppliers are large entities with established sustainability practices and it will be partnering with them on further improvements.

b. If yes, what percentage of inputs were sourced sustainably?

At a minimum, ~10% (by value) of our raw material is recycled and reused waste from other industries as detailed in Principle 2 Leadership Indicator 3.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste, and (d) other waste.

HIL appreciates the importance of end-of-life management for its products. Presently, the safe recovery of items for reuse, recycling, and disposal at the end of their life does not fall within the Company's direct control or responsibility.

For details on post-consumer plastic waste, including packaging materials, please refer to Principle 2, Essential Indicator 4 below. The Company's products do not fall under E-Waste at end-of-life. Plastic and E-Waste during the Company's operations are disposed of as per Waste Management Rules as detailed in *Principle 6, Essential Indicators 9 and 10*.

There is no hazardous waste generated at the end-of-life of any of the Company's products and as they have a significantly large lifespan, they are disposed of, as Construction and Demolition waste at the end of life. Details on market-returned asbestos sheets and their handling are detailed in *Principle 6 Essential Indicator 10*.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes. HIL has received the EPR registration, both as an importer and brand owner for plastics (E-Waste is not applicable). The Company has a minimum plastic recycling target of ~68 tons of CAT-1 and ~187 tons of CAT-2 for FY 2023-24.

Leadership Indicators:

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details in the following format?

NIC Code	Name of the Product/ Service	% of total turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
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HIL has not conducted an independent LCA for any of its key products during the financial year 2023-24. Aspects of LCA (cradle-to-gate) are covered in HIL's GreenPro and GRIHA certifications

2. If there are any significant social or environmental concerns and/or risks arising from the production or disposal of your products/services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same:

Name of Product / Service	Description of the risk/concern	Action Taken
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The use of Asbestos in manufacturing has well-defined environmental risks and requirements which are addressed through appropriate certifications and actions as discussed in Section A, Q26 - Product Safety

3. Percentage of recycled or reused input material to total material (by value) used in production (for the manufacturing industry) or providing services (for service industry):

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
Flyash	4.52%	4.32%
Pondash	0.37%	0.33%
Slag	1.22%	1.87%
CRP Pulp	3.44%	3.37%
Jeans Pulp	1.13%	0.93%
Pulp	0.08%	0.02%

Note: For roofing, boards and panels as well as pipes and fittings, the Company's process incorporates dry waste recycling. The ratio of Dry Waste Recycling (DWR) is as per quality and strength guidelines. This is monitored in volumetric terms and cannot be provided in value terms. The proportion of DWR in roofing, boards and panels, and pipes & fittings, was 1.79%, 18.77%, and 8.75% in FY2024, respectively, and 1.68%, 19.05%, and 8.27% in FY2023, respectively.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Stakeholder group from whom the complaint is received	FY 2023-24			FY 2022-23		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging)	Not applicable					
E-waste	Please refer Principle 2, Essential Indicator 3					
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category:

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category					
	Not applicable					
	Please refer Principle 2, Essential Indicator 3					

PRINCIPLE 3

BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators:

1. a. Details of measures for the well-being of the employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Daycare facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees											
Male	1,143	1,143	100%	1,143	100%	NA	NA	1,143	100%	-	-
Female	56	56	100%	56	100%	56	100%	NA	NA	-	-
Total	1,199	1,199	100%	1,199	100%	56	4.67%	1,143	95.33%	-	-
Other than Permanent Employees											
Male	43	43	100%	43	100%	NA	NA	43	100%	-	-
Female	2	2	100%	2	100%	2	100%	NA	NA	-	-
Total	45	45	100%	45	100%	2	4.44%	43	95.56%	-	-

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Daycare facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Workers											
Male	640	640	100%	640	100%	NA	NA	640	100%	-	-
Female	-	-	100%	-	100%	NA	NA	NA	NA	-	-
Total	640	640	100%	640	100%	NA	NA	640	100%	-	-
Other than Permanent Workers											
Male	4,223	4,223	100%	4,223	100%	NA	NA	4,223	100%	-	-
Female	40	40	100%	40	100%	40	100%	NA	NA	-	-
Total	4,263	4,263	100%	4,263	100%	40	0.94%	4,223	99.06%	-	-

Note: Health insurance, accident insurance, maternity & paternity benefits are provided to workers under ESI.

c. Spending on measures towards the well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of the total revenue of the Company	0.45%	0.32%

Note: Measures towards employee wellbeing included in the table above are medical insurance, accident insurance, and canteen facilities at all locations. Total revenue considered is total income (including other income)

2. Details of retirement benefits, for the current financial year and previous financial year:

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	9%	22%	Yes	11%	23%	Yes
Others - please specify	Not applicable					

Note: All employees and workers are covered under Group Insurance or ESIC. Workmen's compensation is not applicable.

3. Accessibility of workplaces: Are the premises/offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:

HIL is deeply committed to becoming an employer of choice by building a diverse and inclusive organizational culture. Consistent with its shared goal of "Creating HIL of tomorrow", the Company has invested in ensuring that as an initial step, all the plants and sales offices can also be accessed by ramps, etc. Training for security personnel ensures sensitivity and that appropriate support is provided to ensure convenient access for differently abled employees and workers.

4. Does the entity has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy:

HIL embraces diversity and inclusion in the workplace and is a material ESG topic for the Company. The recruitment and referral practices of the Company do not differentiate based on gender, orientation or any form of disability. As per the policy, employees and recruitment partners receive an additional incentive/bonus for referring a suitable candidate for its openings. These policies are communicated to the employees and relevant external stakeholders and made available on the internal portal.

5. Return to work and retention rates of permanent employees and workers who took parental leave:

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	96.72%	100%	100%
Female	100%	100%	100%	100%
Total	100%	96.88%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes. There is a grievance committee to address the grievances of permanent workers through complaint registers at all the factories which are reviewed regularly.
Other than Permanent Workers	Yes. Grievance boxes are provided at all the plant locations to receive grievances from contract workers. Once a month, grievances received by the workers are opened and reviewed by the plant's leadership team. Suitable actions are taken to address these grievances and other feedback.
Permanent Employees	Yes. HIL has an online portal for grievance management for permanent employees.
Other than Permanent Employees	Yes. Employees can lodge their grievances / feedback with their reporting managers or in a grievance register maintained by Admin team at their respective locations. Suitable actions are taken to address these grievances / feedback.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees/workers in the respective category (A)	No. of employees/workers in the respective category, who are part of the association(s) or Union (B)	% (B/A)	Total employees/workers in the respective category	No. of employees/workers in the respective category, who are part of the association(s) or Union (D)	% (D/C)
Permanent Employees						
-Male	1,143	-	-	1,037	-	-
-Female	56	-	-	49	-	-
Total	1,199	-	-	1,086	-	-
Permanent Workers						
-Male	640	265	41%	604	278	46%
-Female	-	-	-	-	-	-
Total	640	265	41%	604	278	46%

8. Details of training given to employees and workers:

Category	FY 2023-24				FY 2022-23					
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1,186	1,186	100%	1,052	88.70%	1,089	803	73.74%	916	84.11%
Female	58	58	100%	55	94.83%	52	48	92.31%	48	92.31%
Total	1,244	1,244	100%	1,107	88.99%	1,141	851	74.58%	964	84.49%
Workers										
Male	4,863	4,863	100%	374	7.69%	5,071	5,071	100.00%	604	11.91%
Female	40	40	100%	-	-	30	30	100.00%	-	-
Total	4,903	4,903	100%	374	7.63%	5,101	5,101	100.00%	604	11.84%

Data includes both permanent and other than permanent employees and workers

9. Details of performance and career development reviews of employees and workers:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Permanent Employees						
Male	1,186	983	82.88%	1,089	803	73.74%
Female	58	43	74.14%	52	48	92.31%
Total	1,244	1,026	82.48%	1,141	851	74.58%
Permanent Workers						
Male	4,863	341	7.01%	5,071	604	11.91%
Female	40	-	-	30	-	-
Total	4,903	341	6.95%	5,101	604	11.84%

Note: All eligible employees and workers have received career development and performance reviews. Workers who are a part of trade unions which have wage agreements are not eligible for career development and performance reviews.

10. Health and safety management system:

- a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

HIL prioritizes the health and safety of its employees and workers and adheres to both global and national standards for Occupational Health and Safety. There is rigorous monitoring of environmental and Occupational Health and Safety practices to ensure conformance with all applicable standards and norms. The Occupational Health and Safety Management System covers 100% of its employees and workers. Plans are underway to implement ISO 14001 and ISO 45001 standards at six roofing product plants for FY2025.

- b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

HIL carries out Hazard Identification and Risk Assessment (HIRA) to ensure workplace safety. Hazards are identified through accident reports, inspections, and worker interviews. Following that, risks are assessed using a 5X5 matrix based on likelihood and severity. Controls are then determined, including engineering measures, administrative controls, or providing PPE. Daily operations involve routine processes for production, while non-routine processes focus on modifications, productivity enhancements, and similar initiatives. Each manufacturing facility has a dedicated Environmental Health and Safety (EHS) lead who conducts regular inspections and collaborates with department heads to address identified issues. Quarterly safety meetings and periodic interdepartmental EHS audits ensure ongoing improvement in safety standards.

- c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/ No)**

Yes, HIL has processes in place for workers to report work-related hazards and to remove themselves from such risks. Employees are encouraged to contribute to improving safety protocols by submitting written ideas in a suggestion box. These submissions are then reviewed by the plant head and addressed accordingly, based on the severity of the incident and associated risk level. Corrective and preventive actions (CAPA) resulting from each incident are shared across all plants, facilitating the proactive prevention of recurrence through the horizontal deployment of CAPA measures.

The Company has implemented a comprehensive standard for reporting and investigating various Environment, Health, and Safety (EHS) events aimed at categorizing EHS events effectively. This approach ensures that consistent reporting and investigation procedures are followed and bottlenecks within processes, procedures, and practices are removed. Corrective actions are deployed horizontally.

- d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

The well-being of its people is a key ingredient for the success of HIL's employer brand as well as ambitions to be future-ready. The Company has established a comprehensive system that monitors employees' overall health and addresses both occupational and non-occupational illnesses. Prioritizing employee health begins with a medical check-up before employment and continues throughout the employees' time with the Company, even after they leave HIL. All employees are given regular medical check-ups and receive tailored health education and counselling sessions.

The Company takes an approach of early diagnosis and prompt treatment in cases of non-occupational diseases. Measures are taken to prevent the occurrence of complications and premature death. The interventions provided by the Company have resulted in significant reductions in both morbidity and mortality rates. Finally, the Company provides health education to reinforce the importance of adopting healthy habits and ergonomic practices.

11. Details of safety related incidents, in the following format:

Safety Incident/ Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million person hours worked)	Employees	-	-
	Workers	0.45	0.49
Total recordable work-related injuries	Employees	-	-
	Workers	5	4
No. of fatalities	Employees	-	-
	Workers	-	-
High-consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

*Including contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Health and Safety at the workplace has always been the priority for HIL and is periodically reviewed by the Executive Leadership. The Company has implemented a formal program that outlines the responsibilities of management and employees to maintain a safe working environment. The program includes policies and procedures for identifying hazards, assessing risks, and implementing control measures, as well as providing training and education for employees. The Company’s Health & Safety initiatives are performing effectively, and the awareness sessions it has conducted have significantly heightened understanding and adherence to Health & Safety protocols.

- ▶ The Company conducts regular risk assessments to identify potential hazards, evaluate associated risks, and implement control measures to mitigate those risks. Depending on the risk score, engineering controls such as ventilation systems, guardrails, machine guards, and interlocks are implemented to eliminate or reduce exposure to hazards. Additionally, the workplace is regularly inspected to evaluate hazards and the effectiveness of control measures and ensure compliance with relevant regulations and standards.
- ▶ Employees are provided with training and education on safe work practices, hazard recognition, and the proper use of personal protective equipment (PPE) and equipment. Employees are also provided with PPE such as hard hats, safety goggles, respirators, gloves, and safety shoes etc. to protect them from potential hazards.
- ▶ A robust incident reporting system has been established to ensure that all incidents, including near misses, are reported and investigated, and corrective actions are taken to prevent similar incidents from occurring in the future.
- ▶ AI cameras have been installed in the danger zones of the machines to prevent high-severity injuries to workers. If any person enters the designated danger zones, the AI camera detects their presence and immediately sets off an alarm to the operator of that particular machine and shuts off the moving parts.
- ▶ Regular mock drills are conducted biannually across all manufacturing plants to evaluate the proficiency of the Emergency Response Team (ERT) and First Aid team members in managing specific emergencies pertinent to their geographical setting and operational processes. Following these drills, the ERT team convenes to review the outcomes, identifying any deficiencies and promptly implementing necessary enhancements.
- ▶ The Company has partnered with service providers for the provision of an Employee Assistance Program. This anonymous program offers all employees and two dependents free access to various services, including 24/7 support from 900+ counselling psychologists. The service provider hosts weekly webinars and wellness sessions on stress management, supplemented by informative mailers on emotional and mental well-being.

13. Number of Complaints on the following made by employees and workers:

Benefits	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	Nil	Nil	NA	Nil	Nil	NA
Health and Safety	Nil	Nil	NA	Nil	Nil	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working conditions	100%

15. Provide details of any corrective action taken or underway to address safety related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Upon assessment of safety practices, fixed roof lifelines, vertical access ladders, and vertical lifelines were implemented to mitigate the risk of falls from elevated areas. This fall protection setup was put in place during the removal of tarpaulin from trucks and loading bays. New fire hydrant systems have been installed at the Golan, Gujarat, and Jhajjar, Haryana plants for Blocks, Pipes & Fittings (P&F), and Putty sections to effectively address potential fire incidents. Additionally, existing fire hydrant systems at locations like Kondapalli and Jasidih have been enhanced to maximize their efficacy.

Leadership Indicators:

1. Does the entity extend any life insurance or any compensatory package in the event of death of:

The Employees of the Company are covered under Term life Insurance and this benefit is extended to all its employees at no additional cost. Under this, in the event of the unfortunate demise of an employee, during their employment, the nominee will receive an amount equivalent to "40 times the last drawn monthly basic salary of the deceased employee". Workers are covered under the ESIC Act.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Contracts executed by the Company with the value chain partners have "Standard Terms and Conditions" including, but not limited to the payment of "Taxes & Duties", "Compliance with Laws", "Compliance with Statutory Obligations", "Indemnification", "Audit Provisions" etc. These bind the value chain partners to ensure payment of statutory dues. Contractual workforce service providers are reviewed regularly to ensure that the payment of statutory dues, such as PF, Gratuity, Insurance, Taxes, etc., are made and complied with. Apart from this, the current month's bill claims have to be certified by the corresponding unit HR for compliance with the previous month's statutory payments for bill payment processing.

3. Provide the number of employees/workers having suffered high-consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	Nil		Nil	
Workers				

Note: Regrettably, in January 2022, HIL reported a case of permanent disability involving a contract worker. The disability affected his leg and the Company provided support by arranging for an artificial limb and ensuring he could return to work according to his abilities. Currently, he is a part of HIL's permanent workmen.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

The Company currently does not have a structured program for providing transition assistance to retiring employees. Health insurance is extended for employees and their families (spouse and 2 dependent kids) for 2 years after retirement.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Most of HIL's tier-I suppliers have implemented sustainable practices related to safety and working conditions. The Company does not conduct formal assessments of any of its value chain partners currently.
Working conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable - Please refer Question 5

PRINCIPLE 4

BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators:

1. Describe the processes for identifying key stakeholder groups of the entity.

HIL is dedicated to maintaining the highest standards of transparency, accountability, and ethical conduct across its operations. The Company categorizes stakeholders as any entities, groups, organizations, or communities influenced directly or indirectly by its operations and across its value chain. In the fiscal year 2023-24, the Company evaluated its key stakeholder groups based on the impact that stakeholders have on the value created by the Company and assessed the ramifications of its business activities on its stakeholders. The key stakeholders include local communities, employees and workers, customers, suppliers and business partners, government and regulatory authorities, shareholders and investors, dealers and distributors as well as influencers and applicators. Actively engaging with these stakeholders facilitates a comprehensive and responsive approach to their needs and feedback, thereby allowing for the adaptation of business operations and processes. This systematic approach ensures that the Company can effectively engage with its stakeholders and address their concerns in a manner that aligns with its core values and objectives.

2. List stakeholder groups identified as key for the entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as a vulnerable & marginalized group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, Website), others	Frequency of engagement (Annually/ Half yearly/ Quarterly/ Others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Local Communities	Yes	<ul style="list-style-type: none"> ▶ Community Meetings for need identification ▶ Partnership with local implementation partners 	<ul style="list-style-type: none"> ▶ Need-based ▶ Ongoing 	<ul style="list-style-type: none"> ▶ Need and impact on Society at large ▶ Selection of CSR Projects ▶ Implementation Partners ▶ Alignment of CSR projects with HIL's strategy ▶ Project outcome and impact ▶ Healthcare and wellbeing ▶ Education and related infrastructure ▶ Community development
Employees and Workers	No	<ul style="list-style-type: none"> ▶ Townhall ▶ CHRO Hub ▶ Employee experience survey ▶ Human Resources portal ▶ HRMS ▶ Emails from Employee Communication ▶ Business Meetings 	<ul style="list-style-type: none"> ▶ Annual ▶ Quarterly ▶ Monthly ▶ Ongoing 	<ul style="list-style-type: none"> ▶ Company's vision, mission and values ▶ Business performance updates ▶ Training and capability building ▶ Aspects of employee well-being ▶ Performance management and career development ▶ Employee engagement activities

Stakeholder Group	Whether identified as a vulnerable & marginalized group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, Website), others	Frequency of engagement (Annually/ Half yearly/ Quarterly/ Others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	<ul style="list-style-type: none"> ▶ Exhibitions and events ▶ Website and social media ▶ Distributor/ Retailer/ Direct customer/ Achievers' meets ▶ Customer plant visits ▶ Trade body membership ▶ Information on packaging 	Ongoing	<ul style="list-style-type: none"> ▶ Customer surveys & complaints management ▶ Product features and benefits ▶ Product quality and availability feedback ▶ Timeliness of customer support ▶ Satisfaction with after-sales service ▶ Responsible guidelines/ manufacturing ▶ Awareness and initiatives for climate change
Suppliers and Partners	No	<ul style="list-style-type: none"> ▶ Procurement channels ▶ Suppliers/ traders/ manufacturers' visits ▶ Product workshops ▶ Seminars 	▶ Ongoing	<ul style="list-style-type: none"> ▶ Quality, Price ▶ Timely delivery and payments ▶ Transparency ▶ New product introduction ▶ New business opportunity ▶ Jointly working on product quality enhancement ▶ Sustainable procurement practices
Government and Regulatory Authorities	No	<ul style="list-style-type: none"> ▶ Compliance reports ▶ Industry forums ▶ Statutory meetings 	▶ Ongoing	<ul style="list-style-type: none"> ▶ Statutory environmental, social and governance compliance ▶ Compliance-related requirements, such as filing periodic returns, reports, payment of taxes, etc.
Shareholders and Investors	No	<ul style="list-style-type: none"> ▶ Annual General Meeting ▶ Investor conferences/ calls/ meetings ▶ Investor communications/ press releases/relevant ▶ Advertisements ▶ Stock Exchange Intimations 	▶ Quarterly	<ul style="list-style-type: none"> ▶ Governance and financial performance ▶ Business updates ▶ Growth plans and product pipeline ▶ Financial performance and business updates
Dealers & Distributors	No	<ul style="list-style-type: none"> ▶ Dealer conferences ▶ Regional meetings ▶ Email communications ▶ Training workshops ▶ Sales reports ▶ Product catalogues and price lists ▶ Promotional materials ▶ Social media updates ▶ Direct sales calls 	<ul style="list-style-type: none"> ▶ Monthly, ▶ Quarterly ▶ Ongoing 	<ul style="list-style-type: none"> ▶ Sales performance and targets ▶ Product availability and quality, ▶ Pricing and promotions ▶ Marketing support and materials ▶ Training and education on product features ▶ Customer preferences and market trends ▶ Resolving issues or concerns regarding deliveries or payments ▶ Collaboration on marketing campaigns and promotions.

Stakeholder Group	Whether identified as a vulnerable & marginalized group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, Website), others	Frequency of engagement (Annually/ Half yearly/ Quarterly/ Others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Influences and Applicators	No	<ul style="list-style-type: none"> ▶ One-on-one meetings ▶ Events, exhibitions and expos ▶ Digital media ▶ Training workshops, ▶ Product catalogues, ▶ Direct sales calls ▶ Training and awareness workshop 	▶ Ongoing	<ul style="list-style-type: none"> ▶ Awareness of the Company and Products Profile ▶ Business collaboration and value addition ▶ Training and education on product features ▶ Customer preferences and market trends, ▶ Collaboration on marketing campaigns and promotions.
Bankers	No	▶ In-person meetings/ visits	▶ On need basis	<ul style="list-style-type: none"> ▶ Transparent financial transactions ▶ Timely repayment of debt
Industry Associations	No	<ul style="list-style-type: none"> ▶ Emails and letters ▶ Meetings and seminars ▶ Representations ▶ Conferences 	<ul style="list-style-type: none"> ▶ Annually ▶ Half-yearly ▶ Quarterly ▶ As and when required 	<ul style="list-style-type: none"> ▶ Policy matters and initiatives. ▶ Broader policy development and consensus-building process.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Board has delegated the responsibility of stakeholder consultation on environmental and social topics to the Executive Leadership of HIL. Functional leaders have a structured engagement mechanism as discussed in *Principle 4, Essential Indicator 2 (above)*. This feedback is provided to the Board through the Board Familiarization Programmes (*please refer to Principle 1, Essential Indicator 1*). Investor and Shareholder concerns are presented to the Stakeholders' Relationship Committee while the CSR Committee reviews inputs received from its communities. These committees and Board Familiarization Programmes serve as vital platforms for fostering dialogue and gathering insights from HIL's stakeholders. This ensures that the Board remains abreast of stakeholder perspectives and concerns, thereby supporting informed decision-making on matters related to economic, environmental, and social aspects.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into the policies and activities of the entity.

Yes, stakeholder consultation is used to identify the environmental and social needs of the stakeholders. Employee feedback and input are obtained through the Company's engagement platforms. These translate into new initiatives and policies. Similarly, based on customer needs obtained through feedback mechanisms, the R&D team is developing new products and improving existing products.

The Company also actively engages with its suppliers and vendors. A Supplier Satisfaction Survey was conducted during FY2024, and the feedback received is being used for planning improvements. For example, Truck turnaround time was raised as a concern and TMS was implemented to reduce truck detention at factories.

3. Provide details of instances of engagement with and actions taken to address the concerns of vulnerable/marginalized stakeholder groups.

HIL actively engages with vulnerable and marginalized stakeholder groups surrounding its plant operations to understand their needs. This engagement is integral to the Company's ethos of social responsibility. Through structured initiatives the Company not only ensures that the voices of these communities are heard but also incorporated into the decision-making processes. These are translated into concrete actions to address their needs including access to education, healthcare, and livelihood opportunities.

The Company has undertaken multiple initiatives catering to the disabled community, exemplifying its commitment to inclusivity and social responsibility. At the Sanath Nagar plant, the Company offered hearing aid assistance to children facing hearing impairments. Through its collaboration with the Supported Deaf Enabled Foundation, the Company actively contributes to the betterment of the deaf community. This partnership focuses on enhancing their quality of life by facilitating access to educational resources, fostering social and cultural awareness, and advocating for independence and barrier-free communication. While this is one specific example, all of the Company's CSR activities are as per the needs of vulnerable and marginalized communities.

PRINCIPLE 5

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	1,199	1,199	100%	1,086	359	33.06%
Other than permanent	45	45	100%	55	-	-
Total	1,244	1,244	100%	1,141	359	31.46%
Workers						
Permanent	640	640	100%	604	63	10.43%
Other than permanent	4,263	4,263	100%	4,497	208	4.63%
Total	4,903	4,903	100%	5,101	271	5.31%

Note: Human Rights Training includes POSH and Employee Code of Conduct among others

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	1,143	-	-	1,143	100%	1,037	-	-	1,037	100%
Female	56	-	-	56	100%	49	-	-	49	100%
Other than Permanent										
Male	43	-	-	43	100%	52	-	-	52	100%
Female	2	-	-	2	100%	3	-	-	3	100%
Workers										
Permanent										
Male	640	-	-	640	100%	604	-	-	604	100%
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
Male	4,223	4,223	100%	-	-	4,467	4,467	100%	-	-
Female	40	40	100%	-	-	30	30	100%	-	-

3. Details of remuneration/salary/wages, in the following format:

a. Median Remuneration/Wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of the respective category (Amount in Lakhs)	Number	Median remuneration/ salary/ wages of respective category (Amount in Lakhs)
Board of Directors (BoD)*	4	17.50	1	12.50
Key Managerial Personnel**	2	445.00	1	55.00
Employees other than BoD and KMP	1145	7.2	53	7.12
Workers (Permanent)*	683	5.33	2	3.91

*Includes only Non-Executive Directors. The Non-Executive Directors of the Company are entitled to sitting fees and commission as per the statutory provisions. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report. Sitting fees is paid based on the number of meetings attended by a Non-executive Director and hence not considered for calculation of median remuneration.

**KMPs includes the Managing Director & CEO, Chief Financial Officer and the Company Secretary of the Company.

Note: Annualised salaries of KMPs/Employees/Workers as on March 31, 2024 has been considered for calculation of median remuneration.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	4.2%	3.7%

Note: The data takes into account all permanent and non-permanent employees and workers and the women workforce within them.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Human Rights are a material topic for HIL as per the Company's materiality assessment. Human rights concerns within the organization are addressed comprehensively by various platforms. The Chief HR Officer (CHRO) is the focal point (individual) responsible for addressing human rights impacts. The POSH Committee also plays a critical role in addressing and preventing instances of sexual harassment within the workplace.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

A dedicated portal for Grievance Management is available and all human rights grievances are assessed by a cross-functional team consisting of CHRO, Legal Head & Internal Audit Head. These are investigated, and necessary actions are taken. Further, the Company has a dedicated email address for POSH mapped to the Chairperson of the POSH Internal Committee.

6. Number of Complaints on the following made by employees and workers:

Benefits	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	NA	NA	-	NA	NA
Discrimination at workplace	-	NA	NA	-	NA	NA
Child Labour	-	NA	NA	-	NA	NA
Forced Labour/ Involuntary Labour	-	NA	NA	-	NA	NA
Wages	-	NA	NA	-	NA	NA
Other human-related issues	-	NA	NA	-	NA	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as a % of female employees/workers	-	-
Complaints on POSH upheld	-	-

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The mechanisms outlined in the Whistle Blower Policy and Sexual Harassment at Workplace Policy serve to safeguard the interests of the complainant in cases of discrimination and harassment. The Company enforces a strict non-retaliation policy, maintains confidentiality to protect the complainant's identity, and offers avenues to report any retaliatory actions promptly. It ensures that any individual who targets the complainant will be subject to disciplinary action. The Code of Conduct emphasizes non-retaliation assurances, with regular training reinforcing awareness. These measures collectively aim to provide a secure environment for the complainant to raise concerns without fear of reprisal.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

The Company's commitment to human rights extends to the workforce, contractors, and suppliers. All business agreements and contracts have clauses on human rights compliance. This includes legal compliance, and prohibition of harmful practices like child labour, forced labour, and discrimination.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others - please specify	Nil

Note: HIL's Internal Auditors conduct assessments as per their quarterly audit schedule. Assessments are also periodically conducted by the respective Government authorities and the Company has not received any non-compliance reports. Additionally, its Secretarial Auditors also conduct annual audits to ensure compliance with the laws and regulations on these aspects.

11. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 10 above.

No specific risks, concerns, or instances related to the assessments in Question 10 were noted during the reporting year. As a proactive measure, HIL ensures awareness and e-learning sessions regularly to educate all employees and workers on the subject. In addition, the Company ensures that security guards at its plants and locations receive the necessary training to identify, report, and act when an instance occurs.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

HIL has not received any grievances/complaints on human rights issues. Hence, no business modifications are required.

2. Details of the scope and coverage of any human rights due diligence conducted.

No Human Rights due diligence was conducted in the reporting year FY2024.

3. Is the premise/office of the entity accessible to differently-abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

HIL has invested in improving accessibility at its plants and offices as discussed in Principle 3, Essential Indicator 3.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	There were no assessments done in the reporting year FY 2024.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others - Nil	

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments in Question 4 above.

None.

PRINCIPLE 6

BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators:

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A)	13,288.75	13,017.96
Total fuel consumption (B)	4,01,996.20	3,39,332.97
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	4,15,284.94	3,52,350.93
From non-renewable sources		
Total electricity consumption (D)	2,55,584.30	2,37,585.45
Total fuel consumption (E)	2,21,314.06	2,31,419.24
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	4,76,898.36	4,69,004.69
Total energy consumed (A+B+C+D+E+F)	8,92,183.30	8,21,355.63
Energy intensity per rupee of turnover GJ/Rupee (Total energy consumed / Revenue from operations)	4.296 x 10 ⁻⁰⁵	3.983 x 10 ⁻⁰⁵
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) GJ/USD (Total energy consumed / Revenue from operations adjusted for PPP)	0.0010	0.00096
Energy intensity in terms of physical Output	Not Applicable	Not Applicable
Energy intensity (optional) - the relevant metric may be selected by the entity	Not Applicable	Not Applicable

Energy calculations are limited to the manufacturing operations of the Company and do not include electricity consumption at offices, depots or any Company vehicles. Revenue considered for intensity calculation is revenue from the sale of finished goods and does not include the sale of traded goods, services or other operating revenues. The addition of two new plants into the scope has impacted the energy intensity performance. The impact of investments and operational improvements will show results in subsequent reporting periods.

Energy calculations are based on factors and equations from WRI's GHG Protocol, EPA.Gov, DEFRA and 2016 IPCC Protocol. Biomass calorific values are based on sample data. Renewable sources include capex solar energy generated, wind energy, and Biomass (Deoiled Cashewnut Shell, Briquettes, Rice Husk) used in boilers, and firewood for canteen. Non-renewable sources include grid electricity for plants, diesel for DG sets and material handling equipment, coal, PNG and LPG (for process use and, in the canteens).

PPP data has been obtained from the CEIC, Organisation for Economic Co-Operation and Development. The values have been prorated from CY2022 and CY2023 for FY 2023 data (24.007) and CY2023 and CY2024 (estimated) for FY 2024 data (23.846)
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any:

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilo liters)		
(i) Surface water	-	-
(ii) Groundwater	8,86,757.52	8,95,741.18
(iii) Third party water	15,532.73	21,261.06
(iv) Seawater / desalinated water		
(v) Others - Bottled Water	434.14	666.66
Total volume of water withdrawal (in kilo liters) (i + ii + iii + iv + v)	9,02,724.39	9,17,668.90
Total volume of water consumption (in kilo liters)	8,47,627.20	8,57,513.63
Water intensity per rupee of turnover (kL / INR)	4.08 x 10 ⁻⁰⁵	4.16x 10 ⁻⁰⁵
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) kL/USD PPP	0.000973	0.000998
(Total water consumption / Revenue from operations adjusted for PPP)		
Water intensity in terms of physical Output	Not Applicable	Not Applicable
Water intensity (optional) - the relevant metric may be selected by the entity		

Revenue considered for intensity calculation is revenue from sale of finished goods and does not include sale of traded goods, services or other operating revenues.

PPP data has been obtained from the CEIC, Organisation for Economic Co-Operation and Development. The values have been prorated from CY2022 and CY2023 for FY 2023 data (24.007) and CY2023 and CY2024 (estimated) for FY 2024 data (23.846)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment - soak pit	7,672.75	4,293.06
(iii) To Seawater		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(v) Others - Gardening		
- No treatment	-	-
- With treatment - ETP/STP	47,424.45	55,862.21
Total water discharged (in kilolitres)	55,097.20	60,155.27

The Company is in the process of operationalizing water telemetry for accurate measurement of discharge and STP. For FY2023 and FY2024 for some plants discharge figures are estimated.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency. (Y/N) If yes, the name of the external agency. No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, HIL has made the requisite investments to progress towards Zero Liquid Discharge across all its plants. The Company ensures zero effluent output from its operational activities while domestic wastewater from toilets and the canteen undergoes treatment in specialized Soil Biotechnology-based (SBT) sewage treatment plants (detailed in Principle 6, Leadership Indicator 4). The Company has also invested in soak pits in some of its plants during the reporting year which are now operational. The post-treatment discharge is utilized for maintaining the green belt. Consequently, the Company's plants do not release any liquid waste onto land or into water bodies, rendering them Zero Liquid Discharge (ZLD) facilities. Water Management is a material risk for HIL and it continues to invest in rainwater harvesting and water recycling to reduce the water intensity. In addition, the Company is deploying water telemetry to build stronger control of its processes.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	Tonnes	113.69	113.38
SOx	Tonnes	20.11	26.53
Particulate matter (PM)	Tonnes	17.44	32.79
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others-please specify			

Not applicable

The emissions are recorded based on quarterly measurements of the DG sets and the boiler stacks and the Company monitors other air emissions for SOx, NOx, and Particulate Matter (PM₁₀ and PM_{2.5}). POP, VOC, HAP as described above are not material for our operations and hence are not monitored. As a practice, HIL ensures that all air pollution parameters are within the permissible limits and compliant with the prevalent norms prescribed by the regional Pollution Control Boards, indicating efficient management of industrial operations and stringent air pollution control processes.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency. (Y/N) If yes, the name of the external agency. - No, however, annual audits are conducted by independent 3rd party agencies which have been authorized by the Pollution Control Board and accordingly compliance reports are provided.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	21,061.77	21,714.69
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	50,761.88	46,989.12
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO ₂ equivalent per Rupee of Turnover	3.458 x10 ⁻⁰⁶	3.33 x10 ⁻⁰⁶
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO ₂ equivalent per USD adjusted for PPP of Turnover	8.247 x10 ⁻⁰⁵	8 x 10 ⁻⁰⁵
Total Scope 1 and Scope 2 emission intensity in terms of physical output		Not Applicable	Not Applicable
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity		Not Applicable	Not Applicable

Revenue considered for intensity calculation is revenue from sale of finished goods and does not include sale of traded goods, services or other operating revenues. GHG Emissions calculations are limited to manufacturing operations of the Company and do not include electricity consumption at offices, depots or any Company vehicles. Fugitive Emissions including refrigerants, fire suppressants and small adhoc use gases have not been included. These are minor in quantities and will not have a material impact on the GHG emission values. Addition of two new plants into the scope and has impacted the emission intensity performance. Impact of investments and operational improvements will show results in subsequent reporting periods.

Scope 1 GHG Emissions: Based on factors and equations from WRI's GHG Protocol, EPA.Gov, DEFRA and IPCC's fifth assessment report. Fuels for Stationary Combustion (2006 IPCC guidelines) include diesel for DG sets, coal, PNG, and LPG. Mobile Combustion includes Diesel consumed in forklifts and material handling equipment. CH₄ and N₂O emission by biomass, i.e., deoiled cashew nut shell, briquette, rice husk, and firewood is accounted for. Biogenic emissions released from use of Biomass for FY 23-2024 is 42,329.56 tCO₂ and for FY 22-2023 is 35,633.06 tCO₂.

Scope 2 GHG Emissions: Based on the Grid Electricity EF - Central Electricity Authority, Govt. of India, CO2 baseline database for Indian Power Sector, Version 19, December 2023 at the aggregate level (With RE). Renewable Energy (directly and excess generation) is provided to the grid which has been reduced from the Scope 2 emissions.

PPP data has been obtained from the CEIC, Organisation for Economic Co-Operation and Development. The values have been prorated from CY2022 and CY2023 for FY 2023 data (24.007) and CY2023 and CY2024 (estimated) for FY 2024 data (23.846)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

HIL has identified Climate Change and GHG Emissions as a key focus area as part of its materiality assessment and efforts to be future-focused. The Company's commitment to being a responsible business also extends to strengthening its efforts in alignment with National goals. The Company is currently focusing on developing an accurate baseline for its GHG emissions and intensity to define specific quantitative goals. The addition of two new plants in the scope of HIL's operational carbon footprint and initiatives are underway to drive operational improvements. The Company has already taken several proactive measures including improving the renewable mix, use of biofuels, and energy efficiency.

- ▶ Renewable Energy: Rooftop Solar Panels at the Chennai and Faridabad Plants and the Company has invested in wind turbine generators in Gujarat, Tamil Nadu, and Rajasthan with a total rated capacity of 9.35 MW.
- ▶ Energy reduction and process improvement initiatives to reduce waste, driven by Lean Six Sigma methodologies, contribute indirectly to GHG emission reduction
- ▶ Energy-Efficient Equipment: Installed energy-efficient blowers, vacuum pumps, backwater pumps and other equipment besides Energy-efficient lighting
- ▶ Greener Fuels: HIL constantly evaluates opportunities to shift to cleaner fuels and it uses biofuels in some of its plant locations based on local availability. HIL currently uses briquettes, rice husk as well as de-oiled cashew nuts for its biomass needs
- ▶ Tie-ups with EV fleets for corporate travel - HIL actively encourage the adoption of EV vehicles for all business travel where possible

For more details, please refer to Annexure VI of the Board's Report.

Given HIL's focus on improving the environmental impacts of its business, the Company ensures a minimum of 33% of the land in its plants is dedicated to the green belt. In some of the Company locations including Faridabad, the green cover is significantly greater which would effectively help offset its GHG emissions.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	2,107.30	2,339.24
E-waste (B)	12.41	0.78
Bio-medical waste (C)	1.64	2.39
Construction and demolition waste (D)	112.00	0.00
Battery waste (E)	14.56	2.56
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)		
Used Oil	6.18	5.42
Asbestos Cement trimming sheets (Discarded sheets)	12,359.70	9,358.89
Process sludge containing asbestos fibre	958.54	3745.63
Other Non-hazardous waste generated (₹). Please specify, if any	56,333.00	38,039.35
Total (A+B + C + D + E + F + G + H)	71,905.33	53,494.26

Parameter	FY 2023-24	FY 2022-23
Waste intensity per rupee of turnover (Total waste generated/ Revenue from operations) MT/Rupee	3.46x10 ⁻⁰⁶	2.59x10 ⁻⁰⁶
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) MT/ USD PPP	8.256x10 ⁻⁰⁵	6.228 x10 ⁻⁰⁵
Waste intensity in terms of physical output	Not Applicable	Not Applicable
Waste intensity (optional) - the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations		
	(in metric tonnes)	
Category of waste		
(i) Recycled	38,175.87	36,240.43
(ii) Re-used	7,566.64	2,861.22
(iii) Other recovery operations	8036.48	3,450.23
Total	53,778.99	42,551.88
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	1.64	2.39
(ii) Landfilling	18,124.70	10,939.95
(iii) Other disposal operations	-	-
Total	18,126.34	10,942.34

Non-hazardous waste generated includes metal and wood scrap, process waste, and garbage (including food waste). Recycled waste consists of dry waste including process waste which is recycled within the process and recycling of waste materials including metal and wood waste, plastic scraps, tyre waste and MS barrels by an authorised waste disposal Company as well as composted wet waste. Any asbestos-based dry waste that cannot be recycled is transferred annually to TSD (Treatment, Storage, Disposal Facility). Incineration is done for biomedical waste per the Hazardous Waste Management Rules. Landfilling involves the disposal of boiler ash, broken powder blocks, process sludge containing non-asbestos fibre, and non-asbestos discarded sheets. HIL attempts to ensure that the majority of landfills are directed toward the reclamation of land. However, the rest is handled by an authorised waste disposal company. The Company has intensified its efforts to improve housekeeping at its plants on assessment and disposal of waste generated and stored over the years. Waste is recognized as generated when it is disposed and hence is in excess of the fresh waste generated from its operations. The waste intensity performance will change as the post-housekeeping waste disposal is complete.

PPP data has been obtained from the CEIC, Organisation for Economic Co-Operation and Development. The values have been prorated from CY2022 and CY2023 for FY 2023 data (24.007) and CY2023 and CY2024 (estimated) for FY 2024 data (23.846)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by the Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes:

In line with its Environmental Responsibility objectives, HIL has a defined waste management strategy which is aligned with its significant material topics. The Company is adopting circular economy principles while prioritizing waste reduction and resource efficiency. Implemented under the 5R principles, the Company segregates its waste streams by waste and material-type besides hazardous and non-hazardous and ensures appropriate measures for safe storage, handling, and disposal. Hazardous waste is sent to PCB-authorized vendors for safe disposal as per regulatory norms. Dry waste which could contain asbestos and used lubricant oil, undergoes meticulous handling with advanced dust collection systems and strict safety protocols. A robust recycling program ensures responsible disposal of asbestos-containing materials, while used lubricant oil is repurposed to minimize environmental impact.

All discarded or defective products, including pipes, boards, panels, and sheets, are ground to convert into Dry Waste Recycle (DWR) wherever applicable and used again as input material in the manufacturing process. For non-hazardous waste such as metal, wood, and MS drums, the Company is implementing strict segregation and ensuring that recycling protocols are enforced. This waste is then sold to authorised dealers for recycling, repurposed, and disposal as appropriate. In FY2022-23 and FY2023-24, HIL has spent focused energy on taking a housekeeping approach to evaluating various categories of waste in its storage. In these two years accumulated waste from previous years operations have been graded and disposed.

For broken and market-returned asbestos sheets, the Company has established procedures for their collection and subsequent delivery to facilities capable of reusing them in the manufacturing process. Any asbestos waste deemed unsuitable for reuse undergoes disposal at a Treatment, Storage, and Disposal Facility (TSDF), ensuring safe and environmentally sound management. By incorporating alternate materials from thermal power plants and steel production units into its manufacturing processes, HIL promotes reuse and recycling in the production of roofing and wet walling solutions. Synthetic packaging materials have been replaced with sustainable alternatives to foster a culture of reuse and recycling.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/office	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and Corrective action taken, if any.
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The Company does not have operations or offices located in ecologically sensitive areas such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc. Therefore, environmental approvals or clearances specific to these areas do not apply to HIL's operations.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Weblink
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No environmental impact assessments of projects undertaken have been conducted in the current financial year.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/ penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
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The Company is compliant with all applicable environmental laws, regulations, and guidelines in India, including the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act, along with rules thereunder.

Leadership Indicators:

1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

- (i) Name of the area: Faridabad (Water Stress Area - Over Exploited)
- (ii) Nature of operations: Roofing Sheets, Panels, Pipes and Fittings
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilo liters)		
(i) Surface water	-	-
(ii) Groundwater	61,680.00	87,637.00
(iii) Third party water	5,702.70	8,782.16
(iv) Others - Seawater/ desalinated water	-	-
(v) Others - Bottled water	394.20	666.70
Total volume of water withdrawal (in kilo liters) (i + ii + iii + iv + v)	67,776.90	97,085.86

Parameter	FY 2023-24	FY 2022-23
Total volume of water consumption (in kilo liters)	62,596.80	89,970.80
Water intensity per rupee of turnover (kL / INR)	3.014 x10 ⁻⁰⁶	4.363 x10 ⁻⁰⁶
Water intensity (optional) - the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment - soak pit	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(v) Others - Gardening		
- No treatment	-	-
- With treatment - ETP/STP	5,180.15	7,114.91
Total water discharged (in kilo litres)	5,180.15	7,114.91

#Faridabad is the only manufacturing location of the Company which is in a water stressed area.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: Not applicable

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	MTs of CO ₂ equivalent	HIL has not initiated the process for inventorying its Scope 3 emissions.	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency. (Y/N) If yes, the name of the external agency. NA

3. With respect to the ecologically sensitive areas reported in Question 11 of Essential Indicators above, provide details of the significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities:

Not Applicable, as the Company does not have operations in ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as the outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
1.	Soil Biotechnology (SBT)-based sewage treatment plants at Golan, Thimmapur, Kondapalli, Cuttack, and Faridabad locations	The domestic waste, including canteen wastewater, is treated in the STP, and the treated water is used for gardening to avoid freshwater consumption for green belt maintenance.	No sludge generation, low power consumption, Low maintenance, No odour issues, and easy operations
2.	Ground-mounted bag filters	Replaced the silo-top dust collection systems with ground-mounted bag filters.	Increased efficiency and dust emissions reduced to minimum concentrations.

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
3.	Upgraded the existing roof rainwater harvesting systems	Additional groundwater recharge wells, use of Piezometers along with a telemetry system per CGWA norms to measure groundwater withdrawal, and digital water flow meters to monitor consumption trends	Maximization of rainwater collection to recharge groundwater reduce leakages and wastage.
4.	Manufacture of AAC blocks	Increased usage of pond ash (30 - 50%) from total fly ash quantity in composition	Reduce the dependency on fly ash, avoid land-filling & improve resource efficiency
5.	Use of pulverized and granulated plastic waste	Wherever quality and application permits, HIL recycles this waste	Improved resource utilization which is waste from other industry
6.	Dry Waste Recycling	Quality and R&D Team have improved the manufacturing process to incorporate Dry Waste into the raw material mix.	The proportion of DWR in raw material mix increased by 7% in Roofing, and by 6% in Pipes & Fittings and Putty plants from FY 2022-23. (For details, please refer to Principle 2, Leadership Indicator 4).
7.	Asbestos Reduction	Changed the raw material mix to ensure that the requisite product characteristics were maintained while reducing the proportion of asbestos.	Reduction of asbestos in the raw material mix to 6.1%.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Business Continuity and Disaster Management systems are integral to HIL's Enterprise Risk Management Process. The Company has instituted thorough onsite emergency protocols specifically tailored to address potential plant-specific crises. To ensure preparedness, the Company conducts semi-annual mock drills to assess the efficacy of its Emergency Response Teams (ERT). Regular training sessions covering firefighting, rescue operations, first aid, and other vital skills are provided to both ERT members and our entire workforce. Furthermore, the Company's ERT teams are equipped to handle emergencies extending beyond the boundaries of its facilities. A notable demonstration of their proficiency occurred when the ERT team at the Company's Balasore plant swiftly and effectively responded to a colloidal accident involving three trains on June 2nd, 2023, near Balasore. The Company also periodically conduct fire drills and other emergencies for its office staff. The Company has also implemented the necessary business continuity and disaster management measures from an IT security perspective which are in line with the requirements of its ISO 27001 certification requirements.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Most of the Company's tier-I suppliers have implemented sustainable practices related to environmental compliance and impacts. None of HIL's products or downstream operations have negative environmental impacts beyond disposal at the end of life.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not Applicable - please refer to Question 6 above.

PRINCIPLE 7

BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. 10
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body the entity is a member of/ affiliated to.

S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	The Fibre Cement Product Manufacturer's Association (FCPMA)	National
2.	Confederation of Indian Industry (CII)	National
3.	The Federation of Telangana Chambers of Commerce and Industry (FTCCI)	State
4.	Faridabad Industries Association	State
5.	Balasore Chamber of Industries	State
6.	Haryana Environmental Management	State
7.	Green Rating for Integrated Habitat Assessment (GRIHA)	National
8.	Indian Green Building Council (IGBC)	National
9.	Indian Plumbing Association (IPA)	National
10.	Indian Plumbing Skills Council (IPSC)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	None	

Leadership Indicators:

1. Details of public policy positions advocated by the entity:

S.No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of review by Board (Annually/ Half yearly/ Quarterly / Others - please specify)	Web Link, if available
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The Company does not make any public or regulatory policy advocacy representations to the government directly. However, HIL does participate in the industry and trade bodies of which it is a part (as detailed in Principle 7, Essential Indicator 1 (b)) including those where HIL is also a founder member. The Company contributes its experience and opinion on a variety of industry issues as a part of these forums. At the request of policymakers, HIL would share its knowledge to help define framework conditions and their impact on society in the fields of relevance to the Company.

PRINCIPLE 8

BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators:

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

None of the projects of the Company had any stipulation to conduct a Social Impact Assessment (SIA) during the reporting period.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the entity, in the following format:

No Rehabilitation and Resettlement is ongoing or required for any of HIL's projects.

3. Describe the mechanisms to receive and redress grievances of the community.

HIL works cooperatively with the complainant to achieve a suitable resolution to address community complaints in a dialogue-based manner. Both verbal and written complaints may be lodged. The Company has dedicated email addresses for receiving complaints from communities: info@hil.in and cs@hil.in. On receiving a complaint, Company officials investigate the issue and promptly respond to the complainant. Grievances are escalated, if necessary, to Senior Management for additional evaluation.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	15.00%	15.20%
Directly from within India	68.10%	70.10%

The figures account for the procurement of only raw materials. For the calculations, figures for FY2023 have been regrouped, corrected, and updated wherever necessary.

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24	FY 2022-23
Rural	37.29%	41.85%
Semi-urban	-	-
Urban	31.97%	31.51%
Metropolitan	30.74%	26.64%

Leadership Indicators:

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Since the Company was not required to conduct any Social Impact Assessments, this is not applicable.

2. Provide the following information on CSR projects undertaken by the entity in designated aspirational districts as identified by government bodies:

There are no designated aspirational districts around the area of operations of the Company.

- 3.** (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No): No
- (b) From which marginalized /vulnerable groups do you procure? Not Applicable
- (c) What percentage of total procurement (by value) does it constitute? Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by the entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Nil				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

There were no disputes registered intellectual property in the reporting year. As a result, no corrective actions were required.

6. Details of beneficiaries of CSR Projects:

S. No	CSR Project	No. of Persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Education (11 Projects)	7,222+	100%
2.	Healthcare (18 Projects)	13,225+	100%
3.	Community Development* (4 Projects):	1,200+	100%

*In addition, the Company developed a green belt near the Faridabad plant to improve the air quality in the region. It installed CCTV near the Balasore plant in Orrisa to enable safety in the surrounding area. These projects although based on the needs of the communities have not been included in the number of persons benefitted from the project.

PRINCIPLE 9

BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators:

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

HIL has a customer-centric approach that feeds into research, production, and distribution of its products and solutions, to enable stronger brand loyalty as well as relationships with customers and other partners. Leveraging technology, the Company aims to develop an immersive engagement and loyalty platform for influencers and channel partners. The Company has launched a customer relationship management system while implementing a sales force automation platform to enhance efficiency and streamline customer experiences. This ensures a robust system to receive feedback across the downstream value chain. The Company has also integrated a customer service cell for centralized complaint monitoring, and prompt, impartial resolution. Complaints from dealers and distributors are classified into technical or manufacturing, application and transport, concerns to ensure appropriate allocation for resolution. Each complaint is processed through the dealer portals, with investigations conducted, including on-site visits if necessary. Within 15 days of complaint registration, corrective action is taken, typically in the form of a Credit Note (CN), contingent upon the validation of its legitimacy.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage of total turnover
Environmental and social parameters relevant to the product	27.6%
Safe and responsible usage	8.1%
Recycling and/or safe disposal	Not currently calculated

3. Number of consumer complaints in respect of the following:

	FY 2023-24			FY 2022-23		
	Received during the year	Pending Resolution at end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	Nil	NA	NA	Nil	NA	NA
Advertising	Nil	NA	NA	Nil	NA	NA
Cyber-security	Nil	NA	NA	Nil	NA	NA
Delivery of essential services	Nil	NA	NA	Nil	NA	NA
Restrictive Trade Practices	Nil	NA	NA	Nil	NA	NA
Unfair Trade Practices	Nil	NA	NA	Nil	NA	NA
Other	Nil	NA	NA	Nil	NA	NA

4. Details of instances of product recalls on account of safety issues

	Number	Reason for recall
Voluntary recall	Nil	NA
Forced recall	Nil	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, HIL has an ISMS (Information Security Management System) policy for cyber security and for addressing Data Privacy risks which are available on the HRMS portal and accessible to all employees. The coverage of the policy includes employees and is also extended to users accessing HIL IT infrastructure and resources. Awareness sessions are conducted for all employees at least twice a year besides an annual phishing simulation exercise. The Company provides training as part of IT induction for new joiners which is complemented by training sessions through the EC-Council aware platform. The IT infrastructure and security systems receive updates and vulnerability-related information from its service providers and undertake measures to ensure appropriate protection which are certified as per ISO27001-2013.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on Safety of products / services.

There have not been any complaints related to any of these issues. Based on the Company's monitoring mechanisms, and feedback collection, it proactively undertakes actions to prevent issues from occurring as mentioned above for ISMS.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches along-with impact:
- Percentage of data breaches involving personally identifiable information of customers:
- Impact, if any, of the data breaches

There have been no instances of data breaches for FY2024.

Leadership Indicators:

1. Channels/platforms where information on products and services of the entity can be accessed (provide a web link, if available).

All product information across product categories is readily available on the Company's website <https://hil.in/>. Details of the Company's products and related technical services are also directly disseminated by its field force to its network of dealers, distributors, construction professionals, and channel partners. The Company also has a presence on online B2B marketplaces such as IndiaMart, and TradeIndia among others and it continues to evaluate additional channels. The Company also participates in tradeshows, exhibitions, and social media initiatives to apprise both current and prospective customers about its offerings.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The product packaging for the Company's Putty and Construction Chemicals contains information on safe and responsible usage. For other categories including roofing and walling solutions, HIL provides information booklets on safety aspects during installation besides training to customers via its distribution partners. The Company also engages directly with influencers and applicators when it provides the required guidance on safe and responsible usage.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:

HIL's activities do not fall within the provisions of the Essential Services Maintenance Act (ESMA). However, the Company proactively shares information about any potential disruptions or discontinuations of its product availability with its customers via its salesforce and other channels of communication.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did the entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity, or the entity as a whole? (Yes/No)

HIL at a minimum ensures compliance with the Bureau of Indian Standards, the Legal Metrology Act, and all other applicable labelling regulations. The Company's product packaging carries additional information on product benefits supplemented with guidance on usage. The Company actively engages with its customers to obtain feedback on various aspects of its product portfolio, loyalty programs, customer engagement, and other operational aspects. Details are mentioned in *Principle 4, Essential Indicator 2*. The Company also periodically undertakes structured customer satisfaction surveys to complement the inputs it receives as part of operational interactions, marketing conversations, etc.

For and on behalf of the Board of Directors
For HIL Limited

Place: New Delhi
Date: May 7, 2024

Akshat Seth
Managing Director & CEO
DIN : 10039820