

COMPANY OVERVIEW

A. Revenue

Reporting Year*	Unit	FY20 2019	FY21 2020	FY22 2021	FY23 2022
Reported Revenues	INR Million	580,053	517,305	895,512	961,506

B. Business Activity

Product	Revenue in FY22 (USD)	% of total revenue in FY22	Revenue in FY23	% of total revenue in FY23	
Business Activity	USD Million	12,019	100%	11,961	100%

Note: The reporting year for HMEL is April-March fiscal year. Hence for example, for HMEL FY23 is 1st April 2022 to 31 March 2023 period which corresponds to 2022 year in the S&P DJSI

GOVERNANCE AND ECONOMIC DATA

A. Board Structure

	Unit	2019	2020	2021	2022
Executive Directors	Number	1	1	1	1
Independent Directors	Number	2	1	1	1
Other Non-Executive Directors	Number	6	6	6	6
Total	Number	9	8	8	8
Female Directors	Number	/	/	1	1
	Name	/	/	Dr. Asha Kaul	Dr. Asha Kaul

	Unit	2021	2022
Average board meeting attendance	Percentage	94	94
Minimum attendance required of board members	Percentage	25	25
Average tenure of board members	Years	5.88 years	5.38 years
Number of non-executive/ independent directors with 4 or less other mandates	Number	7	7
Please provide the names of the directors included in the above count	Describe	MK Surana, Aditya Mittal, Dr. Asha Kaul, Rajan Tandon, Vinod Shenoy, Jagjeet Singh Bindra, Rajneesh Narang	Aditya Mittal, Pushp Kumar Joshi, Dr. Asha Kaul, Rajan Tandon, Jagjeet Singh Bindra, Rajneesh Narang, S. Bharathan

Performance assessment of board of directors/supervisory board members	<i>Describe</i>	The Board of Directors does the performance evaluation of the Board, its committees and individual directors	
		2021	2022
Number of independent or non-executive members with industry experience (e.g. excludes executives)	<i>Number</i>	6	6
List the independent or non-executive directors included in the above count:	<i>Describe</i>	MK Surana, Aditya Mittal, Rajan Tandon, Vinod Shenoy, Jagjeet Singh Bindra, Rajneesh Narang	Pushp Kumar Joshi, Aditya Mittal, Rajan Tandon, S. Bharathan, Jagjeet Singh Bindra, Rajneesh Narang

B. Emerging Risk

		Emerging risk 1	Emerging Risk 2
Name of emerging risk	<i>Describe</i>	Health and Safety Risk	ESG Risk
Category	<i>Describe</i>	Occupational Safety of Employees and Contractors	Operational, Health and Safety and Strategic risks for the company and its people
Description	<i>Describe</i>	We operate in a very high risk industry and any non-adherence to occupational safety practices can impact human life. The handling of machines without proper safety training and focus can also lead to injuries to our employees and contractors	These risks are related to climate change, environmental practices, social standings in the community and the governance structure of the organisation to enable sustainability
Impact	<i>Describe</i>	With the large scale of our operations, accidents can be major events and may result in fatalities. We have robust mechanisms to track, investigate and minimize damage from incidents and have established several programs to educate employees.	ESG risks in our industry are based on the sector's inherent material exposure to greenhouse gas emissions, pollution, transport spills, and contamination risks as well as exposure to severe weather

Mitigating actions	<p><i>Describe</i></p> <p>To mitigate this risk within our premises. Firstly, we have implemented new safety initiatives especially in our petrochemical project. Secondly, we have inculcated a safety culture change by continuously focusing on our vision to achieve an Incident and Injury Free (IIF) workplace. Thirdly, we have implemented IIF program in all our sites</p> <p>The Company is increasingly strategizing its ESG approach and improving on areas to mitigate our Environmental Impacts. Additionally, we are leveraging relationships with our stakeholders to develop our business with a value based approach</p>
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C. Code of Conduct			
	Unit	Acknowledgement	Training Provided
Employees	<i>Percentage</i>	100	100
Subsidiaries	<i>Percentage</i>	100	100

Systems and procedures for effective implementation of code of conduct	<p>We reinforce our Code of Conduct by generating awareness with our employees, workers, supply chain vendors and third parties while onboarding them, and we continue to communicate with them periodically via emails to provide a reminder about our policies and standards at work. The effectiveness of our ethics and Code of Conduct at work are measured by the number of concerns, reported, poll surveys and internal assessments. The feedback is incorporated into the annual plan for deployment. All the employees have accepted the Code of Conduct.</p>
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D. Anti-Competitive Practices and Political Contributions

	Unit	2019	2020	2021	2022
Fines and settlements	INR	Nil	Nil	Nil	Nil
Corruption and bribery cases	Number	Nil	Nil	Nil	Nil
Lobbying	INR	Nil	Nil	Nil	Nil
Political campaigns (local, regional or national)	INR	Nil	Nil	Nil	Nil
Trade associations or tax-exempt groups (think tanks)	INR	Nil	Nil	Nil	Nil

E. Material Issue

	Material Issue 1	Material Issue 2	Material Issue 3
Material Issue	Health and Safety	GHG Emissions, Environmental and Social Impact	Energy Management
Business case	Health and safety is a crucial part of our industry given the risk to human life.	Oil and Gas are one of the most important commodities for the Indian Economy and is required to meet domestic needs. We monitor our emissions to contribute to the greater goal of India becoming a net zero country by 2070	HMEL is dedicated towards creating a greener and cleaner environment and are slowly shifting towards consuming renewable energy instead of fuel-based energy.

Use-cases	We have robust safety protocols and have conducted over 235,000 hours of safety trainings along with ancillary trainings such as mock fire drills during the year.	We have executed more than 30 energy and fuel efficiency projects to increase our productivity and align our activities to foster a sustainable and cleaner environment.	Our total non-renewable energy consumed in the last year reduced by 3% in the year as we are shifting towards renewable sources of energy. To further reduce our reliance on non-renewable sources of energy, we are looking into renewable sources of energy such as Ethanol, Green Chemicals, Green Hydrogen and Solar Energy to fulfill our energy needs.
Long term target/ metric	Continual improvement of HMEI safety management systems through internal and external audits and learning from incidents and near misses	Near Net Zero	10% of the energy mix to be constituted by solar renewables
Target year	2025	2050	2027

F. Supply Chain Management

	Unit	Tier 1 suppliers	Critical non-tier 1 suppliers
Absolute number of suppliers	Number	85	/

G. Tax Strategy

	Unit	FY21	FY22	FY23
Earnings before tax	INR Million	3,423	40,888	61,738
Reported taxes expense/(credit)	INR Million	(613)	28,312	11,752
Cumulative acceptable adjustments	INR Million	0	0	0
Effective Tax Rate	Percentage	(17.91%)	69.24%	19.35%
Cash Taxes Paid / (Refund)	INR Million	(458)	(284)	1,003
Cash Tax Rating	Percentage	(13.38%)	(0.69%)	1.65%

H. Information Security

Please indicate which role in the Executive Management team is responsible for overseeing cybersecurity within the company

We have an Internal Cybersecurity Policy in place called - Overall Guiding Principles of Information Security. HMEL APEX Committee (chaired by MD&CEO) and Head-IT are responsible for overseeing cybersecurity governance as per HMEL's Risk Management Framework. Reports pertaining to cybersecurity risks are to be presented from the Information Security Team to the APEX Committee part of regular reviews with Top Management.

ENVIRONMENTAL DATA

A. Environmental Policy and Management Systems

	Description	Coverage (%)
EMS verified through international standards	ISO 14001	100
Third party certification/ audit/ verification by specialized companies	TÜV NORD (India)	100
Internal certification/ audit/ verification by company's own specialists from headquarters	Internal audit once in a year	100

B. Return on Environmental Investments

	Unit	2019	2020	2021	2022
Capital Investments	<i>INR Million</i>	1.30	110.00	153.20	234.17
Operating expenses	<i>INR Million</i>	598.33	499.81	666.55	710.49
Total expenses (=capital investment + operating expenses)	<i>INR Million</i>	599.63	609.81	819.75	944.41
Savings, cost avoidance, income, tax incentives	<i>INR Million</i>	Nil	Nil	Nil	Nil

C. Environmental Violations

	Unit	2019	2020	2021	2022
Violations of legal obligations/ regulations	<i>Number</i>	Nil	Nil	Nil	Nil
Amount of fines/ penalties related to the above	<i>INR</i>	Nil	Nil	Nil	Nil
Environmental liability accrued at the year end	<i>INR</i>	Nil	Nil	Nil	Nil

D. GHG Emissions					
	Unit	2019	2020	2021	2022
Total direct GHG emissions (Scope 1)	Million Metric tonnes	3.91	3.49	4.34	4.29
Location-based (Scope 2)	Million Metric tonnes	0.16	0.10	0.16	0.13
Market-based (Scope 2)	Million Metric tonnes	0.00	0.00	0.00	0.00
Total	Million Metric tonnes	4.07	3.59	4.50	4.42
Direct NOx Emission	Metric tonnes	3,908	4,142	3,696	4,600
Direct SOx Emission	Metric tonnes	3,334	2,840	2,995	4,378
Direct CH4 Emissions	Metric tonnes	400	430	1,050	990

E. Energy Consumption					
	Unit	2019	2020	2021	2022
Total non-renewable energy consumption	MWh	1,306,782	1,129,699	1,373,435	1,329,132
Total renewable energy consumption*	MWh	7,146	7,068	2,014	3,803
Energy intensity	MWh/Revenue (INR Million)	2.24	2.16	1.53	1.39
Total	MWh	1,313,928	1,136,768	1,375,449	1,332,936

* Note: Renewable energy consumption is for the Pipeline operations only

F. Water					
	Unit	2019	2020	2021	2022
Municipal water use	MCM	0	0	0	0
Fresh surface water (lakes, rivers)*	MCM	17.40	17.71	22.29	26.44
Water recycled	%	100%	100%	100%	100%
Discharge of water to source of extraction	MCM	0	0	0	0
Evaporation losses	MCM	0.19	1.41	0.93	1.55
Total net fresh water consumption	MCM	17.21	16.29	21.36	24.89

*Note - Very minor volume of water for the Pipeline subsidiary taken from Municipality and Ground Water

G. Waste					
	Unit	2019	2020	2021	2022
Total waste recycled/ reused (Non-Hazardous)	<i>metric tonnes</i>	0	0	0	0
Total waste disposed (Non Hazardous)	<i>metric tonnes</i>	2,498	4,845	7,149	9,318
Total hazardous waste recycled/ reused	<i>metric tonnes</i>	18,906	12,242	12,966	10,168
Hazardous waste landfilled	<i>metric tonnes</i>	4,000	0	0	0
Hazardous waste otherwise recycled (Recycled with PCB approved recyclers)	<i>metric tonnes</i>	1,465	1,008	1,216	668

PEOPLE DATA

A. Workforce					
		2019(in %)	2020(in %)	2021(in %)	2022(in %)
Headcount by Age Group	Less than 30 years	33.6%	43.9%	38.7%	33.7%
	Between 30-50 years	58.5%	50.3%	55.2%	60.1%
	More than 50 years	7.9%	5.8%	6.1%	6.7%
Headcount by Management Level	Senior Management	2.0%	2.4%	2.2%	2.5%
	Middle Management	12.3%	11.7%	13.1%	12.0%
	Junior Management	40.1%	42.2%	41.2%	43.6%
	Others	45.7%	43.7%	43.5%	41.8%
Headcount by Gender	Male	98.4%	98.4%	98.0%	97.7%
	Female	1.6%	1.6%	2.0%	2.3%
Headcount by Nationality	Indian	99.8%	99.7%	99.8%	99.9%
	Foreign	0.2%	0.3%	0.2%	0.1%
Headcount by Race/Ethnicity	Asian	99.8%	99.7%	99.8%	99.9%

B. Gender Diversity					
		2019(in %)	2020(in %)	2021(in %)	2022(in %)
Female Workforce	Organization	1.6%	1.6%	2.0%	2.3%
	Permanent	1.6%	1.6%	2.0%	2.3%
Female workforce in Departments	Revenue Generation	0.1%	0.2%	0.3%	0.4%
	STEM Functions	1.4%	1.3%	1.1%	1.7%
Female Workforce in Age Group (Total workforce)	Less than 30 years	0.9%	0.9%	1.0%	1.2%
	Between 30-50 years	0.7%	0.7%	1.0%	1.1%
	More than 50 years	0.0%	0.0%	0.0%	0.0%
Female Workforce at Management level (Within level)	All management	1.6%	1.6%	2.0%	2.3%
	Senior Management	0.0%	0.0%	0.0%	0.0%
	Middle Management	1.8%	1.8%	1.6%	3.0%
	Junior Management	3.2%	3.1%	3.3%	4.2%
Female Workforce at Leadership Level	Board members	12.5%	12.5%	12.5%	12.5%
C. Discrimination and Harassment					
		2019	2020	2021	2022
Discrimination and Harassment Incidents	<i>Number</i>	0	0	0	0
D. Hiring					
		2019	2020	2021	2022
Annual Hiring	Organization (New Hiring in numerical)	262	120	134	229
	Internal Movement per Positions filled internally (%)	11%	12%	17%	17%

E. Employee Turnover					
		2019(in %)	2020(in %)	2021(in %)	2022(in %)
Total Employee Turnover rate	Total	7.9%	3.5%	6.1%	11.1%
Employee Turnover Rate- by Gender	Male	7.5%	3.3%	6.0%	10.7%
	Female	0.4%	0.2%	0.1%	0.4%
Employee Turnover rate by Age Group	Less than 30 years	4.8%	2.7%	2.9%	5.5%
	Between 30-50 years	2.4%	0.4%	2.3%	4.9%
	More than 50 years	0.6%	0.4%	0.9%	0.8%
Total Voluntary Turnover rate	Total	7.2%	3.0%	4.8%	9.7%

F. Employee Engagement					
		2019(in %)	2020(in %)	2021(in %)	2022(in %)
Employee participated in survey	Total	Data not available	83.00	88.00	Data not available*
<i>* Survey not conducted for FY 2022-23</i>					

G. Human Capital Development					
		2019	2020	2021	2022
Average hours spent by FTE on training and development	Hours	69.3	32.6	54.8	61.8
Average hours spent on training and development by gender	Male	69.1	32.7	55.1	61.3
	Female	85.2	27.8	37.4	83.5
Average hours spent on training and development by training type	Management	26.2	14.6	17.2	21.4
	Technical	43.2	18.0	37.6	40.5

H. Human Capital Return on Investment					
		2019	2020	2021	2022
Total Revenue	<i>INR Million</i>	580,053	517,305	895,512	961,506
Total Operating Expenses	<i>INR Million</i>	391,070	229,678	520,977	669,334
Total employee-related expenses (salaries and benefits)	<i>INR Million</i>	3,070	2,970	3,401	3,892
Resulting HC ROI		61.6	96.8	110.1	75.1

I. Employee Development Programme				
		Description of program	FTE participation (%) in 2021	FTE participation (%) in 2022
Description of program objective and outcomes	Develops Self and Teams through effective collaboration	<p>By the end of the workshop, participants would be able to:</p> <ol style="list-style-type: none"> 1. Identify various dimensions of personal development 2. Explore effective ways to identify needed skills and continuously develop those skills 3. Create strong base of building rapport and trust with others for strong partnerships 4. Learn ways to collaboratively work with others to achieve shared goals 5. Develop ways to proactively take actions to help others as and when required 	46.00%	33.70%

	<p>By the end of the workshop, participants would be able to:</p> <ol style="list-style-type: none"> 1. Define innovation and ways to innovate? 2. Concept of constant improvement 3. Focus on inputs, process and results 4. Identify areas for innovation and continuous improvements that are practicable 	32.00%	21.50%
Focus on innovation and optimizes work			

J. Employee Support Programme

<p>Flexible working hours</p> <ol style="list-style-type: none"> 2. Working-from-home 3. Childcare facilities or contributions 4. Breast-feeding/ lactation facilities or benefits 5. Paid parental leave for primary caregiver with indication of number of paid weeks 	<p>Maternity benefit of 26 Weeks paid leaves is given as per Maternity Benefit Act</p> <p>Paid parental leave for the non-primary caregiver in excess of the minimum legal requirement is less than 2 weeks</p>
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K. Talent Attraction and Retention

Provide a small write-up on how the company is evaluating recruiting channels, screening of candidates, assessing talent supply/demand)	We have an approved recruitment policy based on which the company takes such decisions
Management by objectives: systematic use of agreed measurable targets by line superior	100% of employees
Multidimensional performance appraisal (e.g. 360 degree feedback)	14% of employees
Formal comparative ranking of employees within one employee category	100% of employees

L. Occupational Health and Safety					
	Unit	2019	2020	2021	2022
Fatalities - Employees	<i>Number</i>	0	0	0	0
Fatalities - Contractors	<i>Number</i>	1	2	1	0
Lost-Time Injury Frequency Rate (LTIFR) - Employee	<i>n/million hours worked</i>	0.00	0.21	0.00	0.00
Lost-Time Injury Frequency Rate (LTIFR) - Contractors	<i>n/million hours worked</i>	0.21	0.29	0.22	0.23
Total Recordable Injury Frequency Rate (TRIFR) - Employee	<i>n/million hours worked</i>	1.10	0.42	0.62	0.21
Total Recordable Injury Frequency Rate (TRIFR) - Contractors	<i>n/million hours worked</i>	0.83	0.84	0.85	0.90
Process Safety Events - Tier 1	<i>n/million hours worked</i>	0.00	0.03	0.00	0.08

CORPORATE SOCIAL RESPONSIBILITY DATA					
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A. Philanthropic Contributions by Category					
	Unit	2021	2022		
Charitable Donations	%	19.4	11.0		
Community Donations	%	80.6	89.0		
Commercial Initiatives	%	0.0	0.0		
Total	%	100.0	100.0		

B. Philanthropic Contributions by Type			
	Unit	2021	2022
Cash contributions and benefits	<i>INR Million</i>	147	275
Employee volunteering hours	<i>INR Million</i>	0	0
In-kind contributions	<i>INR Million</i>	0	0
Management overheads	<i>INR Million</i>	0	0

C. Corporate Citizenship Strategy

	Livelihood and Sustainable Development	Education Development	Community health care and hygiene	Skill Development	Community infrastructure and environment
Description	Creating a congenial environment in vicinity through economic empowerment of the community	An educated vicinity to support the growth of business	A healthy community around	Skill development trainings in partnership with NSDC	Support to community institutions
Business Benefit KPI	Uninterrupted business operation to contribute in through put target	Uninterrupted business operation to contribute in through put target	Uninterrupted business operation to contribute to the through put target	Uninterrupted business operations to contribute to the through put target	Uninterrupted business operations to contribute to the through put target
Social/Environmental Benefit KPI	To empower women of vicinity villages, 1,350 women associated with 125 SHGs formed in FY 2022-23. 18,190 farmers of 46 villages benefitted with Dairy Development Activities	17,950 students of 90 Govt. schools (from 46 vicinity villages) benefitted through different activities like- Scholarship distribution, Uniform and Stationeries distribution, school furniture support, co-curricular activities, Bicycles distribution and school infrastructure development	8,000 people benefitted through Medical Camps and camps for physically challenged People. 2,353 girls and youth covered through awareness on Menstrual Health Management and Fitness promotion activities.	Imparted 13 specialized skill development trainings to 600 beneficiaries	6,301 population covered through rural development projects and community institution support