



HPCL Mittal Energy Limited (HMEL)

Sustainability Report 2023-24



Table of Content

2 Our Values & Vision

4 Report Overview

- 5 Reporting Approach
- 5 Reporting Scope and Boundary
- 6 Reporting Period
- 6 Management's Responsibility
- 7 Performance Highlights

8 HMEI's Overview

- 10 Value Creation Model
- 12 Stakeholder and Materiality Assessment
- 12 Stakeholder Engagement
- 14 Materiality Assessment
- 16 Materiality Matrix
- 18 Impact Analysis
- 22 ESG Goals and Progress
- 26 A letter from Managing Director & CEO

28 HMEI's Governance Structure

- 29 Board of Directors
- 29 Composition of Board of Directors
- 32 Board Committees' Roles and Responsibilities
- 34 Organogram and Senior Management Team
- 36 Nomination and Selection of Board of Directors
- 36 Board Diversity
- 36 Governance Structure

48 HMEI's Sustainability Strategy

- 49 Financial Capital
- 49 Financial Performance and Growth
- 51 Tax Strategy

52 Intellectual Capital

- 52 Research and Development
- 53 Information Technology and Cybersecurity

56 Manufactured Capital

- 56 Infrastructure Development

57 Natural Capital

- 57 GHG Emissions
- 61 Energy Management
- 62 Climate Change Strategy
- 64 Water Management
- 66 Waste Management
- 67 Biodiversity Management

68 Human Capital

- 69 Talent Attraction and Retention
- 69 Employee Well-being
- 71 Health and Safety
- 80 Human Rights
- 80 Diversity, Equity, and Inclusion
- 82 Learning and Development

85 Social & Relationship Capital

- 86 CSR
- 92 Supply Chain Management

93 Awards & Certifications

- 96 GRI Index
- 102 Assurance Statement

Our Values & Vision



Business Integrity

Our business decisions are steered by a definitive set of core principles, which remain unwavering regardless of the nature of the decisions we make. These principles are not only ingrained within our collective mindset but are also embodied by every member of our workforce. Our Code of Conduct and Ethics serves as the pillar of our business integrity, upholding the values that have enabled us to foster enduring trust with our stakeholders.

Accelerating Sustainable Growth

At HPCL-Mittal Energy Limited (HME), we are committed to the judicious and thoughtful utilization of resources, catalyzing economic progress, and fostering the Sustainable Growth of our organization. Our Sustainability Policy is pivotal in aligning our efforts with the goals and objectives aimed at achieving comprehensive development. This policy emphasizes not just the sustainable growth of HME but extends to encompass the well-being and progress of all our stakeholders. It ensures a synergy between organizational growth and sustainability, creating a balanced and responsible approach to business development.

Caring for People

The support of our stakeholders and employees is paramount for HME in realizing our sustainability objectives. A fundamental element of our vision is our unwavering commitment to establish a secure working environment and enhancing health and safety protocols. We persistently cultivate a diverse

and inclusive workspace, not only for our employees and stakeholders but also within all our community development initiatives. This Sustainability approach ensures that every facet of our organization is aligned with modern, inclusive, and sustainable practices.





Report Overview

Reporting Approach

HPCL Mittal Energy Limited (H MEL) presents its third Integrated Report for the fiscal year 2023-2024, providing a comprehensive overview of our financial and non-financial performance. For this report, HPCL Mittal Energy Limited is referred to as "H MEL," "the Company," "we," "our," and "us." This report highlights our dedication to creating value for stakeholders through a sustainable business approach that prioritizes Environmental, Social, and Governance (ESG) factors. Aligned with the International Integrated Reporting <IR> Framework established by the International Integrated Reporting Council (IIRC); we enhance our report each year with additional disclosures. This ensures that all stakeholders receive relevant information about our value creation process, empowering them to make well-informed decisions. Our Integrated Report aims to provide both quantitative and qualitative insights into key material aspects and our interactions with stakeholders.

Independent Assurance

TUV SUD has conducted a limited assurance review of specific non-financial indicators, in line with the ISAE 3000 and ISO 17029 standards. This review confirms that the report adheres to the 2021 Global Reporting Initiative Sustainability Reporting Standards. The assurance process included interviews with personnel responsible for stakeholder engagement and materiality analysis, evaluation of the systems and processes used for compiling and analyzing sustainability data, assessment of data collection and management procedures, and review of sustainability information reported by H MEL. For further details, please refer to the assurance statement on Page 104-106.

Reporting Scope & Boundary

This report provides an overview of our business strategy, approach, and purpose, with a specific focus on Environmental, Social, and Governance (ESG) initiatives, outcomes, and strategic plans. It includes financial and non-financial indicators to enable stakeholders to assess our performance across six capitals: Financial, Manufactured, Intellectual, Human, Natural, and Social and

Relationship, over the short-, medium-, and long-term. The scope of this report encompasses HPCL-Mittal Energy Limited (H MEL), HPCL-Mittal Pipelines Limited (H MPL), including the Guru Gobind Singh Refinery (GGS R) in Bathinda, Punjab; Mundra Port in Gujarat; and various offices across India.

The report follows the Integrated Reporting (<IR>) Framework and presents H MEL's performance based on the 2021 Global Reporting Initiative (GRI) Universal Standards and the Sustainability Accounting Standards Board (SASB) standards for Oil and Gas Refining and Marketing. These standards highlight H MEL's Environmental, Social, and Governance (ESG) practices and compliance with social and regulatory guidelines, providing stakeholders with a comprehensive view of the organization. Additionally, H MEL adheres to the aligns with the United Nations Sustainable Development Goals (UNSDGs) and International Sustainability Standards Board (ISSB S2).

Moreover, H MEL follows the National Guidelines on Responsible Business Conduct (NGRBC), which underpin the Business Responsibility and Sustainability Reporting (BRSR) as required by SEBI. This alignment ensures a smooth transition to national reporting standards when BRSR becomes applicable to non-listed entities. There have been no restatements of information for FY2023-24, including financial figures, except for any reclassifications necessary according to established accounting standards.

Reporting Period

The report details HMEL’s financial and non-financial performance from April 1, 2023, to March 31, 2024, highlighting key achievements, goals, strategies, and the organization’s commitment to accelerating sustainable growth. To offer a comprehensive overview and demonstrate progress on ESG key performance indicators, the report includes four years of data where available.

Management’s Responsibility

The Company’s management and senior executives have reviewed the report to enhance governance oversight, risk management, and controls. For all corporate governance related inquiries, please contact the Company Secretary at sidhartha.tyagi@hmel.in. For all ESG-related inquiries, please contact Girish Ghildiyal (Head of Sustainability and New Energy) at girish.ghildiyal@hmel.in

Performance Highlights



13.8MWp Roof Top Solar Project. ~750 KWp Roof Top Solar installed by 31st March 2024. Power generation and billing commenced. Balance capacity of Roof-top Solar under implementation with 1MW installed by May-24.



Commissioned a first generation 300 KLPD Bio-Ethanol plant



HMEL introduces an industry first innovation that enhances logistics efficiency, promotes environmental sustainability and improves operational efficiency by lowering spill risks, reducing pollution and minimizing land disruption.



Planted a cumulative of 13,100 trees including part of Green Plantation drive at Mundra and HOPL (Bathinda).



Commenced commercial operations of the Guru Gobind Singh Polymer Addition Project (GGSPAP)



Conducted a double materiality assessment to identify impact on stakeholders and established supplier assessment framework for crude and non-crude suppliers.



Increase in the average hours spent per FTE on training by 93.6%.



Achieved 5% increase in Employee Satisfaction Score in FY23-24 with high participation rate of 93%. Employee attrition rate reduced from 11.1% to 7.7%.



Increased the share of female workforce by 96.65% in comparison to the previous year



Communication on Progress aligned with UN Global Compact Principles.



Achieved ISO 22301 certification for Business Continuity Management Systems.



Implemented a comprehensive cyclone preparedness strategy at Mundra during cyclone Biparjoy.



HMEL's Overview

HPCL-Mittal Energy Limited (HMEL), a joint venture between Hindustan Petroleum Corporation Limited (HPCL) and Mittal Energy Investments Pte Ltd., Singapore, is a key player in India's refining and petrochemical industry. Both promoters hold a 48.99% equity stake in the company. HMEL operates the prestigious Guru Gobind Singh Refinery (GGSR) in Bathinda, Punjab, known for its advanced configuration capable of processing a diverse range of crude oil grades to produce various high-value petroleum and petrochemical products.

In FY 2023-24, HMEL successfully launched commercial operations at its new petrochemical facility, the Guru Gobind Singh Polymer Addition Project (GGSPAP), located within the GGSR premises. GGSPAP includes a state-of-the-art cracker with a capacity of 1.2 MMTPA, expandable to 1.5 MMTPA. This facility optimizes the use of low-value refinery gases, naphtha, and kerosene, which were previously used for power generation or sold at lower prices. The facility produces downstream polymers such as LLDPE, HDPE, Butene, and additional PP, thereby diversifying HMEL's portfolio and reducing dependence on a single commodity cycle.

Additionally, HMEL, through its wholly owned subsidiary HPCL-Mittal Pipelines Limited (HMPL) has established a Crude Oil Terminal (COT) in Mundra, Gujarat, on India's west coast. This facility includes a Single Point Mooring, 17 storage tanks with a total capacity of approximately 6.4 million barrels of crude oil, modern blending facilities, and a 1,017 km crude oil pipeline connecting the COT to the GGSR crude receipt station.

Furthermore, in FY 2023-24, HMEL incorporated three wholly owned subsidiaries, HMEL Organics Private Limited (HOPL), HMEL Retail Private Limited (HRPL), and HMEL Green Energy Private Limited (HGEPL). HOPL commissioned a 300 Kilo Liters Per Day (KLPD) Bio-Ethanol plant near Guru Gobind Singh Refinery, Bathinda which produces fuel ethanol, distiller dried grain soluble and food grade carbon dioxide. HRPL aims to be India's top solution provider for energy needs providing advanced mobility solutions and alternative fueling options such as fuel, EV charging points, battery swapping stations. HGEPL aims to drive green transformation and expand its green energy portfolio to strategically navigate the dynamic and diverse field of renewable energy, including the promising sector of green hydrogen and ammonia.



Value Creation Model



INPUTS

Financial Capital

- Equity: INR 160,921 Million
- CapEx FY24: INR 27,603 Million

Intellectual Capital

- R&D Expenditure: INR 35 Million
- Total patents filed: 13
- Total hours spent on technical, behavior trainings: 86,342 hours

Manufactured Capital

- Petrochemical plant with DFCU: 1.2 MMTA
- Crude Oil Processed: ~253 kbpd
- COT Mundra capacity can store up to 1.5 times India's daily crude oil demand
- Single Point Mooring for Handling VLCCs 7km in sea at Mundra Gujarat
- 110 vessels and 3 new crude grades handled during the year

Natural Capital

- Renewable energy: 14,434 MWh
- 750KW capacity of new solar projects

Human Capital

- Total Permanent Employees: 2,201
- Total trainings conducted: 35

Social and Relationship Capital

- More than 50 CSR projects sanctioned.
- 2,178 new customers for petrochemical products added during the year



OUR BUSINESS MODEL

Our Purpose

- Business Integrity
- Accelerating Sustainable Growth
- Caring for People

Our Values

- Incident and Injury Free Workplace
- Achieve Targets and Meet Deadlines
- High Ethical Standards
- Respect for People
- Continuous Improvement and Learning
- Teamwork

Our Pillars

- Business Activities:
- Crude oil purchased from outside India
- It is subsequently transported by pipeline to our refinery in Bathinda
- Bioethanol, Diesel (HSD BSVI), Petrol (MS BS VI), LPG, Kerosene (SKO), Aviation Turbine Fuel (ATF), Mineral Turpentine Oil (MTO), Hexane, Sulphur, Petcoke, Bitumen, Polypropylene (PP), High Density Polyethylene (HDPE), Linear Low-Density Polyethylene (LLDPE), Benzene and Low-Sulphur Fuel Oil (LSFO) are produced
- HPCL purchases liquid fuels, as well as other market products



OUTPUTS

Financial Capital

- Revenue: INR 913,305 Million
- EBITDA: INR 73,651 Million
- RoCE: 10%
- Direct Taxes (Includes TDS/TCS, MAT/Corporate tax and Dividend Distribution Tax) of INR 3,358 million
- Indirect Taxes (including Excise duty on sale of goods) of INR 171,569 million

Intellectual Capital

- Patents granted: 3

Manufactured Capital

- Share of top 10 customers has decreased by 30.23%, in comparison to FY23, as the number of new customers have increased in FY24
- 11,523 KT of solid and liquid products, out of which 10,089 KT of fuel products and 1,434 KT of polymer products

Natural Capital

- 14,434 MWh Renewable Energy used
- Quantity of waste reprocessed in DCU: 7,170 MT
- Total Water Recycled: 100%

Human Capital

- 119.3 hours of learning per employee per year
- Total safety training man-hours: 1,72,716
- Employee Engagement Survey Score: 80%
- LTIFR Employee: 0.19
- Fatalities: 0

Social and Relationship Capital

- CSR spent: INR 409 Million
- CSR Beneficiaries over 155,149
- Local procurement: 10%
- MSMEs: 32%



OUTCOMES

Financial Capital

- Sustainable cash flows
- Strong balance sheet
- Constant development of value for stakeholders
- Dividend paid of INR 6,124 million to promoters and for taxes

Intellectual Capital

- Attaining operational excellence through innovation
- Increasing digitization

Manufactured Capital

- Enhancing integrity, infrastructure, and safety protocols
- Boosting operational efficiency

Natural Capital

- Implementing environmental sustainability initiatives
- Minimizing reliance on non-renewable resources

Human Capital

- Improving employee welfare and safety
- Employing skilled staff in a supportive workplace environment
- High retention rate

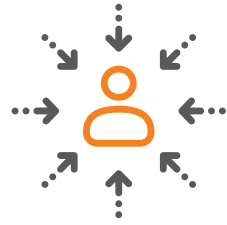
Social and Relationship Capital

- Promoting literacy and education
- Creating job opportunities
- Fostering regular engagement with customers and stakeholders



SDG LINKAGE







Stakeholder and Materiality Assessment

Stakeholder Engagement

Over the years, we have developed organizational practices that promote transparent, open, and constructive dialogues with our stakeholders. This approach enhances our understanding of critical issues, stakeholder characteristics, and the importance of meaningful involvement. Stakeholder feedback plays a crucial role in prioritizing and aligning our strategy with their expectations.

We recently conducted a comprehensive stakeholder engagement exercise to identify the key ESG challenges in the evolving sustainability landscape to create long term value for the company. Our engagement programs are driven by the principles of inclusion, materiality, responsiveness, and generating practical insights that inform our vision and goals

The following table highlights our engagement with our key stakeholders' groups:

|  Shareholders / Investors |  Customers / Dealers |
|---|---|
| Shareholders/Investors are critical stakeholders in HME's long-term success. We realise that maintaining transparent communication and demonstrating sound ESG practices are key to earning the trust and confidence of Shareholders/Investors. | Our customers are the cornerstone of our long-term success. We prioritize their satisfaction, quality products and ensuring their needs are met with excellence across all aspects of our operations. |
| Channels of communication Sustainability and Annual Reports Annual General Meeting (AGM) | Channels of communication Social Media • Customer Meets |
| Frequency of engagement Annually | Frequency of engagement Monthly |
| Purpose and scope of engagement including key topics and concerns raised during such engagement Success stories • Achievements Transparent engagement by full information through structured reporting | Purpose and scope of engagement including key topics and concerns raised during such engagement Need-goal approach. Success stories • Achievements |

|  Suppliers & Contractors |  Employees |
|---|--|
| Our suppliers and contractors are essential to our value chain. We work closely with them to streamline procurement processes, ensuring seamless operations and mutual success. | Our employees are invaluable assets, driving our sustained growth and market leadership. They play a key role in enhancing our competitiveness and delivering exceptional value to our stakeholders. |
| Channels of communication Social Media • Supplier Meets | Channels of communication Leadership communication Poster/Email • Trainings & awareness sessions |
| Frequency of engagement Annually | Frequency of engagement Weekly / Monthly |
| Purpose and scope of engagement including key topics and concerns raised during such engagement Daily updates • Monthly | Purpose and scope of engagement including key topics and concerns raised during such engagement ESG upskilling on new initiatives and policies |
|  Communities |  Financial Institutions |
| Enriching the lives of the communities where we operate is central to our sustainability efforts. We continuously strengthen our ties with local communities through various upliftment programs and initiatives. | Financial agencies play a critical role in supporting developmental and infrastructure projects across regions. Their trust and investment enable us to contribute to economic growth and development. |
| Channels of communication Knowledge sessions ESG themed campaigns / social media | Channels of communication Investment presentations |
| Frequency of engagement Monthly | Frequency of engagement Quarterly / Annually |
| Purpose and scope of engagement including key topics and concerns raised during such engagement Goal approach partnership | Purpose and scope of engagement including key topics and concerns raised during such engagement Impact Achievements |
|  Regulators & Statutory Bodies | Channels of communication Website • ESG Compliance filings |
| Establishing positive relationships with regulatory bodies is vital for ensuring business continuity. We closely monitor regulatory developments and actively engage in discussions to advocate for progressive policies. | Frequency of engagement Bi-annually |
| | Purpose and scope of engagement including key topics and concerns raised during such engagement Impact Achievements |

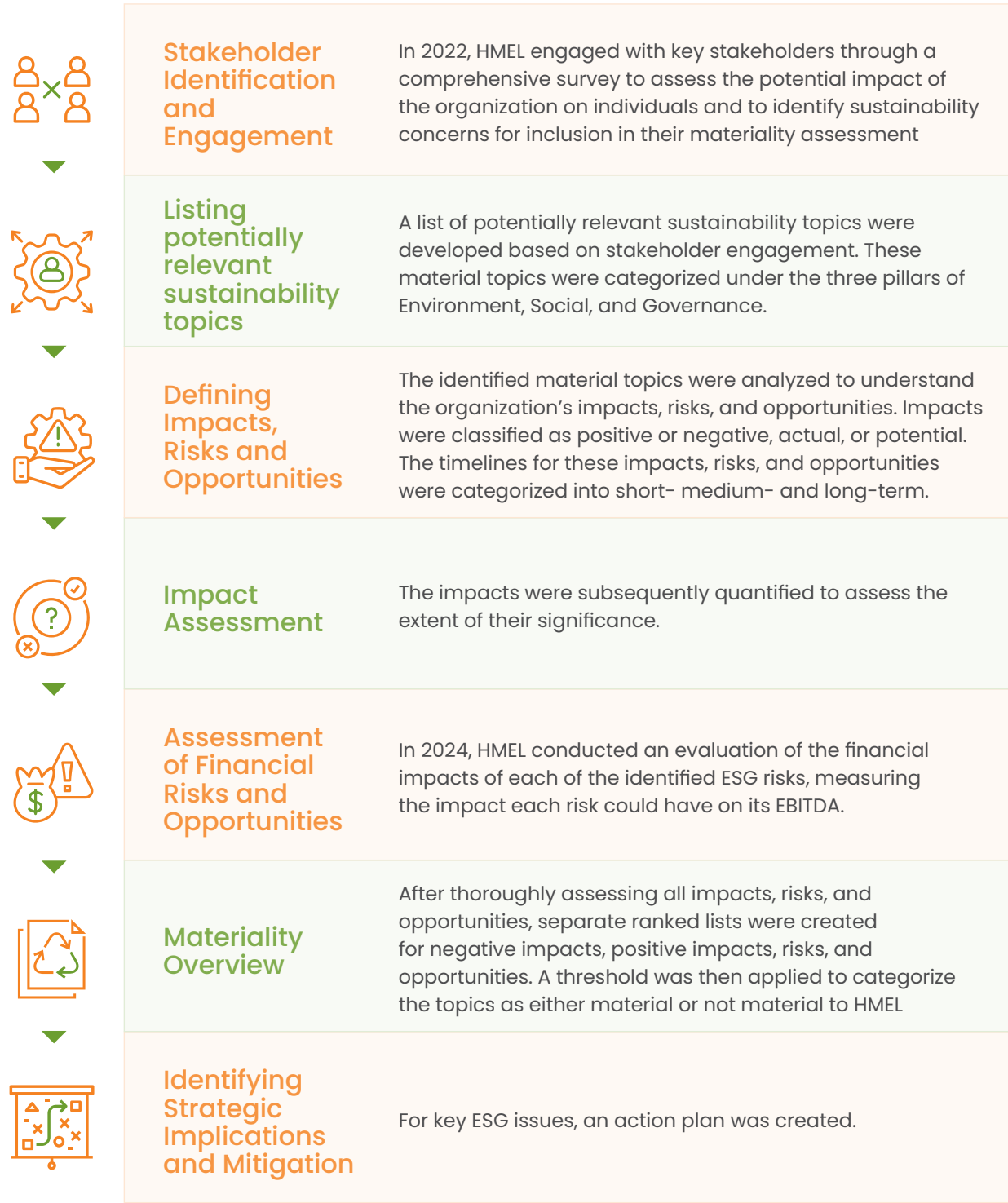
Materiality Assessment

HMEL recognizes the crucial role of materiality assessments in shaping our ESG strategy by providing insights into the relative importance of ESG factors and their potential impact on value creation. Our approach utilizes a systematic methodology, including a dedicated materiality assessment conducted biennially, involving both internal and

external stakeholders. In 2022, we got an insight into our stakeholders perspective on the impacts of key ESG issues. To maintain the highest standards of integrity, an independent third party was engaged to ensure the assessments confidentiality and objectivity.

In this reporting year, we have expanded our scope to consider the financial impacts and effects of our company’s operations on our stakeholders and the society at large by performing a double materiality assessment. Double materiality considers both the impact of the company’s activities on the environment and society (inside-out perspective) and how external environmental and societal factors

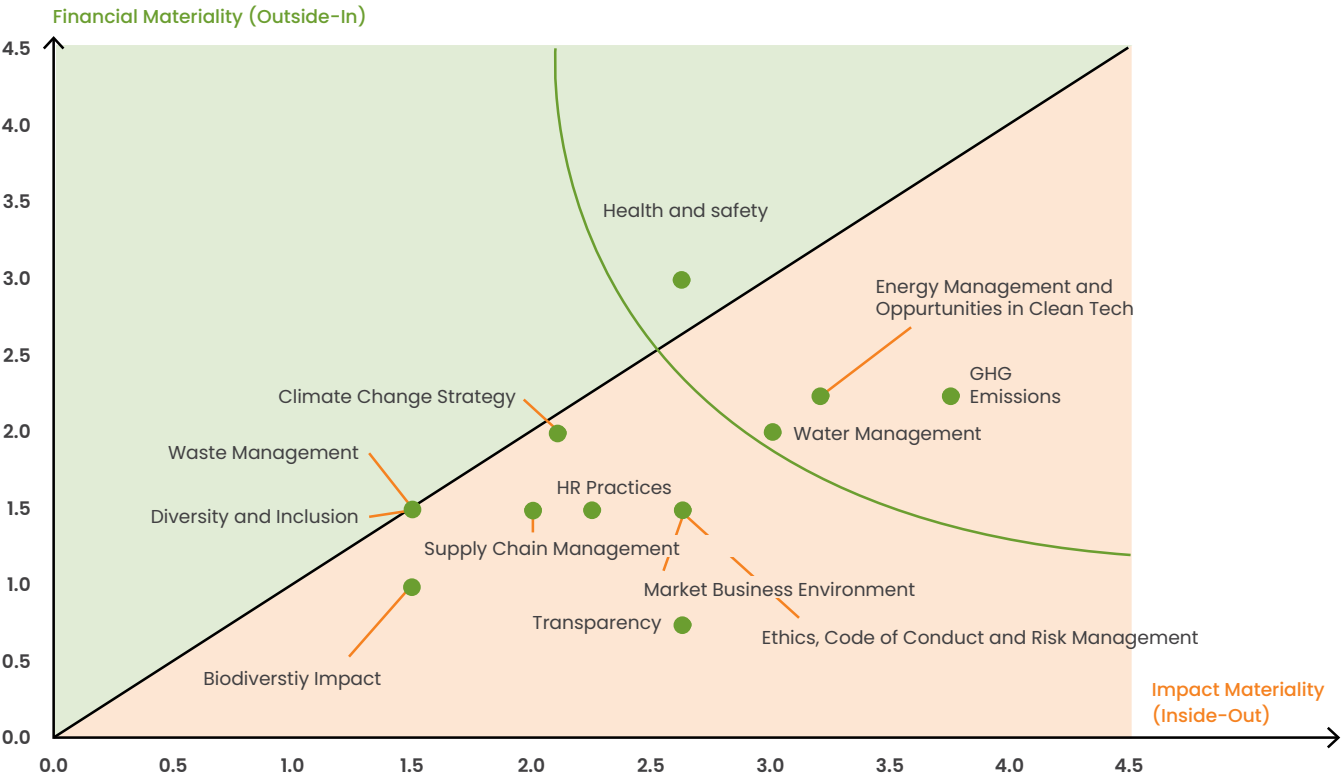
affect the company’s financial performance and sustainability (outside-in perspective). For each of the material issues identified, measures have been developed to manage the environmental and societal impacts. At the Board level, our Risk Management Committee along with the Sustainability Committee reviews the material issues on an annual basis and formulates mitigation strategies.



Materiality Matrix

Through stakeholder engagement, we explore the concerns of those impacted by our operations, identifying key issues with significant impact. These issues are meticulously represented in a Materiality Map, categorizing them by importance. Throughout the reporting period, we reassessed these material issues, holding discussions with internal stakeholders to evaluate their financial impact and stakeholder implications.

Issues were classified as risks or opportunities, and their likely financial implications were determined. This matrix enables HMEI to concentrate on the most critical issues, facilitating an integrated approach to sustainability management. Leveraging insights from the matrix, HMEI has established goals aimed at promoting environmental health, advancing societal progress, and fostering sustainable development.



| High | Medium | Low |
|--|--|-----------------------------|
| 1. Health and Safety | 5. Climate Change Strategy | 10. Waste Management |
| 2. Energy Management and Opportunities in Clean Tech | 6. HR Practices | 11. Diversity and Inclusion |
| 3. GHG Emissions | 7. Supply Chain Management | 12. Biodiversity Impact |
| 4. Water Management | 8. Market and Business Environment | 13. Transparency |
| | 9. Ethics, Code of Conduct and Risk Management | |

| GHG Emissions, Energy Management and Opportunities in Clean Technology | |
|--|--|
| Material issue for external stakeholders | HMEL is working towards developing environmentally friendly commodities such as ethanol and green hydrogen along with diversifying its portfolio to integrate cleaner energy within the value chain. |
| Relevance on external stakeholders | <p>HMEL recognizes the environmental impact it has by generating a significant proportion of GHG emissions leading to global warming and the negative externalities associated with it. To curb these negative externalities, we remain committed to achieving our net zero target of 2040 and aligning with India's net zero target of 2070. To meet the clean energy demands of our customers, we have recently commissioned a 300KLD capacity bioethanol plant and are diversifying into a clean energy portfolio by exploring new opportunities in clean energy, technology solutions and emerging low-carbon products.</p> <p>Positive potential impacts to our stakeholders include access to environmentally friendly commodities with a lower carbon footprint, improvement in air quality and the health and wellbeing the community.</p> |



| | |
|-----------------------|---|
| Financial implication | Investing in clean technologies can enable access to new markets, customers, and lead to further innovation. Implementation of environmentally friendly products, technologies and services can reduce operational costs in the long term with tax benefits. Moreover, it will aid in reducing regulatory and legal risks association with carbon pricing and avoid fines/ penalties. |
| Output metric | Avoided CO2 emissions: 11,000MT from renewable energy sources. |
| Impact metric | Societal/ environment benefits = INR 20 - 25 Million annually in OPEX from the 13.8MW solar rooftop installation in Bathinda refinery |

| Water management | |
|--|--|
| Material issue for external stakeholders | HMEL's Bathinda Refinery is situated in a high water-stressed area, therefore, the likelihood of water stress and water depletion in the short-to-medium-term is high. |
| Relevance on external stakeholders | <p>Given the expansion of the Refinery and operations at Bathinda, the water withdrawal is projected to increase. Bathinda is already identified as a water-stressed area and the dependency on the water has the potential to create scarcity causing stakeholder conflicts with the local community as it extracts water from a shared source.</p> <p>The potential negative impacts entail water scarcity for HMEL's operations, affecting production and possibly supply chain disruptions. Therefore, to mitigate this risk, the management is implementing water-efficient measures to effectively utilize water. The Refinery has a water reservoir with 14 days of water to ensure production remains unaffected. Moreover, the management is also exploring ways to diversify water sources for the operations to continue uninterrupted.</p> |
| Financial implication | Water conservation and recycling strategies are being implemented at the Refinery level; however, water diversification will bear a significant cost for the company. |
| Output metric | Water conserved: ~ 63 m3/hr |
| Impact metric | Societal/ environmental benefits = Water conserved ~63m3/hr with equivalent savings of freshwater and raw water treatment cost |

| Health and Safety | |
|--|--|
| Material issue for external stakeholders | HMEL is working towards having an injury and incident free workplace (IIF). Therefore, improved safety culture could result in a decrease in the instances of injuries, incidents, and illnesses among the workforce |
| Relevance on external stakeholders | <p>Within the Oil and Gas industry, particularly in the Refinery and Petrochemical operations, the nature of business involves exposure to high-risk activities. Therefore, it is imperative to practice robust health and safety measures.</p> <p>The actual positive impacts are ensuring effective implementation of these practices helps in generating trust and boosting the commitment of employees to adhere and works towards improving the health and safety records. This in turn aids in lowering the absentee rates, LTIFRs resulting in increased productivity and overall wellbeing of employees.</p> |
| Financial implication | A health workforce ensures the continuity of the business. To achieve an injury and incident free workplace, several measures have been adopted such as providing safety training amounting to 1,72,716 hours. Moreover, daily briefings, audits, and review processes in place to ensure effective management from the Senior Management. |
| Output metric | 0 fatalities among employees and contractors 0.19 LTIFR – Employees 0.19 TRIFR – Employees |
| Impact metric | Societal/ environment benefits = Increased productivity of workers when there is a decrease in incidents and no fatalities. |





ESG Goals and Progress

Environment

| KPI | Aspirations | Target Year | Progress in FY2024 | Capital Linkage |
|--------------------------------|--|-------------|--|-------------------|
| Renewable Energy | ~38% of the total energy mix to be constituted by renewables | 2030 | In progress | Natural Capital |
| GHG Emissions | 12.7% reduction in GHG emissions | 2030 | In progress | Natural Capital |
| Energy Efficiency | Follow the PAT targets given by the Bureau of Efficiency, Government of India to achieve MBN | YoY | Achieved | Natural Capital |
| Waste Recycling and Generation | To achieve the EPR targets as given by the Government of India | YoY | Achieved | Natural Capital |
| Water Consumption | 20% reduction in withdrawal of freshwater use per unit of crude processed | 2027 | In progress | Natural Capital |
| Focus on ESG | Increase R&D spending to 5% of EBITDA and measure the impact on financial indicators | YoY | R&D expenditure increased up to INR 35 million | Financial Capital |
| | 100% integration of ESG risks in capital allocation decisions | 2025 | In progress | Financial Capital |
| | SOPs for investment appraisals and decisions need to be framed and incorporated in material ESG risks | YoY | In progress | Financial Capital |
| Reporting | Sustainability-targets to be linked to annual remuneration for functional heads and management committee | YoY | Achieved – Targets included in KRA | Human Capital |
| | Undertake TCFD assessment and disclose findings annually | 2024 | Achieved | Natural Capital |

Social

| KPI | Aspirations | Target Year | Progress in FY2024 | Capital Linkage |
|-------------------|--|-------------|--|---------------------------------|
| Health Insurance | Recording and analysis of sickness absence with targeted initiatives based on findings | 2025 | In progress | Human Capital |
| | Free medical consultation to 100% contractual workers | 2024 | Achieved | Human Capital |
| Health and Safety | Monitoring of injury statistics against international benchmarks - US Refinery in top Quartile Total Recordable Injury Frequency Rate (TRIFR) <0.5 | YoY | In Progress LTIFR – Employees 0.19 (FY23: 0) TRIFR – Employees 0.19 (FY23: 0.21) | Social and Relationship Capital |
| | Continual improvement of safety culture through involvement of all employees and contractors in IIF initiatives | YoY | Achieved | Human Capital |
| | Continual improvement of HMEI safety management systems through internal and external audits and learning from incidents and near misses | YoY | In progress | Human Capital |
| | 100% employees to be trained under health and safety including permanent and contractual workers | 2025 | Achieved | Human Capital |
| | Monitoring of process safety incidents (as per API/CCPS methodology) against international benchmarks with the aim of being in the top quartile | 2025 | Achieved | Human Capital |
| | Pre-prepared incident plans for all types of emergency scenario with regular mock drills to test effectiveness of plans | 2025 | Achieved | Human Capital |
| | 100% employees to be trained under health and safety which extends to mental health trainings as well as depression, | 2025 | In progress | Human Capital |

| KPI | Aspirations | Target Year | Progress in FY2024 | Capital Linkage |
|--------------------------|--|-------------|---|---------------------------------|
| Social Reporting | Publicly report on quantitative social indicators such as human capital, labor indicators, human rights issues, occupational health safety | 2024 | Achieved | Social and Relationship Capital |
| Employee Satisfaction | Improvement on score for each Cultural Transformation Matrix parameter by at least 1 point over previous years | 2026 | Achieved. Increase in all parameters by more than 1% points | Human Capital |
| Employee Turnover | Provide employee turnover information by gender, age and job role | YoY | In progress | Social and Relationship Capital |
| Learning and Development | For the senior management, implement development plans for broad areas of Leadership, Digital and Innovation | 2025 | In progress | Intellectual Capital |
| Gender Pay | Maintain median pay level parity among female and male employees | YoY | Achieved | Human Capital |
| CSR | Continue to maintain CSR initiatives to 50% of the SDGs | YoY | Achieved | Social and Relationship Capital |

Governance

| KPI | Aspirations | Target Year | Progress in FY2024 | Capital Linkage |
|-------------------------------|--|-------------|--------------------|---------------------------------|
| Supplier Audit and Assessment | Conduct 100% survey on human rights with suppliers | 2025 | In progress | Social and Relationship Capital |
| Policy Influence | Increase % procurement from MSMEs | 2024 | Achieved | Social and Relationship Capital |

A letter from Managing Director & CEO

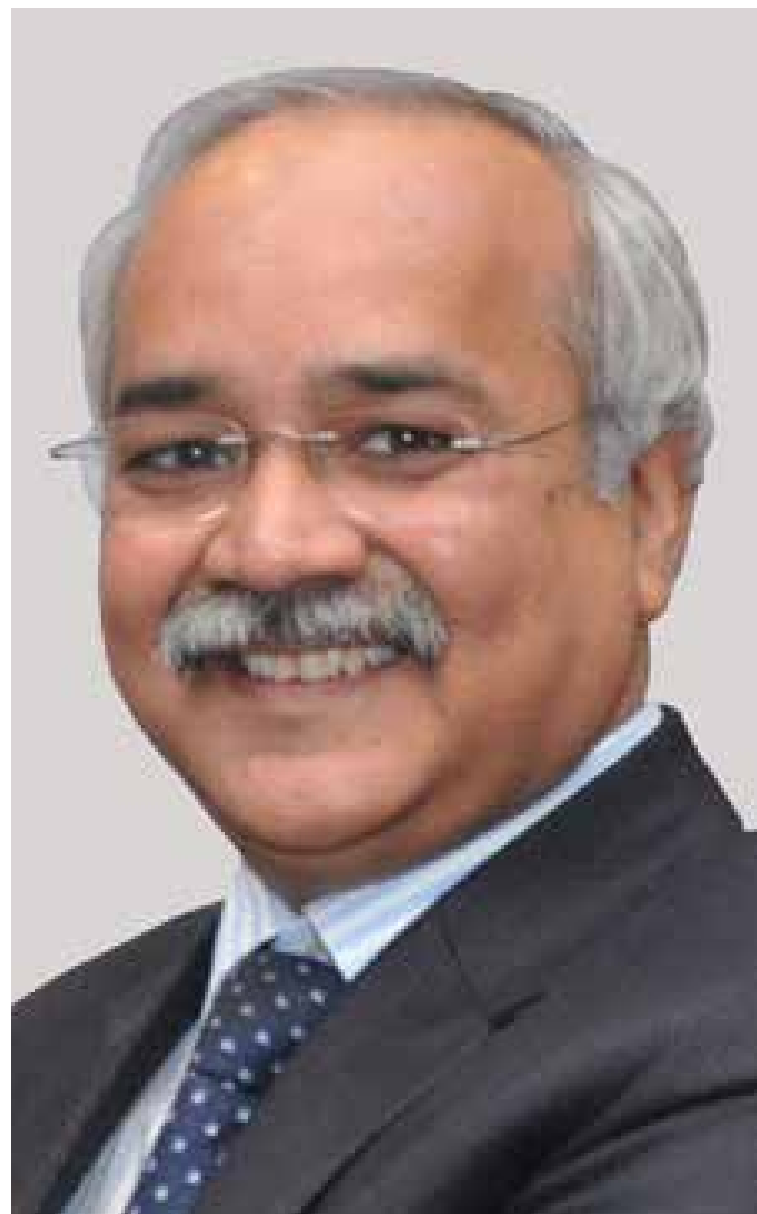
Dear Stakeholders,

At HMEL, sustainable development is not just a goal but the core of our vision and operations. We are dedicated to a future where economic growth, environmental stewardship, and social responsibility are in perfect balance. Over the past year, we have achieved significant milestones that position us well for continued success and sustainability.

One of our notable achievements, this year, has been stabilizing our Petrochem operations, a crucial success that paves the way for the next phase of our transformation. This phase focuses on three key areas: green transformation (focusing on renewables and biofuels), digital transformation (using next gen technologies available to us), and

business transformation (investments in new areas). To drive these initiatives, we have established three subsidiaries. Additionally, we are investing significantly in expanding our retail footprint and enhancing our bioethanol production capabilities, reinforcing our commitment to sustainable energy solutions.

Understanding the importance of our people and the environment, we have implemented robust oversight mechanisms for sustainability. Our ESG sub-committee ensures our initiatives align with global best practices. Within our refinery premises, we have expanded our renewable energy infrastructure, including significant rooftop solar capacity (750 kW) and six biogas units.



Our commitment to climate action is underscored by our comprehensive climate risk assessment and adherence to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Our goal is to achieve a net zero target by 2040..

Water conservation is another critical focus area. We have launched several initiatives, within our refinery premises, and in nearby villages in collaboration with local communities. Our aim is to enhance water management and conservation, ensuring sustainable water use practices that benefit both our operations and the surrounding regions.

Health and safety are paramount at HMEL, and our rigorous practices have resulted in exemplary safety records. This past year, we achieved zero fatalities and significantly reduced injuries. We have also implemented a comprehensive safety training program for all employees, reducing the risk of accidents and ensuring a safer working environment. Our commitment to safety is unwavering, and we will continue to prioritize it in all our operations.

We are also dedicated to fostering a diverse and inclusive workplace. Our efforts to improve our gender ratio resulted in an increase in female workforce (4.5% in FY24 versus 2.3% in FY23). A diverse and inclusive workforce is essential for driving innovation and creativity, and we are committed to creating an environment where all employees feel valued and respected.

Our transition to a five-day work week from six has been well-received, contributing to improved work-life balance for our employees. There has also been an increased representation of females joining us at junior levels. This year, we have seen a five-point increase in employee satisfaction scores (from 75% to 80% and a reduction in attrition rates (from 11.1% to 7.7%), reflecting the positive impact of our initiatives. Succession planning is a critical component of our long-term strategy, and we have recently welcomed several new Vice Presidents and Heads of Departments, ensuring sustained leadership excellence.

Transparent communication ensures that our stakeholders are informed about our journey and milestones. We facilitate this through initiatives like

the HMEL Buzz, our weekly internal newsletter, and an active social media presence.

We are also committed to community welfare, as reflected in our increased CSR spending (49% y-o-y increase in FY24). We believe that giving back to the community is essential for building strong relationships and creating a positive impact on society.

Our commitment to business continuity remains strong. This year our IT systems were certified by ISO 22301 (Business Continuity Management System). Our business continuity plans were also tested by Cyclone Biparjoy which struck India's western coast in June 2023. We were able to secure critical infrastructure, equipment and storage tanks against the fierce winds and heavy rains with preemptive maintenance and reinforcement. We maximized crude tank capacities to ensure an adequate supply during disruption and placed drag reducing agents (DRA) to boost pipeline flow after the cyclone. Our detailed crisis management plan ensures continuous operations of the refinery and swift recovery post cyclone.

At the core of our operations is a steadfast commitment to ethical business practices. We uphold the highest standards of integrity, adhering strictly to our Code of Conduct with zero tolerance for bribery and corruption. Our values are also communicated to our value chain partners.

Our commitment to sustainability and our people has also been recognized by ESG rating agencies and reflected in our strong performance across ESG scores. As we move forward, we are committed to continuing our sustainability journey with a focus on environmental sustainability, social responsibility, and governance. We will continue to prioritize our stakeholders' needs and work towards creating a brighter future for all.

I thank you for your continued trust and support as we navigate this transformative journey towards a sustainable and prosperous future.

Managing Director and Chief
Executive Officer

HMEL's Governance Structure



Board of Directors:

The Board of Directors serves as the paramount governing entity, bestowed with the responsibility of overseeing and directing the management and operations of the company. Our Board of Directors bring a wealth of technical, financial management, and administrative expertise, ensuring effective and

smooth operations. The Managing Director is tasked with overseeing the company's policies and practices, ensuring that sustainability is deeply integrated into all actions.

The Average Tenure of the Board is **6.38 years**.

Composition of Board of Directors:

Mr. Aditya Mittal is the CEO of ArcelorMittal and the current Chairman of HPCL-Mittal Energy Limited. Before becoming CEO, he served as President and CFO of ArcelorMittal. He joined Mittal Steel in 1997, holding various leadership roles until 2006. Notably, he led Mittal Steel's successful bid for Arcelor. His achievements have earned him several prestigious accolades, including being named 'European Business Leader of the Future' by CNBC Europe in 2008 and securing the fourth spot on Fortune's '40 under 40' list in 2011.

Mr. Mittal is also active in governance and philanthropy. He serves on the boards of the Wharton School and Iconiq and supports Great Ormond Street Hospital and UNICEF in India. He holds a bachelor's degree in economics from the Wharton School at the University of Pennsylvania, USA.

Tenure: Since July 2016



Mr. Aditya Mittal
Chairman,
Non-Executive Director



Pushp Kumar Joshi
Non-Executive Director

Mr. Pushp Kumar Joshi is the Chairman and Managing Director of HPCL. He previously served as Director of Human Resources. Mr. Joshi holds a Doctorate in Human Resource Management, a postgraduate degree from XLRI, Jamshedpur, and a Bachelor of Law from Andhra University. He has been instrumental in designing and implementing key HR policies and strategies that promote a high-performance culture.

Tenure: Since May 2022



Dr. Asha Kaul
Independent
Director

Dr. Asha Kaul is a Professor in the Communication Area at IIMA, having joined in 2002. She has held significant administrative roles and received numerous awards, including the “Best Professor – Communications” by the Golden AIM Awards in 2020. She is recognized among the top 50 Indian management thinkers and serves on several academic councils. Dr. Kaul holds a doctorate in stylistics from IIT Kanpur and has over 30 years of experience in academia.

Tenure: Since December 2020



Mr. Rajneesh Narang
Non-Executive
Director

Mr. Rajneesh Narang, appointed as Director-Finance of HPCL, has a career spanning over three decades. Throughout his tenure, he has held several key positions, including Executive Director of Finance and Executive Assistant to the Chairman & Managing Director. He also serves on the boards of several HPCL joint venture companies. A member of the ICAI, Mr. Narang holds a master’s degree in financial management. He is renowned for his commercial acumen, innovative ideas, and people-centric leadership.

Tenure: Since July 2021

Mr. Rajan Tandon is the Vice President of Finance at Mittal Investments UK, with over 35 years of industrial experience. Throughout his career, he has held various financial roles within Mittal Steel and its predecessor companies, including Treasurer for LNM Holdings NV. Mr. Tandon holds an Honors degree in Commerce from St. Xavier’s College, Kolkata, and is a Fellow of the Institute of Chartered Accountants of India. He also serves on the boards of several group companies.

Tenure: Since July 2009



Mr. Rajan Tandon
Non-Executive
Director

Mr. S. Bharathan is the Director of Refineries at HPCL, with over 25 years of experience in refinery operations. He led HPCL’s Green R&D Centre in Bengaluru, where the company filed around 380 patents. He has also worked at HPCL’s Corporate Office on Margin Management and Refinery Project Processes

Tenure: Since October 2022



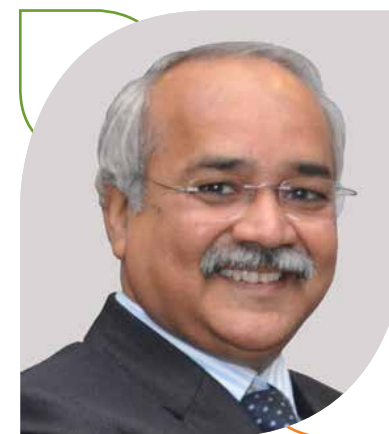
Mr. S. Bharathan
Non-Executive
Director



Mr. Jagjeet Singh Bindra
Non-Executive
Director

Mr. Jagjeet Singh Bindra is a member of the Supervisory Board of LyondellBasell and has extensive executive experience with Chevron and other major companies. He has led significant initiatives, including the construction of a critical pipeline from Kazakhstan to the Black Sea. Mr. Bindra holds degrees in Chemical Engineering from IIT Kanpur and the University of Washington, and an MBA from St. Mary’s College, California. He has received numerous awards, including the Diamond Award from the University of Washington College of Engineering.

Tenure: Since July 2018



Mr. Prabh Das
Managing Director and
Chief-Executive Officer

Mr. Prabh Das, Managing Director, and CEO, brings over 37 years of experience from leadership roles in the prestigious Indian Administrative Services (IAS) and the Oil & Gas industry. His expertise encompasses oil diplomacy and administration, project management and financing, refinery operations, marketing, and corporate governance. He was instrumental in shaping and implementing key policies in India’s petroleum sector. Mr. Das has received numerous awards, including ‘CEO of the Year’ at the Downstream India Excellence Awards 2022. He holds degrees from IIT Kharagpur and Southern Cross University and is a Certified Project Director.

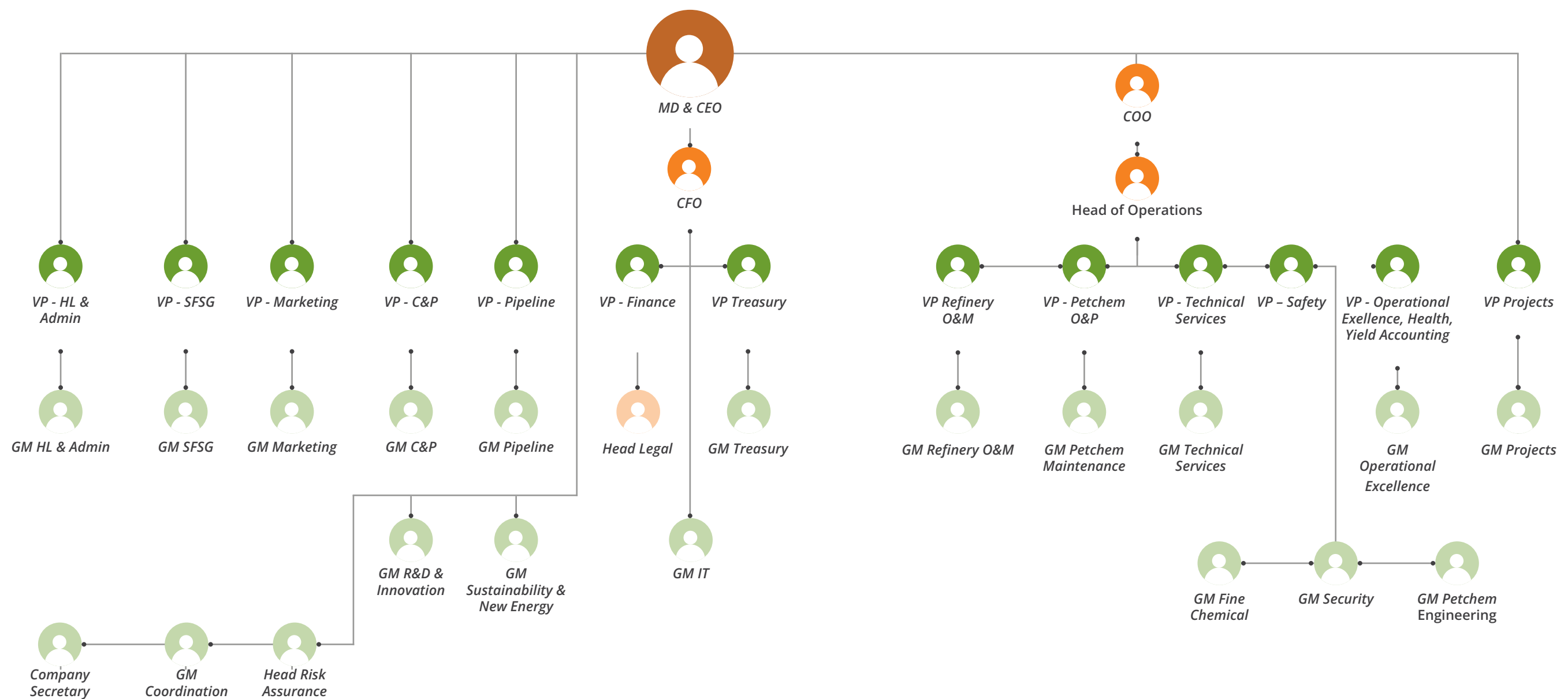
Tenure: Since April 2011



Board Committees Roles & Responsibilities

| Roles & Responsibilities | |
|--|--|
| Nomination and Remuneration Committee Chairman: Pushp Kumar Joshi Members: Aditya Mittal, Dr. Asha Kaul | <ul style="list-style-type: none"> • Committee (N&RC) has developed a remuneration policy for appointing and determining the pay of Directors, senior management, Key Management Personnel (KMP), and other employees. • The N&RC ensures that remuneration policies and practices are designed to attract, retain, and motivate executive directors and the senior management team while aligning with the company's strategic and business objectives. Compensation and rewards are directly linked to individual and company performance, fostering a meritocratic culture and a professional work environment that drives business success and performance excellence. The N&RC also periodically amends the remuneration policy for KMPs and senior executives as necessary. |
| Audit Committee Chairman: Rajneesh Narang Members: Rajan Tandon, Dr. Asha Kaul | <ul style="list-style-type: none"> • Directors periodically declare their interests in other entities, including directorships and shareholdings. Interested Directors abstain from participating in discussions and decisions at the Committee or Board level when conflicts arise. • The Audit Committee regularly reviews all Related Party Transactions (RPTs), and proposed RPTs are recommended by the Audit Committee for Board approval. Related Parties and their transactions are disclosed in the Financial Statements under the RPT schedule. Notably, there were no 'conflict of interest' transactions with related parties during FY2023-24. |
| CSR Committee Chairman: Jagjeet Singh Bindra Members: Rajneesh Narang, Dr. Asha Kaul | <ul style="list-style-type: none"> • The CSR Committee is tasked with formulating and recommending the Corporate Social Responsibility Policy to the Board, proposing CSR activities, and monitoring their implementation. • The committee's Terms of Reference include framing and periodically reviewing the CSR Policy, ensuring effective implementation, and monitoring of CSR activities in accordance with approved policies, plans, and budgets, ensuring compliance with laws and regulations governing CSR, and periodically reporting to the Board of Directors |
| Sustainability Committee Members: Jagjeet Singh Bindra, S. Bharathan, Dr. Asha Kaul | <ul style="list-style-type: none"> • The Sustainability Committee examines group-level sustainability frameworks, policies, norms, and recommendations. It conducts periodic reviews of sustainability policies in the global context and evolving statutory frameworks and monitors various aspects of sustainability performance such as ethical governance, environmental stewardship, site safety performance, water, and energy use. • The committee supports and advises management on developing and revising policies and procedures related to employee health and safety, the environment, climate change, and community relations, along with suggesting on sustainability related assessments and ratings that can be incorporated as per best industry practices. It also makes recommendations to the Board regarding the adequacy of reporting on sustainability opportunities, risks, and issues in the Sustainability Report and other public documents |

Organogram & Senior Management Team



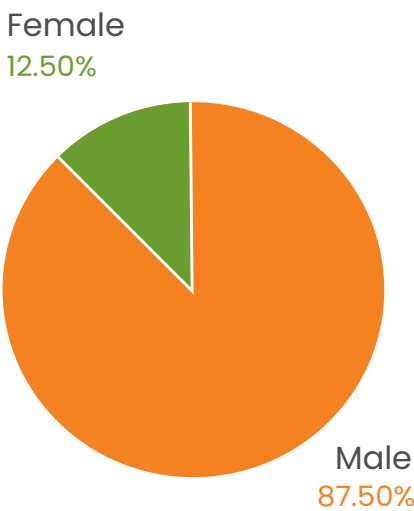
Nomination and Selection of Board of Directors

Annually, the Board conducts a collective review of its performance and that of its committees, ensuring a proactive approach to governance excellence and continuous improvement. The Nomination and Remuneration Committee (N&RC) has formulated a remuneration policy for Directors, senior management, Key Managerial Personnel (KMP), and other employees. The Committee aims to attract, retain and motivate executive directors and senior management while aligning with the organization’s strategic objectives. The N&RC continuously refines the remuneration policy to align with industry best practices and the Company’s strategic goals. The remuneration is determined by a thorough assessment of the individual and the company’s performance based on a transparent and fair criteria. This includes market benchmarks and strategic achievements, ensuring alignment with long-term shareholder interests and promoting sustainability.

Additionally, the Annual Total Compensation Ratio (ATCR) analysis provides insights into equitable compensation distribution, reflecting our commitment to fair pay practices and transparency. Our methodology adheres to regulatory requirements, fostering a culture of accountability and responsibility towards all employees and stakeholders.

Board Diversity

HMEL’s Board of Directors comprises of one Executive Director, one Independent Director and six Non-Executive Directors; out of which there is one female Independent Director.

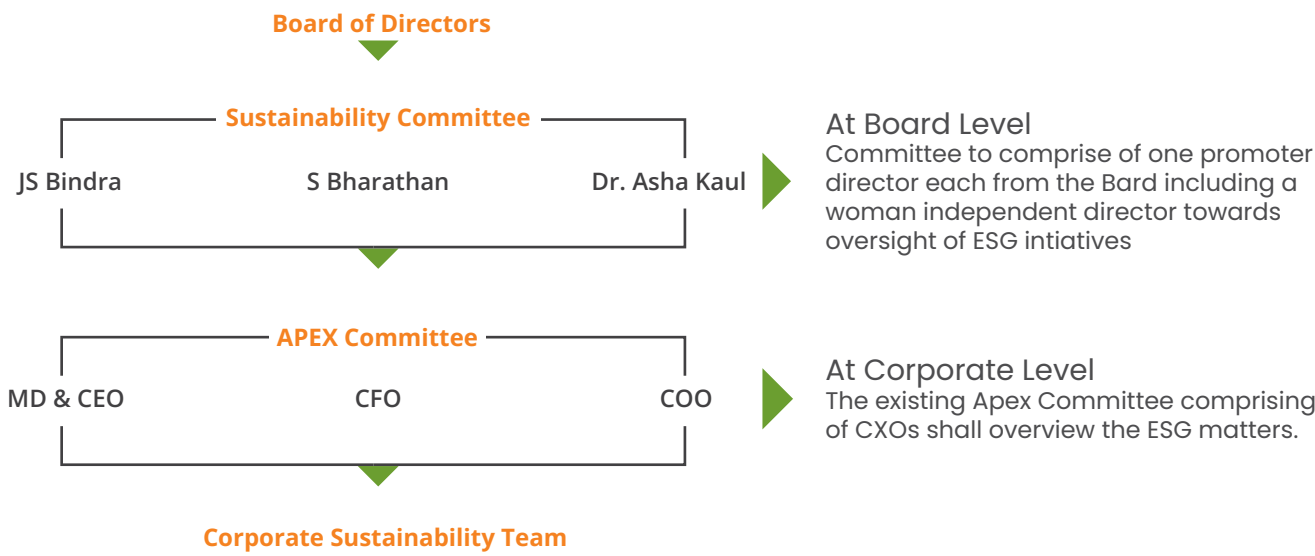


Corporate Sustainability Governance

HMEL has established a Board-level Sustainability Committee to translate our commitments on ESG into actionable strategies and ensure to embed them within the organizations’ culture. The Committee is responsible for examining group-level Sustainability frameworks, policies, norms, recommendations, and monitoring progress against targets. The Committee reports to the Board of Directors on a bi-annual basis on key climate-related risks and opportunities. Integrating ESG considerations into decision-making processes at the Board level is pertinent to enhance our core value proposition to transition towards a cleaner and more resilient future. At a corporate level, the Apex Committee comprising of the CEO,

CFO and COO, are responsible for overseeing the ESG strategy and ensuring compliance with national and international standards.

Additionally, HMEL has formed a Sustainability and New Energy Team with six members, who are responsible for implementing the ESG strategy. The Sustainability and New Energy Team, work towards strengthening HMEL’s initiatives in clean energy solutions while placing emphasis on building an inclusive workplace environment. The Apex Committee and Sustainability and New Energy Team report to the Sustainability Committee on a quarterly basis.



Governance Structure

Our governance structure comprises a Steering Committee, comprised of functional directors, entrusted with the authority to approve commercial transactions exceeding Rupees Hundred (100) Million. Additionally, we have an ‘Apex Committee’ composed of the CEO, COO, and CFO. This committee convenes to review monthly performances, address business challenges, devise strategies and policies, and ensure the Board is apprised of significant developments impacting operational and financial

performance. Furthermore, it oversees Health and Safety, Environment, and Sustainability initiatives. Recently, we established a ‘Management Committee’ comprising senior management and department heads. This committee’s objective is to provide leadership, guidance, and strategic oversight to foster the efficient functioning and growth of the Company, including its subsidiaries.

- ESG topics to be driven from corporate office
- Risk Management
 - Information Technology
 - Human Leadership
 - Supply Chain management
 - Corporate Regulatory affairs

- ESG topics to be driven from Refinery
- Technical Services
 - Health & Safety
 - Operations & Management
 - Research & Development
 - Corporate Social Responsibility

Code of Conduct

Guided by our steadfast commitment to integrity and accountability, we adhere rigorously to the Company’s Code of Conduct, aligning with regulatory mandates, corporate governance principles, and global best practices. At HMEL, we have established a robust framework of policies and guidelines that embody our shared values and principles. We maintain a zero-tolerance stance towards any breach of laws, codes of conduct, or internal regulations.

Our array of policies and frameworks underscores our dedication to upholding compliance and ethics across all facets of our operations, fostering

a harmonious and equitable workplace for our employees and workers. These principles extend to our valued internal and external stakeholders, ensuring optimized business operations at HMEL. Notable among our policies are those concerning Corporate Social Responsibility (CSR), Human Rights, Guiding Principles of Information Security, Supplier Code of Conduct; Sustainability Policy; Diversity, Equity, and Inclusion; Enterprise Risk Management; Tax Policy; Prevention of Sexual Harassment, Whistleblower Policy, and the highest standards of Health and Safety. Each policy exemplifies our unwavering commitment to driving sustainable growth and fostering a culture of excellence within HMEL.

Compliance and Business Ethics

HMEL upholds responsible management practices in strict accordance with regional regulations. Ethical conduct is a cornerstone of our business ethos, guided by our Code of Conduct, global governance standards, and best practices. Our frameworks reflect our dedication to shared values, with a zero-tolerance stance on any infractions. We are steadfast in our commitment to compliance, especially in the face of an ever-evolving regulatory landscape. We continuously monitor legal changes and proactively adapt to maintain our compliance.

Our leadership is spearheading initiatives to adapt to the dynamic business environment, enhancing transparency and accountability. Our robust compliance mechanism provides regular updates to senior management and the Board, with quarterly evaluations of our adherence to all applicable laws. Our governance framework ensures effective internal controls and operational monitoring.

The Company upholds the highest standards of compliance with all pertinent laws and regulations applicable. In an era of rapidly evolving regulatory landscapes, the complexity of legal frameworks necessitates a vigilant approach to adaptation and adherence. Recognizing the imperative of staying abreast of regulatory shifts, the Company diligently monitors and adjusts to changes in legal systems,

regulatory frameworks, and industry practices. Our robust compliance framework ensures thorough oversight of adherence to applicable laws within the organization, with regular updates provided to senior management and the Board.

The Board quarterly conducts reviews of comprehensive compliance reports, scrutinizing adherence to all relevant laws and regulations. This proactive approach underscores our steadfast commitment to regulatory compliance, mitigating risk and safeguarding the interests of our stakeholders.

HMEL has established a robust governance framework via its “Conflict of Interest Policy” Conflict of interest policy to be linked to mitigate potential or existing conflicts of interest in alignment with legal requirements. The policy undergoes periodic review, approval, and potential amendment by the company’s Board of Directors.

HMEL’s policies prioritize compliance and ethics, fostering a balanced environment for employees and extending this commitment to internal and external stakeholders, optimizing our business operations. Our policies include:

| | |
|---|--|
| CSR Policy | Employee Recognition Policy |
| Energy Management Policy | Enterprise Risk Management Policy |
| Environment Policy | Human Resource Policy |
| Overall Guiding Principles Of Information Security Policy | Prevention of Sexual Harassment Policy |
| Supplier Code of Conduct | Human Rights Policy |
| Diversity, Equity, and Inclusion Policy | Sustainability Policy |
| Conflict of Interest | Anti-Fraud Policy |
| Tax Policy | |

Transparency

Directors consistently disclose their interests in external entities, including directorships and shareholdings and maintaining independence. In the stance a director holds an interest in external entities, they conscientiously abstain from participating in discussions at the Committee or Board level pertaining to those matters. Moreover, the Audit Committee of Directors conducts periodic reviews of all Related Party Transactions (RPTs), with proposed transactions submitted for the Audit Committee's recommendation before seeking approval from the Board of Directors.

Comprehensive transparency and independence are ensured through the disclosure of Related Parties and their transactions in the Financial Statements under the dedicated RPT schedule, underscoring our commitment to integrity and governance excellence.

Anti Bribery and Anti-Corruption

HMEL maintains a zero-tolerance approach to bribery and corruption, strictly complying with all applicable laws. Our Anti-Bribery and Corruption Policy helps mitigate the risk of improper conduct at all levels of the company. We conduct regular assessments for corruption-related risks across all locations as part of our comprehensive risk management process. Complaints related to corruption can be reported by stakeholders, including suppliers and customers, through our whistle-blower mechanism.

We have a robust system of internal financial controls aligned with the requirements of the Companies Act, 2013, and other relevant laws. To reinforce our zero-tolerance approach towards anti-corruption and bribery, we conduct periodic awareness programs on our Whistleblower and ABAC policy. This policy is prominently communicated through posters in all office locations and screen savers on laptops, ensuring that the principles of transparency and accountability are ingrained in our organizational culture.

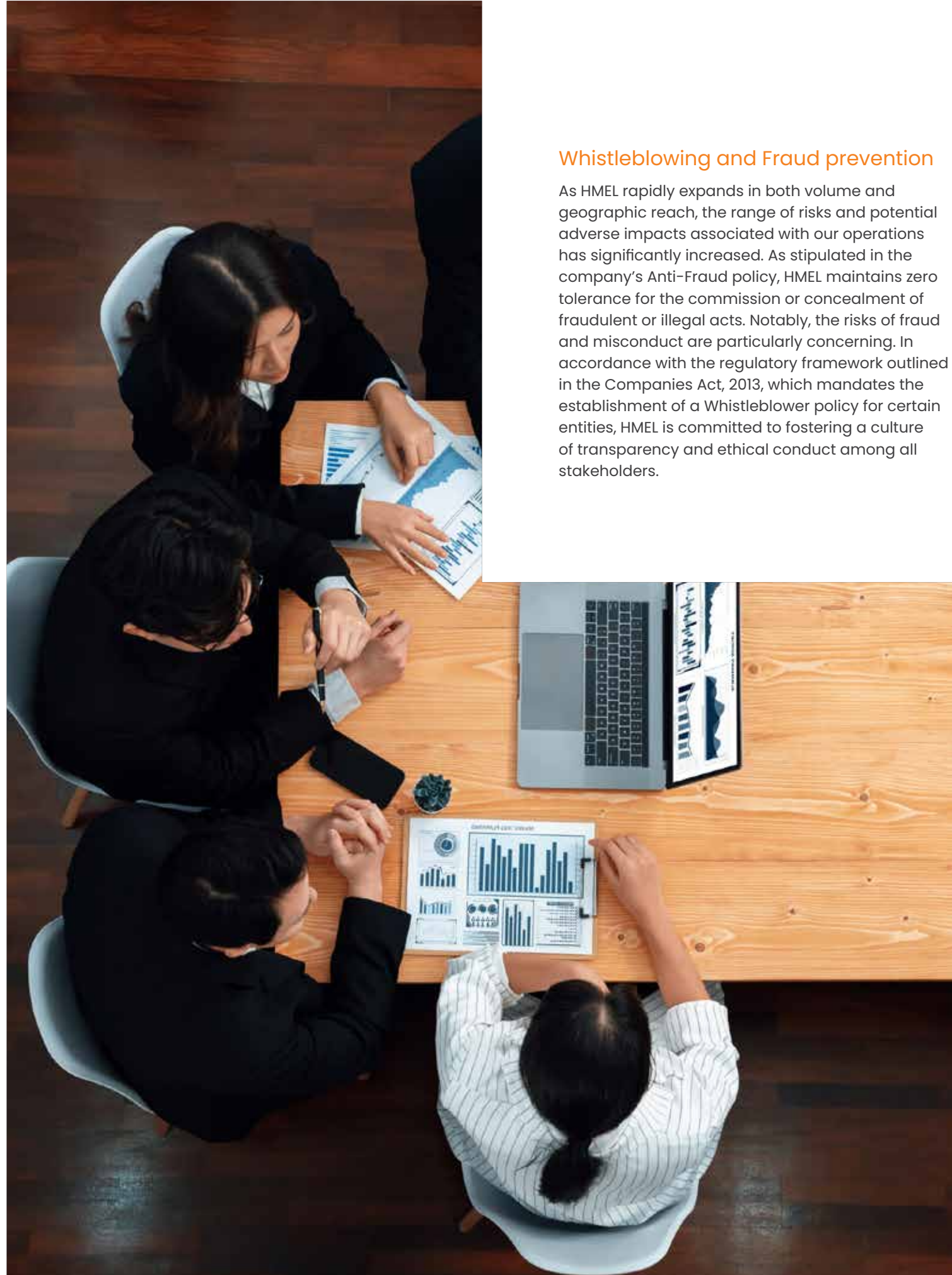
This year, there have been no cases reported for anti-competitive practices, bribery, and corruption.

Whistleblowing and Fraud prevention

As HMEL rapidly expands in both volume and geographic reach, the range of risks and potential adverse impacts associated with our operations has significantly increased. As stipulated in the company's Anti-Fraud policy, HMEL maintains zero tolerance for the commission or concealment of fraudulent or illegal acts. Notably, the risks of fraud and misconduct are particularly concerning. In accordance with the regulatory framework outlined in the Companies Act, 2013, which mandates the establishment of a Whistleblower policy for certain entities, HMEL is committed to fostering a culture of transparency and ethical conduct among all stakeholders.

From its inception, HMEL has upheld principles of integrity and ethical behavior, expecting the same from every individual directly or indirectly associated with us. To address fraud risk comprehensively, our Audit Committee proactively instituted a Whistleblower policy long before it became a statutory requirement. This policy serves as a simplify this, underscoring our unwavering dedication to maintaining a an ethical environment. Central to the effectiveness of our whistleblower mechanism is the appointment of the Head of Risk Assurance as the primary point of contact for whistleblower complaints. This ensure confidentiality is maintained through the reporting period which is important to foster trust. Furthermore, our Risk Assurance department plays a crucial role of internal auditors, diligently assessing and reporting on the Company's risk landscape. These reports undergo rigorous scrutiny by the Audit Committee, reaffirming our proactive stance in mitigating risk and upholding the highest standards of corporate governance.

The Company's Whistleblower Policy, along with its operational procedures, is accessible on the corporate website. Every complaint, whether anonymous or otherwise, undergoes thorough evaluation by the Ethics Committee, comprising senior management personnel. Subsequently, the proposed next steps are forwarded to Audit Committee members for review. Our well-established and robust internal audit process ensures careful consideration while handling complaints received through the whistleblower mechanism. handling of complaints received through the whistle-blower mechanism. In certain instances, specialized external forensic firms are engaged to support investigations. Periodically, a comprehensive summary of all complaints, investigation outcomes, and resulting actions is presented to the Audit Committee, ensuring transparency and accountability in our response to reported concerns. The Committee conducts thorough reviews of complaints received under the policy, as reported by the internal audit function. This comprehensive approach ensures that any whistleblower cases brought to light are diligently assessed and, if necessary, appropriate actions are taken by the internal audit team.



Membership Associations

The company actively engages with numerous industrial and trade associations, participating in forums that address issues and policies impacting our stakeholders. Our participation focuses on constructive discussions rather than lobbying for specific issues. HMEL proudly holds memberships in prominent organizations such as the India Energy Storage Alliance (IESA) and the Ammonia Energy Association (AEA).

Additionally, HMEL is a member of industry bodies including Indian Centre for Plastic in the Environment (ICPE), Federation of Indian Chambers of Commerce & Industry (FICCI), Confederation of Indian Industry (CII), Chemicals & Petrochemicals Manufacturers' Association (CPMA), All India Plastic Manufacturers Association (AIPMA), Alliance to End Plastic Waste (AEPW), and Associated Chambers of Commerce and Industry of India (ASSOCHAM). As a prominent member of these associations, HMEL contributes to policy advocacy, promotes industry best practices, and supports economic growth. We engage with various stakeholders on policies related to biofuels, green hydrogen, solar power, plastic waste recycling, and extended producer responsibility (EPR).

These partnerships underscore HMEL's commitment to environmental responsibility, social well-being, and high governance standards, positioning the company as a leader in sustainable and ethical business operations.

Risk Management

Recent global events have compelled businesses to reassess strategies, emphasizing safety and innovation while mitigating significant risks. Our Risk Management methodology employs a top-down approach integrated into our organizational strategy, facilitating core business objectives. Effective communication between the Board of Directors and Management ensures prudent oversight.

At HMEL, we categorize and align broad risk categories with material concerns, recognizing their potential impact on our strategy, financial performance, operations, shareholder value, and reputation. Risk Management is essential to our long-term success.


The Board of Directors at HMEL possesses extensive experience and expertise, particularly in Risk Management and Cybersecurity. This knowledge is utilized to ensure the organization's robustness against dynamic challenges.

The Audit Committee conducts a comprehensive quarterly review of the company's Risk Management and Cybersecurity protocols. This ongoing evaluation demonstrates our commitment to corporate governance and proactive risk mitigation in an evolving business landscape.

The Board of Directors and the Audit Committee review HMEL's key risks, accompanied by comprehensive summaries and mitigation strategies. The Chief Risk Officer monitors fluctuations in risk scores, presenting them to the Apex Committee alongside the respective department heads for informed decision-making. This proactive approach ensures robust risk management practices are integrated into our organizational processes, safeguarding our operations, and fostering resilience in the face of challenges.

We have also identified climate change-related risks and opportunities that could impact HMEL's operations and revenue. These risks include physical threats such as cyclones, floods, heat stress, and water scarcity, as well as transitional risks such as market, policy, technology, and reputational risks.

A dedicated Risk Management Committee (RMC), chaired by the CEO and comprising CXOs and Senior Executives, oversees risk assessments, ensuring compliance and evaluating the effectiveness of mitigation plans. The Chief Risk Officer (CRO) coordinates enterprise-level risk initiatives, providing regular briefings to the Board, Risk Management Committee, and the Audit Committee.




Risk / Commodity Risk

Risk Description
Recent fluctuations in the commodity prices have given rise to uncertainty. Sudden changes in commodity prices can severely impact HMEL's profitability.

Risk Type
Strategic Risk

Mitigation Measures
To adapt to evolving scenarios, the company has an optimization strategy which operates as per defined parameters.
To efficiently monitor refinery margins, interclude differentials, temporal spreads, and inventory valuation as per our mandates

Capitals Impacted
Financial Capital




Risk / Occupational Safety of Employees & Contractors

Risk Description
We operate in a very hazardous 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.

Risk Type Health & Safety Risk

Mitigation Measures
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.

Capitals Impacted
Human Capital, Social & Relationship Capital




Risk / Liquidity Risk

Risk Description
The company cash is maintained by banks and that may pose a risk in case a bank fails to provide access to funds due to varied reasons.

Risk Type Financial Risk

Mitigation Measures
We keep our funds in financial institutions that can cope with financially instability and shocks.
We're maintaining relationships with financial institutions which have been given favorable ratings from reliable rating organizations.
That way, in the case of a need for withdrawal, there will be transparency on the location and access to our deposited funds.

Capitals Impacted
Financial Capital



Risk / ESG Risk

Risk Description
These risks are related to climate change, environmental practices, social standings in the community and the governance structure of the organization to enable sustainability

Risk Type Operations, Health & Safety, Strategic Risk

Mitigation Measures
The Company is increasingly strategizing its ESG approach and improving on areas to mitigate our Environmental Impacts. Additionally, we are leveraging relationships with out stakeholders to develop our business with a value-based approach

Capitals Impacted
Social & Relationship Capital, Natural, Financial, Human & Intellectual Capital



Risk / Cybersecurity Risk

Risk Description

Cyberattacks pose a serious risk to our IT systems. If our IT system is compromised, this could have a serious effect on business operations and increase the risk of data theft. Hence, HMEL has taken a strong interest in managing cybersecurity risks.

Risk Type IT Risk

Mitigation Measures

HMEL prioritizes the implementation of awareness programs for its employees concerning potential spear phishing targets. These programs emphasize the identification of unexpected email messages, education on recognizing phishing attempts, abstaining from using WhatsApp on official laptops/ computers, and refraining from sharing passwords. Developing an advanced Security Operations Center (SOC) by leveraging the NIST and CSF Framework for the analysis of cybersecurity risks and implementing methods to evaluate behavioral patterns. This initiative aims to enable the following:

Use of Predictive analysis to generate security alerts.

Automatic detection and disruption of rogue network servers, strengthening the defense to growing cyber threats.

Staying ahead of emerging risks through an adaptive risk model.

HMEL is focused on strengthening overall cybersecurity systems.

Capitals Impacted

Social & Relationship Capital,
Financial Capital, Intellectual Capital



Risk / Data Security

Risk Description

The importance of data thefts and security must be understood as we continue to focus on cybersecurity. The sensitive information of our organization resides on servers and presents a risk.

Risk Type IT Risk

Mitigation Measures

We have data protection systems in place to protect sensitive and confidential data from leaks and exposure through emails and online gateways.

We have dedicated management committees for IT in place who are responsible for information, cybersecurity, and business continuity management.

We conduct data privacy awareness programs at regular intervals to educate our employees about the significance of following compliance and practice cautiousness

Capitals Impacted

Social & Relationship Capital,
Financial Capital, Intellectual Capital



Risk / Process Safety

Risk Description

It is crucial for our operations to follow safety protocols. As part of a high risk industry, noncompliance of safety operating procedures at refineries can have serious consequences on our assets and stakeholders.

Risk Type Health and Safety Risk

Mitigation Measures

We have a hazard identification process in place which includes HAZOP studies, risk assessment and quantitative analysis. The process is also aligned with ISO 45001.

We have strictly employed a Permit to Work system which is integrated with our job safety analysis.



Risk / Biodiversity

Risk Description

In recent years there has been a growing concern by regulators and stakeholders about environmental issues, the biodiversity impact, especially in relation to flora and fauna.

Risk Type Environment Risk

Mitigation Measures

To maintain an ecological balance, we are maintaining the coverage of green belts at our locations so as to ensure a harmonious coexistence with local biodiversity.

We also plan to undertake efforts to raise awareness among our stakeholders on the importance of biodiversity conservation

Capitals Impacted Social & Relationship Capital



Risk / Manpower Management

Risk Description

To achieve long term success, it is important to recruit and retain the right talent. Satisfied employees are a catalyst for sustainable development, and an approach to working life that is balanced promotes efficiency, job satisfaction and overall competent wellbeing.

Risk Type Social Risk

Mitigation Measures

For achieving our objectives, we ensure compliance with relevant labor laws and regulations.

We work with our stakeholders through a range of interventions to strengthen their relationship.

At HMEL, we are continuously monitoring and managing human resource practices, policies, and employee welfare. This includes monitoring of health initiatives, gathering feedback and improving expertise in technology as well as behavioral competencies to promote employee satisfaction and career development.

Capitals Impacted Human Capital



Risk / Human Rights, Diversity, and Inclusion

Risk Description

We may be placed at considerable risk of a negative reputation due to failure to comply with Human Rights and Working Conditions. We promote opportunities for livelihoods advancement which encourages equitable distribution and foster growth in society.

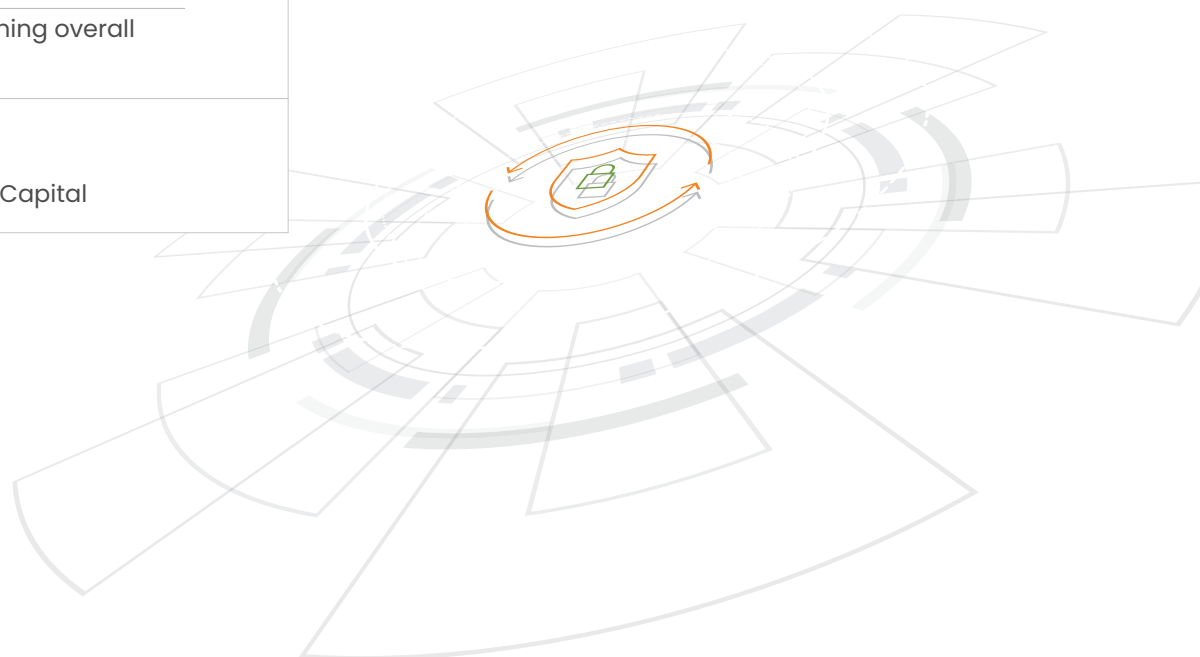
Risk Type Social Risk

Mitigation Measures

To demonstrate our respect for the principles of human rights set out in the UN Global Compact, we submit an annual report on our progress.

We have added labor laws in our procurement contracts to address various aspects of human rights requirements

Capitals Impacted Human Capital



Case study

Business Continuity during Cyclone Biparjoy



This year, Cyclone Biparjoy struck India's western coast in June. It tested our business continuity plans. HPCL Mittal Pipeline Ltd. (HMPL) stood firm, ready with a solid cyclone preparedness strategy to keep our refinery operations running at the Tank Farm and Single Point Mooring (SPM) facilities.

Below is a detailed account of the proactive measures and strategies we implemented to ensure operational resilience and effective disaster preparedness:



Pre-Cyclone Preparedness Measures

- **Maximized Crude Oil Storage Capacity:** We increased crude oil tank capacity before the cyclone to ensure continuous refinery supply.
- **Deployment of Drag Reducing Agents (DRA):** Strategic DRA placement optimized pipeline throughput upon resumption, boosting operational efficiency.
- **Pre-emptive Maintenance and Infrastructure Reinforcement:** Rigorous maintenance, including tank reinforcement, safeguarded critical infrastructure.
- **Patrol and Inspection Teams Deployment:** Four teams patrolled over 60 km of transmission lines, swiftly resolving faults to maintain essential MBPL pumping operations.



Key Components of Pre-Cyclone Preparedness

- **Comprehensive Inspections:** Thorough checks of SPM, tanks, pipelines, and equipment preemptively addressed vulnerabilities.
- **Emergency Response Kits:** Each site stocked with kits for spills, first aid, and communication to ensure preparedness.
- **Personnel Safety Measures:** On-site shelters and safe zones provided essential amenities for personnel.
- **Established Communication Protocols:** Effective channels ensured seamless coordination among teams and authorities.
- **Backup Power Supplies:** Reliable backups sustained operations during cyclone-induced power outages.
- **Alternative Logistics Routes:** Plans for alternative routes minimized disruptions and aided post-cyclone recovery.

These proactive measures and comprehensive strategies underscore our commitment to maintaining operational continuity, resilience, and effective disaster response capabilities during challenging environmental conditions like Cyclone Biparjoy.



HMEL's Sustainability Strategy

Financial Capital

Focus Areas

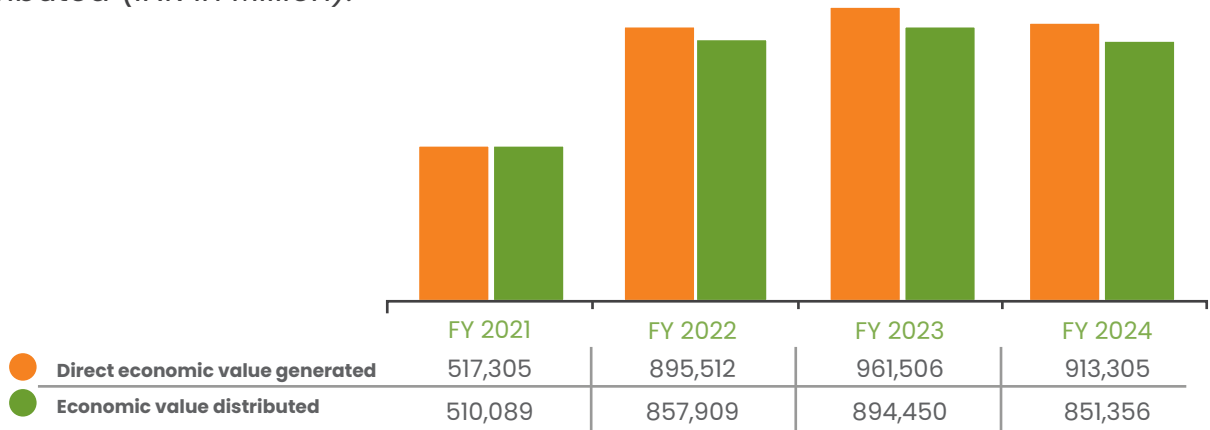
| | | |
|---------------------------------------|----------------------|-----------------------------------|
| 27,603 Capex FY24 (INR Million) | 11,654 Sales (KT) | 73,651 EBITDA (INR Million) |
|---------------------------------------|----------------------|-----------------------------------|

Financial Performance and Growth

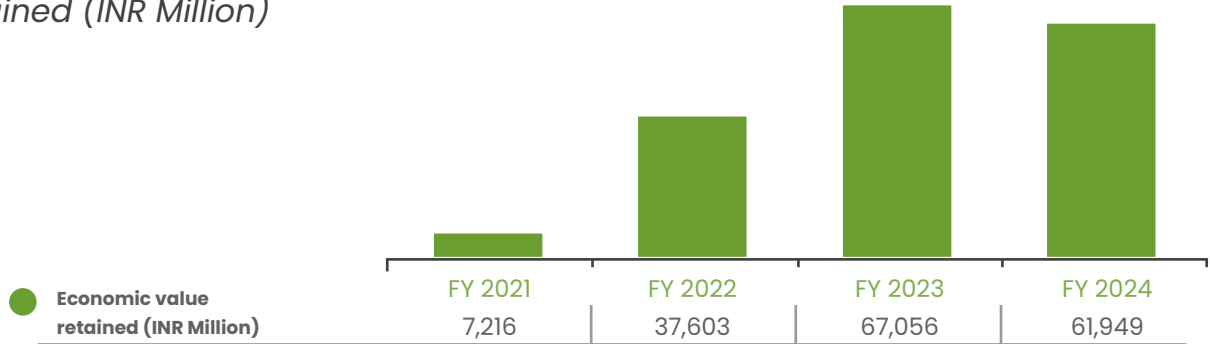
In FY2023-24, HMEL has observed a decline in revenue by 5%, compared to previous year, along with decrease in Profit after Tax by approximately 62%. Our Expenses has also decrease by 5.1%. Our EBITDA for the year ended on March 31st, 2024, stands at INR 73,651 million, reflecting a decline of 25%.

Economic value generated and distributed

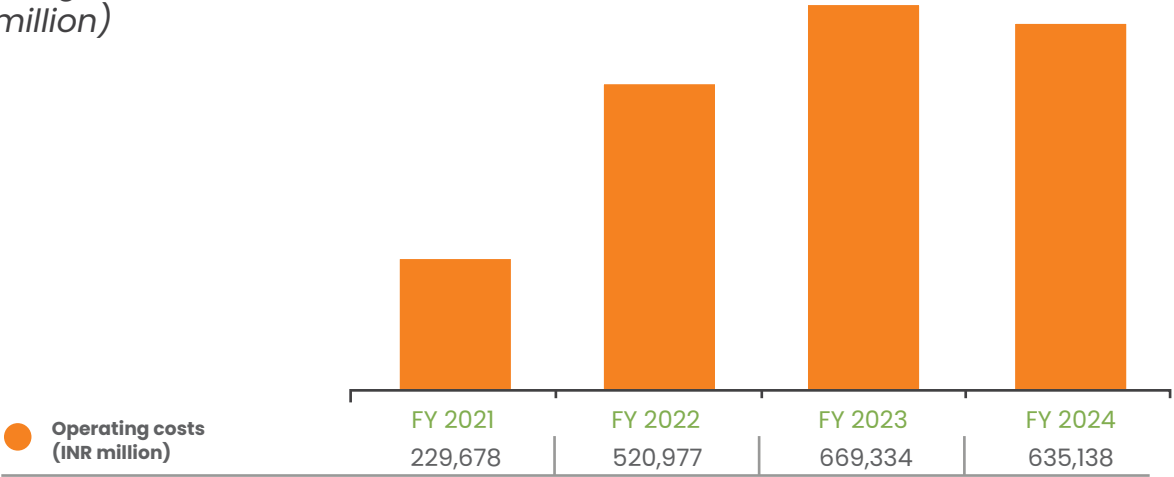
Economic Value Generated & Distributed (INR in Million):



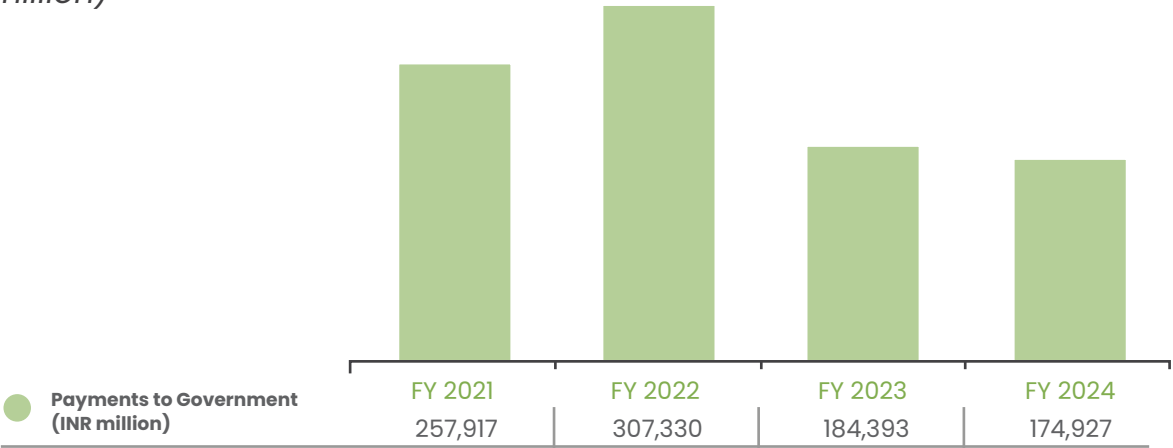
Economic value retained (INR Million)



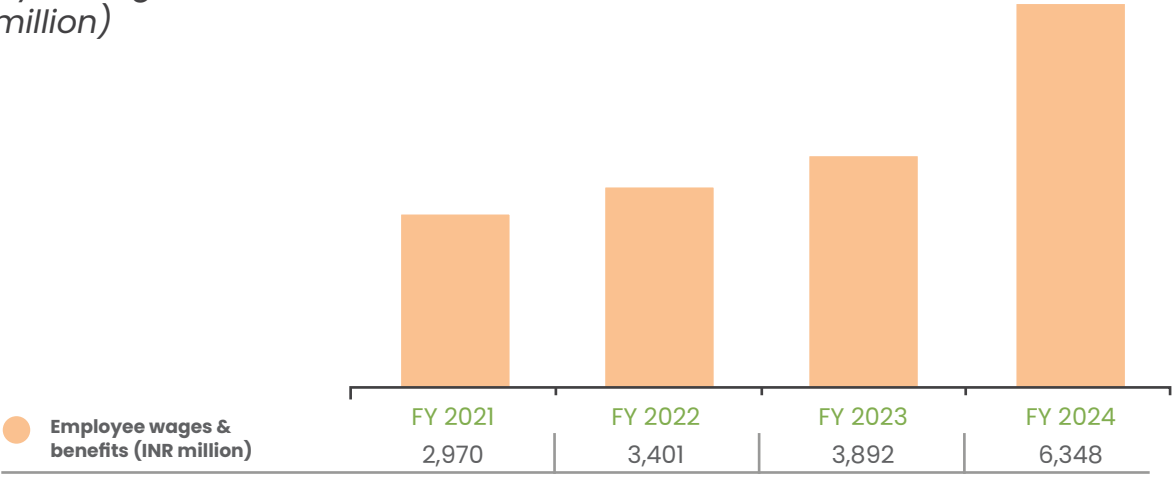
Operating costs
(INR million)



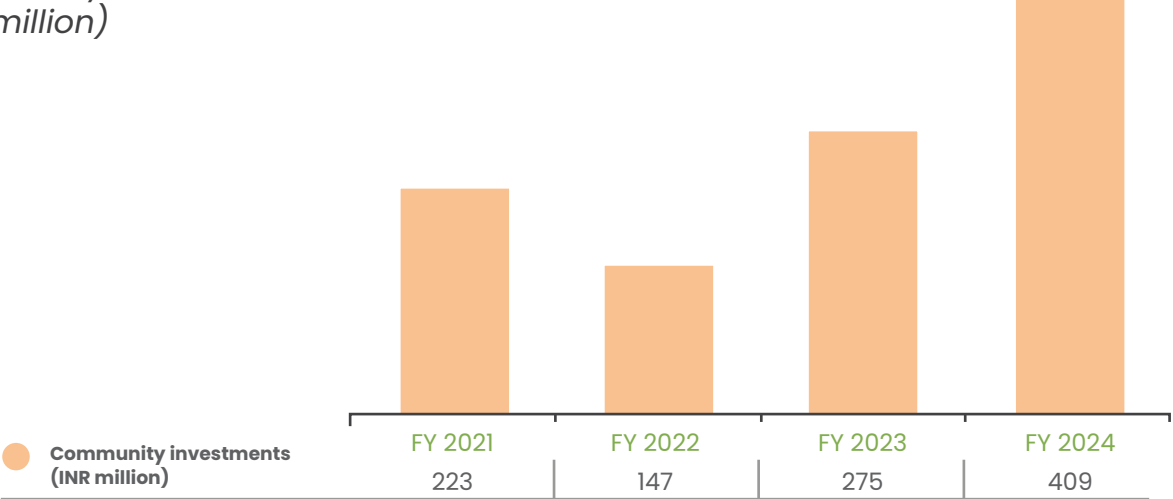
Payments to Government
(INR million)



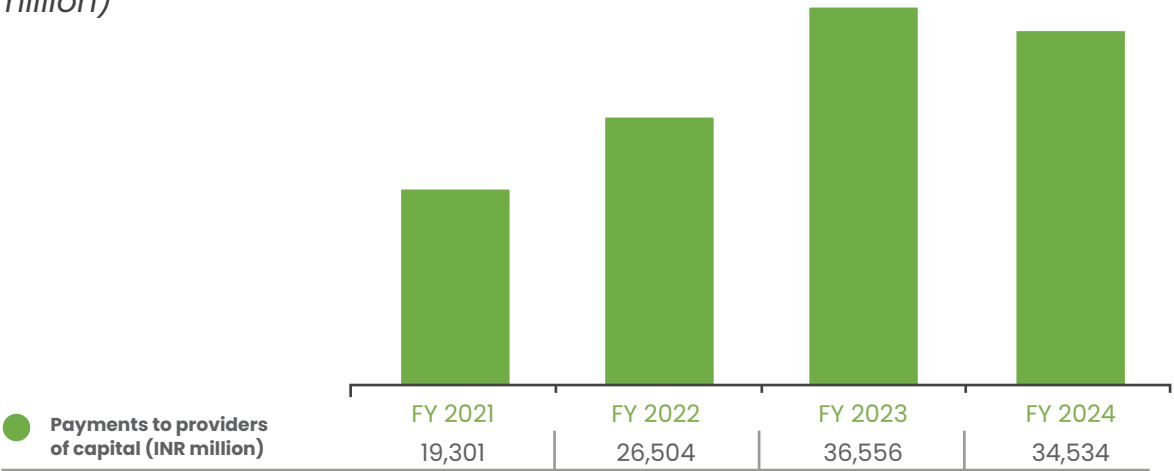
Employee wages & benefits
(INR million)



Community investments
(INR million)



Payments to providers of capital
(INR million)



Tax Strategy

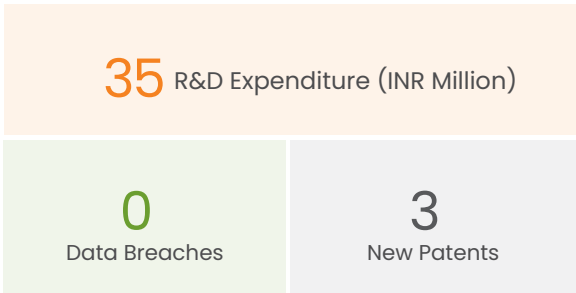
The company strictly adheres to relevant tax regulations for both its products and corporate activities. Despite maintaining numerous

international business associates, our operational and office presence is exclusively within India, making India our sole reporting jurisdiction.

Our effective tax rate for FY24 is 25.06% against which cash tax rating is -2.88%.

Intellectual Capital:

Focus Areas:



Research & Development



We are continuously enhancing process efficiency and environmental sustainability, exemplified by a significant spending of INR 35 million in R&D spending this year. Our dedicated teams of scientists and researchers are tirelessly pursuing technological advancements and product development specific to our refinery. We also collaborate with esteemed national institutions to achieve our objectives.

Over the past year, our R&D investments have focused on valorizing petrochemical streams, reducing our carbon footprint through green technologies, producing advanced materials like needle coke, and exploring energy storage via batteries and fuel cells. We have also advanced optimization through Artificial Intelligence and Machine Learning. Additionally, our Customer Service and Development Centre (CSDC) have been recognized as an R&D center by the Ministry of Science and Technology.

Our R&D investments encompass product development, patents, system enhancements, process optimization, dual-use technologies, and green energy solutions. These efforts aim to create value for both our company and society.

We are currently working on projects related to CO2 capture and utilization, sustainable aviation fuel (SAF), green methanol, and more, set to commence in the upcoming year.

Patents granted to HMEL

Our R&D & Innovation Team was granted the first process technology patent for "System and method for treating the spent caustic effluent using chlorine dioxide solution"

New Initiatives

HMEL IT collaboration with multiple departments (Finance, Treasury, Marketing, Refinery & SFSG) has deployed Digital wall and Dashboards for MD & CEO's office. The digital wall is an Interactive display of 190 inch from Prysm OEM which is based on Laser Phosphor technology.

| Major Initiatives |
|--|
| HMEL conducted detailed study on "Role of CCUS in India's Energy Sector" with FIPI as coordinator and EY as Knowledge Partner. The study was joined by seven other PSUs. |
| Research, Development, and Innovation team installed and commissioned 6 Biogas Reactors at Bathinda Canteen and Township |
| Research, Development, and Innovation Team also evaluating SAF and E-Methanol Businesses. |



Information Technology and Cybersecurity

The Apex Committee at HMEL, comprising the CEO, CFO, and COO, oversees the company's Cybersecurity strategy and serves as the governing body for all staff through various channels, such as mailers, posters, remote sessions, and town hall meetings, to keep employees updated on the latest security trends. Every year in October, HMEL observes Cybersecurity Week with company-wide awareness programs.

Additionally, HMEL is arranging leadership-level programs, both in-person and remote, to address IT and OT security trends and best practices. To ensure preparedness, HMEL is initiating tabletop exercises for cyber-crisis management and incident response, encouraging leadership team participation in future scenarios.

The company has established an escalation process for prompt reporting of any information security incidents. Employees are encouraged to report incidents to the IT helpdesk or the dedicated cybersecurity team via voice calls, emails, or support portals.

Cyber Security Leadership Award



HMEL was honored with the Cyber Security Leadership Award at the esteemed "Annual Information Security Summit - 2023" hosted by the Data Security Council of India (DSCI) in Delhi from December 19th to 21st, 2023. This summit is the largest security event of its kind in India. The accolade received at the summit marks a significant achievement for HMEL. Amidst strong competition from top organizations in manufacturing, oil & gas, and energy sectors, our steadfast dedication to cyber security has been distinguished.



Major initiatives taken towards digitization



HMEL implemented Real Time Optimization (RTO) project in CDU/VDU which aims to improve the process performance & efficiency in real-time to increase unit profitability. RTO is based on rigorous steady-state model of the process and calculates optimum operating parameters for the process based on product and utilities pricing.



PP and PE customers TCS and TDS declaration certificate upload and approval system digitized

HMEL's IT team in collaboration with Marketing Team, developed two new SAP Fiori based applications to handle the large customer base of more than 12,000 customers of Poly Propylene and Polyethylene yearly for TCS and TDS certificates collection, upload, storage, and approval. This functionality would help the Customers to easily upload and access the documents.



A comprehensive training session titled 'Cyber Laws and Data Protection' was conducted for our leadership team and all employees. The training was led by Dr. Pavan Duggal, Advocate at the Supreme Court of India, who is an esteemed industry expert in this field.

Key topics covered included an analysis of the current Cyber Security landscape and essential legal compliances, insights into the Information Technology Act of 2000 and its corresponding compliances, an overview of the newly enacted Digital Personal Data Protection Act of 2023, and

a detailed examination of the legal ramifications associated with the deployment of Artificial Intelligence technologies.

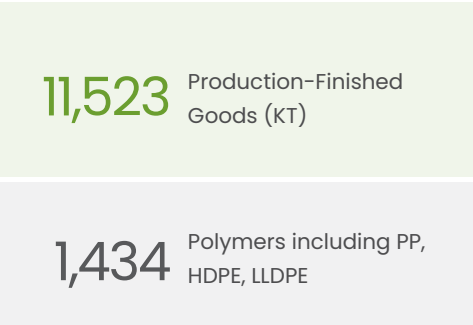
A comprehensive training session titled 'Cyber Laws and Data Protection' was conducted for our leadership team and all employees. The training was led by Dr. Pavan Duggal, Advocate at the Supreme Court of India, who is an esteemed industry expert in this field.

Key topics covered included an analysis of the current Cyber Security landscape and essential legal compliances, insights into the Information Technology Act of 2000 and its corresponding compliances, an overview of the newly enacted Digital Personal Data Protection Act of 2023, and a detailed examination of the legal ramifications associated with the deployment of Artificial Intelligence technologies.

Manufactured Capital

The company produces a diverse range of products, including fuel products sold through Oil Marketing Companies and polymers and other chemical products supplied to various industries as raw materials. For all its products, the company ensures transparency and safety by providing accessible Material Safety Data Sheets to customers. Additionally, the company guarantees that its polymer products meet stringent regulatory standards, including those set by the US FDA, IS FDA, EU FDA, FSSAI, SVHC, RoHS, and PAH. This commitment to compliance underscores the company’s dedication to quality and safety in its product offerings.

Focus Areas:



Infrastructure Development

Guru Gobind Singh Refinery

The Bathinda refinery stands as a pinnacle of state-of-the-art infrastructure. Significant investments over the years have established it as one of the nation’s premier refineries. With a formidable crude oil processing capacity, the refinery processed 12.648 MMT of crude oil during FY23-24. It plays a vital role in our national commitments, championing initiatives like “Make in India” and “Make for India.”

Manufacturing Facilities

We operate a cutting-edge manufacturing facility with a substantial capacity of 11.3 MMTPA at the Guru Gobind Singh Refinery in Bathinda. Our integrated petrochemical plant, located within the refinery grounds, is efficiently connected through dedicated crude pipelines extending 1,107 kilometers from Mundra to Bathinda. Mundra’s significant crude oil terminal features a 7-kilometer Single Point Mooring, facilitating the unloading of crude oil from Very Large Crude Carriers (VLCC) for processing at our Bathinda refinery.

In the current financial year, we achieved a thruput of 12,648 KT of crude oil. Our production included over 8.115 MMT liters of liquid fuel, such as petrol, kerosene, aviation turbine fuel, and diesel. Additionally, we produced more than 2.227 MMT of various other products, including LPG, naphtha, hexane, mineral turpentine oil, sulfur, pet coke, bitumen, and polypropylene and 1.18 MMT of Petrochemical products.

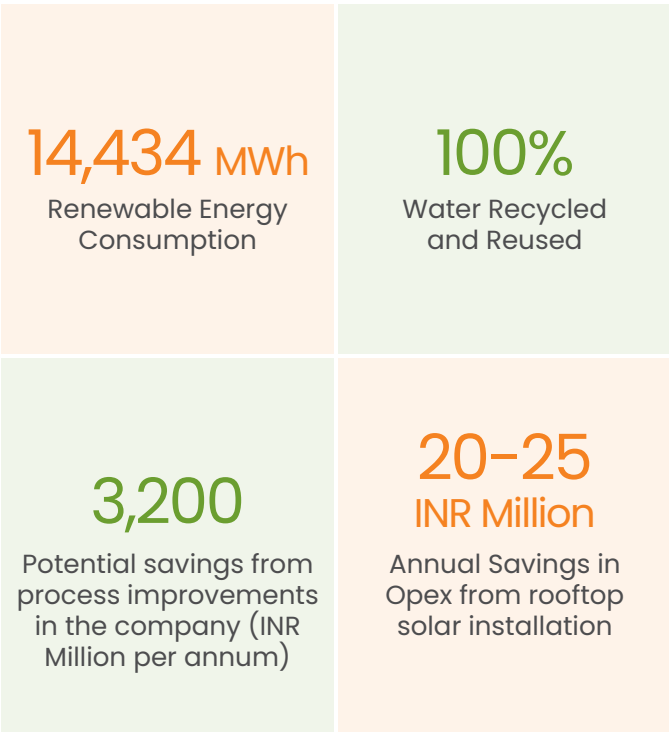
Clean Technology

Initiative taken towards Clean Technology



| |
|---|
| Bioethanol plant of 300 KLPD capacity successfully commissioned in March 2024. |
| Commenced sales to HPCL locations with the first batch of product (99.8% purity) dispatched on the 22nd of March 2024 helping to achieve blending targets for GASOHOL in the country. |
| A step towards HMEL’s commitment for improved air quality, energy security and reduced import bills for the country. |

Natural Capital



Our comprehensive approach covers emissions from both direct (Scope 1) and indirect (Scope 2) activities, including gases like CO2, CH4, NO2, and SO2. We prioritize Scope 1 emissions, which constitute a significant portion of our carbon emissions. To mitigate both direct and indirect emissions, we employ clean technologies and energy-efficient practices, such as sourcing electricity from renewable sources, thereby reducing HMEL’s overall carbon footprint.

We currently report on the Specific Intensity Ratio, which is calculated using crude throughput (metric million tonnes of oil processed per year) and encompasses both Scope 1 and 2 emissions. To calculate our GHG footprint, we use emission factors provided by the UK Government for GHG conversion, along with the Global Warming Potential data from the IPCC (Fifth Assessment Report, 2014). We have considered FY2022-23 as the baseline emission year for GHG emissions in both Scope 1 and 2, aligning with our refinery operating at its maximum capacity since commissioning.

GHG Emissions

At HMEL, we are dedicated to driving environmental progress by aligning our people, processes, and products. Our commitment to minimizing our environmental footprint is upheld through robust monitoring and reporting mechanisms.

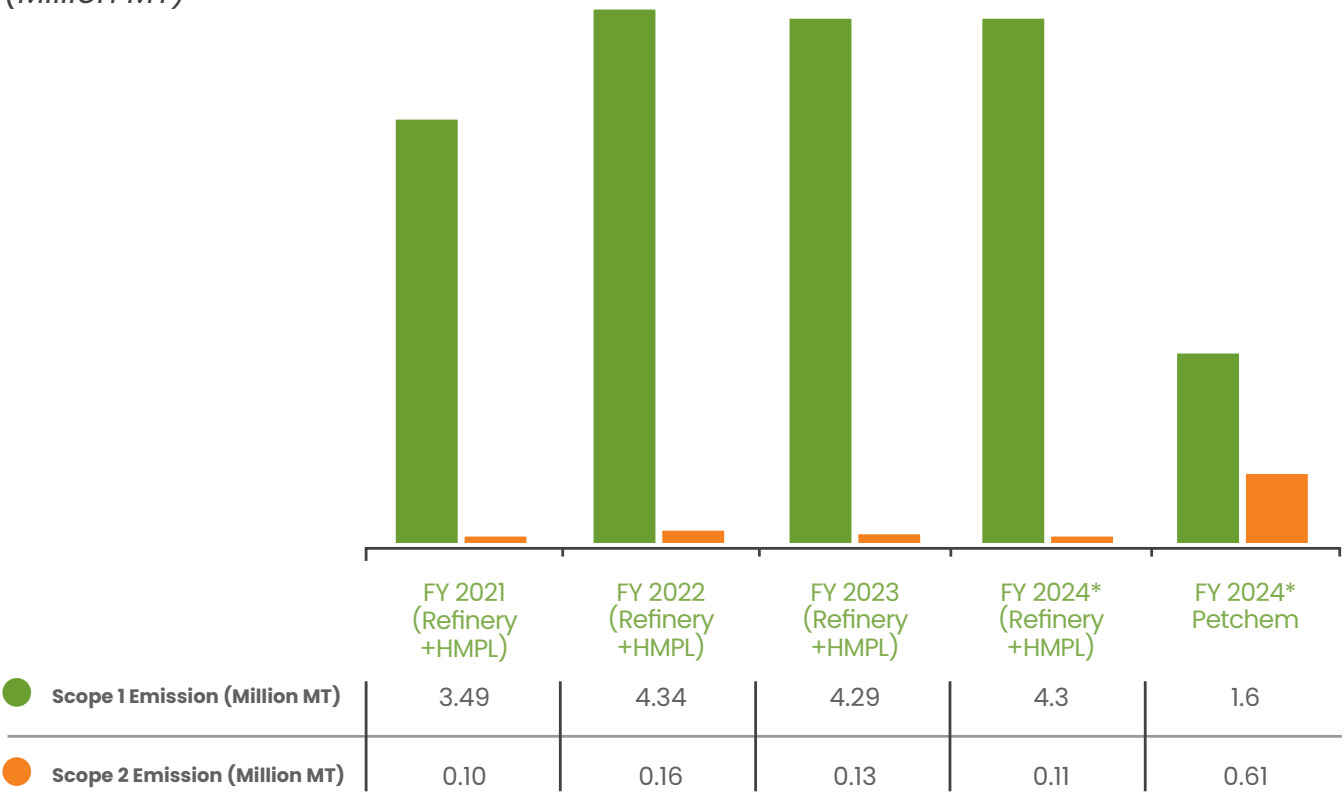
Acknowledging the critical goal of limiting global warming to 1.5 degrees Celsius, as outlined by the Paris Agreement, HMEL is dedicated to lowering its carbon footprint. HPCL Mittal Pipelines Ltd. (HMPL) plays a significant role in this endeavor by offering energy-efficient naphtha transportation. Their pipeline system, with its continuous flow, consumes less energy compared to the intermittent nature of rail or truck transport, thereby contributing effectively to global climate change mitigation efforts. Additionally, pipelines also contribute towards cleaner air and less noise pollution.

Our goal is to achieve near net-zero emissions by 2040, with a primary focus on becoming a less carbon-intensive industry. To achieve this, our dedicated team continuously researches and implements energy-saving projects while assessing greenhouse gas (GHG) inventories to identify areas for potential reduction. We regularly review our emission data to establish firm-wide goals.

At HMEL, we prioritize precautionary measures and ensure our supply chain partners adhere to these practices. We provide relevant material handling and safety data sheets for all products to internal and external stakeholders. Our products not only meet statutory health and safety requirements but also comply with regulatory standards such as FDA, RoHS, and SVHC, particularly for our polymer products.

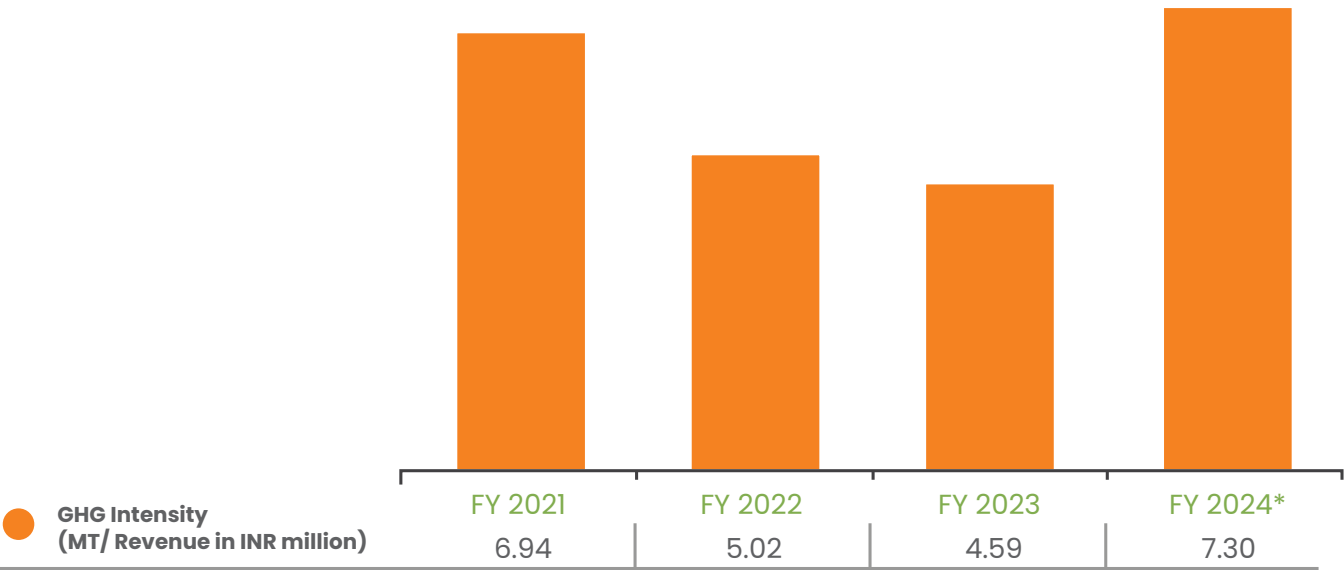


GHG Emissions:
(Million MT)



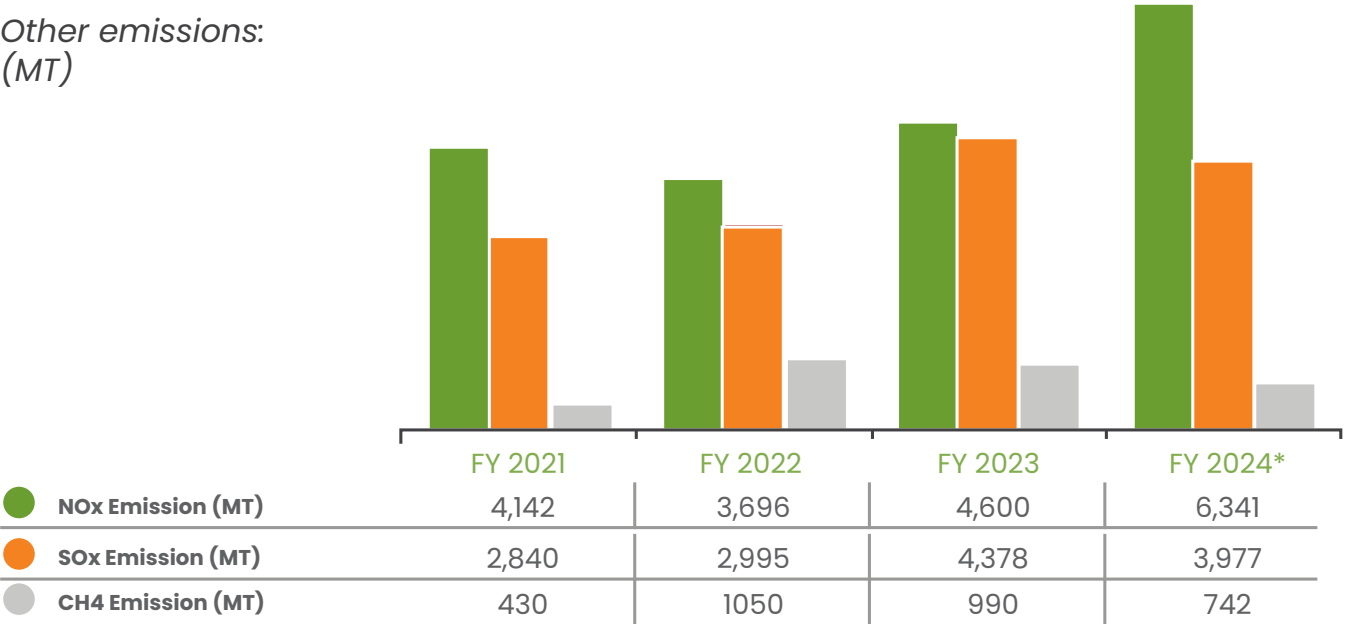
There has been an increase in the emissions in FY23-24 as the Petrochemical business has become operational.

GHG Intensity
(MT/ Revenue in INR million)



* Provisional Numbers

Other emissions:
(MT)



Emission Control through Cloud solutions



The AI/ML based Lime & SOx deviations minimization model has been successfully implemented by HMEL in a closed loop within the CPP unit.

This is a first-of-its-kind technological advancement that uses a machine learning model based on Python and R to directly manage DCS set points, making it possible to use AI and ML to optimize most

manufacturing processes. Preliminary findings show savings of almost Rs 4 Cr/year and a reduction in SOx deviation of more than 50%.

Using SAP's RISE private cloud solution results in additional carbon savings. Our carbon footprint has decreased because of several significant cloud computing benefits.

The data centers run by cloud service providers are more energy-efficient than those of conventional on-premises installations. Cloud infrastructure's scalability enables providers to modify computing capacity in response to demand, hence optimizing energy use.

To further lessen their influence on the environment, a lot of cloud companies also invest in renewable energy sources to power their data centers. By starting FGRS, which is presently in the feasibility stage, efforts are being made to lower flare emissions and increase the complex's profitability.

Net zero roadmap

To streamline our emission reduction efforts, we have developed a Net Zero roadmap. This comprehensive guide outlines our decarbonization journey and will direct our efforts and investments effectively.

Carried out GHG Emissions

Achieve 12.7% reduction in emissions by 2030

The company’s strategies include the implementation of Energy efficient measures and increasing Renewable Energy consumption – 750 KW Solar Rooftop incorporated in this financial year.

Achieve 35% reduction in emissions by 2035

HMEL plans on increasing its Renewable Energy Profile along with implementing the usage of Biofuels.

Achieve 100% reduction in emissions by 2040

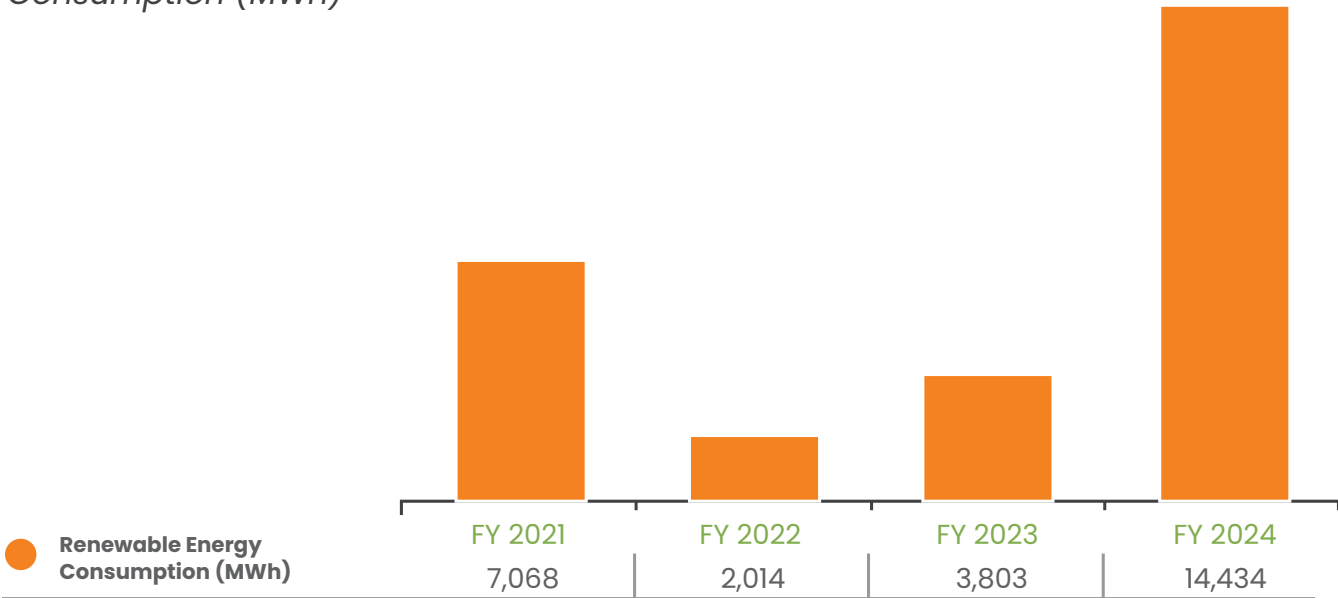
HMEL to increase the usage of biofuels and greening its grid and incorporating more Nature-based solutions.

Electricity consumption is the largest contributor to our refinery’s carbon footprint, encompassing both our industrial units and office spaces. Recognizing the pivotal role of renewable energy and energy efficiency in reducing GHG emissions and optimizing resource use, we have focused on significant improvements in this area. The refinery operated under the PAT cycle with an assigned target of 58.42 for 2022-23 PAT cycle, with HMEL achieving the MBN target of 56.59.

This fiscal year, we saw a substantial increase our renewable energy capacity, rising from 3830 MWh to 14,434 MWh, indicating a strong shift towards renewable energy sources. To further reduce our reliance on non-renewable energy, we are exploring opportunities in ethanol, green chemicals, green hydrogen, and solar energy. We have successfully completed over 32 energy and fuel-efficient projects. Our Technology team within the Environmental Department has been instrumental in designing innovative energy and fuel efficiency initiatives. These initiatives not only enhance process productivity but also contribute to a cleaner and more sustainable environment. To guide our energy management efforts, we have a publicly available Environmental Policy.

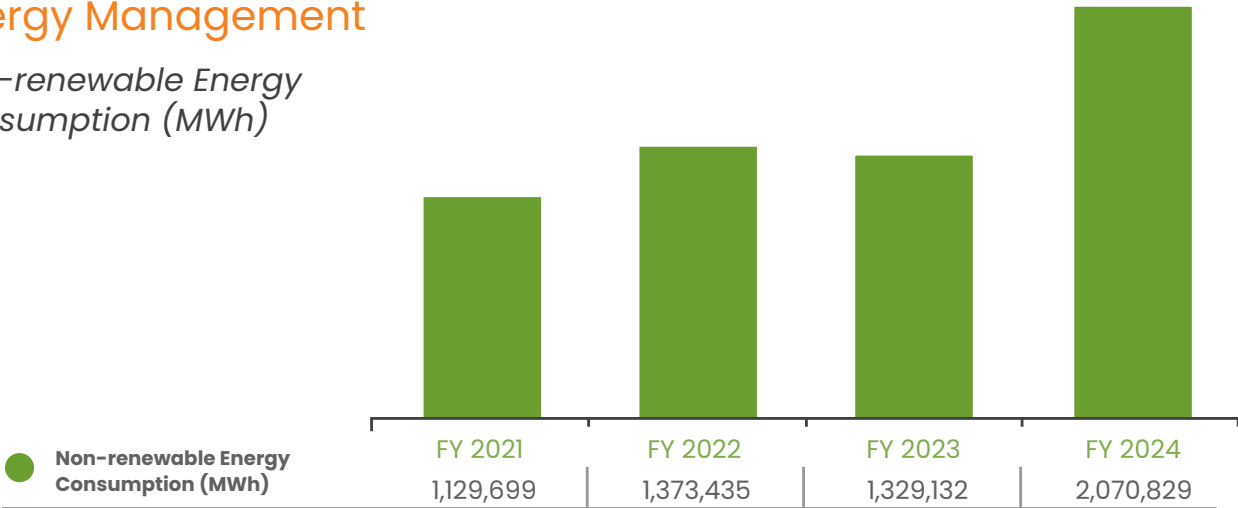
https://www.hmel.in/assets/pdf/Environment_Policy.pdf

Renewable Energy Consumption (MWh)



Energy Management

Non-renewable Energy Consumption (MWh)



Rooftop Solar Power System

A 750 KW rooftop solar power system integrated into our refinery grid is now operational. This installation is part of our initiative to deploy a total capacity of 13.8 MW, contributing significantly to reducing carbon emissions by preventing the release of 11,000 metric tons of CO2 equivalent.

Furthermore, HMPL-Mittal Pipelines Limited has installed 45 KW of solar electricity at each of its three locations. Looking ahead, an additional 195 KW capacity is planned to be installed by FY24-25.



Solar Cell Power Generation

HMEL is currently undergoing project of sourcing power for buildings/offices via Solar cells. Till date we have established power installation of around 750 KW via solar cells by 31st March 2024. Target is to increase power generation via solar cells up to 13.8 MW.

Major Initiatives taken towards Responsible Energy consumption



HMEL forming partnership with NTPC Green Energy Limited (NGEL) to develop Renewable Energy Parks and Projects, with a specific emphasis on green hydrogen, energy storage technologies, and Round the Clock RE Power.




Following a detailed technical review and subsequent adjustments in the plant, one Cooling tower makeup pump has been decommissioned, resulting in a power saving of approximately 225 kW/hr.




Climate Change Strategy

The escalating climate crisis is causing unprecedented disruptions worldwide, affecting companies, communities, and governments alike. In this context, adaptation measures have become paramount with the intent regulate the use of natural resources and minimize the impact on our natural systems.

HMEL recognizes the importance of climate change and strives to transparently report on its climate-related disclosures.

Therefore, we have conducted a Climate Risk Assessment for our refinery and Mundra port in alignment with the IFRS S2 climate-related disclosures (S2). The S2 disclosures are integrated with Task Force on Climate-related Financial Disclosures (TCFD's) four content pillars (Governance, Risk Management, Strategy, Metrics and Targets) and 11 recommendations. The climate risk assessment has helped us identify the pertinent risks and impacts of climate change on our business and accordingly integrate adaptive measures to make our business resilient for the future.

|  Rationale |  Impact |  Mitigation |
|---|--|---|
| Type of Physical Risk: Cyclone and Flooding | | |
| Coastal regions are most vulnerable to cyclonic storms, high winds, and flash flooding. In June 2023, Cyclone Biparjoy made a landfall in Kutch district of Gujarat causing high rainfall and high wind speed. HMEL's crude oil port at Mundra lies in the Kutch district and is at risk. | <ul style="list-style-type: none"> • Fuel and/ or power supply delays/ interruptions • Damage to roads, bridges, and rail crossings • Impact on employee health and well-being • Damage to structural elements leading to operation shutdown. • Damage to Single Point Mooring system (SPM) and its associated infrastructure • Sinking of storage tanks and flooding of the internal plant drainage systems, increasing the risk of a fire threat • Interruptions and delays to the delivery and distribution system | <ul style="list-style-type: none"> • HMEL has Standard Operations Procedures and emergency plans in place. • Employees and workers are directed to stay inside the plant premise where food and other facilities are made available. • To mitigate the impact of power disruptions, HMEL top up crude oil tank at its Bathinda refinery while also looking at increasing its crude oil storage capacity at Bathinda. • Maintenance crafts take shelter near the port and are provided with adequate fuel, water, and food. • HMEL ensures that storage tanks are not empty to avoid floating of tanks. • HMEL exploring the feasibility of using bio-medical agents for combating oil spills. • HMEL is exploring the feasibility of adding power backup for the pumping stations at the port. |

|  Rationale |  Impact |  Mitigation |
|--|--|---|
| Type of Physical Risk: Heat Stress | | |
| Heatwave might be a risk in the future as the number of days for heat stress may increase with rising temperature. | <ul style="list-style-type: none"> • Workers may experience heat rash, heat cramps, heat exhaustion, and potentially fatal heatstroke. • Higher out-migration among workers. • Higher cost of operations and maintenance • Widening gender gap as heat exposure adds to the health and productivity risks faced by pregnant women. • Increased turnaround time for transportation of materials impacting the downstream distribution network. • Higher water demand in the region leading to water scarcity. | <ul style="list-style-type: none"> • Isotonic drinks are provided for all workforce on heat affected days. • Night shifts for construction related activities. • Ensuring sufficient manpower during heat-affected days. • Loading and unloading of products can be planned during night-time. • HMEL is working on measures such as climate adapted clothing for its workers. • Development of an emergency plan in the event of heatwave. |
| Type of Physical Risk: Water Stress | | |
| The likelihood of water stress and water depletion are extremely high for HMEL facilities especially in its refinery at Bathinda. | <ul style="list-style-type: none"> • Non availability of water for a long period may result in plant shutdown. • Labor migration and higher attrition rate. • Greater competition for water leading to water conflict with local communities | <ul style="list-style-type: none"> • Several water efficiency and recycling measures have been undertaken to reduce consumption of freshwater. • HMEL has capacity to store water to meet its operational needs for 14-16 days. It is also exploring the feasibility of increasing water storage capacity. • HMEL is planning to install floating solar photovoltaic panels over water reservoirs to reduce evaporation losses. • HMEL is exploring alternate sources of water. |
| Type of Transitional Risk: Market Risk | | |
| Oil demand to peak in India in mid-2030s and decline after 2040. Crude oil price increases till 2040 and then expected to decline. | <ul style="list-style-type: none"> • Reduced Sales • Reduced Revenues | <ul style="list-style-type: none"> • Diversification of product portfolio through investments in production of biofuels and green hydrogen |

|  Rationale |  Impact |  Mitigation |
|--|--|--|
| Type of Transitional Risk: Policy Risk | | |
| Carbon Tax Policies: Carbon taxes are projected to be in place in all regions, globally. | <ul style="list-style-type: none"> • Increase in operational costs | <ul style="list-style-type: none"> • Investment in low carbon technologies such as carbon capture utilization and storage • Purchase of carbon offsets |
| Type of Transitional Risk: Technology Risk | | |
| <ul style="list-style-type: none"> • Global hydrogen use is expected to expand from less than 90Mt in 2020 to more than 200Mt in 2030. In India, the Union Cabinet approved the National Green Hydrogen. • Mission in 2022 which has the objective of development of the green hydrogen production capacity of at least 5MMT (million metric tonnes) per annum with an associated renewable energy. • Low carbon energy generation: India has set a target of meeting 50% of energy requirements from renewables by 2030. • Transition to biofuels: India's National Policy on Biofuels is aimed at reducing the import of petroleum products by fostering domestic biofuel production | <ul style="list-style-type: none"> • Increase in capital expenditure | <ul style="list-style-type: none"> • Product portfolio diversification to include renewables. • Commitment to the research on renewable technologies and green business. • Exploring opportunities to invest in Green Hydrogen projects |

Water Management


HMEL recognizes the critical importance of a systematic approach to water management, especially in water-scarce regions. As water is essential to our industry, we prioritize its careful consumption and responsible disposal across

all operations. Using scientific tools such as WRI’s Aqueduct tool, WWF’s Water Risk Filter, Encore, and RepRisk, we have conducted a comprehensive Water Risk Assessment for our refinery, Mundra Port, and pumping stations.

In response to regional water scarcity, we have implemented various initiatives to reduce water usage and enhance conservation through a ‘reduce, reuse, and recycle’ approach. We continuously monitor and analyze our water-related activities,

reporting our progress annually, with a vision to improve efficiency each year. Our effluent discharge practices comply with the Environmental Protection Rule, 1986, applicable to the Petroleum Oil Refinery sector.

Effluent Treatment Plant



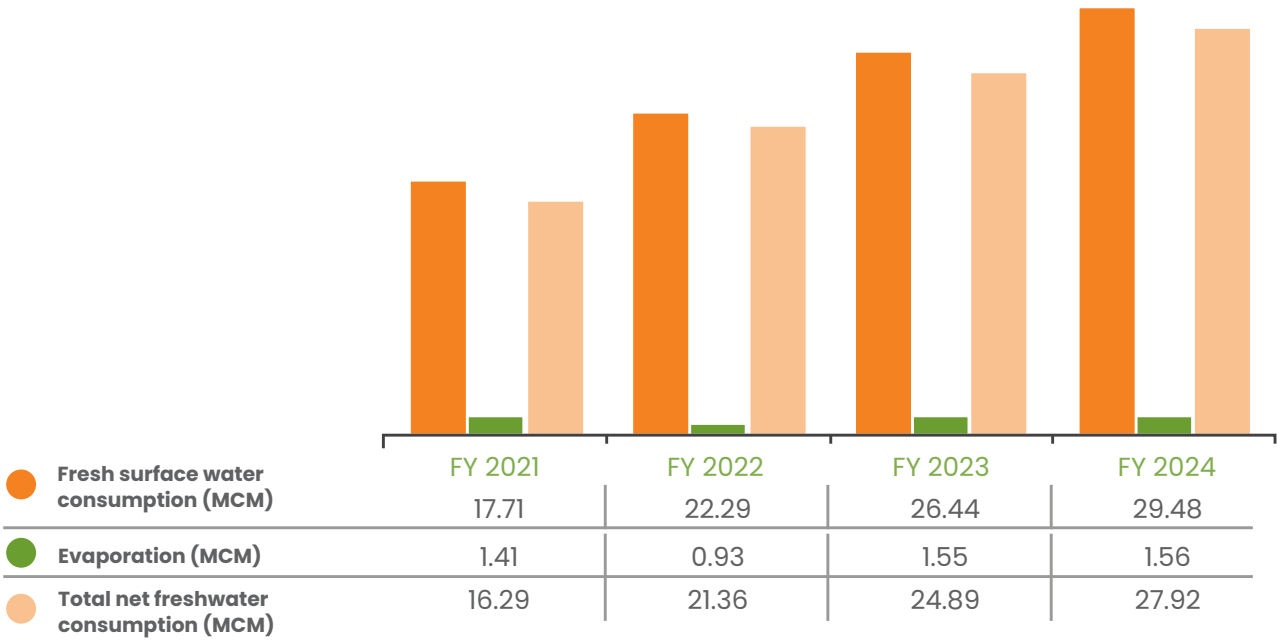
An innovative scheme was successfully implemented to process 200 m3/hr. of ETP treated water in Refinery Cooling towers CT-1 & 2. This initiative has effectively reduced the demand for fresh water from the Kotal canal and improved the specific water consumption of the HMEL block. The innovation is currently undergoing patent application. As per original design ETP treated water was intended to be routed to RODM plant but could not be done because of high COD in ETP treated water.

The recycling of ETP water in the RODM plant to produce DM Water was successfully completed through an innovative approach, resulting in significant water savings by reducing raw water demand.

This initiative is also being considered for patent application.

Up to 200 m3/hr. of Refinery ETP treated water is now being reprocessed in Refinery Cooling Towers as makeup water

Water (MCM)



Water Conservation Initiative

Various innovative schemes have collectively saved 35 m3/hr. of water:

- CDU/DCU Steam blowdown and trap condensate are now routed to the suspect condensate header.
- FCC Steam blowdown and trap condensate are directed to the Cooling water network.
- FCC Cooling tower blowdown is redirected to the Refinery Cooling tower system.
- SRU suspect condensate is routed to the Pure condensate header.

Optimization of CPP SSF backwash and improvement of COC of CPP Cooling tower have also contributed to water savings

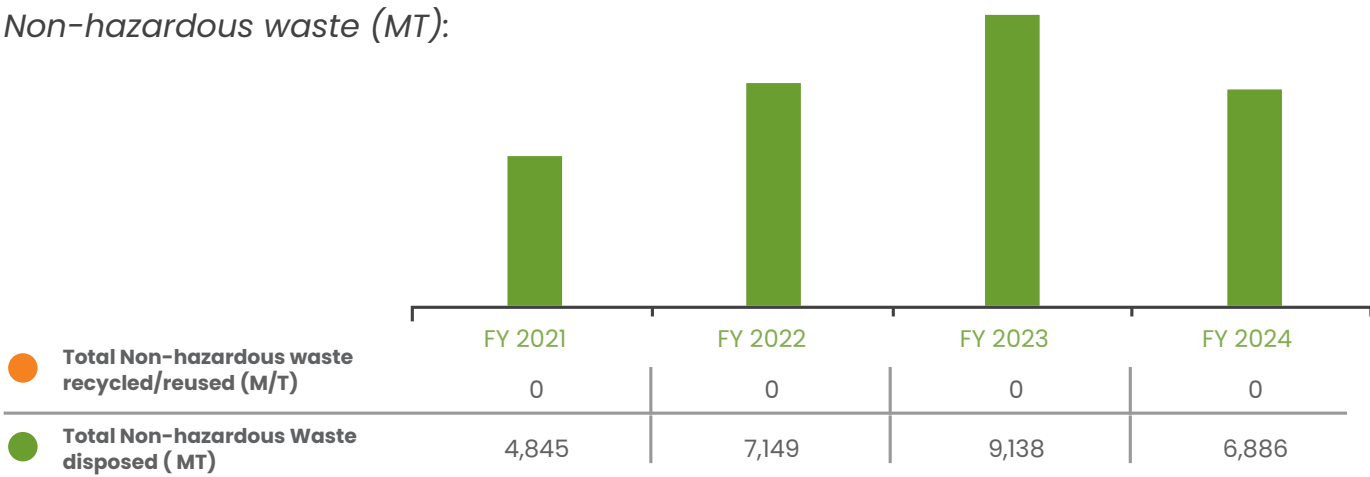
Waste Management

HMEL is committed to advancing the transition towards a circular economy, fostering a society based on resource recycling. We diligently follow the proper disposal of Hazardous waste as per the applicable regulations in Punjab and Uttar Pradesh.

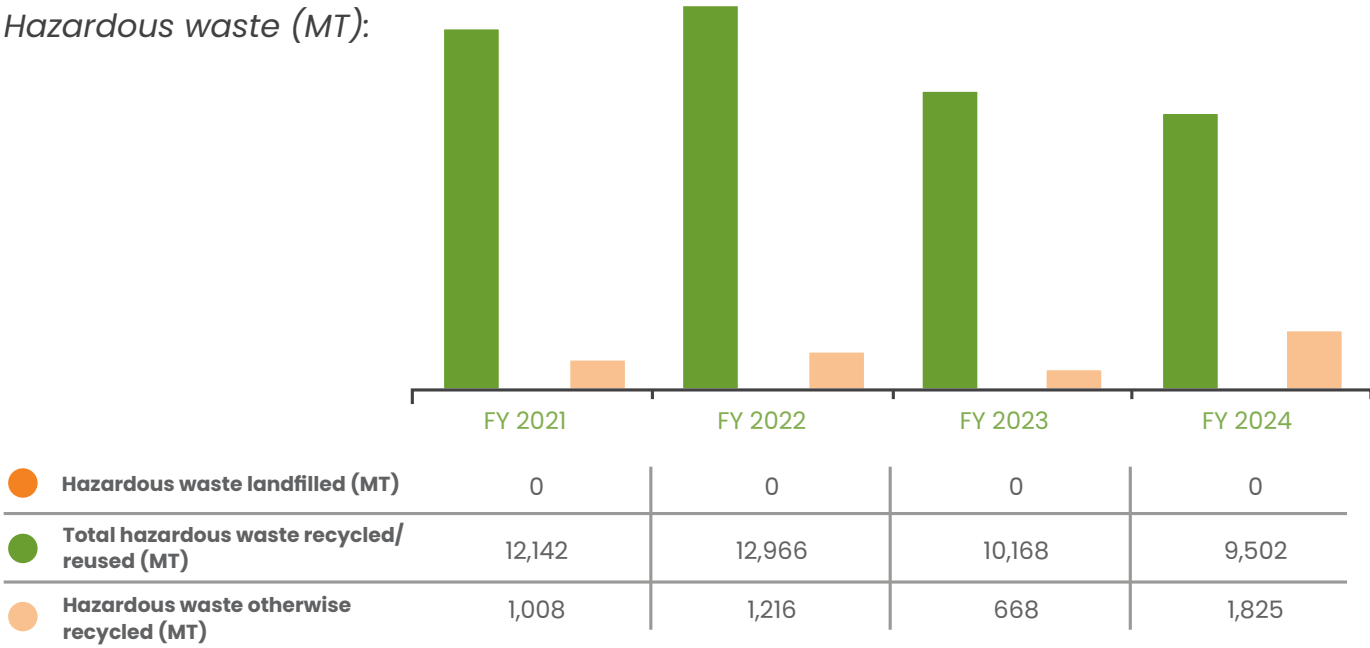
Plastic Waste Management

HMEL has signed a Memorandum of Understanding with KK Plastic Waste Management Company to utilize plastic waste in road construction. HMEL will provide shredded plastic waste for these projects, offering an end-of-life solution for plastics that cannot be otherwise recycled. This initiative aims to replace a portion of fossil fuel-based bitumen with plastic waste, contributing to the infrastructure sector's emissions reduction goals.

Non-hazardous waste (MT):



Hazardous waste (MT):



Biodiversity Management

HMEL recognizes the critical importance of biodiversity management in preserving ecosystems and safeguarding species. Our operational area spans 1,945 acres, where the refinery produces crude oil. Environmental Impact Assessments (EIAs) were conducted in 1998, 2008, and most recently in 2017. To address environmental pollution in urban areas, HMEL has established a green belt covering 163 acres in Bathinda, Rampura, Bir Talab, and Talwandi Sabo.

HPCL Mittal Pipelines Ltd. (HMPL) has achieved significant ecological benefits through its use of underground pipelines, which minimize land and habitat disruption compared to railways and roadways. Notably, HMEL has positively impacted the natural environment around the refinery, with a 13% increase in flora and a remarkable 75% increase in fauna since the refinery's establishment. This success is largely due to our planned industrial premises and an additional 163 acres outside the refinery. The 2017 EIA confirmed the absence of critically endangered, vulnerable, or rare species listed in the IUCN Red List in the study area.

Furthermore, HMEL conducts biodiversity assessments using tools such as WWF's Biodiversity Risk Filter, IBAT, and RepRisk for our refinery, Mundra Port, and pumping stations.

We acknowledge the potential negative impacts of our products, like polypropylene (PP), High-

Density Polyethylene (HDPE), and Linear Low-Density Polyethylene (LLDPE), on local biodiversity. To mitigate these impacts, we ensure responsible recycling by authorized recyclers, minimizing exposure to the natural environment.

Our 2008 EIA revealed that no pipelines or proposed facilities intersect ecologically sensitive areas in the Coastal Regulation Zone (CRZ), except for a 100-square-meter patch of mangrove habitat. In response, HMEL initiated a phased mangrove plantation covering over 100 hectares in Kutch, with an INR 40.6 lakh investment approved in 2015.





13,100

Trees Planted

including a part of Green Plantation Drive at Mundra and HOPL



Green belt developed

in an area of around

3 Acres

in subsidiary HOPL.

Miyawaki Forest Afforestation

HMPL Supports the Planting of 5,000 Trees for Miyawaki Forest Afforestation

Tree plantation is crucial for the environment, providing numerous ecological, social, and economic benefits. In Bhuj, the Smritivan Earthquake Memorial, built to honor the victims of the devastating 2001 earthquake, is the site of an ambitious afforestation project. To combat soil erosion and boost afforestation efforts in the area, thousands of trees are being planted using the Miyawaki method, a Japanese technique for creating dense, fast-growing forests.

As part of its CSR initiatives, HMPL is supporting this effort by planting 5,000 trees. The GM-Pipeline also visited the site and actively participated in the tree planting activities.





Human Capital

Focus Areas

95.65%

Increase in Female in workforce as compared to last year

7.7%

Employee turnover rate reduced / Attrition rate

80%

Employee engagement Survey

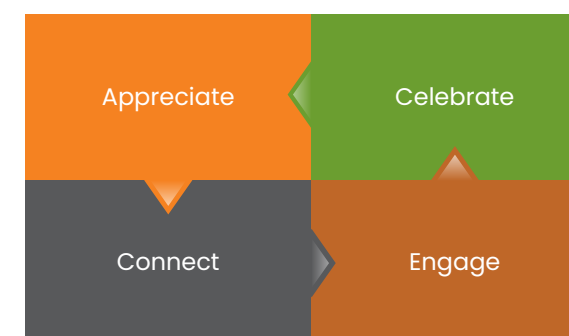
Talent Attraction & Retention

Employment Generation

Attracting, developing, and retaining top talent is crucial to our ongoing success. We consider our human capital our most invaluable asset and the primary engine of our company's achievements. Our workforce drives our commitment to all stakeholders.

To nurture morale and sustain motivation, we have implemented an employee engagement framework known as 'Employee First.' This framework fosters trust, collaboration, and camaraderie among our teams through best practices, engagement, and communication.

Employee First Framework



Employee Well-being

100% Return to Work after Maternity Leave

In FY2023-24, we welcomed 418 new team members to HMEL, including trainees.

At HMEL, employee wellbeing is fundamental to our sustainable growth. We are committed to creating a safe work environment and have implemented various programs to enhance both the mental and physical well-being of our employees. One such initiative, "We Care," organizes leadership-employee connect sessions to facilitate direct communication with our leadership.

We offer female employees 26 weeks of fully paid leave, in accordance with the Maternity Benefit Act, acknowledging the importance of this significant phase in their lives. We provide comprehensive support to ensure their happiness and success in both personal and professional spheres. Additionally, we take pride in our dedicated creche facility, located near our medical team, designed with essential amenities to ensure the comfort and wellbeing of our female employees and their children.

Company has implemented 5-day working in Refinery & Pipeline locations to improve the work-life balance.

Post-COVID, we addressed increased attrition rates by launching the "Long Service Retention Scheme" in March 2023, aimed at encouraging longer tenures with HMEL. Available to employees at managerial and below levels, the program saw an impressive results with significantly higher participation rate among eligible employees.

Understanding the importance of employee satisfaction and engagement, we partnered with an external agency to create the "PRIDE" (People's Role in Designing Employee Experience) survey. This survey, conducted every four months, measures employee satisfaction.



| Employee Engagement Survey (%) | FY23 | FY24 |
|--------------------------------|------|------|
| | 75% | 80% |

Employee Wellbeing initiatives



Our sports Committee also plays a key role in employee engagement, organizing various events for employees and their families. Recently, we held a 52-day cricket tournament with 465 participants.

Major initiatives taken to ensure Employee wellbeing



Hepatitis Awareness camps and vaccination



Awareness session on Mental Health and Stress Management

Health & Safety

At HMEI, employee health and safety are paramount. We are committed to fostering openness, dialogue, consultation, and participation with our employees and all stakeholders. Operating in a high-risk industry, we maintain a vigilant Health and Safety Committee. Monthly Health & Safety Committee meetings at various organizational levels ensure participation and consultation on safety-related issues, involving managers, field operators, contractors, and safety representatives from each site area. Managers encourage participation in health and safety matters through open and transparent practices.

At HPCL Mittal Pipelines Ltd. (HMPL), the use of pipelines significantly reduces the risk of naphtha spills due to their advanced safety features, including advanced leak detection, monitoring systems and automatic shut-off valves. Unlike rail and truck transportation, pipeline transportation operates within a fully enclosed loop system from dispatch to delivery, enhancing overall safety and reliability.

HMEI's Health, Safety, Environment & Quality (HSEQ) Policy clearly showcases the company's dedication in maintaining an incident and injury-free (IIF) workplace.

Safety is a core value, not just a compliance requirement, reflected in our safety-first principles and indicators.

Our approach emphasizes safety leadership as essential for cultivating a robust safety culture. We drive visible leadership by leading by example, engaging in open dialogues with workers, inspiring teams, and encouraging safe behaviors. HMEI's Senior leaders participate in IIF Listening Tours, engaging in open dialogues to understand employee perspectives.

We prioritize safety engagement through Reward & Recognition and Suggestions programs to involve our entire workforce. Throughout the year, we conduct targeted safety campaigns covering chemical, electrical, road, process, fire, and national safety to raise awareness and foster participation among employees and business partners. Our safety communication initiatives include regular Safety Flash and Toolbox Talk distributions.

Consultation and communication channels include town hall meetings with safety presentations, leadership-led safety briefings at 40 locations monthly, Near Miss & STAR reporting systems, and an Idea Cafe for safety improvement suggestions.

HMEI has made the transition from Safety Management System based upon best practices from UK OH&S to OHSAS 18001 certification and lately into ISO 45001 certification.



Integrated Safety Management System Implementation





Zero incidents

of non-compliance with regulations concerning health and safety impacts.



Identifying occupational safety and process safety hazards:

At HMEL, employee health and safety are paramount. We are committed to fostering openness, dialogue, consultation, and participation with our employees and all stakeholders. Operating in a high-risk industry, we maintain a vigilant Health and Safety Committee. Monthly Health & Safety Committee meetings at various organizational

levels ensure participation and consultation on safety-related issues, involving managers, field operators, contractors, and safety representatives from each site area. Managers encourage participation in health and safety matters through open and transparent practices.

At HPCL Mittal Pipelines Ltd. (HMPL), the use of pipelines significantly

reduces the risk of naphtha spills due to their advanced safety features, including advanced leak detection, monitoring systems and automatic shut-off valves. Unlike rail and truck transportation, pipeline transportation operates within a fully enclosed loop system from dispatch to delivery, enhancing overall safety and reliability.

TRIFR down by 10% for employees during FY24.

| | FY 21 | FY 22 | FY 22 | FY 24 |
|---|-------|-------|-------|-------|
| Fatalities Employees | 0 | 0 | 0 | 0 |
| Fatalities Contractors | 2 | 1 | 0 | 0 |
| LTIFR Employees | 0.21 | 0.00 | 0.00 | 0.19 |
| LTIFR Contractors | 0.29 | 0.22 | 0.23 | 0.04 |
| TRIFR Employees | 0.42 | 0.62 | 0.21 | 0.19 |
| TRIFR Contractors | 0.84 | 0.85 | 0.90 | 0.62 |
| Process Safety Total Incident Rate (PSTIR) - Tier | 0.03 | 0.00 | 0.08 | 0.00 |

Process Safety Management

At HMEI, we have successfully implemented process safety management framework to deal with hazards & risk associated with our operating facilities. The framework consists of 16 elements focused on strengthening operational discipline and conduct of operations. Our project life cycle approach ensures that hazards are adequately identifies at each stage of the project starting from conceptual design till decommissioning. A system driven management of change workflow ensures that every modification in operating facility is adequately addressed to reduce/mitigate the risks.

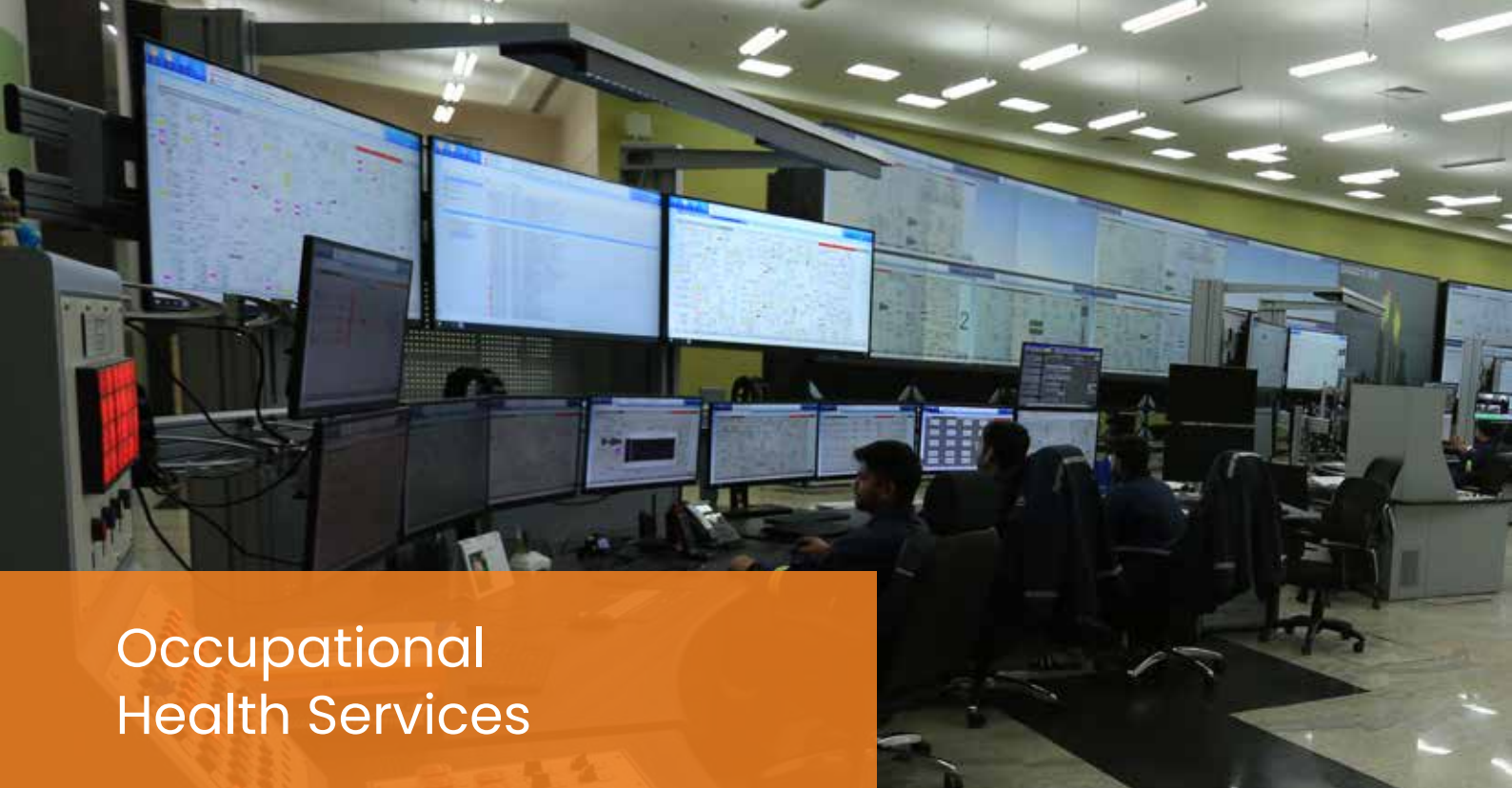
In 2023, we ran two successful campaigns aimed at creating awareness on importance of adhering to standard operating procedures (SOPs) and eliminating or reducing human factors in operating environment with an objective to prevent re-occurrence of Process Safety Events (PSE). We

developed and rolled out a process safety safe operational principles booklet which highlights 38 unsafe acts and unsafe conditions. This booklet is distributed to frontline workers for creating awareness on safe operations.



Oil Industry Safety Directorate (OISD) in partnership with HMEI organized a two-day National Safety Conclave 2023 from 4-5 December at HMEI Township, Bathinda. Divided into five technical sessions, the National Safety Conclave saw leaders and delegates from various oil and gas sector companies from across the country sharing their experiences on "Safety in the Era of Intricacies, Massiveness, Globalization, and Digitalization".

HMEI has delivered oral presentations at Hazards33 international process safety conference took place in Birmingham, UK and at the India Energy Week 2024 took place in Goa, India. The presentations shed light on process safety best practices being followed at HMEI. Multiple papers on PSM best practices were published in national (Federation of Indian Petroleum Industry) and international journals (Process Safety Progress-AIChE).



- HMEI's Occupational Health Centers (OHCs) aim to promote workplace health, safety, and well-being. Key objectives include:
- **Preventive Measures:** Implementing safety protocols, risk assessments, and training programs to prevent occupational illnesses, injuries, and accidents.
 - **Health Promotion:** Providing health education, counseling, and support to employees. This includes health camps, awareness sessions, and observance of health days (e.g., Health Day, Hypertension Day).
 - **Early Detection and Intervention:** Conducting regular health screenings and medical examinations to identify and address health issues promptly.
 - **Drug and Alcohol-Free Workplace:** Conducting awareness sessions and dope tests.
 - **Vaccinations:** Providing immunizations specific to job roles, such as typhoid for food handlers and hepatitis B for high-risk workers.
 - **Training:** Offering basic first aid and life support training.
 - **Medical Examinations:** Conducting pre-employment, periodic, and specific examinations for various roles and risk areas.
 - **Curative Services:** Providing primary medical management and having fully equipped ACLS ambulances for patient transfer.
 - **First Aid Management:** Placing first aid boxes at various plant locations and ensuring regular refilling.

- **AEDs (automated External Defibrillator) Availability:** Placing AEDs at key locations for cardiac emergencies.
- Distributed First aid boxes to all employees for their personal use.
- **Digitalization:** Collecting and analyzing occupational health data to identify emerging risks.

- HMEI prepares industrial hygiene matrices and schedules in consultation with safety, environment, plant HODs, and shop floor workers. We ensure compliance with OSHA, ACGIH, Factory Act, or state legislation as applicable. Monitoring and surveillance activities include:
- Walk-through surveys
 - Personal chemical monitoring
 - Heat stress monitoring
 - Illumination surveys
 - Biological monitoring for chemical exposure

We coordinate with other departments for calibration and maintenance as needed, keeping detailed records, and sharing reports with top management to monitor and implement corrective actions for continual improvement.



Trainings on Health and Safety

1,72,716
hours of Safety training.

HMEL maintains its commitment to the safety and well-being of its employees through comprehensive training initiatives. Safety remains a core value at HMEL, and we recognize the inherent risks in our industry. In line with our dedication to maintaining exemplary safety standards, we conducted over 1,72,716 hours of safety training during FY 2023-24 period for our employees and business partners.

Our diverse range of health and safety training sessions is designed to equip employees with the knowledge and skills necessary to maintain a safe work environment. These sessions include a two-day advanced safety induction, focusing on incident prevention and workplace safety protocols, as well as specialized training on gas detection and the work permit system.

Additionally, we offer one-day safety officer training to enhance safety leadership within our workforce. Acknowledging the specific vulnerabilities of certain roles, particularly helpers on the shop floor, we have implemented specialized training programs tailored to their needs. We provide Supervisor Skill Training and Safety Officer Skill Development Training for contractor supervisors and safety officers to ensure effective safety management across all levels. Continuous training sessions are also conducted for contractor helpers, technicians, drivers, and other trades throughout the year, demonstrating our commitment to their ongoing preparedness and safety.

Employee Safety



During October 2023, HMEL organized a free eye check-up and distributed eyewear over a period of 15 days. A total of 1089 TT crew members underwent eye examinations, and 534 pairs of eyewear were provided at no cost. This initiative garnered widespread recognition in print media, highlighting HMEL's dedication to enhancing road safety.

In December 2023, HMEL conducted a comprehensive "Integrated Safety Training" program spanning three days for its TT crew. The training covered safe practices in the transportation of hazardous chemicals, emphasized behavioral aspects such as mobile phone usage and adherence to speed limits, and included stress management techniques through Yoga and Dhyana.

Initiatives taken to secure employee's health & safety at HMEL

Across HMEL, various trainings and mock drills were carried out, on topics like, 'Emergency Response & First Aid', Safety Training program on Safe Transportation of Hazardous Chemicals, 'Incident and Injury-Free (IIF) Expectation Workshop', etc.

Emergency Response and Disaster Management Plan (ERDMP) Audit was conducted to enhance readiness for swift and organized emergency responses, ensuring preparedness in terms of equipment and personnel aligned with associated risks. As part of the audit process, auditors executed a level-2 mock drill to assess team response capabilities. The drill was efficiently coordinated, and the team demonstrated rapid responsiveness.





Human Rights

HMEL is a signatory to the United Nations Global Compact (UNGC) and is aligned with its principles. We have established a formal governance framework where our Human Leadership and Procurement Team addresses human rights issues and adapts mitigation strategies based on reports from the Whistleblower Policy. Our Human Rights Policy, grounded in sustainable development principles, focuses on protecting human rights, respecting employee dignity and well-being, and ensuring equal rights for all individuals.

We have developed a human rights risk management framework to thoroughly evaluate

and mitigate potential human rights risks, assessing the likelihood and seriousness of identified issues. An internal system has been implemented for information gathering and accountability, with this information made accessible to all stakeholders through dedicated outreach efforts. HMEL remains committed to championing human rights throughout its value chain.

As a part of our commitment to upholding the highest standards of social responsibility, the company has implemented a range of measures, including multiple levels of verification, to prevent child labor, forced labor, support in case of any legal requirements, and any kind of unfair working environment. The company has also set forth systems to ensure social benefits are made available to every contractual worker.

Diversity, Equity and Inclusion

At HMEL, we are deeply committed to ensuring fair and equal opportunities for all employees. We uphold a zero-tolerance policy against workplace discrimination, as outlined in our Code of Conduct and Diversity, Equity, and Inclusion Policy, which aligns with NGRBC guidelines. We actively promote a diverse workforce, recognizing that diversity drives innovation, fosters collaboration, and contributes to the overall growth of both our employees and the organization.

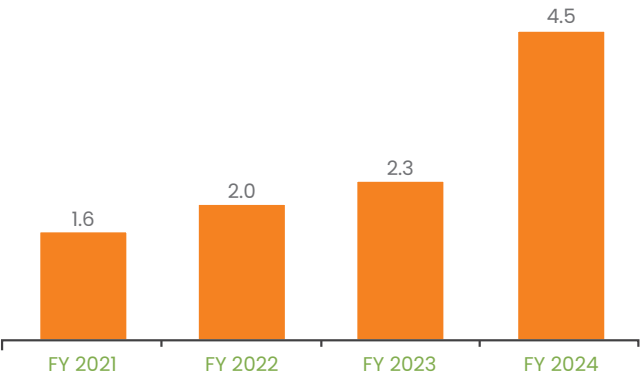
We practice gender pay equity, ensuring that employees in the same position receive equal remuneration regardless of gender or race. This commitment to gender pay parity underscores our dedication to gender equity.



Workforce

| | FY 21 | FY 22 | FY 23 | FY 24 |
|-------------------------------|-------|-------|-------|-------|
| Total permanent workers | 1,902 | 1,928 | 1,956 | 2,201 |
| Headcount by age groups | | | | |
| Less than 30 years | 43.9% | 38.7% | 33.6% | 34.8% |
| Between 30-50 years | 50.3% | 55.2% | 59.7% | 59.9% |
| More than 50 years | 5.8% | 6.1% | 6.7% | 5.3% |
| Headcount by Management level | | | | |
| Senior management | 2.4% | 2.2% | 2.5% | 2.2% |
| Middle management | 11.7% | 13.1% | 12.0% | 15.6% |
| Junior management | 42.2% | 41.2% | 43.6% | 28.0% |
| Others | 43.7% | 43.5% | 41.8% | 54.2% |
| Headcount by Nationality | | | | |
| Indian | 99.7% | 99.8% | 99.9% | 100% |
| Foreign | 0.3% | 0.2% | 0.1% | 0% |
| Headcount by Race/ Ethnicity | | | | |
| Asian | 99.7% | 99.8% | 99.9% | 100% |

% of Female in workforce



| | FY 21 | FY 22 | FY 23 | FY 24 |
|---|-------|-------|-------|-------|
| Female workforce in organization | 1.6% | 2.0% | 2.3% | 4.5% |
| Female workforce in departments | | | | |
| Revenue generation | 0.2% | 0.3% | 0.4% | 0.8% |
| STEM functions | 1.3% | 1.1% | 1.7% | 3.2% |
| Female workforce by age group (Total Workforce) | | | | |
| Less than 30 years | 0.9% | 1.0% | 1.2% | 3.3% |
| Between 30-50 years | 0.7% | 1.0% | 1.1% | 1.2% |
| More than 50 years | 0% | 0% | 0% | 0% |
| Female workforce by management level (within level) | | | | |
| Leadership level board members | 12.5% | 12.5% | 12.5% | 12.5% |
| Senior management | 0% | 0% | 0% | 0.1% |
| Middle management | 1.8% | 1.6% | 3.0% | 3.0% |
| Junior management | 3.1% | 3.3% | 4.2% | 1.8% |

Major initiatives taken towards Diversity at HMEL



“Building an Inclusive Workplace”

HMEL launched Sensitization Training Sessions focusing on discussing Unconscious Biases at Workplace.



Learning & Development

Our employees are the cornerstone of our company's strength and success. We align their personal career growth with the company's overall progress. We prioritize Learning and Development programs, covering a wide spectrum from soft skills like leadership to career-oriented aspirations. These programs are delivered annually through in-person sessions, online platforms such as Webex, Zoom, MS Teams, and e-learning modules hosted on Percipio. Additionally, we collaborate with internationally renowned institutions for specialized training in relevant functions.

Leadership Development Programs

HMEL has established a comprehensive leadership development program to cultivate future leaders and address current development needs. These initiatives include customized training programs through prestigious management institutes such as ISB and IIMs. In addition to these programs, senior leaders undergo leadership assessments based on HMEL competencies and receive personalized coaching and mentoring from industry and executive coaches.

To prepare for the future, HMEL launched a Customized Leadership Development Journey with ISB, aiming to develop a pool of identified successors. During FY23-24, HMEL organized 35

Customized Leadership Development Programs, addressing 11 competencies, and covering participants across 104 batches.

In FY24, HMEL recorded 247,945.2 training hours, reflecting a 104.7% increase from 121,108 hours in FY23. HMEL invested these hours in technical, behavioral, leadership, and safety training. Additionally, we ensure that 100% of eligible employees participate in the Performance Management cycle, which includes goal setting, quarterly and annual evaluations, and development plan sessions.

In FY23-24, training hours increased due to a significant rise in the number of new Graduate Engineer Trainees (GETs) and Diploma Engineer Trainees (DETs), from an average of 50 to 147. Additionally, the training duration for these trainees was extended from 2 months to 5.5 months, based on feedback from various departments and previous trainees. The extended program included enhanced technical, behavioral, and leadership training, covering areas such as major equipment, utilities, field training, communication, interpersonal skills, innovation, financial awareness, and safety. This comprehensive 5.5-month training plan improved the knowledge and skills of the new joiners. The increase in training hours for female employees, 31 of whom were GETs/DETs, also contributed to the overall rise.

| | FY 21 | FY 22 | FY 23 | FY 24 |
|--|-------|-------|-------|-------|
| Average hours spent on FTE on training & development | 32.6 | 54.8 | 61.8 | 119.3 |
| Average hours spent on training & development by Gender | | | | |
| Male | 32.70 | 55.10 | 61.31 | 107.1 |
| Female | 27.40 | 37.40 | 83.53 | 460.9 |
| Average hours spent on training & development by training type | | | | |
| Behavioral & Leadership/ Management | 14.62 | 17.21 | 21.35 | 33.0 |
| Functional & Technical | 18.02 | 37.56 | 40.47 | 86.3 |

Training Program on Environmental, Social, and Governance (ESG)



On April 18th and 19th 2023, we held an ESG training program in Bathinda, facilitated by TeamTech Environment Health & Safety Private Limited. Mr. Saddam Mansuri and Mr. Vidyanath R led the sessions. The program highlighted the crucial role of ESG in modern business, reflecting our commitment to sustainable growth in India's dynamic energy sector. Topics included fundamental concepts, tailored KPIs, reporting standards, sustainable practices, individual contributions, industry best practices, environmental stewardship, and social responsibility initiatives. Twenty-two employees benefited from this training.

Human Capital Return on Investment (INR million)

| | FY 21 | FY 22 | FY 23 | FY 24 |
|---|---------|---------|---------|---------|
| Total Revenue | 517,305 | 895,512 | 961,506 | 913,305 |
| Total operating expenses | 229,678 | 520,977 | 669,334 | 635,138 |
| Total employee related expenses (salaries & benefits) | 2,970 | 3,401 | 3,892 | 6,348 |
| Resulting HC Rol | 96.8 | 110.1 | 75.1 | 43.8 |

Masterclass on BRSR, ESG & SR



We conducted a masterclass on Business Responsibility and Sustainability Reporting (BRSR), ESG, and Sustainability Reporting, facilitated by TeamTech Environment Health & Safety Private Limited. This session aimed to clarify the practical implications of BRSR/ESG/Sustainability, emphasizing its global significance and relevance in India. The masterclass covered the Business Responsibility and Sustainability Report (BRSR) mandated by SEBI for India's top 1000 listed companies by market capitalization. Facilitators demonstrated how this report aligns with ESG principles and its role in effective stakeholder communication. Three participants from HMEL attended this training.





LinkedIn Learnings



In the fiscal year 2023–24, we moved from the Skillsoft (Percipio) platform to LinkedIn Learning. This new platform is trusted by 78% of Fortune 100 companies and boasts over 900 behavioral and leadership development courses, covering all HMEL competencies, plus over 9000 courses in total.

Since launching LinkedIn Learning, employee engagement has been strong. Last year, over 95% of our employees logged in for their development. More than 75% completed at least one training program. In total, employees finished over 16,000 training modules, averaging around eight per person.

We assign training modules tailored to each employee's Individual Development Plan (IDP) on LinkedIn Learning. To further encourage use of the platform, we share Knowledge Clips—short learning clips by top management thinkers—three times a week via email.



In collaboration with esteemed IIMA, we organized a transformative training program on "Impromptu Speaking and Barriers to Communication". The program covered vital topics essential for effective communication, including understanding communication dynamics, identifying, and overcoming barriers to communication, mastering the art of impromptu speaking.

Social & Relationship Capital

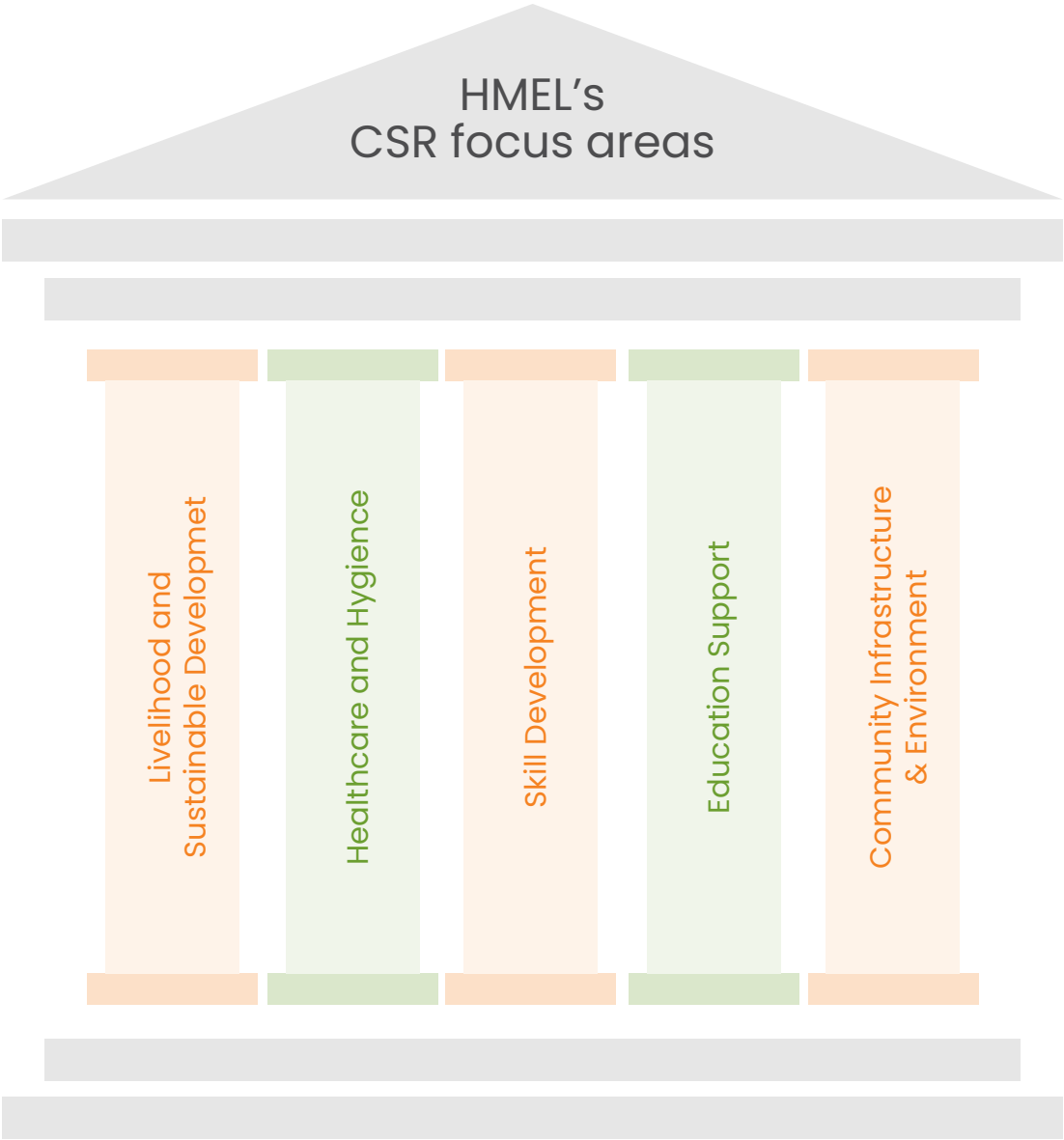


CSR

HMEL is committed to giving back to its community through projects that create shared value and promote inclusive development, driving societal change. Our Board-level CSR Committee oversees these initiatives, and we collaborate with the HPCL-Mittal Foundation (HMF) to fulfill our social commitments. HMEL's CSR policy outlines our vision, values, and core focus areas as per Schedule VII of the Companies Act, guiding the implementation of our CSR initiatives.

HMEL is dedicated to the socio-economic and cultural development of communities surrounding its Bathinda refinery, as well as other regions based on their needs and national priorities. We ensure community participation in our efforts, fostering a sustainable, people-driven process. Focusing on HMEL's five thematic areas, and initiatives taken towards it, HMEL supports 46 Panchayats, reaching over 1,00,000 people from more than 21,000 households.

Our Corporate Citizenship Strategy is built on five core pillars of social responsibility:



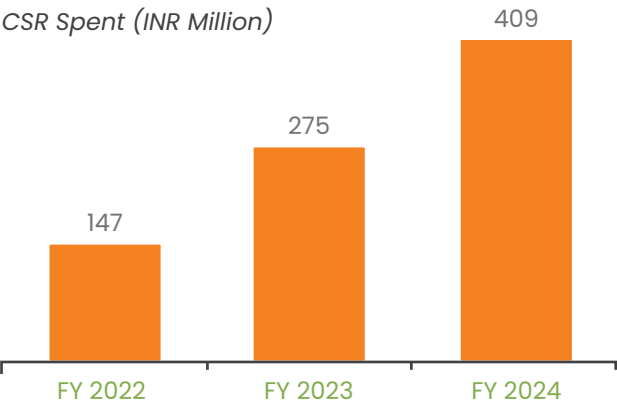
Philanthropic Contributions by Category

| | FY 21 | FY 22 | FY 23 |
|------------------------|--------|--------|-------|
| Charitable Donations | 19.41% | 10.96% | 3.6% |
| Community Donations | 80.59% | 89.04% | 96.4% |
| Commercial Initiatives | 0% | 0% | 0% |
| Total | 100% | 100% | 100% |

Philanthropic Contributions by Type

| (INR Million) | FY 21 | FY 22 | FY 23 |
|---------------------------------|-------|-------|-------|
| Cash Contributions and benefits | 147 | 275 | 409 |
| Employee volunteering hours | 0 | 0 | 0 |
| In-kind contributions | 0 | 0 | 0 |
| Management overheads | 0 | 0 | 0 |

49% of increase in CSR spent.



Livelihood and Sustainable Development

To generate livelihood opportunities for local communities, with a focus on women, HMEL strives to create women entrepreneurs in the surrounding areas. By fostering entrepreneurial development among women collectives formed as Self-Help Groups (SHGs), HMEL strategically positions these groups to meet broader community needs while economically empowering women.

Women Empowerment



HMEL has brought together 481 self-help groups, involving nearly 4,900 women. In this financial year, 19 of these groups started enterprises with HMEL's support. Furthermore, HMEL engaged 28 groups to produce uniforms and school bags for students, generating around Rs. 12 lakhs in revenue.

Phulkari Project



HMEL, in collaboration with The Nabha Foundation, launched the “Women Empowerment with Revival of Craft” initiative. This project aims to empower women, foster entrepreneurship, and create sustainable income opportunities through skill training and the revival of the traditional Phulkari craft. A feasibility baseline study was conducted in nearby villages. From this, 97 out of 139 identified artisans have enrolled and are undergoing basic training across seven villages. On International Women’s Day, HMEL celebrated with over 600 women from self-help groups.

Dairy Development

HMEL set up 74 animal camps across 46 villages, offering free veterinary care and quality medicines to nearly 15,000 cattle owners. They also held seven livestock breed competitions, drawing participation from over 1,200 cattle owners.

Skill Development

Recognizing the demand and potential to engage local youth in productive employment, HMEL has launched a dedicated skill development program aimed at enhancing youth employability.

HMEL has partnered with the National Skill Development Corporation (NSDC) to provide specialized training in eight skill areas, including warehouse packing, domestic data entry, IT helpdesk support, beauty therapy, and sewing machine operation, among others. This initiative has benefited 790 local youth, including providing IELTS coaching. Of these, 446 candidates have successfully completed their training, while the remaining 344 are still undergoing training.

Community Healthcare and Hygiene:



HMEL is committed to addressing health, hygiene, and sanitation issues in nearby communities and government schools. In FY 2023-24, HMEL undertook several initiatives, detailed below:

Awareness Sessions on Menstrual Health and Hygiene: HMEL conducted awareness sessions on menstrual health, hygiene, and life skills in 27 schools, benefiting 3,630 students. Additionally, 7,686 dignity kits were provided to students.

Human Health Check-up Camps: In FY 2023-24, HMEL organized 90 health check-up camps, benefiting 11,906 individuals, and providing free medicines.

Installation of Gym Equipment: To encourage physical activity and healthy habits among youth, HMEL installed gym equipment in 9 nearby villages.

Road Safety Measures: To promote a safety culture and reduce road accidents in our vicinities, HMEL installed 162 convex mirrors, speed breakers, and signage boards in local villages.

Support for Drug De-addiction Center: HMEL provided financial support to the District Council for Child Welfare in Sirsa, Haryana, which operates a 15-bed IPD drug de-addiction center in Kalanwali.

Mobile Toilets for Baisakhi: HMEL provided 100 mobile toilets for the Baisakhi festival to ensure proper hygiene.



Educational Development

Education, a key leveler for social inequality, is a top priority for HMEL. We address various educational needs of children from primary to senior secondary levels, currently working with 90 government schools and supporting 17,510 students.

- **Distribution of Basic Amenities:** HMEL has provided uniforms, stationery, and school bags to students across government schools.
- **Distribution of Bicycles:** Bicycles have been distributed to 1,306 girl students in 39 government schools.
- **Installation of Rides and Swings:** Rides and swings have been successfully installed in 20 government primary schools.
- **STEM Education:** To promote STEM education, HMEL has set up mini science labs in five government high and senior secondary schools, and organized quizzes and model-making competitions in five schools.
- **Distribution of Scholarships:** Scholarships have been awarded to 230 meritorious students in grades 10 and 12 across 21 government schools.

- **Promoting Co-curricular Activities:** Drawing and sports competitions have been organized in 90 government schools.

- **Support for Entrance Exam Preparation:** In our ongoing commitment to enhance quality education in government schools, HMEL is providing coaching support to talented students aiming to secure admission into prestigious institutions such as IITs and NITs. During the academic year 2023-24, we extended this support to 650 students in Bathinda district. Through our partnership with CSRL New Delhi, 7 exceptional students were selected and received coaching.

Their dedication has yielded remarkable achievements:

- 6 students successfully passed the JEE Main exams conducted in January and April 2024.
- 5 students went on to excel further by clearing the JEE Advanced exam held in May 2024.

All these students are now preparing for the counselling process to secure admissions into various Institutes/Universities..



- Auditorium Roofing Work: HMEL has completed roofing work for the auditorium at Girls Jain College in Raman.
- Establishment of Smart Classrooms: HMEL has established 584 smart classrooms in 342 government schools in the Jodhpur district of Rajasthan.
- Construction of Toilets: HMEL has built 26 toilet blocks in 13 government schools across 19 villages in the first phase.
- Upgradation of School Infrastructure: To improve infrastructure, HMEL has constructed one classroom, two kitchen sheds, seven toilet blocks, three water blocks, three mid-day meal sheds, a boundary wall, and other developmental work in 20 schools during the current fiscal year.
- Installation of Fire Extinguishers: HMEL has installed 65 fire extinguishers in 37 government schools across 19 new villages.



Community Infrastructure & Environment

To foster prosperity in the local community, HMEL is actively working on rural infrastructural development initiatives in designated villages.

Rural Development:

In FY 23-24, HMEL completed developmental projects in six neighboring villages. These projects included the construction of paver block roads, community parks, bus stops, and toilet blocks, all of which have been handed over to the stakeholders.

Rainwater Harvesting:

To capture rainwater and recharge groundwater, HMEL has undertaken rainwater harvesting projects at seven locations.

Concrete Benches & Tree Guards:

This year, HMEL successfully distributed 660 tree guards and 410 concrete benches across 46 nearby villages. HMEL also provided Rs 2.5 lakh to Vanaprastha Ashram for infrastructure development.

Distribution of Saplings in Nearby Villages:

HMEL distributed over 5,300 saplings in 29 villages. The planting of these saplings is being carried out with the support of local youth and panchayats in various village locations.

Supply Chain Management

The oil and gas industry plays a pivotal role in the global economy, significantly influencing the development of various sectors. Given the constant demand for energy across industries and by individuals, effective Supply Chain Management is crucial for ensuring system efficiency and addressing economic and social challenges. Failing to maintain high standards in Supply Chain Management can erode stakeholder trust and impair overall operations.

Some areas of intervention include

To safeguard our reputation and align with our long-term ambitions and business objectives, we adhere to best practices in procurement and contractor strategies. We have established strong, enduring partnerships with major national oil companies in the Middle East and diversified our supply chain with contracts in Latin America, West Africa, and the Mediterranean region to procure heavy crude oil. Our integrated value chain begins with crude oil procurement from Middle Eastern countries, followed by refining at our refinery, and ultimately delivering finished products through HPCL's extensive pipeline network. Our strategic location in Northern India, combined with HPCL's pipeline connectivity, optimizes product delivery.

Our commitment to sustainability extends throughout our operations, particularly in our supply chain. We follow a comprehensive approach to sustainable sourcing, with 16% of the procurement value coming from MSMEs (excluding crude oil, utilities, and statutory payments) and 18% from local suppliers in FY23-24.

We have established a Supplier Assessment Framework to assess ESG related risks associated with our supply chain. This year, we conducted a pilot ESG assessment for both of our crude and non-crude suppliers. Sample suppliers were selected from a pool of crude and non-crude suppliers. For crude suppliers, assessment was conducted through desk-based research whereas for non-crude suppliers' assessment was done through a combination of desk-based research and self-assessment questionnaire (SAQ).

Upon reviewing and assessing the responses from our suppliers, some key areas of development were identified. These include setting up management systems and data reporting tools. We are working with our suppliers to enhance their Environmental Management system to ensure transparent reporting on ESG related indicators. Furthermore, we are encouraging our suppliers to emphasize on the importance of Human Rights by conducting trainings and establishing a proper mechanism for POSH and Human Rights related incidences.

As part of next steps, we plan to conduct the assessment for all our crude and non-crude suppliers which form 75% of our total spend. Supplier-specific corrective action plans will be developed basis the assessment results, in consultation with suppliers, and shared with the suppliers for their action.

We are collecting ESG-related data from existing vendors on an ongoing basis. We plan to conduct supplier audits, either internally or through an external agency, to perform on-site assessments.

Awards



HMEL was honored for its excellence in cloud technology, receiving the prestigious 'Best Hybrid Cloud Infrastructure Security Transformation' award at the '3rd Annual Cyber Security Excellence Awards 2024,' organized by Quantic Business Media.



HMEL received the Global CSR Excellence and Leadership Award 2024 in the organization category for 'Support and Improvement in Quality of Education' at the 13th edition of the Global CSR Excellence and Leadership Awards ceremony.



HMEL received the Cyber Security Leadership Award at the esteemed "Annual Information Security Summit 2023", India's largest security event hosted by the Data Security Council of India (DSCI) in Delhi.



HMEL was honored with the top spot at the 10th FICCI Awards for Excellence in Safety Systems Conference held in New Delhi.



HMEL received the 'Best Adoption of Hybrid Cloud in the Oil and Gas Sector' award at the India DevOps Show 2023.



HMEC was honored with the 'Best Furnace Efficiency Award' at the 'Saksham Awards 2023', presented by the Center for High Technology under the Ministry of Petroleum & Natural Gas, during the 26th Energy Technology Meet held in New Delhi.



HMEC received the **PMA India Award 2023** in the 'Organizational Excellence' category. The accolade recognizes HMEC's exceptional project management abilities demonstrated in establishing its diverse assets, including the newly launched Guru Gobind Singh Polymer Addition Project.



HMEC's Captive Power Plant (CPP) received the **2023 Power Plant Performance Award (CPP-COAL)** from Mission Energy Foundation for its exceptional performance in operating CFBC, optimizing steam generation efficiency, and effectively managing ash handling.



HMEC's 'Automatic Storage & Retrieval System (ASRS)' received two esteemed awards in the 'Excellence in Warehouse Digitalization & Automation' category, alongside an individual honor for Mr. M B Gohil, VP-Petrochemicals, who was recognized as the 'Best Warehousing Leader of the Year'. These accolades were bestowed at the 8th Edition of the 'Future of Logistics and Supply Chain Summit & Awards 2023' in Mumbai, hosted by UBS Forum.



HMEC's Material Warehouse in Bathinda earned the prestigious 'Best Warehouse Safety Practices' Award from UBS Forum. The accolade was bestowed during the 'Future of Warehousing Summit & Awards 2023' in Mumbai. Furthermore, HMEC's MMC Warehouse achieved a 'Platinum' rating under the CII Warehouse Benchmarking & Certification Programme in 2023.

Certifications



HMEC achieved ISO 45001 Occupational Health and Safety Management Systems certification, demonstrating its commitment to ensuring decent work conditions, health, wellbeing and equality practices.



Our journey towards resilient IT business continuity, culminating in **ISO 22301 Certification**, involved thorough scrutiny by auditors from the BSI (British Standards Institution). They meticulously evaluated our systems, procedures, and protocols over several days before granting us the certification.



HMEC received **WAREX (Warehouse Excellence Certification)** Platinum certificate on MMC warehouse's operational performance.



HMEC achieved **ISO/IEC – 20000-1:2018 International IT Service Management System Standard** certification guaranteeing robust protection of sensitive data and adherence to global security protocols.



HMEC attained **ISO/IEC 27001:2013 Information Security Management System** certification by demonstrating effective management of IT Services, ensuring alignment with international standards and best practices.

| Disclosure | Disclosure Title | Reporting Section/Explanation |
|----------------------------|---|---|
| GRI 2: General Disclosures | | |
| 2-1 | Organizational details | HMEL's Overview |
| 2-2 | Entities included in the organization's sustainability reporting | Reporting Scope and Boundary |
| 2-3 | Reporting period, frequency and contact point | Reporting Scope and Boundary |
| 2-4 | Restatements of information | Reporting Scope and Boundary |
| 2-5 | External Assurance | Independent Assurance |
| 2-6 | Activities, value chain and other business relationships | Value creation model |
| 2-7 | Employees | Workforce |
| 2-8 | Workers who are not employees | Workforce |
| 2-9 | Governance structure and composition | HMEL's Governance Sturcture |
| 2-10 | Nomination and selection of the highest governance body | Nomination and Remuneration Committee |
| 2-11 | Chair of the highest governance body | A letter from Managing Director and CEO |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | HMEL's Governance Sturcture |
| 2-13 | Delegation of responsibility for managing impacts | Organogram and Senior Management Team |
| 2-14 | Role of the highest governance body in sustainability reporting | Corporate Sustainability Governance |
| 2-15 | Conflicts of interest | Compliance and Business Ethics |
| 2-16 | Communication of critical concerns | Stakeholder and Materiality Assessment |
| 2-17 | Collective knowledge of the highest governance body | HMEL's Governance Sturcture |
| 2-18 | Evaluation of the performance of the highest governance body | Nomination and Remuneration Committee |
| 2-19 | Remuneration policies | Nomination and Remuneration Committee |
| 2-20 | Process to determine remuneration | Nomination and Remuneration Committee |
| 2-22 | Statement on sustainable development strategy | A letter from Managing Director and CEO |
| 2-23 | Policy Commitments | Compliance and Business Ethics |

| Disclosure | Disclosure Title | Reporting Section/Explanation |
|------------------------------------|--|--|
| 2-24 | Embedding policy commitments | Compliance and Business Ethics |
| 2-25 | Processes to remediate negative impacts | Whistleblowing and fraud prevention |
| 2-26 | Mechanism for seeking advice and raising concerns | Whistleblowing and fraud prevention |
| 2-27 | Compliance with laws and regulations | Code of Conduct |
| 2-28 | Membership association | Membership associations |
| 2-29 | Approach to stakeholder engagement | Stakeholder and Materiality Assessment |
| GRI 3: Material Topics | | |
| 3-1 | Process to determine material topics | Stakeholder and Materiality Assessment |
| 3-2 | List of material topics | Stakeholder and Materiality Assessment |
| 3-3 | Management of material topics | Stakeholder and Materiality Assessment |
| GRI 201: Economic Performance | | |
| 201-1 | Direct economic value generated and distributed | Economic value generated and distributed |
| 201-2 | Financial implications and other risks and opportunities due to climate change | Climate change strategy |
| GRI 203: Indirect Economic Impact | | |
| 203-1 | Infrastructure investments and services supported | Manufactured Capital |
| 203-2 | Significant indirect economic impacts | Social and Relationship Capital |
| GRI 204: Procurement Practices | | |
| 204-1 | Proportion of spending on local suppliers | Supply Chain Management |
| GRI 205: Anti-corruption | | |
| 205-1 | Operations assessed for risks related to corruption | Anti-Bribery and Corruption |
| 205-2 | Communication and training about anti-corruption policies and procedures | Anti-Bribery and Corruption |
| 205-3 | Confirmed incidents of corruption and actions taken | Anti-Bribery and Corruption |
| GRI 206: Anti-competitive Behavior | | |
| 206-1 | Legal actions for anti-competitive behavior, anti- trust, and monopoly practices | No such instances have been reported in the reporting year |

| Disclosure | Disclosure Title | Reporting Section/Explanation |
|------------------------------|---|-------------------------------|
| GRI 207: Tax | | |
| 207-1 | Approach to Tax | Tax Strategy |
| 207-2 | Tax governance, control, and risk management | Tax Strategy |
| 207- 4 | Country-by-country reporting | Tax Strategy |
| GRI 301: Materials | | |
| 301-1 | Materials used by weight or volume | Waste Management |
| 301-2 | Recycled input materials used | Waste Management |
| 301-3 | Reclaimed products and their packaging materials | Waste Management |
| GRI 302: Energy | | |
| 302-1 | Energy consumption within the organization | Energy Management |
| 302-3 | Energy intensity | Energy Management |
| 302-4 | Reduction of energy consumption | Energy Management |
| 302-5 | Reduction in energy requirements of products and services | Energy Management |
| GRI 303: Water | | |
| 303-1 | Water withdrawal by source | Water Management |
| 303-2 | Water sources significantly affected by withdrawal of water | Water Management |
| 303-3 | Water recycled and reused | Water Management |
| 303-4 | Water Discharge | Water Management |
| 303-5 | Water Consumption | Water Management |
| GRI 304: Biodiversity | | |
| 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Biodiversity |
| 304-2 | Significant impacts of activities, products, and services on biodiversity | Biodiversity |
| 304-3 | Habitats protected or restored | Biodiversity |
| 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations | Biodiversity |

| Disclosure | Disclosure Title | Reporting Section/Explanation |
|---|--|--|
| GRI 305: Emissions | | |
| 305-1 | Direct (Scope 1) GHG emissions | GHG Emissions |
| 305-2 | Energy indirect (Scope 2) GHG emissions | GHG Emissions |
| 305-4 | GHG emissions intensity | GHG Emissions |
| 305-5 | Reduction of GHG emissions | GHG Emissions |
| 305-7 | Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions | Other Emissions |
| GRI 306: Effluents and Waste | | |
| 306-1 | Water discharge by quality and destination | Water Management |
| 306-2 | Waste by type and disposal method | Waste Management |
| 306-3 | Waste generated | Waste Management |
| 306-4 | Waste Diverted from disposal | Waste Management |
| 306-5 | Waste Directed to Disposal | Waste Management |
| GRI 307: Environmental Compliance | | |
| 307-1 | Non-compliance with environmental laws and regulations | Code of Conduct; Compliance and Business Ethics |
| GRI 308: Supplier Environmental Assessment | | |
| 308-1 | New suppliers that were screened using environmental criteria | Supply Chain Management |
| 308-2 | Negative environmental impacts in the supply chain and actions taken | Supply Chain Management |
| GRI 401: Employment | | |
| 401-1 | New employee hires and employee turnover | Employee Wellbeing |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Employee Wellbeing |
| 401-3 | Parental leave | Employee Wellbeing |
| GRI 403: Occupational Health and Safety | | |
| 403-1 | Occupational health and safety management system | Integrated Safety Management System |
| 403-2 | Hazard identification, risk assessment, and incident investigation | Identifying occupational safety and process safety hazards |
| 403-3 | Occupational health services | Occupational Health Services |

| Disclosure | Disclosure Title | Reporting Section/Explanation |
|---|---|--|
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | Identifying occupational safety and process safety hazards |
| 403-5 | Worker training on occupational health and safety | Trainings on Health and Safety |
| 403-6 | Promotion of worker health | Occupational Health Services |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Initiatives taken to secure employee's health & safety at HMEL |
| 403-8 | Workers covered by an occupational health and safety management system | Health and Safety |
| 403-9 | Work related injuries | Identifying occupational safety and process safety hazards |
| 403-10 | Work- related ill-health | Identifying occupational safety and process safety hazards |
| GRI 404: Training and Education | | |
| 404-1 | Average hours of training per year per employee | Learning and Development |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | Learning and Development |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | Leadership Development Programs |
| GRI 405: Diversity and Equal Opportunity | | |
| 405-1 | Diversity of governance bodies and employees | Board Diversity and Workforce |
| 405-2 | Ratio of basic salary and remuneration of women to men | Diversity, Equity and Inclusion |
| GRI 406: Non-discrimination | | |
| 406-1 | Incidents of discrimination and corrective actions taken | A letter from Managing Director and CEO |
| GRI 408: Child Labor | | |
| 408-1 | Operations and suppliers at significant risk for incidents of child labor | No such instances have been reported in the reporting year |
| GRI 409: Forced or Compulsory Labor | | |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | No such instances have been reported in the reporting year |
| GRI 410: Security Practices | | |

| Disclosure | Disclosure Title | Reporting Section/Explanation |
|---|--|--|
| 410-1 | Security personnel trained in human rights policies or procedures | All the security personnel working on the company premises have been trained in human rights policies and procedures |
| GRI 412: Human Rights Assessment | | |
| 412-1 | Operations that have been subject to human rights reviews or impact assessments | Human Rights |
| 412-2 | Employee training on human rights policies or procedures | Human Rights |
| 412-3 | Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | Human Rights |
| GRI 413: Local Communities | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | Social and Relationship Capital |
| 413-2 | Operations with significant actual and potential negative impacts on local communities | Social and Relationship Capital |
| GRI 414: Supplier Social Assessment | | |
| 414-1 | New suppliers that were screened using social criteria | Supply Chain Management |
| 414-2 | Negative social impacts in the supply chain and actions taken | Supply Chain Management |
| GRI 416: Customer Health and Safety | | |
| 416-1 | Assessment of the health and safety impacts of product and service categories | Manufactured Capital |
| 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | No instances have been reported in the reporting year |
| GRI 419: Socioeconomic Compliance 2016 | | |
| 419-1 | Non-compliance with laws and regulations in the social and economic area | Code of Conduct; Compliance and Business Ethics |



Assurance statement on third-party verification of sustainability information

Unique identification number: **4153961193**

TÜV SÜD South Asia Pvt Ltd. (hereinafter TÜV SÜD) has been engaged by HPCL-Mittal Energy Limited (HMEL) to perform a limited assurance verification of sustainability information in the Sustainability Annual Report of by HPCL-Mittal Energy Limited (HMEL) (hereinafter “Company”) for the period from 01.04.2023 to 31.03.2024. The verification was carried out according to the steps and methods described below.

Scope of the verification

The third-party verification was conducted to obtain limited assurance about whether the sustainability information is prepared in accordance with the reporting criteria of the 2021 Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter “Reporting Criteria”).

The following selected disclosures are included in the scope of the assurance engagement:

Option “full report” for reporting year Apr 1, 2023 – Mar 31, 2024

- the following selective disclosures on sustainability in the SUSTAINABILITY ANNUAL REPORT”, published at Company Website- <https://www.hmel.in/reports>
- GRI 2: Employess- 2-7;
- GRI 3: Material Topics – 3-1, 3-2, 3-3;
- GRI 201: Economic Performance – 201-2, 201-3;
- GRI 203: Indirect Economics Performance – 203-1, 203-2;
- GRI 204: Procurement Practices – 204-1;
- GRI 301: Materials – 301-1;
- GRI 302: Energy– 302-1, 302-2, 302-3, 302-4, 302-5;
- GRI 303: Water –303-1. 303-2, 303-3, 303-4, 303-5;
- GRI 304: Biodiversity – 304-1
- GRI 305: Emissions– 305-1, 305-2, 305-4, 305-5, 305-6, 305-7;
- GRI 306: Waste –306-1, 306-2, 306-3, 306-4, 306-5;
- GRI 308: Supplier Environmental Assessment – 308-2;
- GRI 401: Employment– 401-1, 401-2, 401-3;
- GRI 403: Occupational Health and Safety – 403-1, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10;
- GRI 404: Training and Education – 404-1, 404-2, 404-3;
- GRI 405: Diversity and Equal Opportunity – 405-1, 405-2;
- GRI 406: Non-discrimination– 406-1;
- GRI 407: Freedom of Association and Collective Bargaining 2016 – 407-1;
- GRI 408: Child Labour 2016 – 408-1;
- GRI 409: Forced or Compulsory Labour 2016 - 409-1,
- GRI 413: Local Communities– 413-1;
- GRI 416: Customer Health and Safety – 416-1, 416-2;
- GRI 417: Marketing and Lebeling– 417-1, 417-2, 417-3;
- GRI 418: Customer Privacy– 418-1;

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the sustainability reporting, and accordingly, we do not express a conclusion on this information.



It was not part of our engagement to review product- or service-related information, references to external information sources, expert opinions and future-related statements in the Report.

The following selected disclosures on sustainability in the Sustainability Report “HPCL MITTAL ENERGY LIMITED SUSTAINABILITY ANNUAL REPORT” are included in the scope of the assurance engagement:

- ❖ Scope 1 – Direct Emission 5952183 MT CO₂e
- ❖ Scope 2 – Indirect Emission 719382 MT CO₂e
- ❖ Energy Consumption
 - Total Energy Consumed 2085262 MWh
 - Renewable Energy Consumed 14434 MWh
- ❖ Water Withdrawal and discharge
- ❖ Waste disposal.
- ❖ Occupational Health & Safety
- ❖ Gender Pay Parity
- ❖ Employment & Trainings
- ❖ CSR Initiatives
- ❖ Governance

Responsibility of the Company

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

Verification methodology and procedures performed.

The verification engagement has been planned and performed in accordance with the verification methodology developed by the TÜV SÜD Group, which is based upon the ISAE 3000 and ISO 17029. The applied level of assurance was “limited assurance”. Because the level of assurance obtained in a limited assurance, the engagement is lower than in a reasonable assurance engagement, the procedures the verification team performs in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report and applying analytical and other limited assurance procedures.

The verification was based on a systematic and evidence-based assurance process limited as stated above. The selection of assurance procedures is subject to the auditor’s own judgment.

The procedures included amongst others:

- Inquiries of personnel who are responsible for the stakeholder engagement und materiality analysis to understand the reporting boundaries.
- Evaluation of the design and implementation of the systems and processes for compiling, analysing, and aggregating sustainability information as well as for internal controls
- Inquiries of company’s representatives responsible for collecting, preparing and consolidating sustainability information and performing internal controls
- Analytical procedures and inspection of sustainability information as reported at group level by all locations.



- Assessment of local data collection and management procedures and control mechanisms through a sample survey at Bhatinda Refinery and Corporate Office.

Conclusion

On the basis of the assessment procedures carried out from 18.03.2024 to 28.07.2024, TÜV SÜD has not become aware of any facts that lead to the conclusion that the selected sustainability information has not been prepared, in all material aspects, in accordance with the Reporting Criteria.

Limitations

The assurance process was subject to the following limitations:

- The subject matter information covered by the engagement are described in the “scope of the engagement”. Assurance of further information included in the sustainability reporting was not performed. Accordingly, TÜV SÜD do not express a conclusion on this information.
- Financial data were only considered to the extent to check the compliance with the economic indicators provided by the GRI Standards and were drawn directly from independently audited financial accounts. TÜV SÜD did not perform any further assurance procedures on data, which were subject of the annual financial audit.
- The assurance scope excluded forward-looking statements, product- or service-related information, external information sources and expert opinions.

Use of this Statement

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

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

Independence and competence of the verifier

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

Place, Date

14th August 2024

Gurugram (Haryana)

Prosenjit Mitra

GM- Audit Services

(Business Line - Verification, Validation & Audit)

Purnendra Kumar Gopal

Lead Verifier - Sustainability Services

