

Address by the MD & CEO – Sustainability Report 2023



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Imagine a world with energy security in harmony with the environment, where we can create products that enhance our lives without compromising on safety, where we can all work together while celebrating our diversity. That is the world we are striving to create at HMEL, and I am here to tell you how we are making it happen.

We are proud to present the Sustainability Report for 2023, which showcases our achievements and aspirations in the realm of environment, social and governance initiatives. More than a compilation of facts and figures; it is a story of our journey, a reflection of our values, and a vision of our future.

This year, we have reached a major milestone in our journey. We have successfully commissioned our state-of-the-art petrochemical plant featuring a 1.2 MMTPA capacity. This plant is not just a marvel of engineering; it is a testament of our excellence, our efficiency, and our innovation.

Let me share with you how this plant came to be. It was a dream that started with a challenge: how to meet the growing demand for polymers in the market while matching the best-in-class sustainability goals of our industry? We took up this challenge with passion and determination. We assembled a team of experts from across the globe, who worked tirelessly to design and build the plant within an unmatched time frame and budget. We followed the highest safety standards during the construction phase, ensuring zero

fatalities and minimal injuries. We adopted the best practices and technologies from the industry, ensuring optimal performance and quality.

The result is a world-scale plant that produces high-quality polymers that are used in various sectors such as packaging, automotive, healthcare, and agriculture. A plant that contributes to the economic growth and social development of the region. A plant that sets a new benchmark for the industry.

We are proud of this achievement, but we are not complacent. We know that this is just one step in our journey towards sustainability. We know that there is more to be done, more to be learned, more to be improved. That is why we have embarked on the next phase of transformation, in which sustainability becomes not just an aspiration, but the cornerstone of our strategy.

Our Board's Sustainability Sub-Committee oversees the progress of our sustainability initiatives, providing support and direction to the management in formulating policies and guidelines. It evaluates sustainability opportunities, risks and issues to ensure our continued alignment with our sustainability goals.

To support our commitment to Sustainability, we have adopted a comprehensive set of policies and guidelines that address multiple facets of Sustainability, such as Environment protection, Ethical conduct by employees and Suppliers, Human Rights, Diversity & Inclusion, Sustainability, and

Sustainability is not just a buzzword for us; it is a commitment, an integral part of our daily operations. It is a commitment that starts from the top and permeates through every level of our organization.



Cyber Security. These policies and guidelines define our principles, values, and expectations for ourselves and our partners.

To facilitate a proactive approach in aligning our operations with environmental sustainability and resilience, we have initiated studies to assess impact of Climate change on our business and situations of water stress and loss of Biodiversity.

I would like to talk about our unwavering commitment to safety. Safety is a value that guides every decision and action we take at H MEL. Our efforts to continually enhance safety standards have positioned H MEL as an exemplar in the industry, with zero fatalities, LTIFR of 0 and TRIFR for employees down by 63% during the fiscal year 2022-23. These are testimonies of our culture of safety that pervades every aspect of our work.

In these times where climate concerns are paramount, H MEL acknowledges the importance of addressing emissions. We're not just stopping at acknowledgment; we strive towards achieving a net-near-zero emission status by the year 2050, a testament to our dedication to the planet.

Our resolve is translated to tangible actions and outcomes. We are proud to disclose that H MEL has achieved a reduction in GHG emissions of 1.7% from the previous year. By transitioning our emails and non-SAP workloads to the cloud has enabled us to achieve substantial carbon emission savings, approximating 99.9% compared to relying on on-premises IT infrastructure. This also enables us to improve our efficiency, agility and collaboration across the organization.

To foster this culture of innovation and excellence, we have emphasized the importance of focused training on the IP generation process. We believe that intellectual property is not only a source of competitive advantage, but also a reflection of our creativity, ingenuity, and expertise. By providing our employees with the necessary skills and tools to generate and protect IP, we ensure that our innovations and solutions are not only cutting-edge, but also sustainable. We have carried out optimization in various units of our plants (DCU, FCC, VGO and CDU) which has potential for substantial benefits.

H MEL has expanded its operations with our new 300 KLPD bio-fuel unit, which we are excited to announce. This unit converts grain into bio-fuel, reducing the country's dependence on fossil fuels and lowering our carbon footprint. It is a unit that produces clean and renewable energy, enhancing our energy security and efficiency. It is a unit that supports the local farmers and communities, creating jobs and income opportunities.

H MEL takes immense pride in our advancements in Diversity and Inclusion. Despite the challenges posed by our remotely located plant, we've successfully improved our gender ratio to 4%, with an ambitious goal of reaching 10%. Furthermore, our commitment to fostering an inclusive environment is evident in our dedicated D&I training sessions for all employees. Our unwavering focus remains on cultivating a workspace where diversity is not just acknowledged but celebrated. At H MEL, we believe that diversity

and inclusion are essential for our success. We value the contributions of all our employees, regardless of their gender, race, religion, or background. We are committed to ensuring equal opportunities and fair compensation for everyone. That is why I am pleased to share with you that HMEL has maintained Gender Pay parity, meaning that there is no discrimination in pay of men and women for the same work at HMEL.

One of the core values of HMEL is continuous improvement and learning. We strive to achieve excellence in everything we do, from producing high-quality products to delivering outstanding customer service. To achieve this, we invest in the continuous learning and development of our employees. We have provided more than 0.35 million hours of training during the fiscal year 2022-23, with the majority being on safety. We have also introduced new learning platforms and programs to enhance the skills and competencies of our employees in line with the changing business needs and market trends.

HMEL has a well-structured leadership development program for developing future leadership and also identifying and meeting current development needs. These training programs include customized training programs through reputed management institutes such as ISB, IIMs and others.

We also recognize that we have a responsibility to contribute to the social and economic development of the communities where we operate. We have increased our

CSR spend by 87% during the fiscal year 2022-23. This amount has been invested in various initiatives related to education, health, sanitation, environment, and livelihoods. We plan to further increase our CSR spend by over 150% in FY2023-24, with a focus on enhancing the quality and impact of our interventions.

The collective expertise of the Board of Directors at HPCL-Mittal Energy Limited is a formidable asset, with each member well-versed and highly experienced in the intricate domains of Risk Management and the dynamic landscape of Cyber Security threats. Our Board comprises seasoned Directors from both the promoters viz. HPCL and 'Mittals' along with an Independent Woman Director who bring a wealth of knowledge and a deep understanding of the multifaceted challenges associated with these critical areas. Their extensive backgrounds encompass strategic risk assessment, proactive mitigation measures, and a comprehensive understanding of cybersecurity dynamics. This collective proficiency ensures that the Board is not only equipped to navigate the complexities of the energy industry but is also poised to address and proactively manage emerging risks in the ever-evolving cybersecurity landscape. The Board's commitment to staying abreast of the latest developments in risk management and cybersecurity is a testament to their dedication to steering HPCL-Mittal Energy Limited toward sustained success in an increasingly digital and risk-sensitive environment.

Sustainability is not just an obligation that we hold for ourselves, but a duty we owe to the generations to come. It is a privilege that we enjoy as a part of this magnificent planet, which we do not take lightly. We are aware of opportunities and challenges and the expectations, as well as hopes and aspirations, that society and stakeholders have from us. We are aware of the impact and influence that our actions and decisions have on the environment and the world.

We openly share our performance and progress with you, our valued stakeholders, maintaining a steadfast belief in transparency and accountability – cornerstones for establishing trust and credibility. We value and welcome your feedback and suggestions, as they are crucial in improving our performance and achieving our goals.

We invite you to read this report and join us on our journey towards sustainability. We hope that you will find this report informative, insightful, and inspiring. We hope that you will share our vision, values, and passion. We look forward to your support in celebrating our achievements and addressing our shortcomings.

Together, we can make a difference. Together, we can create a world with energy security in harmony with the environment, where we can create products that enhance our lives without compromising on safety and where we can work together celebrating our diversity.