

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**