

HPCL-MITTAL ENERGY LIMITED



Sustainability Report FY 2025-26

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HMEL'S VALUES AND VISION



Business Integrity

At HMEL, Business decisions are steered by a definitive set of core principles that remain unwavering regardless of the nature of the decisions we make. These principles are ingrained within our collective mindset and incorporated by every member of our work form. Our Code of Conduct and Ethics serves as foundation of our business integrity, underpinning the trust we have built with stakeholders over more than a decade of operations.



Accelerating Sustainable Growth

At HMEL, we are committed to the judicious and thoughtful use of resources, catalyzing economic progress, and fostering the sustainable growth of our organization. Our Sustainability Policy aligns our efforts with the objectives of comprehensive development, extending beyond organizational growth to encompass the well-being of all our stakeholders.



Caring for people

Our employees, partners, and stakeholder play a vital role in advancing HMEL's sustainability journey. The Company remains focused on fostering a safe and healthy workplace by continuously strengthening its occupational health and safety practices across operations. Alongside this, HMEL is committed to building an inclusive and equitable work culture that values diversity, encourages employee well-being, and promotes meaningful stakeholder engagement. Through its people-centric and community-focused initiatives, HMEL strives to embed responsibility, inclusive and sustainable practices across all aspects of its business operation.



ABOUT THE REPORT

HPCL-Mittal Energy Limited (H MEL) is pleased to present its fifth Sustainability Report for the fiscal year 2025-26, offering a comprehensive account of our financial and non-financial performance across the reporting period. Throughout this document, HPCL-Mittal Energy Limited will be referred to as "H MEL," "the Company," "we," "our," and "us."

This report reflects our unwavering commitment to building long-term value for our stakeholders through a responsible and forward-looking business model that places Environmental, Social, and Governance (ESG) considerations at its core. Aligned with the International Integrated Reporting (<IR>) Framework developed by the International Integrated Reporting Council (IIRC), this report continues to be enhanced with additional disclosures to provide stakeholders with meaningful insights into our value creation processes, enabling informed decision-making. Our Integrated Report delivers both quantitative and qualitative insights into key material topics and stakeholder interactions, ensuring a

balanced and transparent portrayal of our performance.

H MEL's reporting approach is grounded in an integrated thinking model that brings together financial and non-financial disclosures within a single, coherent framework. This approach reflects the interconnected nature of our capitals and ensures that stakeholders receive a complete and honest picture of our sustainability performance.

Independent Assurance

To uphold the integrity and credibility of our disclosures, H MEL has engaged M/s TUV SUD as its independent third-party assurance provider, which conducted limited assurance review of specific non-financial indicators.

The assurance has been conducted in accordance with the ISAE 3000 (Revised) and ISO 17029 standards and verifies that this report is prepared with reference to the 2021 Global Reporting Initiative (GRI) Sustainability Reporting Standards.

The assurance process encompassed: interviews with

staff responsible for stakeholder engagement and materiality analysis; evaluation of the systems and processes used for compiling, consolidating, and analyzing sustainability data; assessment of data collection and management procedures at key operational sites; and a review of the sustainability information as reported by H MEL.

For further information, please refer to the Assurance Statement at the end of this report.

Reporting Scope and Boundary

This report outlines H MEL's business strategy, operational approach, and overarching purpose, with a focused emphasis on ESG initiatives, outcomes, and forward-looking commitments. It encompasses both financial and non-financial indicators, enabling stakeholders to evaluate 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 covers the full operational spectrum of HPCL-Mittal Energy Limited (H MEL), including: Pipeline

division, the Guru Gobind Singh Refinery (GGSR) in Bathinda, Punjab; the Crude Oil Terminal at Mundra Port in Gujarat; H MEL Organics Private Limited (HOPL); H MEL Retail Private Limited (HRPL); and H MEL Green Energy Private Limited (HGEPL). This year's sustainability disclosure comprehensively covers 100% of our revenue streams.

This report is prepared in accordance with the Integrated Reporting (<IR>) Framework published by the International Integrated Reporting Council (IIRC) and reflects 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 collectively capture H MEL's ESG practices, regulatory compliance, and social commitments, providing stakeholders with a holistic view of the organization's activities and their impact.

Additionally, H MEL aligns with the United Nations Sustainable Development Goals (UNSDGs) and the International Sustainability Standards

Board (ISSB S2), reinforcing the global relevance of our disclosures. H MEL also adheres to the National Guidelines on Responsible Business Conduct (NGRBC), which support the Business Responsibility and Sustainability Reporting (BRSR) as mandated by SEBI. This alignment ensures a seamless transition to national reporting standards when BRSR becomes applicable to non-listed entities.

There have been no restatements of information for FY 25-26, including financial figures, except for any reclassifications required by established accounting standards.

Reporting Period

This report presents H MEL's financial and non-financial performance for the period from April 1, 2025, to March 31, 2026. It highlights key achievements, strategic milestones, and the Company's sustained dedication to promoting responsible and inclusive growth. To provide a comprehensive perspective and demonstrate progress on ESG key performance indicators, the report includes data spanning four years (FY 22-23 to FY 25-26).

Management's Responsibility

The management and senior executives of H MEL have thoroughly reviewed this report to strengthen governance oversight, risk management, and internal controls. The information presented herein has been prepared with due care and in accordance with H MEL's internal data governance protocols, reporting frameworks, and applicable external standards.

Senior leadership at H MEL bears collective responsibility for the accuracy and completeness of the disclosures contained in this report. For any inquiries related to corporate governance, please contact the Company Secretary, Sidhartha Tyagi, via email at sidhartha.tyagi@hmel.in. For inquiries related to ESG matters, please reach out to Himanshu Gupta via email ID himanshu.gupta@hmel.in.



HEMEL'S OVERVIEW & PERFORMANCE HIGHLIGHTS

HEMEL is a joint venture between Hindustan Petroleum Corporation Limited (HPCL) and Mittal Energy Investments Pte Ltd, Singapore, with both partners holding equal equity stake of 48.99%. The remaining equity is held by Indian financial institutions. HEMEL is a leading integrated refining and petrochemical company in India. It is engaged in crude oil refining, production of hydrocarbons and petrochemicals, bio-ethanol manufacturing, solar power generation, and the provision of crude oil and naphtha storage and transportation services. Pursuant to the merger of HPCL-Mittal Pipelines Limited into HEMEL, the Company now operates an integrated crude logistics and refining system under a unified corporate structure, enhancing operational efficiency and supply chain reliability.

At the core of HEMEL's operations is the Guru Gobind Singh Refinery (GGSR), located in Bathinda, Punjab. GGSR is among India's most advanced and high-complexity refineries. The refinery spans approx. 2,000 acres of land and has a refining capacity of 12.5 MMTPA. GGSR's role in serving energy requirements across northern states has remained crucial to the nation since inception.

Further advancing its strategy of value addition and margin optimisation, HEMEL has commissioned the Guru Gobind Singh Polymer Addition Project (GGSPAP), a world-class petrochemical facility integrated with the refinery complex. The project features a dual-feed cracker unit with a capacity of 1.2 MMTPA. During FY 25-26 HEMEL processed 11,618 KT crude oil and 1985 KT Naphtha. It manufactured 11,910 MMT of Solid and Liquid products, which included 2,214 KT of polymer products. In FY 25-26 HEMEL's annual business turnover reached INR 9,49,942 Million.

HEMEL manages transportation of crude oil through its pipeline division which has complete operation control on the Crude oil Terminal (COT) present at Mundra, Gujarat. This facility is equipped with Single Point Mooring system, Crude Oil Terminal (COT) with substantial storage capacity and advanced blending capabilities. The COT is connected to the GGSR crude receiving station by a 1,017 km cross-country pipeline enabling continuous and assured feedstock supply to the refinery. This end-to-end infrastructure provides HEMEL with enhanced flexibility in crude procurement, efficient inventory management, and reliable feedstock supply to the refinery.



HEMEL manages transportation of crude oil through pipeline which has complete operation control on the Crude oil Terminal (COT) present at Mundra, Gujarat.

HEMEL has three wholly owned subsidiaries HEMEL Organics Private Limited (HOPL), HEMEL Retail Private Limited (HRPL), and HEMEL Green Energy Private Limited (HGEPL). HOPL operates a 300 KLPD Bio-ethanol plant near the GGSR facility, which contributes to India's ethanol blending program. HRPL acts as the entryway for HEMEL in directly reaching customers. It is developing a network of modern energy stations which provide petrol, diesel, CNG and EV charging facilities. HGEPL is engaged in driving green energy solutions and exploring sustainable energy technologies. All of which is aligned to HEMEL's Net Zero 2040 target. HEMEL has plans to foray into specialty and fine chemical utilizing existing product streams.

Beyond its core business operations, HEMEL is committed to creating long-term societal value through structured Corporate Social Responsibility (CSR) programmes. Its initiatives focus on key areas such as education, healthcare, skill development, rural infrastructure, livelihood enhancement, and environmental sustainability, particularly in communities surrounding its areas of operation. These efforts reflect the Company's commitment to inclusive growth and responsible corporate citizenship.

In terms of HEMEL's commitment towards sustainability, several initiatives and company-wise process changes have been taking place. Due to this HEMEL's S&P CSA score has improved from 42 (FY2022) to 55 (FY2025), representing 30.95 % since the company's first CSA submission. The company has established Net Zero by 2040 roadmap and continues to focus on process improvement and newer innovations.

Performance Highlights



14.14 MW

Rooftop Solar Capacity at GGSR in FY25-26

Green energy contribution: **35,168 MWh** in FY 25-26. Y-o-Y increase in RE consumption by **60.58%**



300 KLPD

Bio-Ethanol Plant; Full Year Commercial Operations

The first-generation **300 KLPD** "Bio-Ethanol plant, commissioned in FY 23-24, achieved full year commercial operations in FY 25-26, producing **87,719 KL** of fuel ethanol, contributing to India's Ethanol Blending Program targets.



Golden Peacock Award for Excellence in Corporate Governance – 2025

H MEL has been awarded the most coveted **Golden Peacock Award for Excellence in Corporate Governance** – 2025 by the Institute of Directors, India



Brand Finance Award- 2026

H MEL has been recognised by Brand Finance, the worlds leading brand valuation consultancy, as **India's fastest growing Private Sector Oil & Gas Brand for FY2025-26.**



Smart Automation

AI-Enabled Operations across Refinery and Petchem

H MEL signed MoUs with Emerson and AVEVA for AI-enabled smart automation across the Guru Gobind Singh Refinery and GGSPAP petrochemical complex.



5 Lakhs +

Cumulative Trees Planted

Total of **2,918 trees** planted including the plantation drive at Mundra and HOPL (Bathinda) in FY2025-26.



9 Energy and Fuel efficiency projects implemented in FY 25-26.

Out of the **21 identified energy and fuel efficiency projects, 9 implemented** in FY25-26.

Led to **1.43% of emission reduction** in fiscal year.



INR 528 Million

Spent in Corporate Social Responsibility (CSR) in FY 25-26

H MEL touched **1,77,429 lives** of direct beneficiaries through its CSR projects.



2,214 KT

Polymer Production

The Guru Gobind Singh Polymer Addition Project (GGSPAP) achieved full year commercial operations in FY 25-26, producing **2,214 KT** of polymers (HDPE, LLDPE, PP).



121 Suppliers

Supplier ESG Engagement Program

121 suppliers engaged; 63 participated in capacity building training and **84 were categorized** as demonstrating advanced ESG maturity.



100%

Water recycling

H MEL is committed to optimizing natural resource usage in its operations.

~9 % reduction in raw water consumption from baseline of FY24



10.26%

Increase in females FTE in workforce

Female FTEs comprise of **5.7%** in its workforce in FY 25-26.



HMEL'S SUSTAINABILITY JOURNEY



2012-2016

GGSr commissioned:
11.3 MMTPA

Refinery of the Year
Award, above 9 MMTPA
category

Five-star rating & Sword of Honour
from the British Safety Council in
Occupational Health and Safety
Management

ISO 9001, ISO 14001,
OHSAS 18001
certifications procured

2021-2022

1st Integrated
Sustainability
Report published

1st Materiality
Assessment

Sustainability
Committee constituted
at the Board level

2023-2024

1st Double Materiality
Assessment

1st Independent assurance
– ISAE 3000 & ISO 17029

1.2 MMTPA Capacity
Guru Gobind Singh
Polymer Addition Project
(GGSPAP) launched

300 KLPD Bio-ethanol
plant commissioned

13.8 MWp Rooftop Solar
initiated at GGSr

DJSI Participation:
ESG Score -49

2025-2026

GGSr refining capacity
enhanced to 12.5 MMTPA

Excellent Environmental
Project Award by CII

Make in India
Champion of the Year'
award at the FICCI

Golden Peacock Award for
Excellence in Corporate
Governance 2025

DJSI Participation:
ESG Score -57

2017-2020

FCC unit upgraded
to 125-130% utilization

Customer Excellence
Award – Robotic
Process Automation

2022-2023

SASB + TCFD
alignment in the SR

1st CDP Climate
Change Disclosure
submission

1st voluntary BRSR
alignment (non-listed)

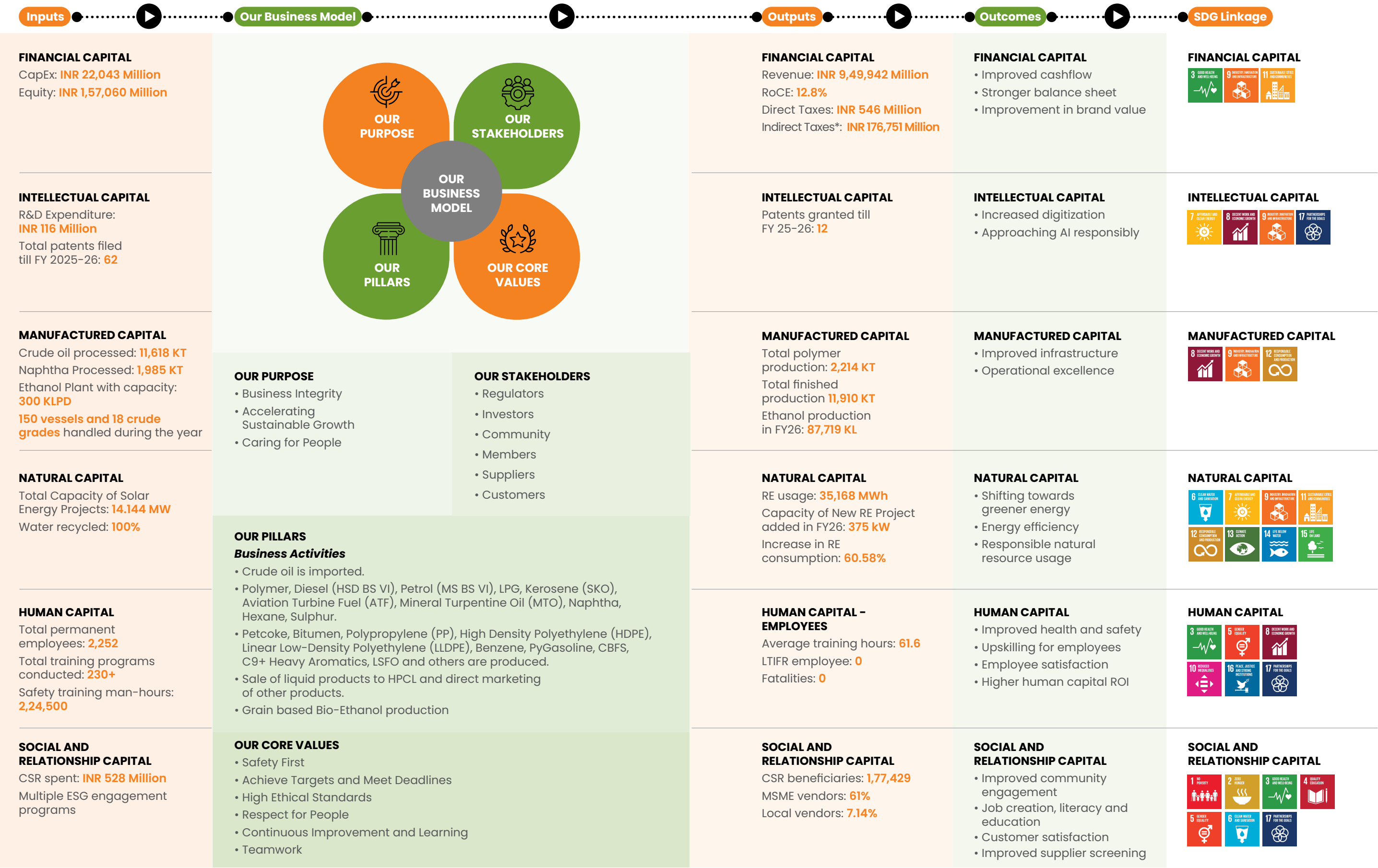
2024-2025

DJSI Participation:
ESG Score -51

SAP ACE Award 2024 –
Supply Chain
transformation



VALUE CREATION MODEL



*Only including excise duty on goods sold



STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Stakeholder Engagement



Over the years, we have built a structured framework that prioritizes transparency, openness, and two-way dialogue.

At H MEL, meaningful engagement with our stakeholders is intertwined into the way we operate. Over the years, we have built a structured framework that prioritizes transparency, openness, and two-way dialogue. This framework helps us stay attuned to what matters most to those who are affected by, and invested in, our business.

During FY 25-26, we deepened our engagement across all stakeholder categories. Feedback gathered through these interactions directly informed our strategic planning,

risk identification, and the refreshed Double Materiality Assessment conducted this year. The insights we received shaped not just what we report, but how we act.

The table below provides a summary of our engagement approach with each key stakeholder group during the reporting period.



Shareholders / Investors

Shareholders and investors remain central to H MEL's long-term trajectory. We recognize that their confidence hinges on our ability to communicate performance transparently and demonstrate robust ESG governance. This year, we continued strengthening that relationship through structured reporting and direct engagement.

Channels of communication	Sustainability and Annual Reports; Annual General Meeting (AGM)
Frequency of engagement	Annually
Purpose and scope of engagement	Transparent disclosure of financial and non-financial performance; sharing ESG progress and strategic direction; addressing investor queries on sustainability commitments and climate-related risks



Customers / Dealers

At the heart of our business are our customers, who rely on us to deliver exceptional quality, consistency, and a relentless pursuit of sustainability, including reducing our carbon footprint. We engage with them regularly to understand evolving needs and to share how our product portfolio is adapting to a changing energy landscape.

Channels of communication	Social Media; Customer Meets; Technical Marketing Engagements
Frequency of engagement	Monthly
Purpose and scope of engagement	Understanding product quality expectations and sustainability preferences; sharing innovations in polymer grades and cleaner fuels; strengthening long-term customer partnerships



Suppliers & Contractors

Our suppliers and contractors are integral to our value chain. We work collaboratively with them to ensure that procurement processes are efficient, ethical, and increasingly aligned with ESG principles. This year, we continued our supplier ESG training program and expanded outreach to Tier 1 vendors.

Channels of communication	Social Media; Supplier Meets; ESG Training Sessions
Frequency of engagement	Annually and as needed
Purpose and scope of engagement	Communicating H MEL’s Supplier ESG Directive and expectations; promoting sustainable sourcing practices; addressing procurement-related concerns



Financial Institutions

Financial institutions provide the capital that enables our growth and infrastructure investments. Their trust is earned through consistent performance, sound governance, and clear articulation of how ESG considerations are embedded in our capital allocation decisions.

Channels of communication	Investment Presentations; Lender Review Meetings
Frequency of engagement	Quarterly / Annually
Purpose and scope of engagement	Demonstrating financial resilience and ESG integration; sharing impact achievements and risk management progress



Employees

Our people drive everything. Their wellbeing, safety, and professional growth are non-negotiable priorities. We engage with employees through multiple channels, some formal, some deliberately informal, to ensure they feel heard, valued, and connected to our purpose.

Channels of communication	Leadership Communications; Posters/Email; Trainings & Awareness Sessions; H MEL Buzz Newsletter; Coffee Meetings with MD & CEO; PRIDE Survey
Frequency of engagement	Weekly / Monthly
Purpose and scope of engagement	ESG upskilling on new initiatives and policies; gathering feedback on workplace experience; communicating strategic priorities and cultural transformation programs.



Regulatory & Statutory Bodies

Maintaining constructive relationships with regulators is essential for business continuity. We track regulatory changes proactively and participate in consultations that shape forward-thinking policies for the energy sector.

Channels of communication	Website; ESG Compliance Filings; Regulatory Representation
Frequency of engagement	Bi-annually and as required
Purpose and scope of engagement	Ensuring compliance with evolving environmental and safety regulations; sharing achievements and seeking guidance on emerging requirements



Communities

The communities around our operations are stakeholders in every sense. Our commitment to their welfare is deeply embedded in how we plan and execute CSR initiatives. We listen to their needs, co-create solutions, and measure our success by the tangible difference we make in their lives.

Channels of communication	Knowledge Sessions; ESG-themed Campaigns; Social Media; Community Meetings
Frequency of engagement	Monthly
Purpose and scope of engagement	Strengthening partnerships through goal-oriented initiatives; addressing community concerns around health, education, water, and livelihoods; promoting sustainable development in surrounding villages



Materiality Assessment

H MEL recognizes the vital role that materiality assessment plays in shaping our Environmental, Social, and Governance (ESG) strategy. These assessments provide critical insights into which ESG factors carry the most weight, both in terms of their potential impact on people and the environment, and in terms of their financial implications for the business.

Our approach has always been grounded in rigour and stakeholder inclusivity. In FY 25-26, we conducted a comprehensive refresh of our materiality assessment, actively engaging both internal and external stakeholders through a structured survey process. This was a planned exercise, the previous report had noted that the next full stakeholder survey was scheduled for FY 25-26, and we are pleased to have executed it on time with the support of an independent third party.

Approach for Double Materiality Assessment

H MEL's Double Materiality Assessment is structured to capture both dimensions of sustainability

impact. The first is the outward impact of our business activities on the environment and society, referred to as Impact Materiality. The second is the inward effect that external environmental and societal factors have on H MEL's financial performance and strategic position, referred to as Financial Materiality.

The overall process comprised stakeholder consultation through surveys and focused group discussions (FGDs), executed with rigour and stakeholder inclusivity. A sustainability matter qualifies as material under double materiality if it meets the threshold from either the impact perspective, the financial perspective, or both.

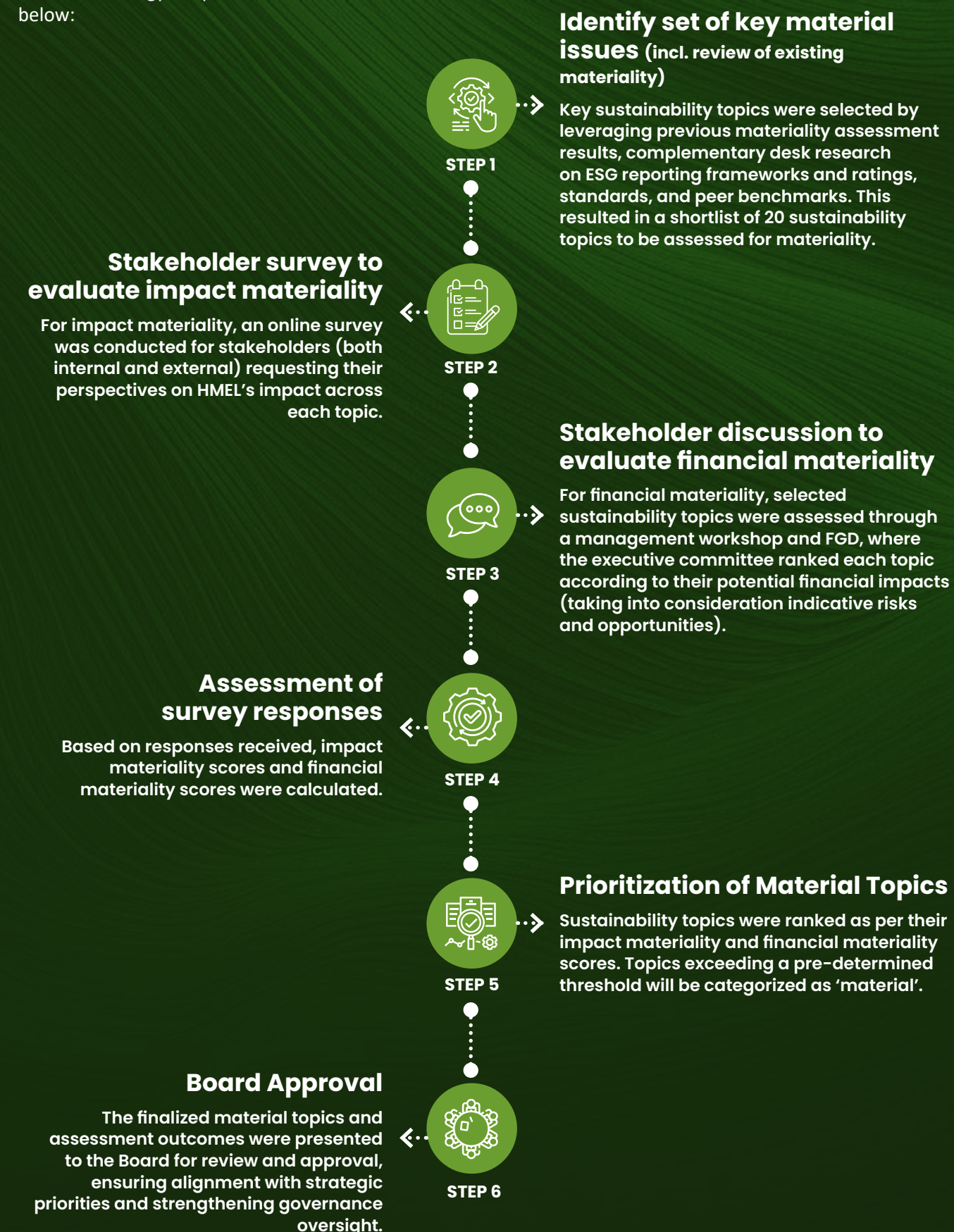
Shortlisted Material Topics for H MEL

Based on a review of industry trends, sector-specific ESG topics, and peer practices across Indian and global markets, 20 material topics were shortlisted across the three ESG pillars:



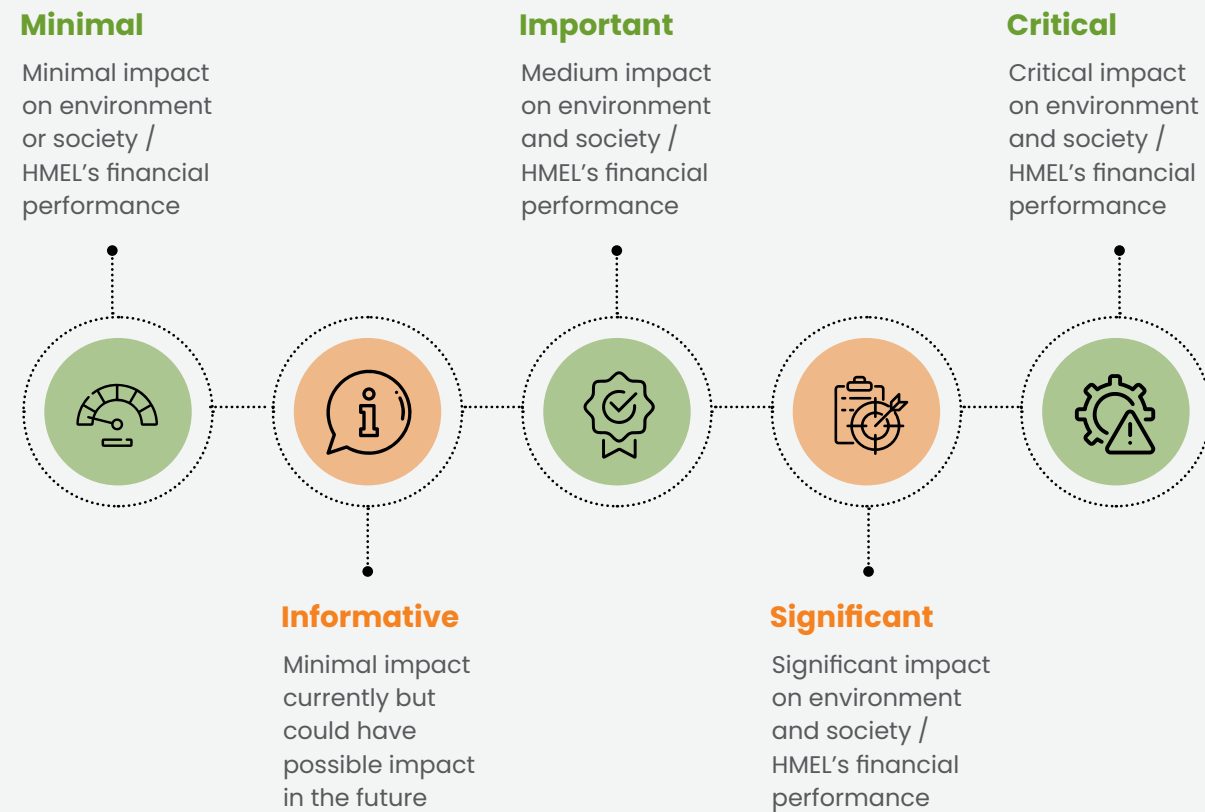
Methodology for Double Materiality Assessment

The methodology adopted for this assessment is outlined below:



Materiality Matrix for H MEL

Material topics are categorized into five levels based on their combined impact and financial materiality scores



The materiality matrix below plots all 20 topics on a two-dimensional grid, with Financial Materiality on the Y-axis and Impact Materiality on the X-axis. Topics positioned in the upper-right quadrant are considered the most significant and warrant prioritized management and disclosure.

Double Materiality Matrix for H MEL



Impact Materiality

● Environmental ● Social ● Governance

High	Medium	Low
1. Employee health, safety and well-being 2. GHG Emissions 3. Business Ethics and Corporate Governance 4. Customer Relationship Management 5. Research and Innovation 6. Climate Risk Management 7. Opportunities in Clean Tech	8. Risk and Crisis Management 9. Market and Business Environment 10. Energy Management 11. Human Capital Management 12. Cyber Security and Data Privacy 13. Water Stewardship	14. Community health, safety and well-being 15. Waste Management and Circularity 16. Diversity and Inclusion 17. Responsible Value Chain Management 18. Human Rights 19. Natural Risk Management 20. Community Development

Impact Analysis

From the impact materiality perspective, the top material issues for external stakeholders, including customers, dealers, distributors, and supply chain partners, are Energy & Emissions and Responsible Value Chain Management:



GHG Emissions, Energy Management and Opportunities in Clean Technology

Impact Rationale	H MEL, being an energy intensive organization, recognizes the growing importance of cutting down greenhouse gas emissions, increasing energy efficiency and encouraging low carbon technologies. As stakeholder expectations, climate regulations and the global energy transition evolve, the need for cleaner operations and sustainable energy solutions is increasing. Decarbonization efforts and investments in clean technologies can contribute to cleaner air quality, reduced environmental impact, improved energy efficiency and a greater availability of cleaner fuel alternatives. These initiatives are also in sync with India’s larger climate commitments and enable stakeholders’ transition to a lower-carbon economy.
H MEL’s current practices	Expansion of renewable energy initiatives, including rooftop solar projects and renewable power integration through open access; ongoing implementation of energy efficiency and fuel optimization projects across operations; the advancement of low-carbon and transition-aligned businesses through biofuels, ethanol, green hydrogen, green methanol, and other clean energy opportunities; process optimization and flare minimization initiatives to reduce operational emissions; and a dedicated focus on innovation, R&D and cleaner technology deployment to support H MEL’s near net-zero ambition.
Financial implication	Investments in clean technologies and energy optimization can enhance long-term operational efficiency, mitigate exposure to future carbon costs and regulatory risks, unlock access to emerging green fuel markets, and support diversified revenue streams via transition-aligned products and businesses.
Output metric	35,167.77 MWh Renewable Energy consumption, Overall GHG emission reduction due to RE consumption is 24,969 MTCO ₂ aligned to decarbonization strategy.
Impact metric	Reduced carbon footprint, lower environmental impact, enhanced climate resilience, and long-term value creation through participation in emerging clean energy markets.



Climate Risk Management

Impact Rationale	Changing physical and transition risks related to climate, such as new regulations, extreme weather events, carbon pricing mechanisms and changing energy demand patterns, could affect H MEL’s operations and long-term business resilience. Effective climate risk management supports operational continuity, enhances resilience to climate-related disruptions and enables stakeholders to better adapt to the changing climate and transition to energy.
H MEL’s current practices	Periodic climate risk assessments of physical and transition risks; integration of climate-related considerations into enterprise risk management and sustainability planning; monitoring of evolving climate regulations, policy developments and market transition trends; investments in energy transition initiatives, operational resilience and emission reduction measures; governance oversight of climate-related risks through Board-level sustainability mechanisms.
Financial implication	By proactively managing climate risk, companies can reduce their exposure to regulatory costs, operational disruptions, supply chain impacts and future transition-related financial risks, while supporting long-term business continuity.
Output metric	Ongoing implementation of climate risk assessment and governance processes.
Impact metric	Fewer risks, better climate resilience, improved long-term sustainability performance, and stronger operational continuity.



Employee Health, Safety and Well-being

Impact Rationale	H MEL is engaged in a high-risk refining and petrochemical environment. Employee health, process safety and workplace wellbeing are vital for business continuity and operational excellence. Creating a safe work-culture and promoting employee wellbeing are key to reducing workplace incidents and enhancing workforce resilience. Good occupational health and safety practices lead to safer operations, improved employee morale, fewer operational disruptions and increased stakeholder confidence. A safe and supportive workplace also leads to greater productivity, employee engagement, retention and long-term organizational performance, while positively impacting contractor and supply chain safety culture.
H MEL’s current practices	Implementation of H MEL PLUS, an integrated Health, Safety and Environment (HSE) management framework across operations; regular safety audits, behavioural safety programs, emergency response drills and contractor safety assessments; continuous safety awareness initiatives and extensive training programs for employees and contractual workforce including psychological safety; focus on employee wellbeing through health initiatives, counselling support, work-life balance measures and employee engagement programs; monitoring of process safety indicators and strengthening incident reporting and learning mechanisms.
Financial implication	Effective safety and wellbeing management also supports long-term productivity and workforce stability by helping to reduce the costs of workplace incidents, operational downtime, compensation liabilities, insurance exposure and employee turnover.
Output metric	Zero fatalities and ongoing enhancement of safety and employee wellbeing programs throughout operations. Reduction in attrition rates.
Impact metric	Higher employee productivity, improved safety at work, less operational disruption and more engaged and retained employees therefore increased return-on-investment through employee well-being.





Business Ethics and Corporate Governance

Impact Rationale	Good governance, ethical behaviour, transparency and compliance with regulations are key to maintaining stakeholder trust and ensuring responsible business practices. Robust governance systems and ethical business practices build investor confidence, improve decision making, mitigate compliance risks, and promote long-term business resilience. Transparency in governance is also a way of strengthening accountability all along the value chain and stakeholder ecosystem.
H MEL's current practices	Board level oversight via specific governance and sustainability committees; implementation of Code of Conduct, anti-bribery and anti-corruption policies and whistleblower mechanisms; regular internal audits, compliance reviews and risk management processes; continuous monitoring of regulatory developments and governance related disclosures; integration of ESG considerations into strategic decision-making processes.
Financial implication	Strong governance practices help mitigate legal, regulatory and reputational risks while supporting operational stability, investor confidence and sustainable long-term growth.
Output metric	Continued strengthening of governance oversight, compliance systems and ethical business practices.
Impact metric	Increased stakeholder trust, enhanced corporate accountability, stronger risk management and long-term business resilience.



Customer Relationship Management

Impact Rationale	Customer expectations are shifting towards high quality products, reliable supply, responsive service and sustainable product offerings. In an increasingly competitive and transition-driven energy market, strong customer relationships are key. Good customer relationship management helps to improve customer satisfaction, to strengthen long-term partnerships, and to support reliable product delivery and service quality. It also facilitates better alignment with changing market preferences and sustainability expectations.
H MEL's current practices	Continuous customer engagement via feedback mechanisms, customer meets and digital communication platforms; focus on product quality, operational reliability and timely delivery; expansion of cleaner fuel and value-added product offerings in line with evolving market demand; adoption of digital systems and analytics to enhance customer responsiveness and service delivery.
Financial implication	Strong customer relationships ensure revenue stability, market competitiveness, customer retention, and long-term business growth, while mitigating risks associated with demand volatility and customer churn.
Output metric	Strengthened customer engagement and continuous emphasis on product quality and service excellence.
Impact metric	Improved customer satisfaction, better market positioning, stronger stakeholder relationships and continued business growth.



Research and Innovation

Impact Rationale	Innovation and technology are essential to improve operational efficiency, support sustainability goals, and enable a transition to cleaner and more resource-efficient operations. Investments in research and innovation can help to develop cleaner technologies, improve process efficiency, enhance product quality and develop sustainable solutions that benefit customers, communities and the environment.
H MEL's current practices	Focus on research and development in refining, petrochemicals and sustainability Development of advanced process technologies and cleaner operational solutions Investments in innovation-led projects to improve efficiency, reduce emissions and improve resource utilization Collaboration with academic institutions, technology partners and industry experts to support innovation and capability development.
Financial implication	Investments that are driven by innovation can improve operational performance, reduce operating costs over the long term, strengthen competitive advantage and unlock new business opportunities in emerging energy and technology segments.
Output metric	More emphasis on R&D spending, process innovation and cleaner technologies initiatives. Increasing patents for newly developed technologies and process systems.
Impact metric	Higher operational efficiency, better sustainability performance, accelerated technology adoption, and improved long-term competitiveness.





ESG GOALS AND PROGRESS



Environmental

KPI	Aspirations	Target year	Progress FY 25-26	Status
 Transition to clean energy	Reduce dependence on grid energy by adding more RE	FY 26	New RE projects commission with 0.375 MW capacity; we consumed ~ 35,168 MWh from Renewable Energy in FY2025-26. CO ₂ avoided from renewable energy: 24,969 MT.	
 Bio-Ethanol Operations	Sustain 300 KLPD bio-ethanol plant in full commercial operations; contribute to India's EBP target	Ongoing	300 KLPD plant in full year commercial operations. Total ethanol produced: 87,719 Kilo Litres. By-products (DDGS, food CO ₂) monetized.	
 GHG Emissions Intensity	Continual reduction in Scope 1 & 2 GHG emission intensity; align with net zero pathway 2070	Ongoing	1.43% GHG emission reduction in FY25-26 through execution of 9 energy optimization projects.	
 Water Recycling	Maintain 100% recycling of treated effluent: zero liquid discharge at GGSR	Ongoing	100% treated effluent recycling maintained. ~9 % reduction in raw water consumption from baseline of FY24	
 Green Plantation	Cumulative tree plantation drives at GGSR, Mundra (Gujarat) and HOPL (Bathinda)	Ongoing	2,918 Trees planted in FY2025-26 Plantation continues at all three sites.	



In Progress



Achieved

Social

KPI	Aspirations	Target year	Progress FY 25-26	Status
 Safety- LTIFR	LTIFR < 0.5; benchmark against US Refinery top quartile TRIFR; zero fatalities	YoY	LTIFR Employees: 0.00 TRIFR: 0.22 Safety training man-hours: 2,24,500	
 Health Insurance	100% health insurance coverage for all permanent employees; free medical consultation for contractual workers	FY 26	100% health insurance coverage maintained. Free medical consultation and ESI coverage provided to all contractual workers.	
 Training Hours per FTE	Year-on-year increase in average training hours per FTE	Ongoing	Avg. training hours per FTE: 61.6 Technical and behavioural training programs continuing.	
 Employee Satisfaction	Maintain Employee Satisfaction Score > 80% with high participation; reduce attrition rate	Ongoing	Attrition: 7.2%	
 Gender Diversity	Year-on-year increase in female workforce representation across all levels	Ongoing	Female workforce: 5.7% (10.26% increase in women employee from last FY.)	
 CSR Beneficiaries	Year-on-year increase in direct CSR beneficiary count; >2% net profit CSR spend	Ongoing	1,77,429 total CSR beneficiaries. CSR spend in FY 25-26: ₹528 Million.	

 In Progress  Achieved

Governance

KPI	Aspirations	Target year	Progress FY 25-26	Status
 Annual Sustainability Report	Publish annual Integrated Sustainability Report; enhance disclosures year-on-year	Annual	Fifth Integrated Sustainability Report published for FY 2025-26; GRI 2021, SASB, TCFD, ISSB S2, BRSR maintained.	
 Independent Assurance	Annual ISAE 3000 / ISO 17029 third-party assurance of non-financial data	Annual	Independent assurance by TUV SUD	
 BRSR / NGRBC Alignment	Voluntary alignment with NGRBC principles; proactive BRSR preparation for non-listed entities	Ongoing	BRSR voluntary alignment maintained and expanded in FY 25-26. Proactive ahead of any non-listed entity mandate.	
 CDP Climate Change	Annual CDP Climate Change disclosure submission	Annual	CDP Climate Change disclosure submitted for FY 25-26; third year of participation.	
 DJSI / S&P CSA	Annual participation in S&P Global Corporate Sustainability Assessment (DJSI)	Annual	HMEL confirmed as a CSA respondent for FY 25-26.	
 Supplier ESG Program	Expand formal supplier ESG assessment and capacity building annually	Ongoing	121 suppliers engaged in ESG program; 63 Tier 1 Suppliers trained, 84 Suppliers assessed with advanced ESG maturity.	

 In Progress  Achieved

MD & CEO MESSAGE

Dear Stakeholders,

As we reflect on the financial year 25-26, I am pleased to share with you the progress we have made at HMEL, demonstrating our resilience and strategic clarity in the face of a volatile global landscape. Despite the challenges posed by fluctuating crude prices, geopolitical tensions, and an accelerating energy transition, we have maintained our commitment to sustainable growth and long-term progress.

This year, we achieved revenue of INR 9,49,942 million, with our polymer business reaching new heights. We successfully commercialized ISCC+-certified Cyclosure, -chemically recycled circular polymers, making HMEL one of the first company in India to bring certified circular polymer products to market. Our naphtha pipeline technology, a HMEL patent, continued to carry white oil through the existing crude oil pipeline, reducing CO₂ emissions by 63 kg CO₂ per Metric tonne per kilometer.

Our ESG framework has been strengthened through a dedicated subcommittee. We have conducted a double materiality assessment, engaging all stakeholders. A climate risk assessment was also undertaken, including scenario analysis to identify potential impacts. We have identified mitigation measures for acute and chronic physical and transition risks. Our commitment to ESG is a cornerstone of our business strategy. I am proud of the progress we have made and look forward to continuing to drive our ESG agenda. We remain dedicated to responsible and sustainable business practices, creating long-term value for all stakeholders. Our ESG journey continues to be a key priority for HMEL. We achieved a 2.61% reduction in total energy consumption and increased our

renewable energy capacity. Our water stewardship initiatives have yielded impressive results, with 100% water recycling during FY 25-26. HMEL has delivered an ~9 % reduction in raw water consumption against the baseline of FY24.

Safety remains a core value at HMEL, and I am proud to report zero employee fatalities this year. Our rigorous safety training program and culture of continuous vigilance have contributed to this achievement. We have also launched HMEL PLUS, a next-generation safety philosophy that combines Personal Safety, Process Safety, Road Safety, Community Safety, and Welfare into a single framework.

We continue to invest in our people and prioritize diversity and inclusion. Our female workforce has grown by 10.26%, and we aim to scale it further. Our CSR spending for the year was INR 528 million, directly impacting over 1.7 lakh people.

As we look to the future, we remain focused on developing culture of innovation in our day to day work. We will continue to innovate, invest in our people, and lead with purpose, creating long-term value for all our stakeholders.

Thank you for your continued trust and support as we shape a better, more sustainable tomorrow - together.

Mr. Prabh Das
Managing Director and
Chief Executive Officer
HPCL-Mittal Energy Limited



HMEL'S GOVERNANCE STRUCTURE

Board of Directors

The HMEL Board of Directors is the apex governing body and is responsible for strategic direction and oversight of the management and operations of the Company. The Board has members with a wide range of experience in the technical, financial, management and administrative fields to enable effective, informed and principled decision-making at the highest level. The Managing Director is responsible for the implementation of company policies and practices, including a special focus on bringing sustainability into every aspect of HMEL's operations and culture. Board members have an

average tenure of 4.36 years, reflecting institutional continuity and a deep commitment to the long-term vision of the Company.

Composition of the Board of Directors

HMEL's Board of Directors comprises of eight members in this fiscal year. The Nomination and Remuneration Committee (N&RC) conducts a full assessment process before each appointment of a director to ensure that the Board has the right mix of experience, independence and diversity to lead the Company's long-term strategy.



Mr. Vikas Kaushal
Chairman
DIN: 10993007

Mr. Vikas Kaushal is the Chairman & Managing Director of Hindustan Petroleum Corporation Limited. A seasoned global leader with over three decades of experience in Energy domain, he is a chemical engineering graduate from DCET, Panjab University and has done his MBA from Indian Institute of Management, Ahmedabad.

Mr. Kaushal started his career at ICICI Limited where he worked in Project Finance and Advisory Services Division. Since 2000, he worked with the leading global management consulting firm A. T. Kearney and was a Partner with the firm for over 17 years. He was pivotal to the growth of firm's business in India and till recently was playing the role of Chairman of India business. He has been twice elected to the Global Board of Directors of A. T. Kearney. During this period, he also had the opportunity to serve as the Chair of the Finance and Audit and Governance Committees of the Board of Directors.

Mr. Kaushal has deep expertise in the Energy domain, including oil and gas, power, renewables and new energies. He has advised leading international oil companies and all the leading state-owned oil and gas companies in India i.e HPCL, Indian Oil, BPCL, GAIL, etc. on multiple large scale transformation programs for a long period of time.

An expert on Energy Transition topics, he has authored several key thought pieces on oil & gas, power, chemicals, and related topics and is a regular speaker at key conferences in India, and globally. He is passionate about developing people and has successfully groomed and mentored professionals and spends part of his time coaching young talent.

Tenure: Since March 2025



Ms. Vanisha Mittal Bhatia
Non-Executive Director
DIN: 10991549

Ms. Vanisha Mittal Bhatia has served as the Chief Strategy Officer at Aperam since April 2011. Additionally, she holds the position of nonindependent Director on the Board of ArcelorMittal and has been a member of the Board of Directors at LNM Holdings since June 2004.

Her appointment to the Board of Directors of Mittal Steel in December 2004 marked a significant milestone in her career, as she played a vital role in the Procurement department by spearheading several key initiatives, notably the Total Cost of Ownership program.

Ms. Mittal Bhatia earned her Bachelor of Science degree from the European Business School.

Tenure: Since March 2025



Mr. Rajneesh Narang
Non-Executive Director
DIN: 08188549

Mr. Rajneesh Narang is the Director (Finance) and Chief Financial Officer at Hindustan Petroleum Corporation Limited (HPCL), a leading Maharatna Oil Company. Previously, he served as the Executive Director of Corporate Finance at HPCL, with key roles in Finance (Marketing) and as Executive Assistant to the Chairman & Managing Director. He also serves on the boards of several HPCL subsidiaries and joint ventures.

A Chartered Accountant with a Masters in Financial Management, Mr. Narang has over 31 years of experience in the downstream oil sector, covering areas like Corporate Finance, Treasury, Risk Management, Marketing Finance, and Refinery Projects. Known for his commercial insight and innovative leadership, he focuses on investing in human capital to develop successful teams. His approach has led to exceptional results through positive engagement and a shared vision. He is recognized for his academic achievements and frequently contributes as a technical speaker at seminars and workshops.

Tenure: Since July 2021



Dr. Manaswini Bhalla
Independent Director
DIN: 10942496

Dr. Manaswini Bhalla is a Professor in Economics at the Indian Institute of Management Bangalore, specializing in information economics. Her research focuses on pricing, corporate culture, and political economy, utilizing empirical and game-theoretic methods.

Dr. Bhalla teaches Managerial Economics and Strategic Thinking: Game Theory for Managers to PGP students and conducts executive education for senior managers on economics and game theory. She is currently researching the impact of culture on economic outcomes in areas like corporate boards, entrepreneurship, legal systems, and real estate. Her work on pricing, published in leading journals, investigates firm strategies to influence consumer learning.

Tenure: Since February 2025



Mr. Jagjeet Singh Bindra
Non-Executive Director
DIN: 00354270

Mr. Bindra is a seasoned executive with extensive experience in international organizations. He served on the Supervisory Board of LyondellBasell and was President of Chevron Global Manufacturing, overseeing 20 refineries worldwide. During his 32-year tenure at Chevron, he led significant projects, including a crucial pipeline in Kazakhstan. His expertise covers R&D, refinery engineering, project management, and international business. He has held board positions with companies like Edison International and Reliance Petroleum and contributed to academia and industry organizations. Mr. Bindra holds degrees in chemical engineering from IIT Kanpur and the University of Washington, and an MBA from St. Mary's College. He has been honored with the Diamond Award from the University of Washington and was named Distinguished Alumnus of IIT Kanpur.

Tenure: Since January 2018



Mr. S. Bharathan
Non-Executive Director
DIN: 09561481

Mr. S. Bharathan took charge as Director-Refineries at Hindustan Petroleum Corporation Limited (HPCL) on October 1, 2022. Before this role, he served as Executive Director – Refineries Coordination at HPCL, with additional responsibilities in Research & Development.

With over 31 years of experience, Mr. Bharathan has extensive exposure to HPCL's refinery operations, having worked in the Operations and Technical Departments of the Mumbai and Visakh Refineries. He also spent over 4 years at HPCL's Corporate Office, focusing on Margin Management and Refinery Project Processes.

Additionally, he has led HPCL's Green Research & Development Centre (HPGRDC) in Bengaluru during which the center achieved the filing of approximately 380 patents.

Tenure: Since October 2022



Mr. Sandeep Kumar Jalan
Non-Executive Director
DIN: 06927791

Mr. Sandeep Jalan has over 30 years of experience in financial and operational leadership roles across Asia and Europe. Until the end of 2025, he was a non-executive Board member of Aperam, a global leader in stainless, electrical, and specialty steel, where he previously also served as Chief Financial Officer ('CFO') from 2014 until 2020. Mr. Jalan also served from 2020 until 2025 as the CFO of SES, a global leader in Satellite Services for video and data connectivity.

Earlier in his career, he worked with the ArcelorMittal Group from 1999 onward, holding several senior finance roles, including CFO of ArcelorMittal Long Carbon Europe. During this period, he was also part of the M&A team responsible for multiple acquisitions across the steel and mining sectors. He began his senior leadership career as CFO and Company Secretary of Ispat Alloys Ltd, a position he held from 1993 to 1999.

Mr. Jalan is a Commerce graduate from Banaras Hindu University (BHU) and is a Chartered Accountant and Company Secretary from the respective professional institutes in India. He has also completed executive education programs in Leadership at London Business School and Strategic Finance at IMD, Lausanne.

Tenure: Since January 2026



Mr. Prabh Das
Managing Director & CEO
DIN: 00164799

Mr. Prabh Das has been vital to HMEL since its inception, playing a key role in the formation of the joint venture and formally joining to oversee the setup and operations of the Guru Gobind Singh Refinery project. With over 25 years of earlier experience in administration and management in the Indian Administrative Services, he serves as Managing Director and CEO, leading HMEL and its subsidiaries. Prior to HMEL, Mr. Das was Joint Secretary in the Ministry of Petroleum and Natural Gas from 2003 to 2008, where he managed the Refineries Division and contributed significantly to the auto fuel policy, strategic storage, and oil diplomacy initiatives, transforming the domestic refining sector with enhanced capacities, improved operations, safety, and new technologies. During his ministry tenure, he was on the boards of major companies including Indian Oil Corporation Ltd., HPCL, Mangalore Refineries and Petrochemicals Ltd., Chennai Petroleum Corporation Ltd., and Engineers India Ltd.

Mr. Das holds a B. Tech (Hons.) from IIT Kharagpur and an MBA from Southern Cross University, Australia.

Tenure: Since April 2011

Board Committees and Responsibilities

To ensure focused oversight and effective governance, H MEL has constituted four Board-level committees, each entrusted with specific responsibilities aligned with the Company's governance priorities. These committees operate with defined mandates and provide structured oversight on key matters ranging from audit and risk to sustainability and CSR.



Nomination and Remuneration Committee (N&RC)

Chairperson:
Ms. Vanisha Mittal Bhatia

Members:
**Mr. Vikas Kaushal,
Dr. Manaswini Bhalla**

Roles and Responsibilities:

Oversees recruitment, assessment and retention of senior management and board members. Recommends remuneration policies to attract, incentivise and retain Directors and the senior leadership team and aligns their interests with those of the organisation and its stakeholders.



Audit Committee

Chairperson:
Mr. Rajneesh Narang

Members:
**Mr. Sandeep Kumar Jalan,
Dr. Manaswini Bhalla**

Roles and Responsibilities:

Accountable for the quality and integrity of the Company's accounting and financial reporting. Recommends appointment and terms of statutory auditors, related party transactions, reviews whistle blower mechanism, and ensures adequacy of the internal audit and risk management function.



Corporate Social Responsibility (CSR) Committee

Chairperson:
Mr. Jagjeet Singh Bindra

Members:
**Mr. Rajneesh Narang,
Dr. Manaswini Bhalla**

Roles and Responsibilities:

Formulate and recommend to the Board the CSR Policy; recommend activities to be undertaken by the Company; ensure effective implementation and monitoring of all CSR initiatives; and ensure compliance with applicable CSR legislation.



Sustainability Committee

Chairperson:
Mr. Jagjeet Singh Bindra

Members:
**Mr. S. Bharathan,
Dr. Manaswini Bhalla**

Roles and Responsibilities:

Embeds ESG into the strategic decision making of the Company. Reviews sustainability frameworks and policies; monitors performance against set targets; provides guidance to management on HSE policies; and prepares annual reports on progress on sustainable development to the Board.

Senior Management Team



Mr. Prabh Das
Managing Director and CEO



Mr. Harak Banthia
Chief Financial Officer



Mr. M.B. Gohil
Chief Operating Officer



Mr. Ashok Kumar
Vice President-Human Leadership



Mr. Rajnish Mehta
Vice President-Marketing



Mr. Manu Sehgal
Vice President-Strategy & Feedstock
Supply Group



Mr. Sanjeev Malhotra
Vice President-Treasury,
Tax & Insurance



Mr. Anshu Sharma
Vice President-Operations &
Maintenance (Petrochemical)



Mr. Arun Bharadwaj
Vice President-Operational
Excellence



Mr. Prabhakararao Kakumani
Vice President-Contracts
& Procurement



Mr. Hector Salazar
Vice President-Safety



Mr. Davinder Mittal
Vice President-Operations &
Maintenance (Refinery)



Mr. Atul Saxena
Vice President-Technical
Service



Mr. Rajeev Parmar
Vice President-Refinery EDC



Mr. Malwinder Singh Battu
Vice President-Marketing



Mr. Gaurav K. Gupta
Vice President-Chemicals



Mr. Vivek Aggarwal
Vice President-Finance



Mr. Siddhartha Tyagi
Company Secretary

Nomination and Appointment of Directors

The Nomination and Remuneration Committee of the Board (N&RC) oversees the appointment of Directors to the Board of HMEL, and it is a rigorous and structured process. The committee is key to evaluating candidates against broad spectrum of criteria, to ensure that appropriate Directors are appointed who will contribute to the Company's strategic objectives and governance standards. Assessment criteria are educational qualifications, professional experience, specific areas of expertise, personal attributes and number of external directorships held. A key factor in the evaluation is the determination of Director independence to ensure effective and impartial governance.

The N&RC reviews and submits recommendations to the Board, which considers the inputs and makes a final decision. The Board then recommends

nominees for approval by shareholders. Furthermore, each of the promoters of the Company has the right to appoint up to three directors to represent them on the Board of the Company.

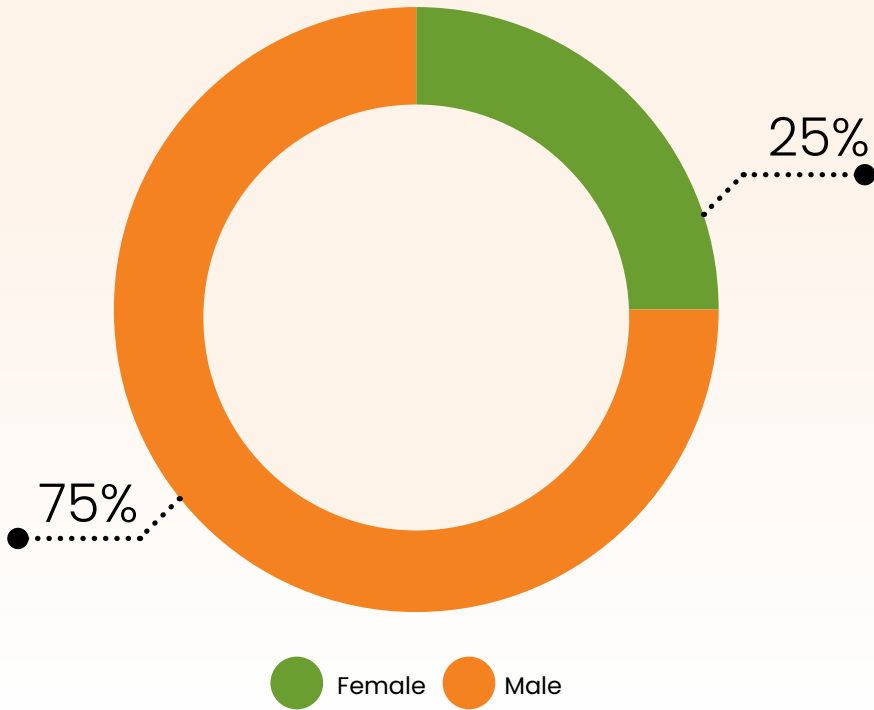
All directors, Executive or Non-Executive, are appointed or re-appointed with shareholder approval as required by applicable law and corporate policy. Independent Directors are appointed for fixed terms as approved by shareholders. The Managing Director shall be appointed for a term not exceeding five years. All Non-Executive Directors (other than Independent Directors) are liable to retire by rotation and may be re-appointed by the shareholders, subject to eligibility.



Board Diversity

HMEL believes that balanced, effective and inclusive governance requires a Board enriched by diversity of gender, expertise, professional background and experience. The existing composition of the Board is reflective of the Company's commitment towards diversity, with one Executive Director and seven Non-Executive Directors, including one Independent Director and two Women Directors.

Female representation in the Board



8 Total Board Strength	1 Executive Directors	7 Non-Executive Directors
1 Independent Directors	2 Women Directors	25% Female Board members (%)

Governance Structure

HPCL-Mittal Energy Limited (HMEL) has a strong and integrated governance framework in place to systematically embed Environmental, Social and Governance (ESG) principles in its operations. The Company Secretary department is at the core of this framework working closely with the Sustainability and New Energy (SNE) Department to ensure effective cross-functional coordination, regulatory compliance and long-term sustainable development.

Diverse and Inclusive Board:

HMEL’s Board of Directors comprises of independent and women directors, which reflect the Company’s commitment towards balanced decision making and strong corporate oversight thereby strengthening the governance framework. Key governance

initiatives during the reporting period include continued development of an ESG policy framework benchmarked against international standards; operation of dedicated ESG committees at the Board level; and continued structured ESG governance capacity-building for senior leadership.

Governance of Corporate Sustainability

HMEL has created a Board-level Sustainability Committee to translate its ESG commitments into actionable strategies and embed these principles into the Company’s culture. This Committee reviews group level sustainability frameworks, policies and norms and monitors progress against agreed targets. It reports bi-annually to the Board of Directors, with particular attention paid to climate-related risks and opportunities. The

strategic imperative for HMEL is to embed ESG considerations in Board-level decision-making, enabling the Company’s transition to a cleaner and more resilient future.

At the corporate level, the Apex Committee, comprising the CEO, CFO and COO, monitors the ESG strategy and ensures compliance with national and international standards. HMEL has also constituted a six-member Sustainability and New Energy (SNE) Team to implement the ESG strategy, drive clean energy solutions and promote an inclusive workplace. The Apex Committee and the SNE Team report quarterly to the Sustainability Committee. HMEL’s has multi-level governance in form of different committees working of several hierarchical levels.

Governance Level	Body / Function
Board Level	Board of Directors: Highest governing authority; strategic oversight of ESG strategy
Board Committee	Sustainability Committee: Evaluates group-level ESG frameworks and policies; provides annual reports to the Board on climate-related risks and opportunities
Executive Level	Apex Committee (CEO, CFO, COO): Monthly review of company performance; oversee ESG strategy, Health, Safety, Environment, and Sustainability initiatives
Functional Level	Sustainability & New Energy (SNE) Team: Six-member team responsible for implementing the ESG strategy; reports quarterly to the Sustainability Committee
Operational Level	Corporate Sustainability Team: Coordinates ESG execution across refinery and corporate functions including Risk, IT, HR, Supply Chain, and Regulatory Affairs

Code of Conduct



We have a zero-tolerance policy towards any breach of laws, internal codes of conduct or regulatory requirements.

Ethics and integrity are at the forefront of everything we do at HMEL, shaping our business decisions and actions to ensure that we operate with transparency, accountability, and responsibility. The Company’s Code of Conduct clearly and unambiguously defines expectations for behaviour across all operations, functions and stakeholder interactions. HMEL is committed to comply with all applicable regulatory requirements, principles of corporate governance and internationally acknowledged best practices.

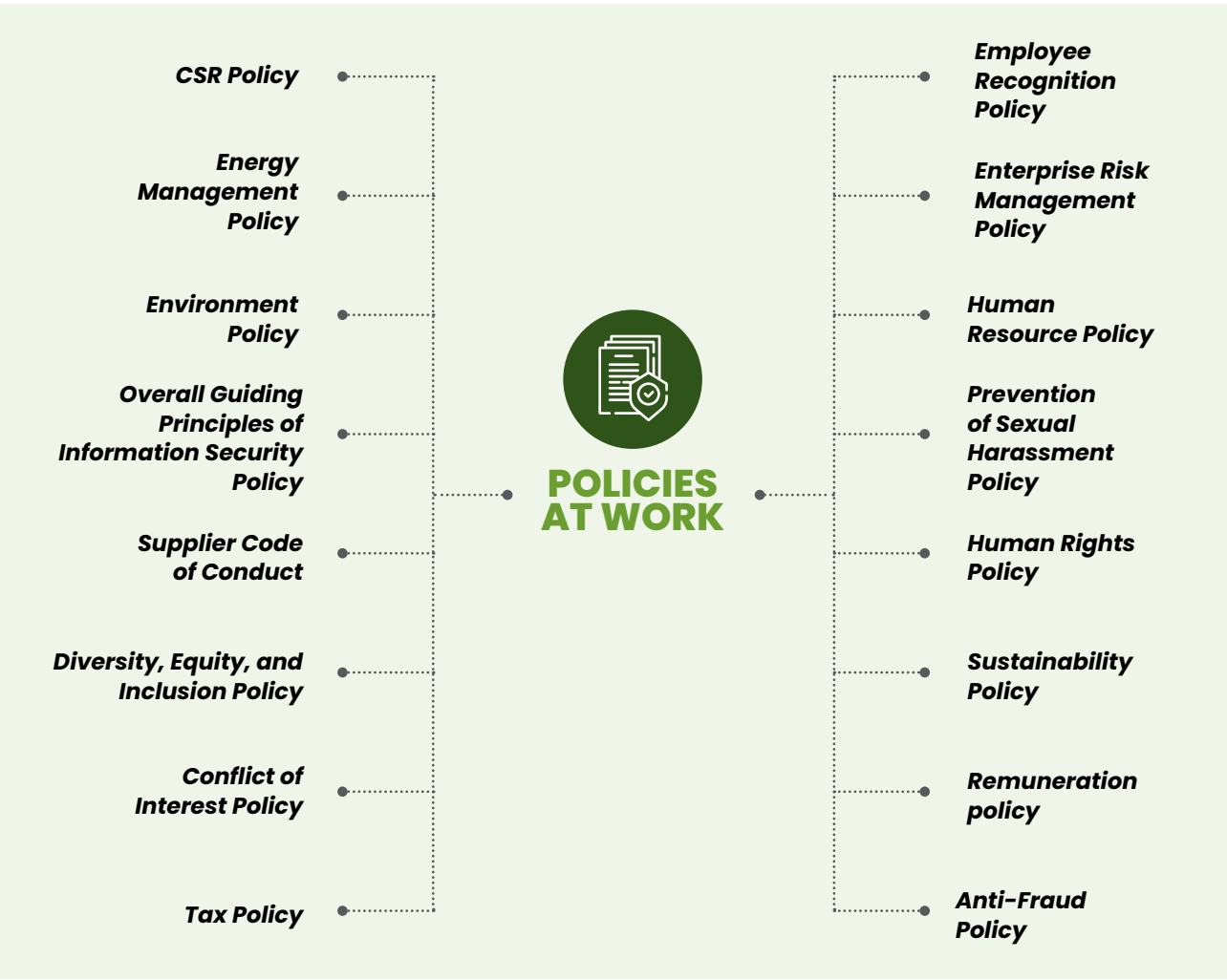
This commitment is reinforced by our zero-tolerance policy

towards any breach of laws, internal codes of conduct, or regulatory requirements.

Building on this foundation, our governance framework comprises a comprehensive set of policies and guidelines that reflect our core values and ethical principles.

These policies collectively promote a safe, inclusive and equitable working environment for employees and workers and extend the same standards to external stakeholders to ensure responsible and efficient business conduct.

Policies at work



Compliance and Business Ethics



H MEL remains committed to responsible management practices in total compliance with all applicable regional and national regulations. The Company's business philosophy is based on ethical behaviour, supported by a robust Code of Conduct, global governance standards and internationally accepted best practices. A comprehensive governance framework has been put in place, built on H MEL's core values, including a zero-tolerance policy for any violations of laws, internal codes or regulatory requirements.

In an ever-changing regulatory environment, H MEL is committed to compliance and is constantly monitoring legal developments in departments in order to remain in line with current standards. Leadership is vital in navigating this regulatory terrain, spearheading efforts

to improve transparency, accountability and ethical governance throughout the organisation. A robust compliance process is in place, with regular reporting to senior management and the Board of Directors and quarterly reviews to ensure compliance with all applicable laws and regulations.

H MEL's policies are aimed at promoting a culture of integrity, fairness and ethical decision making within the organisation. These principles are applicable to all internal and external stakeholders to allow responsible and optimized business operations.

Freedom of Association

H MEL recognizes the fundamental right of all employees to associate and organize freely as an integral component of ethical and

responsible labour practices. The Company also extends this commitment to its supplier network, requiring partners to respect employees' rights to form, join and participate in trade unions or other associations they choose. Suppliers shall promote fair and inclusive working conditions in accordance with international labour standards and conventions. Suppliers are also expected to provide a working environment where discrimination, intimidation or retaliation against employees choosing to exercise their rights of association or collective bargaining does not occur.

Transparency

Transparency is the hallmark of H MEL's governance culture. Board members are expected to declare any interests they have in external bodies, such as

directorships, shareholdings or other material relationships, in a proactive manner to preserve the impartiality and integrity of the decision-making process. It is a fundamental principle of good governance that Directors with a declared interest in a matter under consideration shall recuse themselves from discussion and voting on that matter, at both Committee and Board levels. To uphold this principle, H MEL has established a comprehensive Conflict of Interest Policy, which provides a framework for identifying, disclosing, and managing potential or actual conflicts of interest, in accordance with applicable laws and ethical standards. The policy is periodically reviewed by the Board of Directors and approved to ensure its continued relevance and effectiveness.

Anti-Corruption and Anti-Bribery

H MEL always conducts its business with the highest standards of integrity and transparency. In strict alignment with applicable laws and regulations, including the Companies Act, 2013, the

Company enforces a zero-tolerance policy towards bribery, corruption, and all forms of unethical conduct. The Anti-Bribery and Anti-Corruption (ABAC) Policy is structured to proactively identify and mitigate risks at every level of the organisation. Regular risk assessments at operational sites monitor exposure to corruption-related risks, while robust internal financial controls ensure compliance, accountability, and sound governance. Periodic training sessions are conducted for employees, and key policy provisions are reinforced through internal communication channels including posters, digital displays, and induction programs. There have been zero incidents of corruption or bribery at H MEL in this fiscal year.

Whistleblowing and Fraud Prevention

H MEL has adopted a comprehensive Whistleblower Policy to strengthen its ethical governance framework which allows employees, suppliers, customers and other stakeholders to report concerns on a confidential basis and without fear of

retaliation. The Policy, adopted by the Audit Committee, demonstrates the Company's ongoing dedication to ethical behaviour, accountability and transparency. The Head of Risk Assurance is the nominated authority to receive and manage whistleblower complaints and to maintain impartiality and confidentiality throughout the review process.

The Ethics Committee reviews all complaints received and reports its findings and recommended actions to the Audit Committee for oversight. The Company's internal audit team, the Risk Assurance function, regularly updates the Audit Committee on the Company's risk landscape including whistleblower matters. To ensure everyone is held accountable, a summary of complaints, investigations and corrective actions is shared periodically. The Whistleblower Policy and procedures are posted on H MEL's corporate website for public view and underscore the Company's commitment to transparency and responsible business practices.



Industry Associations and Strategic Partnerships

HMEL works closely with a wide variety of trade and industry associations, seeing these relationships as critical platforms for knowledge sharing, policy advocacy and joint action on common sustainability issues. HMEL fosters responsible industrial practices and future-oriented policy development in the energy and petrochemical sectors through constructive dialogue and thought leadership.

HMEL is a member of several prominent industry bodies, including: Indian Centre for Plastics in the Environment (ICPE), Federation of Indian Chambers of Commerce and Industry (FICCI), Confederation of Indian Industry (CII), Chemicals and Petrochemicals Manufacturers' Association (CPMA), All India Plastic Manufacturers

Associations (AIPMA), Alliance to End Plastic Waste (AEPW), Associated Chambers of Commerce and Industry of India (ASSOCHAM).

HMEL contributes to policy advocacy, promotion of industry best practices and supporting the national and global sustainability agenda through these platforms. We continue to be very active in the areas of biofuels, green hydrogen, solar, plastic waste management and Extended Producer Responsibility (EPR). These partnerships are a testament to HMEL's commitment to environmental stewardship, social responsibility and good governance. In terms of monetary contributions, HMEL abides by laws and hence does not indulge in any political contributions.

Risk Management

At HMEL, risk management is embedded in the organisational strategy as a fundamental element of corporate governance and strategic execution through a structured, top-down approach that supports the achievement of both strategic and operational objectives. The Company's risk framework aims to proactively identify, assess, prioritize and mitigate risks in the operating environment which continues to be shaped by multiple uncertainties in financial, operational, environmental, technological, reputational areas and other areas which have a bearing on HMEL.

The Board of Directors with members who have deep expertise across the risk management discipline, oversee risk governance in HMEL. The Audit Committee reviews the Company's risk profile and cybersecurity protocols quarterly, to ensure the Company's practices are aligned with the changing regulatory and business environments.

Key risks and mitigation strategies are regularly reviewed and reported to the Board through the Audit Committee. The Chief Risk Officer (CRO) plays a critical role by providing overall leadership and direction for the risk management process thereby enabling effective decision making at the executive level. The Company has a dedicated Enterprise Risk Management Committee (RMC) headed by the CEO and consisting of senior executives to oversee enterprise level risk assessments and evaluate the effectiveness of mitigation plans.

HMEL has identified the physical risks of climate change like cyclones, flooding, heat stress and water scarcity and transition risks like policy shifts, market dynamics, technological disruption and reputational concerns. They are embedded in the wider risk management strategy to deliver organisational resilience in a low carbon economy.



Risk	Description	Risk Type	Mitigation Measures	Capital Impacted
Commodity Risk	Sudden fluctuations in global commodity prices, particularly crude oil and refined product margins, can materially affect H MEL's revenue and profitability.	Strategic Risk	Continuous monitoring of refinery margins, temporal spreads, and inventory valuations. Optimization strategy operating within defined parameters to adapt to evolving market conditions.	Financial Capital
Occupational Safety	Operating within a high-hazard industry, any non-adherence to safety protocols can result in injuries or fatalities among employees and contractors.	Health & Safety Risk	Post IIF (Incident and Injury Free workplace) implementation, next level H MEL PLUS (People Leading Unified Safety) framework implemented, integrating Personal, Process, Road Safety, Community Safety and Welfare. Continuous focus on safety culture transformation.	Human Capital; Social & Relationship Capital
Liquidity Risk	Concentration of cash holdings with financial institutions may restrict access to funds in periods of market stress or institutional instability.	Financial Risk	Funds are maintained by financially stable and highly rated institutions. Diversification of banking relationships ensures transparency and accessibility of deposited funds.	Financial Capital
ESG Risk	Climate change, environmental liabilities, social obligations, and governance gaps can affect H MEL's long-term license to operate and stakeholder trust.	Operations; Strategic Risk	Continuous improvement of ESG strategy. Integration of sustainability considerations into business decisions. Regular stakeholder engagement and ESG reporting.	Social & Relationship; Natural; Financial; Human; Intellectual Capital
Cybersecurity Risk	Cyberattacks on IT and OT systems can disrupt operations, compromise sensitive data, and cause reputational damage to the organisation.	IT Risk	Next Generation Security Operations Center using AI/ML and cyber defense capabilities leveraging industry standard frameworks like MITRE, NIST CSF, ISO 27001, IEC 62443 etc. Employee awareness programs addressing phishing, cyber hygiene and OT security. tabletop exercises simulating cyber-crisis scenarios.	Social & Relationship; Financial; Intellectual Capital
Data Security	The concentration of sensitive organisational data on networked servers presents risks of data theft, leakage, or exposure through email and online channels.	IT Risk	Data protection systems safeguard sensitive information. Dedicated IT governance committees oversee cybersecurity and business continuity. Periodic data privacy awareness programs for employees.	Social & Relationship; Financial; Intellectual Capital

Risk	Description	Risk Type	Mitigation Measures	Capital Impacted
Process Safety	Non-compliance with safety operating procedures at a high-risk refinery environment can lead to serious incidents with consequences for assets, people, and continuity.	Health & Safety Risk	HAZOP studies, risk assessments, and quantitative analysis inform a rigorous Permit-to-Work system. Processes aligned with ISO 45001 standards.	Human; Financial; Manufactured; Social & Relationship Capital
Manpower Management	Inability to attract, retain, and develop the right talent can hinder operational performance, innovation, and sustainable development.	Social Risk	Continuous monitoring of HR practices and employee welfare. Compliance with labour laws. Structured engagement programs and career development pathways.	Human Capital
Biodiversity	Regulatory and stakeholder expectations around biodiversity impacts, particularly on flora and fauna in operational areas, are increasing.	Environment Risk	Maintenance of green belt coverage across operational locations. Biodiversity risk assessments using tools such as WWF Water Risk Filter, IBAT, and RepRisk. Supplier engagement on biodiversity responsibilities.	Social & Relationship Capital
Human Rights, Diversity & Inclusion	Failure to uphold human rights and maintain fair working conditions presents reputational and compliance risks across H MEL's operations and supply chain.	Social Risk	Annual reporting aligned with UN Global Compact principles. Labour law clauses embedded in procurement contracts. Human rights due diligence framework under development.	Human Capital
Water Stewardship	GGSF relies on the Sirhind Canal system for processing and cooling water. Punjab is classified as water-stressed region, creating potential long-term water availability. This might be a disruption to the operations. Similarly, water environmental regulations might tighten, resulting in stricter compliance and operational costs to the company.	Operational and Regulatory Risk	Regular water risk assessments and monitoring water intensity across operations. Development of rainwater harvesting infrastructure and implementing water conservation practices to reduce freshwater dependency and improve long-term water resilience.	Natural Capital and Social Capital

Identifying Emerging Risks

Emerging risk, as defined by H MEL, are threats that are newly identified, not yet materialized but have the potential to have a considerable impact on operations in the medium-to-date term. The Company actively identifies and assesses these risks to develop mitigation strategies before exposure becomes material.

Risk Description	Potential Impact	Mitigation Strategy
H MEL GGSR Complex currently relies on a single primary water source, with limited redundancy for operational continuity.	Future business growth may increase water demand at a time when existing supply sources may be depleting, heightening water stress risk.	Exploration of alternate water sources is actively underway. Water conservation and reuse measures are being scaled up to reduce dependency.
H MEL's reliance on revenue streams from sale of transport fuels exposes it to demand erosion from rising EV adoption, accelerated ethanol blending mandate. As domestic fossil fuel consumption gradually declines, the company's revenues will face sustained pressure.	Lower refinery utilization and throughput risk, this also entails margin compression and earnings volatility.	A steady diversification of product portfolio towards petrochemicals, specialty products / chemicals and cleaner fuels to reduce dependence on only transport fuels.

Capitalizing on Emerging Opportunities

Alongside risk management, H MEL is committed to identifying and capturing emerging opportunities that align with its strategic objectives and enhance competitive advantage.

Opportunity	Description	Resource Allocation
Digitalization and Innovation	Real-time data analytics, automation, and AI-driven insights offer opportunities to enhance operational efficiency, safety, and decision-making across refinery and petrochemical operations.	H MEL continues to invest in advanced digital technologies, workforce upskilling, and infrastructure upgrades to seamlessly integrate digital tools across all operational functions.
Access to new markets (Biofuels, Green Methanol, SAF, Green Ammonia)	Diversification of product portfolio into transition-aligned fuels, reducing long-term demand risk. Creation of additional revenue streams linked to emerging green fuel markets	Strategic capital allocation towards transition-aligned fuel projects and investments into R&D pilot projects is underway to support the evolving green energy value creations.



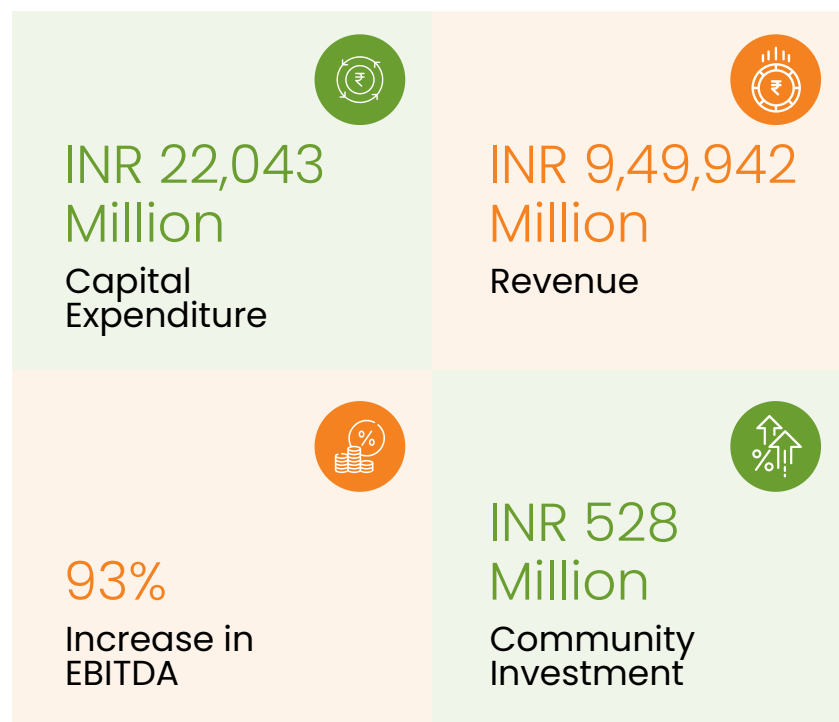
 **FINANCIAL
CAPITAL**



Financial Capital reflect H MEL's ability to generate and efficiently manage financial resources to sustain business growth, strengthen operational resilience and create long-term value for stakeholders. For H MEL, financial strength is closely linked to operational excellence, strategic investments, market responsiveness, and disciplined capital allocation across its

refining and petrochemical operations. The Company continues to focus on enhancing profitability, optimizing costs, improving asset utilization, and maintaining a robust financial framework to support future growth ambitions.

Highlights



UNSDG Alignment



Financial Performance and Growth



The company's achievement of this is the result of maintained operational excellency of the GGSR throughput volumes and consistent high performance of the integrated petrochemical complex at Bathinda.

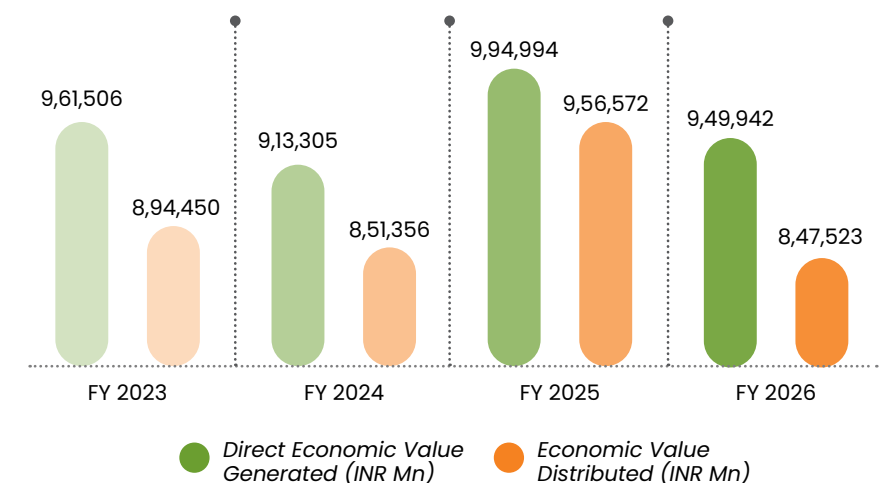


In this fiscal year, H MEL has continued to present resilience in its operations and discipline in making informed decisions in the ever-evolving macro-economic environment. Total revenue generated in FY 25-26 is INR 9,49,942 Million. The company's achievement of this is the result of maintained operational excellency of the GGSR throughput volumes and consistent high performance of the integrated petrochemical complex at Bathinda. The total operating expenses are INR 6,33,502 Million.

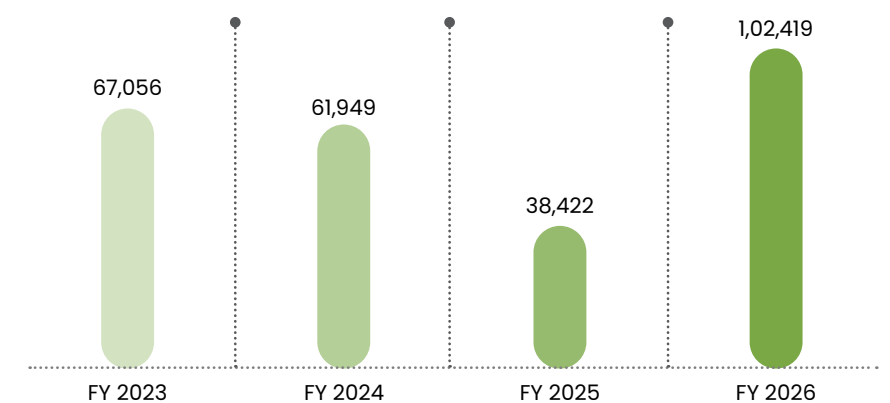
Economic Value Generated and Distributed

H MEL's value creation approach ensures that economic benefits generated through its operations are distributed across its key stakeholders, that is, employees, governments, investors, communities, and lenders. It is also ensured that sufficient value to fund future growth and sustainability investments are retained.

Economic Value Generated and Distributed

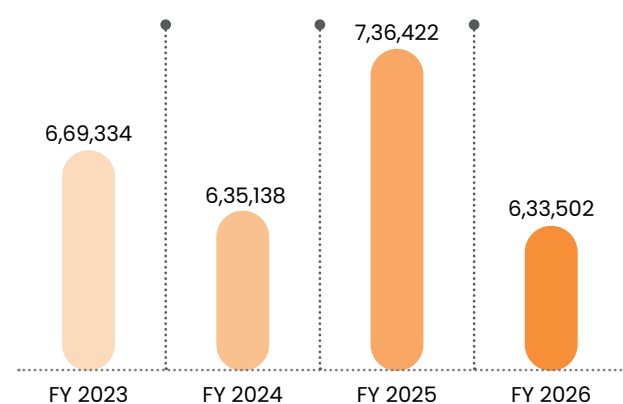


Economic Value Retained (INR Million)



Operating Costs (INR Million)

For H MEL, crude oil procurement, energy inputs, operations, maintenance, and logistics, make the major components of operating costs. The company also manages few other non-manufacturing expenses through a cost management approach through a disciplined cost management supported by digital monitoring, energy efficiency initiatives, and procurement optimization. These areas continue to be a strategic priority for the organization's commitment towards sustaining long-term value creation.

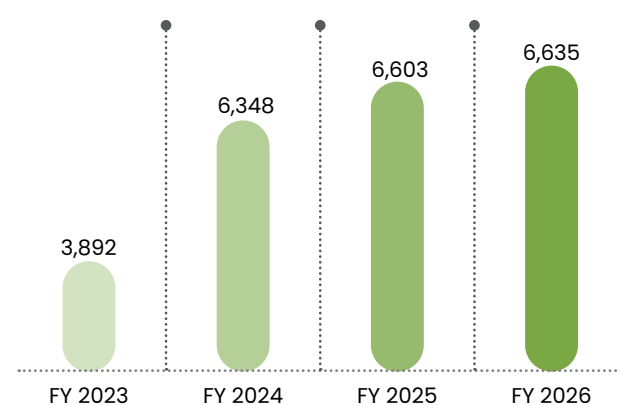


Distribution of Economic Value

The charts mentioned below present H MEL's distribution of economic value across key stakeholder groups over a four-year trend period.

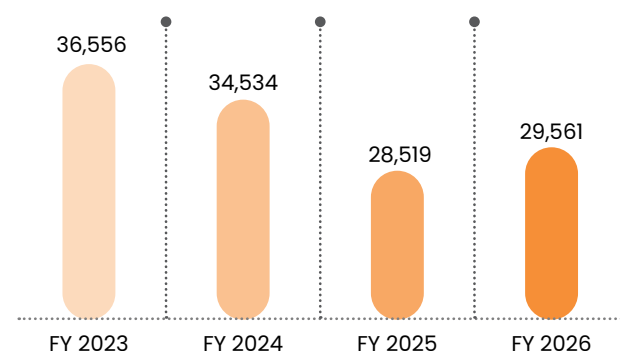
Employee Wages and Benefits (INR Million)

Employee compensation at H MEL's declares the company's commitment to foster an inclusive and people centric work environment. H MEL continues to attract and retain talent through competitive and equitable remuneration as well as employee well-being initiatives. The total employee wages and benefits have grown in this fiscal year. H MEL's commitment towards the well-being of its employees aligns with the compensation industry benchmarks as employee contribution brings long-term business growth.

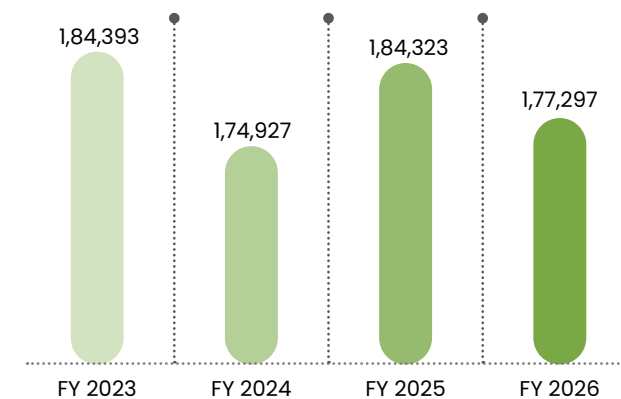


Payments to Providers of Capital (INR Million)

Payments to providers of capital primarily include interest payments on debt and returns to equity shareholders. These payments reflect H MEL's obligations to its financial commitments and capital structure, while supporting company's growth requirements.



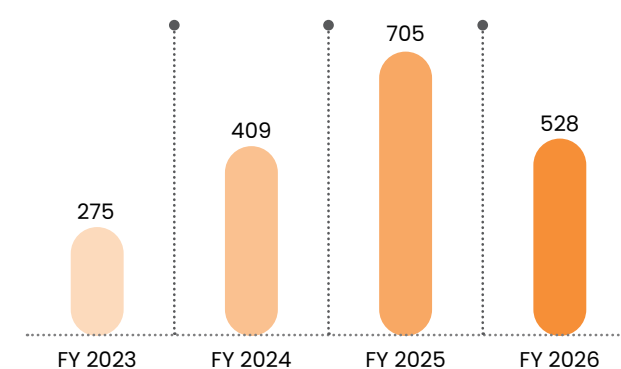
Payments to Government (INR Million)



As a major contributor to India's energy security and economic development, H MEL makes significant payments to government entities in the form of direct taxes, indirect taxes (including excise duties on sale of goods), customs, and other statutory requirements.

Community Investments (INR Million)

H MEL's community investment reflects the Company's commitment to inclusive growth and long-term social development in the regions surrounding its operations. In line with the required regulations and guidelines, H MEL undertakes CSR initiatives across identified key focus areas, underpinning impactful programs in education, healthcare, livelihood, and infrastructure for communities in Bathinda and beyond.



Tax Strategy

H MEL is committed to conducting its tax affairs with the same standards of integrity and transparency that guide all aspects of its business. The Company strictly adheres to applicable tax laws and regulations in India governing both its products and corporate activities. With an operational and office presence exclusively within India, the Company maintains India as its sole reporting jurisdiction.

H MEL's tax strategy is underpinned by full compliance with applicable national legislation, including the Income Tax Act, GST regulations, customs duties, and excise obligations. The Company does not engage in aggressive tax planning structures and ensures that its tax positions are aligned with the economic substance of its business activities.

26%

Effective Tax Rate
(FY 25-26)

(5.62%)

Cash Tax Rate
(FY 25-26)





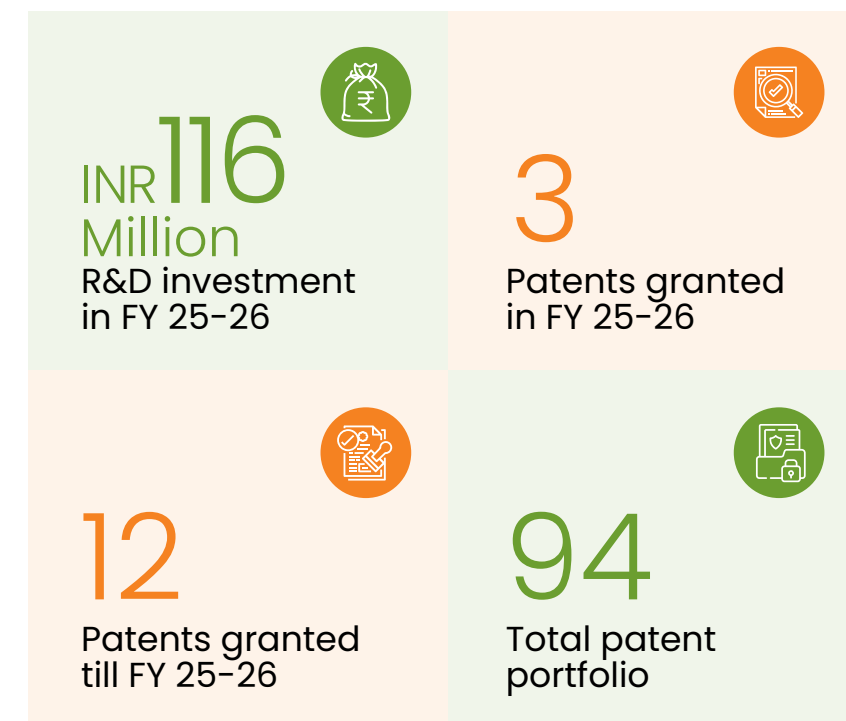
INTELLECTUAL CAPITAL



Intellectual capital plays an important part in H MEL's ability to drive operational excellence, innovation, and long-term business resilience in a dynamic energy landscape. The Company recognizes that technical expertise, process knowledge, digital capabilities and innovation-led practices are critical to enhancing operational efficiency and enabling sustainable growth. H MEL adopts a structured approach to strengthen its intellectual

capital by fostering a culture of continuous learning, technology adoption, knowledge sharing, and process optimization across its operations. This includes investments in digital transformation, research and development, data-driven decision making, and capability enhancement initiatives to improve performance, reliability and safety standards.

Highlights



UNSDG Alignment

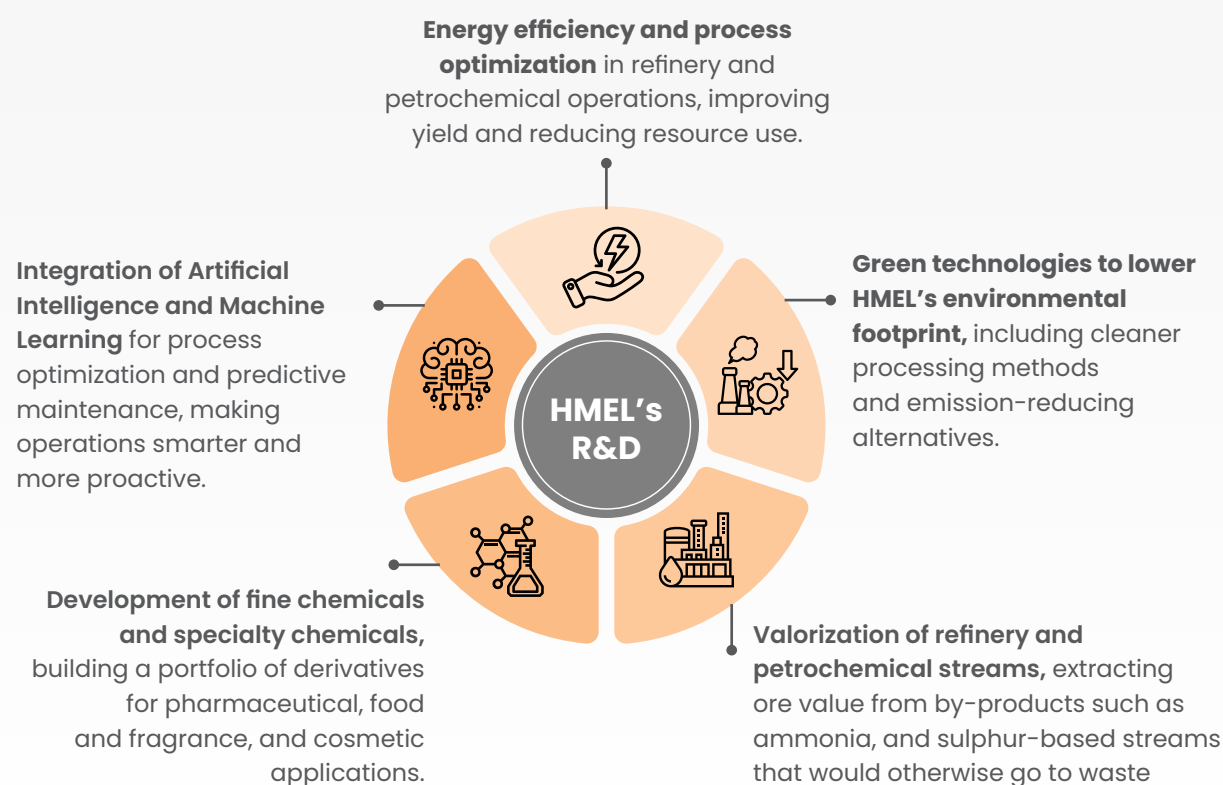


Research, Development & Innovation

Innovation has always been close to the heart of how HMEL operates. From the day the Guru Gobind Singh Refinery was commissioned, the focus has been on doing things better, more efficiently, more cleanly, and with more precision. R&D is the engine that drives that ambition forward.

In FY 25-26, HMEL invested INR 116 Million in research and development, directed at a multidisciplinary

team of scientists, engineers and domain experts who work across functions and in collaboration with leading research institutions, technology licensors and industry stakeholders. The goal is always the same: develop technologies that are practical, scalable and aligned with HMEL's sustainability ambitions.



We are continuously enhancing process efficiency and environmental sustainability. Our dedicated teams of scientists and researchers are tirelessly pursuing technological advancements and product development in the domain of refinery, petrochemicals and speciality chemicals. We also collaborate with esteemed institutions to achieve our objectives.

HMEL team has developed an advanced novel oxidation process to treat spent caustic in refineries and petrochemical plant. The advanced oxidation process offers an energy-efficient, low-emission, and environmentally superior alternative to conventional Wet Air Oxidation for sustainable spent caustic management in refineries and petrochemical complexes. HMEL's advanced technology operates at ambient conditions without any compressor, conventional oxidiser, acid dosing and steam requirement.

Expected emission savings by implementation of this technology in HMEL's refinery and petrochemical plants is as follow:

~8 KT/ annum CO₂e

Refinery Scope 1 Emissions reduction

~3 KT/ annum CO₂e

Refinery Scope 2 Emissions reduction

~3 KT/ annum CO₂e

Petchem Plant Scope 1 Emission reduction

~7 KT/ annum CO₂e

Petchem Plant Scope 2 Emission reduction

At HMEL, we encourage idea generation within our workforce as well as young minds across the country. HMEL has built two distinct channels to make sure of this.



Internal: Ignite and Idea Café

These internal programs invite every HMEL employee to put forward ideas on process improvement, digitalization, sustainability and cost optimization. The aim is to make innovation a daily habit, not a once-a-year exercise. Promising ideas are developed further and tracked through the Sankalp dashboard for live visibility.



External: HMEL QUEST

HMEL QUEST is an annual Innovative Idea Challenge that opens the innovation conversation to engineering colleges across India. In November 2025, HMEL QUEST-2025 received around **200 ideas from 50 engineering colleges**. Promising ideas from the contest are nurtured through collaborations with institutions as well as subject-matter experts and fast-tracked toward scale-up and commercialization.



Breakthrough Technology: Advanced Oxidation Process

The most significant R&D breakthrough during this reporting period was H MEL’s internally developed Advanced Oxidation Process (AOP) for treatment of spent caustic, a waste stream common to refineries and petrochemical plants.

The conventional method, Wet air oxidation (WAO) requires a compressor, conventional oxidiser, acid dosing equipment and steam. It’s energy intensive,

operationally complex and creates its own slate of emissions. That is all removed by the AOP of H MEL.

This new process operates under ambient conditions, eliminating the need for compressors, oxidizers, acid dosing, and steam. This results in a significantly energy-efficient solution with reduced emissions, offering a more environmentally friendly approach. Furthermore, this innovative method presents a superior solution to a long-standing industrial challenge, with far-reaching commercial implications that extend beyond H MEL’s existing facilities.



Patents Granted in FY 25–26 US Patent granted Application No. 17/816,800

Title: System and Method for Treating Spent Caustic Effluent

Additional patent applications filed with the Indian Patent Office (No. 202311052091) and the US Patent Office (No. 18/774,214), establishing this development as a landmark engineering achievement in the petroleum industry.

H MEL’s R&D team has also made significant advances in pipeline maintenance technology. Two patents have been granted this year for pipeline cleaning pig designs

that improve the reliability and safety of H MEL’s 1,017 KM crude oil pipeline:

- Brush-Type Pipeline Cleaning Pig (Patent No. 428652-001)
- Bi-Directional (Bi-Di) Pipeline Cleaning Pig (Patent No. 432824-001)

Both designs address challenges specific to long-distance crude pipeline operations. A Vehicle Wheel Stopper (Indian Patent No. 472250-001) was also granted this year, reflecting the breadth of H MEL’s innovation program beyond its core refining and petchem operations.

Patent Category	Till FY 23–24	FY 24–25	FY 25–26	Cumulative Total
Patents Granted	5	4	3	12
Patents Filed; Award Awaited	16	15	31	62
Patents under Filing	—	—	20	20
Total	21	19	54	94

Looking ahead, H MEL’s Research and Development (R&D) strategy will prioritize initiatives that enhance the efficiency and sustainability of our refinery and petrochemical complex. In addition, H MEL QUEST will continue to serve as an annual platform for engaging with India’s engineering talent, fostering a culture of innovation and encouraging the submission of fresh ideas and perspectives.

R&D: Key Developments



H MEL – IIT Kanpur R&D Collaboration (April 2025)

H MEL signed an MoU with the Indian Institute of Technology Kanpur (IIT Kanpur) to collaborate on cutting-edge R&D in energy and sustainability. The partnership focuses on real-world projects across sustainable energy technologies, process innovation, advanced materials and AI-enabled energy systems.

The collaboration bridges the gap between academic research and industrial application. Both institutions aim to translate lab-level ideas into scalable, market-ready solutions, a model that aligns directly with H MEL’s focus on practical, high-impact innovation.

- Focus areas: sustainable energy technologies, smart processes, advanced materials, AI-enabled energy systems.
- Goal: faster translation of research into commercially deployable solutions within H MEL’s refinery and petchem operations.

H MEL’s patent implementation rate stands at over 90%, meaning most of its patented innovations are put to work. The IIT Kanpur partnership is designed to strengthen this pipeline further.



Green Oxy-Hydrogen Gas Apparatus – Indian Patent Granted

One of the three Indian patents granted to H MEL in FY 25–26 covers a pioneering apparatus for generating green oxy-hydrogen gas. This device is designed to support process improvements within H MEL’s refinery operations and is directly aligned with the company’s clean technology and near-net-zero 2040 strategy.

The apparatus enables cleaner refinery processes by substituting conventional energy inputs with green oxyhydrogen, contributing to both Scope 1 emission reduction and energy efficiency goals.

- Complements the pipeline pig patents (also granted in FY25–26) as part of H MEL’s broader IP strategy.
- Reflects H MEL’s focus on developing in-house, commercially deployable clean technology.

With this grant, H MEL’s cumulative patent portfolio reaches 94 filings (12 granted, 62 awaiting decisions, 20 under preparation), one of the strongest innovation pipelines among Indian refiners.

Information Technology, Artificial Intelligence (AI) & Cybersecurity

The technology is maintained as a front-line function at HMEL. This is a strategic pillar that drives how the refinery operates, how decisions are made, and how the company manages its risks. In FY 25-26, HMEL took a leap on its digital journey on three fronts simultaneously: embedding AI in real operations, modernising core enterprise systems and substantially strengthening its cybersecurity posture.

Technology management is a key concern for senior leadership. The Apex Committee, comprising the CEO, CFO, and COO, provides strategic oversight on cybersecurity to ensure that technology decisions are aligned with business objectives and sustainability goals.

A comprehensive training program is in place to equip all employees with the necessary knowledge and skills in technology and cybersecurity. This includes a structured onboarding process for new employees and an annual Cybersecurity Month in October, which serves as a focal point for reinforcing cybersecurity awareness and best practices across the organization.

Cloud-First Strategy: Technology and Sustainability Aligned

HMEL has adopted a cloud-first approach for new digital investments with Microsoft Azure as the primary platform for IT workloads, enterprise applications and data services.

Microsoft's hyperscale data centers are powered by a commitment to 100% renewable energy and far exceed traditional on-premises data centers in terms of Power Usage Effectiveness (PUE). HMEL is reducing the energy intensity of its digital operations and, consequently, the associated indirect emissions, through incremental migration of workloads to Azure.

Information Security policies for Information Security, Operational Technology Security and Cyber Crisis Management have been updated in compliance with global standards such as ISO/IEC 27001 and IEC 62443. HMEL has also evaluated its preparedness for the introduction of the Digital Personal Data Protection (DPDP) Act 2023.

Reducing Carbon Footprint through Email Management

Our organization conducted a case study on the environmental impact of email management. With a daily email volume of 30,000 emails and an average size of 475 KB, our daily carbon footprint was approximately 500 kg CO₂e. By implementing a policy to delete emails from the inbox after 30 days, we estimated an annual storage savings of 5 TB and a carbon savings of 125 kg CO₂e per year. This simple yet effective measure has contributed to a more sustainable future.

Digital Infrastructure and Core Systems Modernization

Technology transformation in FY 2025-26 was more than AI. It also involved enterprise-wide systems modernization, application rationalization and infrastructure optimization to create a more agile, cost-efficient digital backbone.

SAP S/4HANA Transformation – Project SPRINT

The biggest systems milestone of the year was the successful migration from SAP ECC to SAP S/4HANA RISE, a transformational upgrade that modernises HMEL's core business operations.

- Launched July 2025, fully stabilised in 3 weeks, the benchmark for large scale ERP transitions in the energy sector
- Integrated with Concur, CPI, DWC, and Cash Management add-ons, extending the platform's capabilities across finance and operations.
- New digital applications launched: Performance Management, Medclaim, E-Recruitment (end-to-end hiring), and a Live Permit dashboard showing real-time permit status across the refinery, petchem plant, and pipeline.
- HMEL-HMPL merger activities successfully managed within the SAP landscape. Bloomberg integrated with SAP for enhanced financial data access.
- e-logbook and maintenance checklists deployed in-house for Pipeline locations

Application and Infrastructure Modernization

- 60+ applications migrated to SharePoint Online with a modern, mobile-friendly interface.
- New intranet 'HMEL Live' launched, improving internal communication and collaboration.
- Data Centre optimization delivered ₹43 Lacs in annual savings through infrastructure rationalization.
- 90 TB storage replacement completed with zero downtime, ensuring business continuity.
- Honeywell, eLogbook, Yield Accounting, and LIMS systems upgraded through sustenance contracts.
- Commodity Trading & Risk Management (CTRM) system custom-developed in-house, replacing a costly legacy vendor solution.

- Physical security systems have been upgraded with state-of-the-art technologies.

Enterprise Dashboard and Automation

The year also witnessed the development and deployment of several enterprise dashboards including the real-time GHG Emission Dashboard and the Sankalp Dashboard to track ideas live. These tools empower operational teams with data-driven decisions and ESG transparency.

System automation deliverables included fully in-house developed Retail Logistics Management System (RLMS), Import Shipment Management, Contractor Safety Portal, Laboratory Portal, EDMS, e-Permit on Maps and Pipeline Checklists. Digitisation of employee township functions like eMeter, Property Management and Helpdesk platforms.

HMEL was awarded First Prize in the "Collaboration and Integration Excellence" category at the Global APM Excellence Awards, hosted by GE Vernova in Houston, USA.

The award acknowledges HMEL's seamless integration of Asset Performance Management (APM) software with enterprise systems such as SAP, PHD, GE System 1, and Emerson AMS. The project, led by HMEL's Reliability and IT teams between 2018 and 2020, was recognized for its value creation, innovation, and execution despite challenges.



APM excellence Award by GE Vernova in Houston, USA

Artificial Intelligence: From Exploration to Execution

FY 2025–26 marked an important step in H MEL’s AI journey, moving from experimentation to practical implementation across business operations. We are leveraging AI where it can create measurable value through improved efficiency, reliability and decision making, while ensuring that every application is governed responsibly, secure by design and aligned with operational needs.

Operational AI: Driving Efficiency and Quality

This fiscal year, AI was used in core refinery and petchem processes, turning data into decisions that reduce losses and improve consistency:

- Cetane dosing optimization in HSD – precise additive management that reduces quality giveaway and eliminates manual operator intervention.
- Compressor suction pressure optimization to improve energy efficiency and reduce flare events.
- Predictive Maintenance deployed across 38 critical rotary assets, enabling proactive interventions that cut unplanned downtime and maintenance costs.
- Chemical dosing optimization across Offsite and PE units using machine learning, minimizing excess dosing while maintaining product quality.
- Hot feed maximization using AI decision support to improve feed diversion choices and reduce avoidable energy losses.
- Steam balance and furnace-level steam generation optimization across DFCU and Utilities for better energy utilization.
- NHT, ISOM and PPOx unit quality prediction enhancements for C8 visibility, RON stability and polymer quality.

Enterprise Generative AI: GenAle Platform

In FY 2025–26, H MEL’s own Generative AI platform, GenAle, continued to scale. All solutions are self-hosted on H MEL’s own infrastructure, retaining organisational data under H MEL’s control. Enterprise AI adoption remains safe, controlled and purpose built.

GenAle Knowledge Assistant



Upgraded with MCP (Model Context Protocol) architecture, advanced document intelligence, multilingual support and integrated web search. Employees can now access policies, procedures and institutional knowledge quickly and accurately.

GenAle MoMs Assistant



Automates the capture of key discussion points, decisions and action items from meetings. Deployed enterprise-wide, it improves documentation quality, accountability and follow-up discipline across the organization.

Additional Use Cases

Three more GenAI use cases are under testing: an Email Assistant for natural-language email search and summarization, and an Insight Hub for self-service conversational analytics, enabling teams to query their own datasets without needing technical expertise

Computer Vision, Extended Reality and Robotics

- Computer Vision (CV) safety validation: Five ASRS safety use cases validated with proof-of-concept. Models are being fine-tuned for production deployment.
- Extended Reality (XR) Room: Over 12 remote troubleshooting use cases resolved, enabling expert support without physical site visits and reducing downtime.
- Smart Helmets and RealWear devices: Proof-of-concept completed during Turnaround 2025, validating hands-free, connected field operations.
- Robotic Quadruped: Purchase order placed for an autonomous inspection robot, with use cases being progressively deployed upon delivery.
- Agentic AI in Procurement: A structured evaluation of Agentic AI applications is underway; use cases identified and two vendors shortlisted for further assessment.

Cybersecurity: Resilient, Secure and Future-Ready

At H MEL, Cyber Security is a strategic imperative driven by the highest levels of leadership and implemented through a layered, standard-aligned framework that secures IT as well as Operational Technology (OT) environments.

In FY 25–26, H MEL made significant strides in enhancing its security posture with respect to governance maturity, technology upgrades and independently benchmarked performance.

Governance and Compliance

- ISO 27001 (Information Security) and ISO 22301 (Business Continuity) audits completed with zero non-conformities via tier-1 external auditors.
- Formal OT Security Governance Framework approved and implemented, establishing structured oversight across all Operational Technology environments, aligned with IEC 62443.

- Continuous VAPT (Vulnerability Assessment & Penetration Testing) with industry-leading platforms and Cert-In empaneled tier-1 agencies, with a continuous focus on gap closure.
- End-to-end cybersecurity assessments conducted for plant IT and OT across the 1,017 KM pipeline system.
- Structured incident response process with a clear escalation matrix supports multi-channel reporting through IT helpdesk, email, voice, and support portals.
- H MEL assessed its readiness for the Digital Personal Data Protection (DPDP) Act 2023.

Technology Controls and Advanced Security

- Privileged Access Management (PAM): deployed to govern and audit privileged user access across critical systems.
- VPN Host Information Profiling and automation of VPN provisioning for improved access governance.
- MDM and MAM Endpoint Security: deployed for comprehensive endpoint management and policy enforcement.
- Information Rights Management (IRM): document-level data protection implemented for sensitive information handling.
- Micro-segmentation and Network Detection & Response (NDR): underway to further restrict lateral movement and improve threat visibility.

Next-Generation Security Operations Centre (SOC)

H MEL operates 24x7 next-generation Security Operations Centre that delivers proactive threat detection, intelligence-led monitoring, and rapid incident response across all IT environments.

- Proactive threat hunting capabilities operational; SOC excellence independently certified.
- Security Score Card: 95 out of 100, significantly above industry peers, providing an independent benchmark for H MEL’s cybersecurity posture.



Capacity Building and Digital Culture

H MEL recognises that the success of digital transformation depends on the capabilities of its people. Accordingly, we continue to invest in strengthening digital competencies and fostering a security-conscious culture, enabling employees to effectively leverage emerging technologies.



Cybersecurity Upskilling

301 participants trained through Microsoft-certified Cybersecurity Workshops, building a security-aware workforce across all functions and levels. OT security awareness programs were delivered specifically for plant operations teams. Cross-skilling and partner leverage strategies are actively deployed to address talent gaps in specialized cybersecurity domains. Annual Cybersecurity Month in October features interactive sessions, awareness activities, and expert-led engagements.



Technology and AI Upskilling

SAP S/4HANA targeted training programs were delivered following the ERP go-live to ensure smooth adoption across user groups. Quarterly SAP training sessions are now conducted in collaboration with the Technology Training Team to sustain competency over time. As AI tools are embedded into workflows, capability building is treated as an ongoing program rather than a one-time rollout.



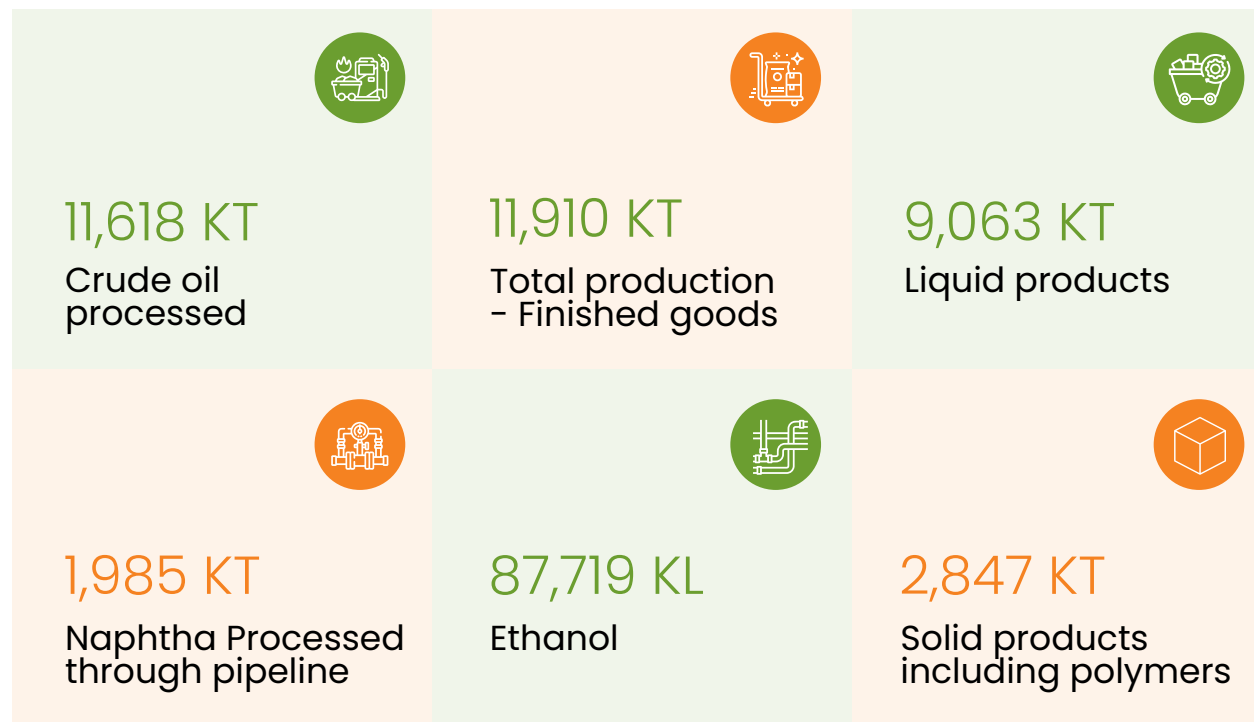
 **MANUFACTURED
CAPITAL**



H MEL adopts a structured approach to manage and enhance its manufacturing infrastructure by embedding operational excellence, advanced technologies, and lifecycle management into its strategic and operational decision-making. This includes a strong focus on process optimization, asset reliability, digitization, and maintenance

excellence to ensure sustained performance and efficiency. Through continuous modernization and capacity optimization initiatives, H MEL aims to strengthen operational resilience, improve productivity, and align its infrastructure with evolving regulatory requirements and stakeholder expectations, while supporting safe, efficient, and future-ready operations.

Highlights



UNSDG Alignment



Infrastructure Development



During this fiscal year, the refinery manufactured 11,910 KT of solid and liquid products, , and total polymer production of 2,214 KT.

Guru Gobind Singh Refinery

The Guru Gobind Singh Refinery (GGSR) at Bathinda, Punjab, continues to serve as the operational heartbeat of H MEL, a state-of-the-art, high-complexity refining facility that processes a wide spectrum of crude grades to deliver a diverse portfolio of high-value petroleum and petrochemical products. Its ability to convert low-value refinery by-products including gases, naphtha, and kerosene into downstream polymers such as LLDPE, HDPE, and Polypropylene (PP) continues to distinguish H MEL as one of India's most integrated refining and petrochemical complexes.

During this fiscal year, the refinery manufactured 11,910 KT of solid and liquid products, and total polymer production of 2,214 KT. This performance reflects the continued steady-

state operation of the integrated refinery-petrochemical complex, supported by proactive maintenance, turnaround planning, and process optimization across key units.

The Bathinda Complex plays a vital role in H MEL's national commitments, championing initiatives aligned with 'Make in India' like producing BS VI-compliant fuels and internationally benchmarked polymer grades for domestic consumption and export.

The company issues Material Safety Data Sheets (MSDS) for all products accessible to customers and provides declarations confirming that polymer products conform to applicable regulatory compliances including US FDA, IS FDA, EU FDA, FSSAI, SVHC, RoHS, and PAH standards.



Manufacturing Facilities

HMEL operates a world-class, fully integrated manufacturing facility at the Guru Gobind Singh Refinery in Bathinda. The petrochemical plant, located within the refinery premises, is connected to the Crude Oil Terminal (COT) in Mundra, Gujarat, via a dedicated, 1,017 km cross-country crude oil pipeline owned and operated by pipeline division.

The Mundra facility features a Single Point Mooring (SPM), a 17 km 48-inch diameter offshore/onshore pipeline, 17 storage tanks with a combined capacity of approximately 6.4 million barrels of Crude Oil/Naphtha, and modern blending facilities together enabling the unloading of Very Large Crude Carriers (VLCCs), Aframax and Suzemax vessel for direct supply to the Bathinda refinery.

Our Product Portfolio



Fuel Products

- Petrol (MS BS VI)
- Diesel (HSD BS VI)
- Aviation Turbine Fuel (ATF)
- Kerosene (SKO)
- Bioethanol
- LPG



Other Products & Chemicals

- Naphtha
- Hexane
- Mineral Turpentine Oil (MTO)
- Sulphur
- Petcoke
- Bitumen
- Fly-ash (by-product)
- Polypropylene (PP)
- High Density Polyethylene (HDPE)
- Linear Low-Density Polyethylene (LLDPE)
- Benzene
- PyGasoline
- CBFS,
- C9+ Heavy Aromatics
- LSFO
- Ethanol

HMEL's HOPL subsidiary continues to operate a 300 KLPD bio-ethanol plant near the GGSR facility in Bathinda, producing fuel-grade ethanol, Distiller Dried Grain Solubles (DDGS), and food-grade carbon dioxide. In this fiscal year, the plant produced 87,719 KL of ethanol.

Product Portfolio and Market Performance

The strength of a manufacturing organization is ultimately measured not just by what it produces, but by how effectively its output reaches and serves the market. In FY 25-26, HMEL delivered a standout commercial performance across both its fuels and petrochemicals businesses, reinforcing its position as one of India's most integrated and commercially agile refining and petrochemical operations.

A total of 12.29 million metric tonnes of products were evacuated during the year through a diversified logistics network spanning road, rail, sea, local pipeline, and cross-country pipeline. This multi-modal approach not only de-risked the supply chain against disruptions in any single mode but also enabled HMEL to consistently honour its commitments to customers across geographies. Uninterrupted evacuation of both refinery and petrochemical products remained a defining operational achievement through the reporting period.



Polymers

FY 25-26 marked a landmark year for HMEL's polymers business. The Company recorded the highest ever annual polymer sales in its history at 2,268.6 KT surpassing the previous high of 2,025.9 KT in FY 2024-25. Within this, both major product lines set their own all-time records.

Polypropylene sales reached 1,079 KT for the year, exceeding the previous high of 975.3 KT in FY 24-25. Polyethylene sales followed suit at 1,190 KT, surpassing the earlier benchmark of 1,050.6 KT. These numbers reflect the deepening trust that downstream customers across India and export markets have placed in HMEL's product quality, technical support, and supply reliability.

HMEL also successfully established 82 PE and PP grades during the year, including metallocene LLDPE grades that open doors to more sophisticated packaging and industrial applications. The product development team has systematically expanded the grade portfolio to address diverse end-use requirements, from flexible packaging to pipe systems to automotive components.



Polysure P0049D

In FY 25-26, HMEL's Polysure P0049D grade successfully met all requirements for the PE 100 class of pipe as assessed by Element Materials Technology, an internationally recognized testing and certification body. This qualification opens the grade for use in high-pressure piping applications in water distribution, gas supply, and industrial infrastructure, where demands on material performance are among the most stringent in the plastics industry.

2,214 KT

Total Polymers Produced

1,079 KT

Polypropylene (PP) Sold

1,190 KT

Polyethylene (PE) Sold

12.29 MMT

Total Products Evacuated

82 grades

PE and PP Grades Established



Retail Expansion and Downstream Market Presence

HMEL continued to expand its retail footprint in FY 25-26, opening six new fuel retail outlets and strengthening its downstream market presence. Beyond physical expansion, the Company deployed AI-enabled monitoring systems at retail outlets to track safety parameters, operational performance, and customer service standards in real time. This digital layer transforms each outlet from a standalone fuel dispensing point into a connected, managed asset within HMEL's broader commercial network, creating accountability and consistency that traditional inspection models cannot match at scale.

6

Retail Outlets Operational



Manufacturing Innovation and Pipeline Transportation

In this fiscal year, the landmark innovation of world's first continuous, batch-wise transportation of Naphtha (White Oil) through an existing Crude Oil (Black Oil) pipeline, continues to deliver compounding environmental, operational, and economic benefits for HMEL. Details on the three patents granted in FY 25-26, Brush-Type Pipeline Cleaning Pig (No. 428652-001), Bi-Directional (Bi-Di) Pipeline Cleaning Pig (No. 432824-001) and Pipeline Cleaning Pig with Magnet (429737-001)

Further underscoring this innovation, additional patent applications have been filed with the Indian Patent Office (Application No. 202311052091) and the United States Patent Office (Application No. 18/774,214) and Indian Patent Office (Application No. 202513066110) establishing this development as a landmark engineering achievement in the petroleum industry.

Further in continuation to, HMEL's commitment to engineering excellence and operational innovation continued in FY 25-26, with the execution of a significant new initiative that delivered measurable improvements in the batch-wise Naphtha transportation through existing pipeline. Since October 2023, and as of 31 March 2026, HMEL has successfully transported 57 batches of naphtha, totaling ~ 3.3 MMT, through the crude oil pipeline.

Traditionally, hydrocarbons such as crude oil and naphtha require separate transportation infrastructure due to their distinct properties. HMEL's innovative batch-wise methodology enables safe and efficient co-transportation within a single pipeline system without compromising product quality or operational safety.

This advancement leverages the existing large diameter (28"/30") ~1,000 km cross-country pipeline, ensuring reliable delivery at significantly lower cost and carbon footprint compared to conventional modes such as rail and road.



In FY2025-26, our facility/operations did not record or report any incident of hydrocarbon spillage in any form, whether on land, water, or air.





Novel Innovation enabling Dual Energy Symphony:

Seamlessly fueling Refinery (Crude - Black Oil) and petrochemical (Naphtha - White Oil) Feed requirement through batch-wise transportation in same Crude Oil Cross-country Pipeline.

By adopting a batch-wise transportation model, the pipeline efficiently carries Crude Oil (Black Oil) to meet refinery demand while also transporting Naphtha (White Oil) for the petrochemical plant, all through a single cross-country pipeline. It is a breakthrough one-of-a-kind global innovation in existing crude pipeline transportation in oil & gas, with no known international precedent. Comprehensive modifications were implemented across the 1,017-km pipeline network, including process piping enhancements, mechanical seal upgrades at all mainline pump stations to ensure compatibility with both crude oil and naphtha, installation of density meters for precise product tracking, and securing all required statutory approvals.



Economic Impact

- Operational cost savings of ~ INR 980 crore by transporting naphtha through the crude oil pipeline.
- Avoided capital expenditure due to avoided construction of new pipeline: ~INR 2,200 crore
- Expected recurring annual savings are ~ INR 590 crore, enabled by transporting ~2 MMT of naphtha through the existing pipeline infrastructure

Environmental Impact

- ~ 3.3 million metric tons (MMT) of naphtha transported through the pipeline till FY 25-26
- Significantly lower emission intensity: 5.085 kg CO₂/MT/km; compared to rail 22.374 kg CO₂/MT/km and road 63.054 kg CO₂/MT/km.
- Cumulative carbon savings till FY 25-26:
 - 57053.70 MTCO₂ compared to rail transport
 - 1,91,297.70 MTCO₂ compared to road transport
- Emissions avoided: ~400,000 MTCO₂ by eliminating the need for new pipeline construction

Sustainability and Green Economy Contribution

This initiative strongly supports the transition toward a low-carbon economy by maximizing the utilization of existing national energy infrastructure. This in turn accelerates national decarbonization objectives in a measurable reduction format. This innovation also demonstrates how infrastructure optimization can decouple economic growth from carbon emissions.

Initiatives to Improve Process Efficiency

HMEL continues to pursue a structured program of process efficiency improvements across its refinery, petrochemical complex, and pipeline operations. In FY 25-26, the Company executed 9 energy and fuel efficiency projects, targeting improved productivity, reduced emissions, and enhanced operational reliability.

The following highlights a selection of key process improvements and operational advancements undertaken during the reporting year:

- Throughput and Operational Performance: Strong throughput was maintained across GGSR and the Mundra Bathinda pipeline in FY 25-26, with 12.29 MMT of products evacuated through the combined logistics network. The integrated operation of the refinery and petrochemical complex delivered 11,910 KT of finished goods to market, sustaining the production momentum established in prior years.
- HMEL was honoured with the prestigious 'Make in India Champion of the Year' award at the FICCI Chemicals and Petrochemicals Awards 2025, recognizing the HMEL's indigenous development of Metallocene LLDPE grades and High Molecular Weight Large Blow Molding (LBM) grade.





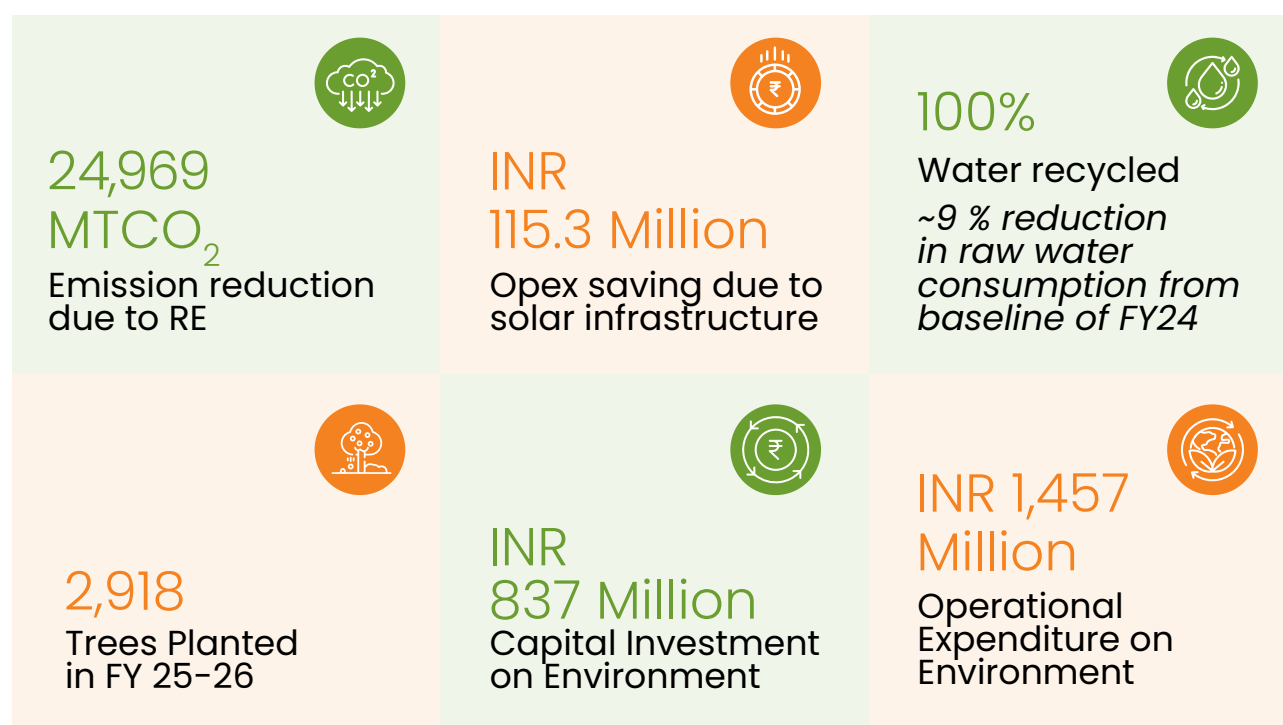
**NATURAL
CAPITAL**



Natural capital is instrumental in H MEL's processes, as the processes of energy generation are directly based on Environmental resources of Air, Water, etc., and ecosystems. The company relies on a systemic approach to deal with dependencies and impacts that are focused on factors of environmental resources, inefficiency in resource use,

emissions, management of water, and waste. During these processes, H MEL is working towards achieving its environmental footprint, its operational resilience, and the expectations of the regulatory and stakeholder communities in a manner that is responsible, flexible and focused on supporting more sustainable and resource-efficient functions.

Highlights



UNSDG Alignment



Climate Governance



H MEL's sustainability governance structure is supported by an Apex Committee which comprises of senior leadership, including MD & CEO, CFO and COO.

A Board-level Sustainability Committee has been constituted at H MEL, which is responsible for evaluating sustainability frameworks, related policies, processes and initiatives, while also monitoring progress against the set goals and targets.

H MEL's sustainability governance structure is supported by an Apex Committee which comprises of senior leadership, including CEO, CFO and COO.

This Apex committee oversees implementation of the ESG strategy and ensures alignment with national regulation, compliances and global best practices.

A dedicated Sustainability and New Energy team further drives execution at the operational level, focusing on clean energy transition, performance monitoring and continuous improvement.



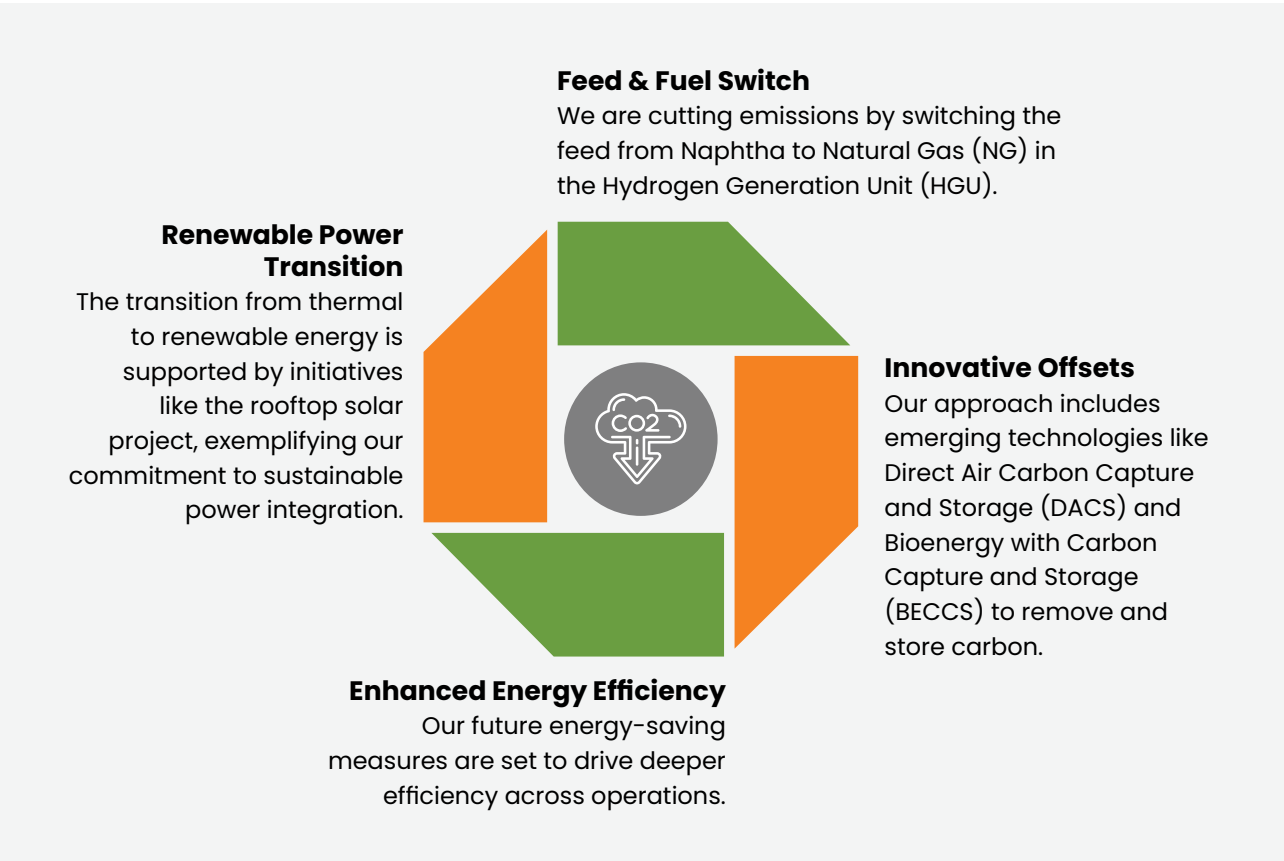
Our Sustainability Policy

H MEL's commitment towards sustainability is visible through its Sustainability Policy, which integrates environmental, social, and governance considerations in its operations and decision making. The policy emphasizes on the responsible usage of natural resource, reducing energy and water consumption and carbon footprint as well as mentions about investment in sustainable technologies.

All the functions and value chain partners are covered under this policy. This ensures similar and consistent approach to sustainability. It also highlights H MEL's strong governance by the means of board oversight, along with focus on managing climate risks, tracking ESG performance, maintains transparent disclosures aligned with global standards.

Net-Zero Strategy

HMEL is focusing on transforming its operations from conventional ways to greener ways to become Net Zero by 2040. This strategic approach is being executed in a phased manner, with careful consideration given to the capital investment and economic viability of identified decarbonization projects. The three pillar are green transformation, digital transformation and business transformation, which focus on improving efficiency in the operations, scaling up renewables, advancing biofuels and optimizing emission release by technological advancements.



Significant Reduction in CO₂ Emissions through Oil Filtration

In CPP STG-1 and STG-2, we implemented an oil filtration program as an alternative to complete oil replacement, resulting in a substantial reduction of approximately 245,000 kg of CO₂ emissions.

The oil filtration initiative was prompted by elevated NAS values in both machines, indicating the need for oil replacement. With a combined oil capacity of 70,000 liters, a

full replacement would have had significant environmental implications.

Based on a Lifecycle Assessment study, filtering 1 liter of oil prevents 3.5 kg of CO₂ emissions. This initiative successfully mitigated around 245,000 kg of CO₂ emissions, demonstrating the effectiveness of this sustainable maintenance practice.

Post-filtration, both machines have continued to operate smoothly within defined parameters, validating the success of this eco-friendly approach.

Performance Metrics

To track progress and strengthen its commitment to sustainability, HMEL adopted a structured, data driven approach to monitor its key performance indicators. Key metrics such as Scope 1 & 2 GHG emissions, energy consumption, water management and circular economy practices are assessed regularly.

1 and Scope 2 categories using internationally recognized methodologies, enabling consistency, transparency, and comparability.

In addition to GHG emissions, the company actively manages key air pollutants such as NOx, SOx, and methane, recognizing their impact on air quality and environmental health. Continuous Emissions Monitoring Systems (CEMS), supported by process optimization and digital interventions, are deployed to control and reduce emission levels.

During the year, HMEL recorded 9% percent reduction in its combined Scope 1 and Scope 2 emissions, cumulatively, on a year-on-year basis. This improvement reflects the impact of targeted operational efficiencies and emission management initiatives, reinforcing HMEL's commitment to minimizing its environmental footprint. In this fiscal year, the total GHG intensity as per refinery throughput was 0.58.

Climate Management

Refining and petrochemical operations are emission intensive and hence, climate management remains a central pillar of HMEL's natural capital strategy. The company has built a structure framework that manages climate-related impacts occurring through emission reduction, energy optimization, physical and transition risks. In order to remain align with the global efforts to limit the temperature rise by 1.5 degree Celsius, as per the Paris Agreement, HMEL is actively engaging in initiatives to drive measurable reduction in the emissions.

GHG emissions and Other Air pollutants

HMEL maintains a comprehensive framework to monitor, measure, and manage greenhouse gas emissions and other air pollutants arising from its operations. Emissions are tracked across Scope



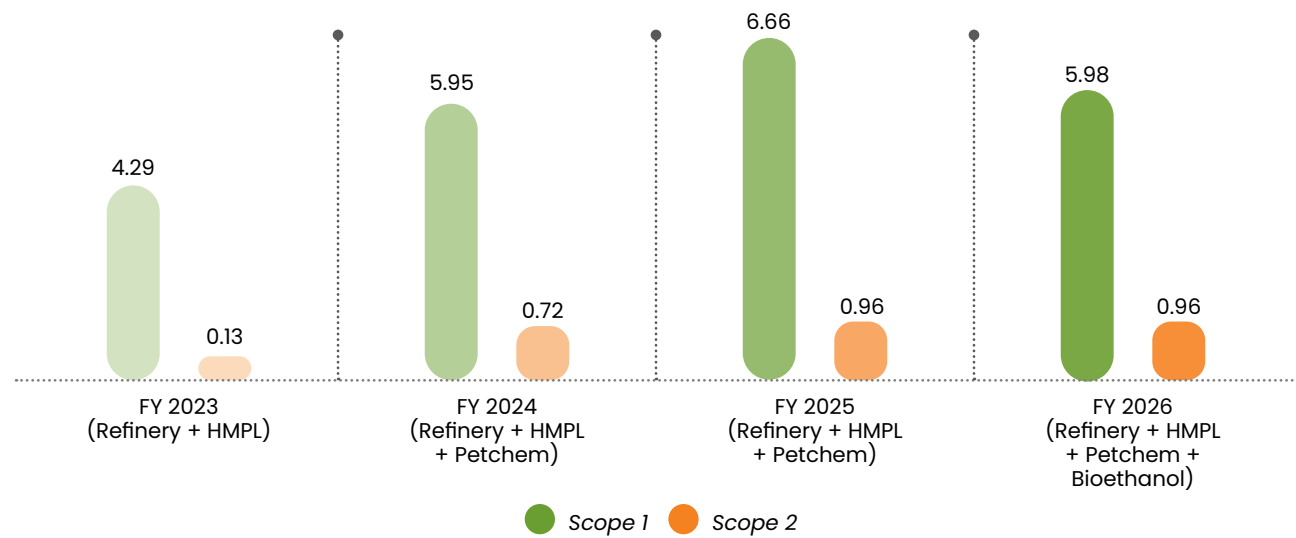
HMEL's Environment Management System (EMS) are ISO 14001 certified with 100% coverage of all operations.

	Unit	FY2023	FY2024	FY2025	FY2026
GHG emissions					
Total Direct GHG emissions (Scope 1)	Million Metric tonnes	4.29	5.95	6.66	5.98
Scope 2 (Location-based)	Million Metric tonnes	0.13	0.72	0.96	0.96
Scope 2 (Marker based)	Million Metric tonnes	0	0	0	0
Total (Scope1 + 2)	Million Metric tonnes	4.42	6.67	7.62	6.94
GHG Intensity	Metric tonnes / Revenue in INR million	4.59	7.30	7.66	7.31
Air Pollutants					
NOx	Metric tonnes	4,600	6,341	6,385	4,252
SOx	Metric tonnes	4,378	3,977	3,993	4,230
CH ₄	Metric tonnes	990	742	705	506

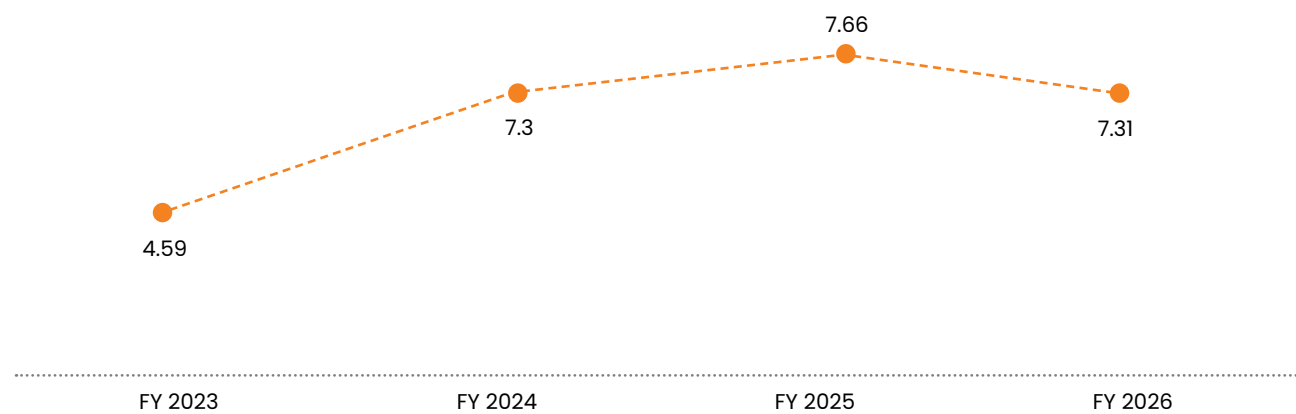
Throughput, measured in metric million tonnes of oil processed annually, is considered across both Scope 1 and Scope 2 emissions. Emission factors published by the UK Government are applied for GHG conversion, along with Global Warming Potential values from the IPCC (fifth Assessment Report, 2014)

Designated FY 2022-23 as the baseline year for GHG emissions in both Scope 1 and Scope 2, aligning that HMEL's refinery operating at its maximum capacity since commissions

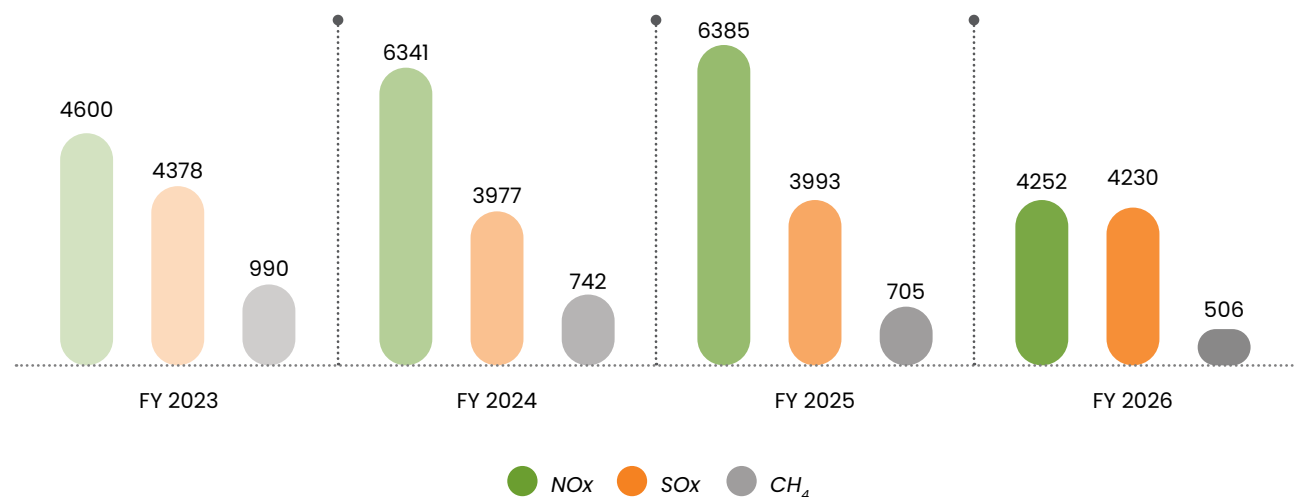
GHG Emission (MMT)



GHG Intensity (MT/Revenue in INR Million)



Other emissions (MT)



To achieve Net Zero by 2040 requires transitioning to less carbon-intensive model. A dedicated team runs energy efficiency initiatives and regularly computes GHG inventories to find reduction opportunities. Best practices are applied across operations and supply chain, and partners are expected to hold the same standards.

Energy Management

In terms of carrying the most weightage of variables that mold HMEL's environmental footprint, energy consumption is one of the most important performance indicators. It is actively managed through a combination practice adopted by the company, like efficiency enhancements and a gradual transition towards cleaner energy sources. In order to contribute to India's NDC target of achieving net zero by 2070, HMEL has set a target of 2040 to achieve net zero emissions. The key focus area for the company in this fiscal year is

to enhance energy efficiency in its refinery and petrochemical operations while also improving yield and optimizing natural resource usage as a dual objective. These initiatives are backed by technological advancements and operational improvements aimed at lowering overall energy intensity. Biofuels and emerging low-carbon solutions are also being explored to build transition readiness without compromising reliability. Ethanol, green chemicals, green hydrogen and solar energy are all actively being evaluated as prospects to the company's future energy mix.

23,41,610
MWh

Total Energy
consumption

35,168
MWh

Renewable Energy
consumption

23,06,442
MWh

Non-Renewable
energy Consumption

2.47

Energy Intensity
(MWh/ Revenue
in INR million)

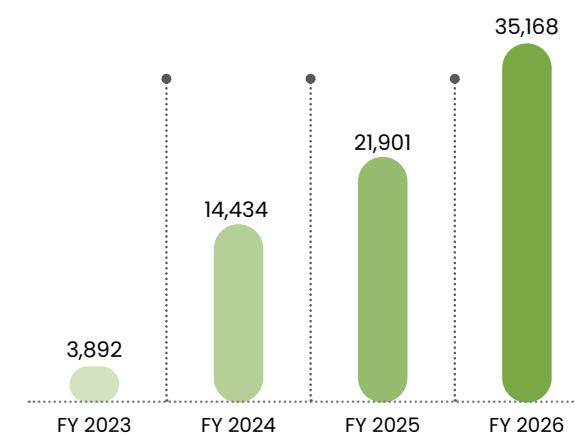
14.14 MW

In-house Solar
Capacity

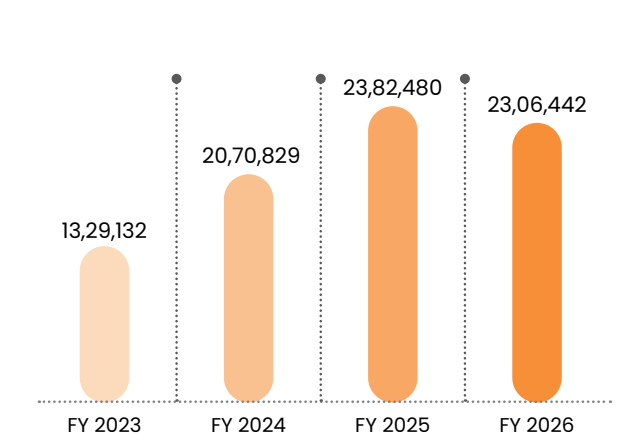
INR 115.3
Million

Cost saving
through RE

Renewable Energy Consumption (MWh)



Non-renewable Energy consumption (MWh)



In the fiscal year, HMEL's efforts have resulted in an increase of total renewable energy consumption by 60.58%, therefore reducing dependency on conventional forms of energy by 3.19% from previous year.



Net zero pathway

H MEL has declared its net-zero goals for Scope 1 and 2 emissions by 2040 (with specific benchmarks of 12.7% by 2030, 35% by 2035). The roadmap helps with the prioritization and planning of the endeavors and investments towards the long-term decarbonization objectives.

Because energy use in the company's operational and support units is the largest contributor to carbon footprint, the focus is on improving energy use and higher penetration of renewable energy. Advancement towards the use of renewable energy was evident by the existing renewable energy increase from 21,901 to 35,290 MWh.

H MEL has proposed alternative energy options, such as the use of ethanol, green hydrogen and the use of solar energy. In addition, 21 energy optimization projects have been identified, including feedstock and fuel-switch initiatives, supporting improvements in process performance and resource efficiency. 9 projects are successfully implemented in this fiscal year, achieving a 1.43% reduction in GHG emissions. These initiatives are backed through the company's focus on technology and the decarbonization objectives of its Sustainability and environmental policy.



H MEL's energy reduction initiatives

- **Solar Rooftop and Floating Solar Project at Bathinda,** along with renewable energy projects in Gujarat and Rajasthan are under active evaluation and approval processes, which target GHG emission reduction of 6.5% by 2030.
- The 13.8 MW solar rooftop project was fully commissioned.
- H MEL procured 3.731 million units (3.301 million units utilized)of Renewable Energy power from Adani Power between January and March 2026 for COT, Mundra and IPS-2 station. The Pipeline has made a PPA with Adani Power for purchase of ~ 48 million units for all pipeline stations.



Climate Change Strategy

At H MEL climate change is treated as a material business risk and not just as a regulatory reporting obligation. Both transition and physical climate risks are addressed in a structured and transparent disclosure framework manner. A comprehensive climate risk assessment has been conducted across key operational assets, including the refinery and port infrastructure. Governance, risk management, strategic planning and performance metrics are integrated into this single framework.

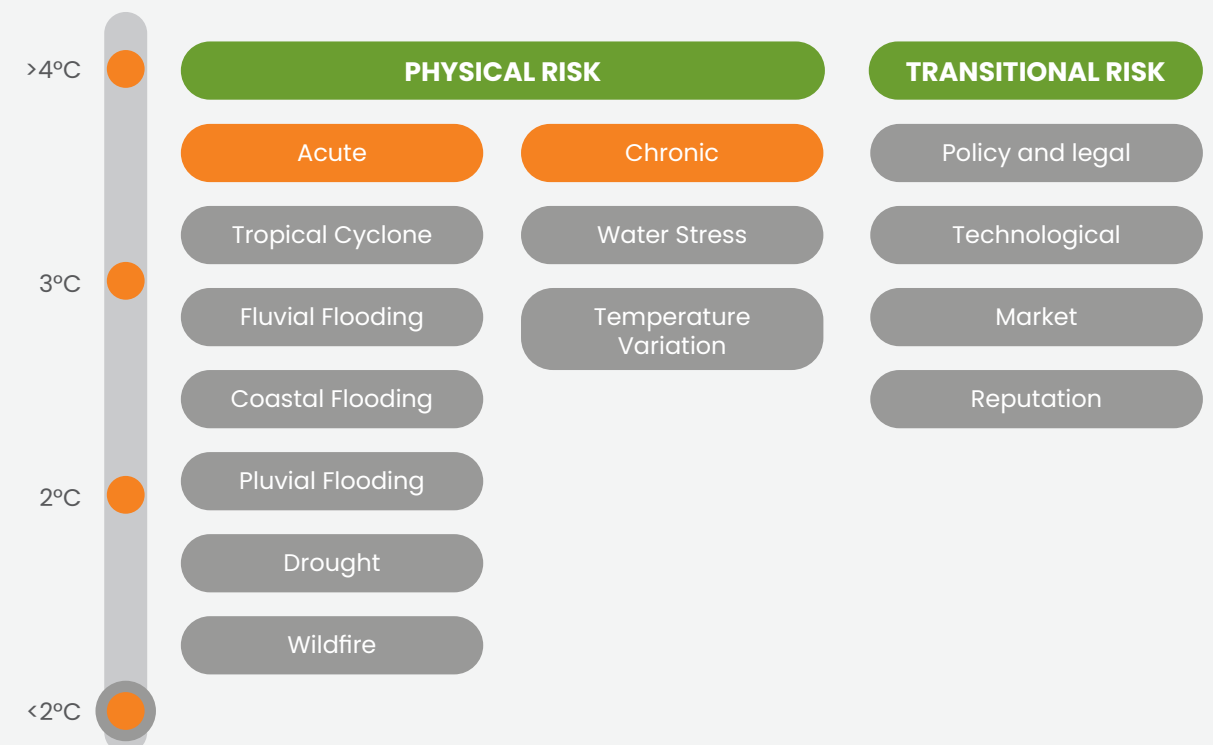
As per the assessment's result priority risks and opportunities have been identified, and targeted mitigation and adaptation measures have been put in place. Material physical risks like cyclone and flooding, heat stress, and water stress, as well as transition risks like market risks, policy risks and technological risks have been identified. This enables H MEL to understand their pressure points and lets it plan ahead.

Climate Risk Assessment:

In line with the IFRS S2 recommendations, H MEL has conducted a comprehensive risk assessment review to identify climate-related physical and transition risks across different time horizons. The risk categorization has been done as per below:

- **Physical risks:** Risks resulting from event driven or longer-term change in climatic patterns causing damage to assets or supply chain disruption.
- **Transition Risks:** Risks associated with the transition to a low-carbon business model, which includes reputation, technological, and market reforms to address climate change mitigation and adaptation requirements.

Climate change scenarios and Classification of risks



Scenario analysis

The primary objective of conducting scenario analysis is to examine and better estimate how the business might perform under distinct future circumstances (i.e., its resiliency/robustness). Climate-related scenarios allow H MEL to investigate and advance a better understanding of how the physical and transition risks and opportunities of climate change might viably affect the company over time. Scenario analysis, in essence, assesses a spectrum of hypothetical results by contemplating diverse alternative future conditions (scenarios) that are both plausible and feasible within a given framework of assumptions and limitations. The application of scenario analysis has empowered the company to:

- Comprehend the array of risks linked to different scenarios of greenhouse gas (GHG) reduction.
- Examine and cultivate a comprehensive understanding of how the probable physical and transitional risks and opportunities of climate change could affect the business in long run.
- Evaluate the present collection of assets and investment prospects against scenarios.

SSP scenarios

SSP	Scenario (Likelihood)	Estimated Warming (2021–2040) Near Term	Estimated Warming (2041–2060) Mid Term	Estimated Warming (2081–2100) Long Term	Very Likely Range In °C (2081–2100)
SSP1-2.6	Low GHG emissions: CO ₂ emissions cut to net zero around 2075	1.5 °C	1.7 °C	1.8 °C	1.3 – 2.4
SSP2-4.5	Intermediate GHG emissions (likely): CO ₂ emissions around current levels until 2050, then falling but not reaching net zero by 2100	1.5 °C	2.0 °C	2.7 °C	2.1 – 3.5
SSP3-7.0	High GHG emissions (unlikely): CO ₂ emissions double by 2100	1.5 °C	2.1 °C	3.6 °C	2.8 – 4.6
SSP5-8.5	Very high GHG emissions (highly unlikely): CO ₂ emissions triple by 2075	1.6 °C	2.4 °C	4.4 °C	3.3 – 5.7

H MEL has conducted geography wise assessment of its facilities for physical risk, both acute and chronic. The analysis indicates that the H MEL’s facilities may face potential risks due to pluvial flooding, temperature extreme, tropical cyclone, and wildfire.

- Assess the potential resilience of strategic plans against a range of scenarios.
- Identify options for increasing the strategic and business resiliency to plausible climate-related risks and opportunities through adjustments to strategic and financial plans.

Scenario Analysis- Physical Risk Assessment and Transitional Risk Assessment

- For physical risks assessment, H MEL has considered the Shared Socioeconomic Pathways (SSP scenario). SSPs are plausible scenarios of projected socioeconomic global changes up to 2100. They are used to derive greenhouse gas emissions scenarios with different climate policies. These scenarios have been used in the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6): the physical science basis. The AR 6 uses scenarios SSP1-2.6, SSP2-4.5, SSP3-7.0, and SSP5-8.5. The details of SSP’s across different time horizons are provided below

Mitigation measures of Acute Physical Risks

1. Flooding (Pluvial, Fluvial)

- Establish standard operating procedures (SOPs) and flood-specific emergency response plans
- Conduct flood risk assessments and mapping of vulnerable areas
- Build elevated infrastructure and install flood barriers (bunds, flood walls)
- Design and maintain efficient drainage and stormwater management systems
- Install water-level monitoring systems and integrate with early warning mechanisms
- Ensure adequate water pumping systems for rapid dewatering during inundation
- Ensure that storage tanks are not empty to avoid floating of tanks
- Maintain buffer storage capacity (e.g., raw materials, fuel) to handle supply disruptions
- Maintenance crew take shelter near the port and are provided with adequate fuel, water, and food.
- Implement safe shutdown procedures to avoid damage and environmental contamination
- Provide alternate access routes and logistics planning to ensure continuity
- Train personnel on evacuation, rescue, and emergency response protocols
- H MEL is exploring the feasibility of using bio-medical agents for combating oil spills
- H MEL is exploring the feasibility of adding power backup for the pumping stations at the port

2. Tropical Cyclones

- Establish standard operating procedures (SOPs) and cyclone-specific emergency response plans
- Implement early warning systems and real-time weather monitoring for timely action
- Strengthen infrastructure through wind-resistant design, secure roofing, and anchoring of critical equipment
- Ensure backup power systems (generators/UPS) to maintain critical operations
- Ensure that storage tanks are not empty to avoid floating of tanks
- Pre-position emergency supplies (fuel, food, water, medical kits) within facilities

- Enforce safe shelter protocols for employees within designated cyclone-resilient zones
- Secure loose materials and hazardous substances to prevent secondary damage or spills
- Maintain communication systems (satellite phones, radios) for uninterrupted coordination
- Conduct regular drills and workforce training on cyclone preparedness and evacuation
- H MEL is exploring the feasibility of adding power backup for the pumping stations at the port

3. Wildfire

- Wherever possible, maintaining defensible space around the facility by clearing weeds, tall grasses, dead vegetation, and trees within 10–30 meters of all structures, prune tree branches to a safe minimum height.
- Installing multi-layered fire detection (heat, smoke, flame sensors) for early alert, paired with automatic and manual fire suppression systems.
- Regularly inspect sprinkler systems and conduct maintenance on all infrastructure.
- Store flammable materials and hazardous substances in fire-rated, well-separated areas; keeping an updated list and ensuring proper labeling and signage for quick action.
- Implement comprehensive fire safety awareness, regular evacuation drills, and role-specific training for staff; including alarm activation, response coordination, and fire extinguisher use.

Mitigation measures of Chronic Physical Risks

1. Temperature Extreme

- Implement heat action plans with clear thresholds, alerts, and response protocols
- Reschedule high-exertion work to cooler hours (night shifts for construction-related activities, loading and unloading activities)
- Provide adequate hydration (water, electrolyte/isotonic drinks) at all work locations
- Ensure rest breaks and shaded/cooling areas to prevent heat-related illnesses
- Supply climate-appropriate PPE and clothing (breathable, heat-resistant gear)
- Train workers to recognize and respond to high temperature symptoms (heatstroke, exhaustion)

- Maintain on-site medical support and emergency response readiness
- Optimize workforce planning to avoid overexertion and ensure sufficient manpower
- Incorporate engineering controls such as ventilation, cooling systems, and reflective surfaces
- HMEL is currently working on climate- adapted clothing for its workers
- Monitor and track water consumption metrics for continuous improvement
- Establish long-term resilience strategies (watershed management, partnerships, sustainable sourcing)
- HMEL is planning to install floating solar photovoltaic panels over water reservoirs to reduce evaporation losses.
- HMEL is exploring alternate sources of water.

2. Water Stress

- Implement water efficiency programs to reduce freshwater consumption across operations
- Increase water recycling and reuse (zero liquid discharge, closed-loop systems)
- Develop adequate water storage capacity (14-16 days) to ensure operational continuity during shortage
- Explore and diversify alternative water sources (treated wastewater, rainwater harvesting, desalination where feasible)
- Install systems to minimize losses (leak detection, evaporation control measures like floating covers/solar panels)
- Optimize processes through water-efficient technologies and process redesign
- Conduct water risk assessments and integrate findings into business continuity planning
- Engage with local communities to ensure responsible water use and conflict avoidance

To simulate a climate scenario and assess transitional risks across various time horizons, various external factors, such as regulatory frameworks, and evolving consumer behavior, were carefully analyzed. Acknowledging inherent uncertainties, scenario planning was employed to explore potential energy transition pathways up to 2050.

HMEL has assessed the evolving regulatory requirements and carbon pricing mechanisms. Additionally, the risk of increased cost of raw materials and unsuccessful investment in new technologies have also been analyzed. Market dynamics also pose a challenge, particularly due to shifting customer preferences and stakeholder expectations. HMEL has integrated International Energy Agency (IEA) scenarios - Current Policies Scenario (CPS), Stated Policies Scenario (STEPS), and Net Zero Emissions (NZE) to evaluate transitional risks in accordance with above 2-degree Celsius scenario and Well-Below 2-degree Celsius (WB2C) scenario.

Scenarios used for Transitional Risk Assessment

Scenario	Description	Estimated Temperature Rise by 2100	Net Zero Achievement
Net Zero Emissions by 2050 (NZE)	Global pathway aimed at achieving net zero CO ₂ emissions by 2050, aligning with the 1.5°C global temperature goal. Emphasis on renewables, carbon capture, and reduced fossil fuels.	Up to 1.5°C	2050
Stated Policies Scenario (STEPS)	Projects energy demand and supply based on current policies. Assumes slower decarbonization, with emissions peaking later, leading to a higher temperature increase.	Above 2°C	No global net zero by 2050
Current Policies Scenario (CPS)	Maps a future energy system based solely on enacted legislation and regulations, disregarding announced but unimplemented pledges	Above 2°C	No global net zero by 2050

Transition risks identified for HMEL

HMEL recognizes that the transition to a low-carbon economy presents significant risks related to evolving regulations, technological shifts, and market dynamics that could impact its refining and petrochemical operations.

Transition risks identified for HMEL

Risk type	Risk description	Potential impacts on HMEL	Time horizon
Policy & Legal 	Carbon pricing mechanisms HMEL operates a large, energy-intensive refinery and faces policy risks from India's Net Zero goals, including the upcoming Carbon Credit Trading Scheme (CCTS) for GGSR starting FY25-26. The refinery has emission reduction targets, and evolving policies on ethanol blending, biofuels, and electric mobility could significantly impact demand for petrol and diesel, necessitating adjustments in product slate and infrastructure.	• Increased operational expenditure due to carbon costs and compliance expenses • Incremental capital expenditure for emission control systems, energy efficiency upgrades, and fuel switching	Short term
Market 	Increased cost of raw materials Tightening climate policies threaten to increase HMEL's supply chain and operational costs. Higher crude prices may result from carbon compliance pass-throughs, while supply constraints on high-emission grades could raise feedstock costs. The shift toward biofuels and SAF intensifies competition for expensive low-carbon inputs. Additionally, decarbonization of energy grids will drive up costs for power, natural gas, and hydrogen.	• Limited short-term flexibility to substitute crude grades • Rising demand and limited supply for transition-aligned feedstocks	Medium term
Technology 	Unsuccessful investment in new technologies HMEL's decarbonization strategy relies on capital-intensive, emerging technologies like green hydrogen, electrification, and CCUS. However, regulatory uncertainties, technical complexities, and unproven scalability pose significant risks. Although green hydrogen costs are expected to decline over time, current high expenses and performance uncertainties could slow adoption and lead to diminished returns on investment.	• High upfront transition capital expenditure with uncertain returns • Project execution delays and cost overruns • Risk of technological obsolescence of existing assets	Long term

Risk type	Risk description	Potential impacts on HMEL	Time horizon
Market 	Reduced demand for products & services HMEL's reliance on revenue streams from transport fuels exposes it to demand erosion from rising EV adoption, accelerated ethanol blending mandates, and improved fuel efficiency. As domestic fossil fuel consumption gradually declines, the company's revenues face sustained pressure. The refinery's large-scale, single-site configuration requires high throughput to cover fixed costs. If market shifts outpace HMEL's ability to pivot toward cleaner or higher-value products, lower utilization and market volatility could severely compress refining margins.	- Lower refinery utilisation and throughput risk - Margin compression and earnings volatility	Long term
Reputation 	Increased stakeholder concern As a carbon-intensive joint venture, HMEL faces intense stakeholder scrutiny regarding its climate strategy and transition readiness. Stringent ESG expectations mean that delayed decarbonization or inadequate climate disclosures pose significant reputational risks. Consequently, poor ESG performance and perceived gaps in execution can lead to higher financing costs, as investors and creditors increasingly penalize weak climate risk management.	- Higher cost of capital or reduced financing options - Lower ESG ratings impacting investor appetite	Long term

The time horizon considered is: Short term (0– 5 years), Medium term (5– 10 years), Long term (>10 years)



Climate-related Opportunities identified for HMEL

HMEL has identified climate-related opportunities such as renewable energy adoption and implementing energy efficiency measures, reduced water usage and consumption, development of low emission goods and services, accessing new markets (Green Methanol, SAF, Green Ammonia), and supporting overall sustainable growth.

Climate-related opportunities identified for HMEL

Opportunity type	Opportunity description	Potential benefits for HMEL	Time horizon
Energy source 	Use of renewable energy sources HMEL's electricity-intensive operations offer a near-term opportunity to reduce Scope 2 emissions and hedge against power tariff volatility through renewable energy. Declining solar and wind tariffs enable cost-effective, long-term power procurement below grid rates. Reliance on grid electricity exposes HMEL to emissions liabilities and regulatory risks under transition scenarios. Early renewable adoption positions HMEL favourably for future CCTS compliance and ESG alignment. Currently, a 13.8 MW rooftop solar project is underway, with ~9 MW commissioned, expected to mitigate ~128 KT CO ₂ /year, targeting 38% renewables in the energy mix by 2030.	- Operating cost savings from lower power tariffs - Lower earnings volatility from power price fluctuations.	Short term
Resource Efficiency 	Energy Efficiency measures Energy consumption is a major cost and emissions driver for HMEL. The company improved energy efficiency at the Petchem Plant, reducing Scope 1 GHG emissions by approximately 38.5% through optimized VHP steam use.	- Reduction in fuel and utility costs - Improvement in emissions and energy intensity indicators - Short payback periods and high internal rates of return compared to capital-intensive decarbonization technologies	Short term
Energy source 	Use of low carbon sources of energy (Green hydrogen) Transitioning to green hydrogen offers HMEL a powerful strategic opportunity to decarbonize its hydrogen-intensive refining processes and significantly reduce Scope 1 emissions. By proactively shifting away from natural gas, HMEL can stay ahead of emerging carbon pricing mechanisms like CCTS and stricter emission norms, gaining a strong competitive edge in the industry.	- Progressive reduction in Scope 1 GHG emissions - Improved cost predictability by partially decoupling hydrogen supply from fossil gas markets	Medium term



Opportunity type	Opportunity description	Potential benefits for HMEL	Time horizon
Resource Efficiency 	Reduced water usage & consumption HMEL is proactively transforming regional water scarcity challenges into opportunities for operational resilience and sustainability. To safeguard against climate-driven water stress and regulatory risks, the company has implemented highly efficient water management strategies, successfully achieving 100% wastewater recycling. The company is driving towards a 20% reduction in freshwater withdrawal per unit of crude processed by 2027, securing a highly sustainable, cost-effective, and future-proof operation.	- Reduced dependence on freshwater abstraction, lowering exposure to water scarcity and regulatory curtailment - Long-term reduction in water procurement, treatment and discharge costs - Improved operational resilience during drought or water stress periods	Medium term
Markets 	Access to new markets Biofuels, Green Methanol, SAF, Green Ammonia) By leveraging its existing world-scale hydrogen production, blending infrastructure, and methanol-to-olefins (MTO) capabilities, the company can seamlessly pivot from grey to green molecules with minimal new capital expenditure. Embracing validated solutions like biofuels (ethanol/CBG), green methanol, SAF, and green ammonia aligns with the 2022 National Policy on Biofuels, National Green Hydrogen Mission (NGHM), and global targets (IEA NZE, IATA/IMO).	- Diversification of product portfolio into transition-aligned fuels, reducing long-term demand risk - Creation of additional revenue streams linked to emerging green fuel markets	Long Term
Energy source 	Use of carbon capture and storage HMEL's large, single-site refinery and petrochemical complex is well-positioned to benefit from early CCUS adoption, which can significantly cut Scope 1 emissions while maintaining high throughput. Recognized in India's draft 2030 CCUS Roadmap and aligned with global decarbonization pathways, CCUS offers a strategic opportunity to future-proof the Bathinda asset.	Hedging against future carbon costs by abating a material share of direct emissions	Long term
Markets 	Access to new markets (Electric Mobility and Downstream Energy Services) India's rapid EV adoption, with an expected 30% market share and 10 million annual sales by 2030, offers HMEL a prime opportunity to transform its retail network into high-tech EV charging hubs. HMEL Retail's AI-enabled fast-charging stations, starting in Noida, will integrate seamlessly with convenience retail and CNG services. By leveraging dwell times of 40–60 minutes, HMEL can significantly boost customer lifetime value, increase site profitability, and establish long-term leadership in the evolving forecourt landscape.	High-margin revenue stream from fast-charging fees, enhanced by subsidies and operational efficiencies for strong profitability at scale	Medium-long term

Mitigation measures for transition risks

1. Policy & Legal- Carbon pricing mechanisms

- Investment in low carbon technologies such as carbon capture utilization and storage
- Purchase of carbon offsets
- Transition from traditional “grey” hydrogen (produced via steam methane reforming) to “green” hydrogen produced via low-emissions electrolysis
- HMEL is exploring to replace gas-fired turbines, compressors, and pumps with high-efficiency electric motor drives.
- HMEL is investigating specific, cost-effective direct CO₂ capture technologies tailored to different refinery exhaust streams
- HMEL is actively participating in emissions trading schemes to manage carbon costs effectively and potentially generate revenue from emission reductions.

2. Market- Increased cost of raw materials

- Reduce exposure to carbon cost pass-through through diversified crude sourcing and logistics optimization
- Secure low-carbon feedstock supply via vertical integration and circular economy approaches
- Stabilize energy costs through renewable energy adoption, efficiency gains, and phased hydrogen transition
- Maintain competitiveness by leveraging policy incentives, carbon markets, and strategic portfolio shifts

3. Technology- Unsuccessful investment in new technologies

- HMEL is reducing technical risk through phased deployment, digital modeling, and pilot programs
- Improve commercial viability via strategic financing, government incentives, and long-term offtake agreements

- Navigate regulatory uncertainty through proactive policy engagement and scenario planning
- Minimize financial exposure by diversifying technology portfolios and sharing risks with partners
- Build organizational capability through workforce development and continuous performance monitoring

4. Market- Reduced demand for products & services

- Diversification of product portfolio through investments in production of biofuels and green hydrogen
- Invest in bioethanol, biodiesel, and renewable diesel to meet blending mandates and future demand.
- Optimize crude sourcing (heavy, sour crudes), improve energy efficiency, and reduce operational costs to maintain competitiveness.

5. Reputation- Increased stakeholder concern

- Embed climate-related ESG targets into the ERM framework, linking them to overall business risk profiles.
- Report and disclose quarterly or half-yearly ESG progress, with clear expectations for any shortfalls, revised timelines, and corrective actions, hence building stakeholder trust
- Utilize advanced ESG dashboards with predictive analytics, to provide stakeholders with real-time insights into ESG target performance.
- Incorporate feedback from stakeholders such as institutional investors, sustainability rating agencies, and employees, which can inform corrective actions and recalibrate strategies, ensuring that ESG targets are aligned with stakeholder expectations.



Internal Carbon Pricing

H MEL is dedicated to advancing its complex operational strategies through the integration of Internal Carbon Pricing (ICP) as a proactive measure. By incorporating carbon cost considerations into planning, investment, and operational decision-making processes, H MEL seeks to optimize emissions reduction efforts and enhance climate-related risk management across its diverse and intricate operations. This forward-looking approach is designed to ensure greater alignment with sustainability objectives, evolving stakeholder expectations, and regulatory developments, thereby strengthening H MEL’s overall resilience and commitment to a sustainable future.

Carbon Credits

H MEL is committed to reducing its total greenhouse gas emissions through a comprehensive approach that includes the electrification of furnaces, the adoption of renewable energy, switching to cleaner fuels, implementing Carbon Capture, Utilization, and Storage (CCUS), and deploying other advanced low-carbon technologies. For the small residual portion of emissions that may remain after all feasible reductions, the organization plans to offset them using high-quality carbon credits. These credits will be sourced from credible projects that remove or reduce emissions elsewhere, such as forest restoration initiatives or clean energy developments. This balanced strategy will enable the organization to meet its climate targets while contributing to global efforts to combat climate change.



Climate-related Management Incentive:

H MEL’s is strengthening its accountability and drive towards its sustainability objectives by embedding climate-related incentives into its management’s annual KPIs. Senior leadership, including business unit heads, are evaluated against defined climate-related KPIs within their performance scorecards. A portion of variable pay is linked to outcomes such as emission reduction, energy efficiency and renewable energy adoption, while long-term incentives are aligned with the achievement of strategic sustainability milestones. This approach has helped H MEL senior management ensure consistent integration of climate priorities into decision-making and operational performances.

Water Management

H MEL is committed to responsible water management and recognizes water as a critical resource for both operations and surrounding ecosystems, particularly in water-stressed regions. The approach adopted for managing its water demands and supply is structured and risk based. It focuses on efficient usage,

minimizing water withdrawals, and environmentally responsible discharge across its operations. Comprehensive water risk management assessments are conducted across key assets, including refinery, port, etc. using globally recognized tools like WRI’s Aqueduct tool, WWF’s Water Risk Filter, Encore, and RepRisk, to identify areas of potential stress and make informed mitigation strategies.

To ensure compliance with regulatory requirements while maximizing reuse within operations, effluent treatment systems are utilized. Water withdrawal, consumption, and discharge are continuously monitored in turn supporting the ongoing efforts put towards optimum usage of water as a resource.



Building on the FY 2023-24 benchmark, the wastewater recycling and reuse initiatives has delivered an additional ~9 % reduction in raw water consumption, supporting achievement of the overall 20% water reduction target by 2027 while strengthening ZLD compliance and water sustainability.

3,40,66,219 KL
Total water withdrawal
(freshwater)

100%
Water recycled/
reused

2.67
Water Intensity
(KL/MT of Crude
Processed)
Refinery: 1.44
Petchem: 8.6

3,21,80,000 KL
Total water
consumption

~9 %
reduction in raw
water consumption
from baseline of
FY24



Water Management Strategy

Zero Liquid Discharge

By 2027, H MEL targets a 20% reduction in canal water intake while also moving towards Zero Liquid Discharge (ZLD) in its inland refinery setup. By maximizing internal recycling and improving treatment efficiencies beyond original design capacities, H MEL has substantially reduced wastewater discharge volumes. The rend in wastewater discharge volumes have come down as a result and recovery and water recycling has gone up therefore reducing the dependence on external disposal methods.

Effluent discharge

Through a combination of process optimization, circular water use, and digital interventions, H MEL is strengthening its effluent discharge. The internal modification to treatment systems has enabled effective handling of intermittent wastewater streams more effectively hence reducing the wastewater volumes going through external discharge pathways. The company is also advancing wastewater reuse by exploring the integration of RO reject streams back into

operations, which has helped in reducing freshwater intake and minimizing diversion of discharge into the solar and ecological ponds. The company ensures that all discharged wastewater follows the CPCB norms.

Similarly, digitization of the water block has improved monitoring and enabled automation. Therefore, chemical usage has become more optimized, water loss has been lesser and overall treatment efficiency has improved.

Water Risk Management

H MEL’s water risk approach is built around the understanding that water is a critical resource, and its supply disruptions can hamper the company’s overall operations. In order to mitigate this operational risk and to plan ahead the company assesses how operations interact with local water systems. This ensures that our activities do not adversely impact on the availability or quality of water as a natural resource in the community the company operates. Activities are then managed to avoid adversely affecting water availability and quality in the surrounding regions as well as ensuring optimum availability for its core operations.

H MEL has adopted a forward-looking strategy that includes identifying alternative water sources, improving conservation practices, and anticipating future water availability by considering factors such as climate change and evolving industrial demands. Equal emphasis is placed on maintaining water quality through robust treatment systems that minimize pollution and downstream impacts. We also recognize our shared responsibility with local communities and stakeholders and therefore engage proactively to ensure our water management practices support regional sustainability and address broader ecosystem and community needs.

H MEL had also conducted a comprehensive water audit with TUV Rheinland India. The audit was aligned with the AWS International Water Stewardship Standard and ISO 46001, ensuring that operations meet international sustainable water management benchmark. In the fiscal year 25–26, There have been no incidents related to water which may have impact on the business and hence zero monetary fines have been implemented. H MEL ensures responsible water usage in all its operations.

Waste Management

H MEL follows a circular economy approach to waste management by prioritizing minimizing waste generation and maximizing reuse. Waste is systematically categorized and managed through appropriate treatment, recycling, and disposal mechanisms in compliance with regulatory requirements.

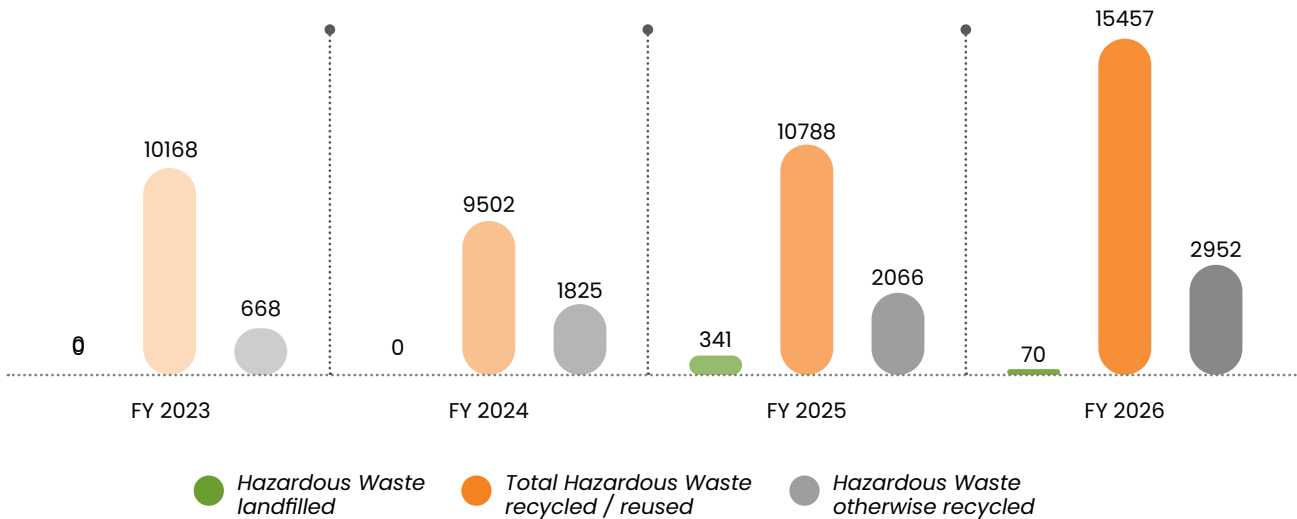
Efforts are made to reduce reliance on landfill through process optimization and partnerships with authorized recyclers. The company also explores innovative approaches for waste utilization to enhance resource efficiency and reduce environmental impact. thdrawals,



32,959 MT

Total waste generated in FY 25–26

Hazardous Waste (MT)

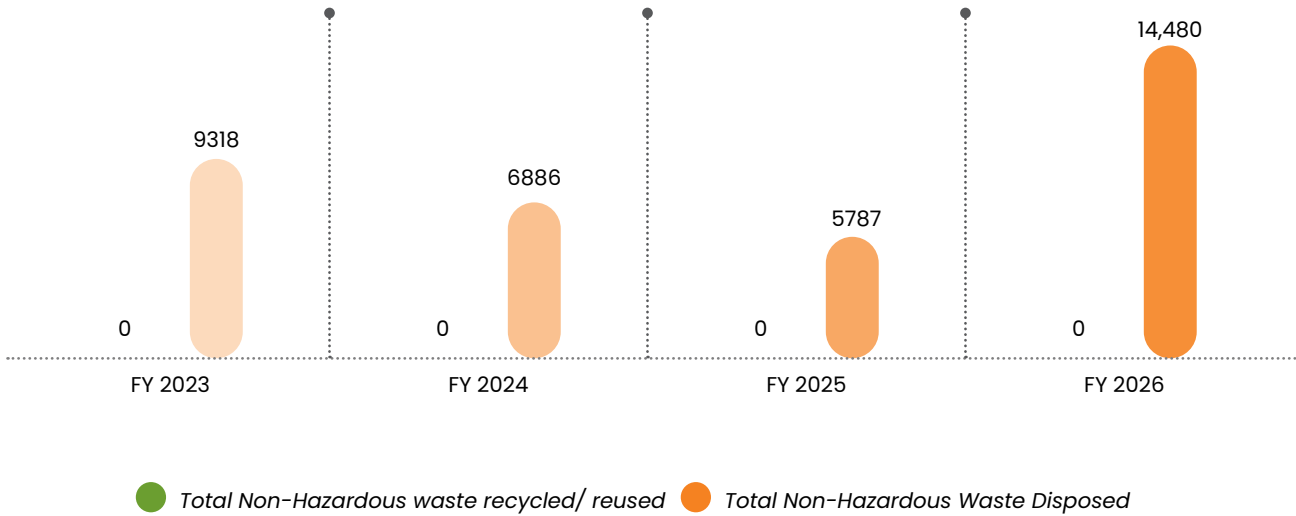


Climate-related opportunities identified for H MEL

Area	Initiative	Impact
DFCU	Recovery of LP condensate in DFCU within the Flash chamber which was earlier routed to OWS	Saving of 30 m³/hr of water
SWING	Recycling of Overflow DM water used for pellet cooling by reducing overflow duration	Saved 25 m³/hr of DM water
Ethanol	Recycling of CO ₂ scrubbed water and dryer process condensate to liquefaction section, thus reducing the freshwater intake to cooling tower.	25 m³/hr of service water saved
Turnaround	Cleaning and maintenance of critical equipment in Refinery Turnaround led to optimized water usage and reduced draining leading to capacity enhancement	Reduced condensate dump by 50 m³/hr



Non-Hazardous waste (MT)



HMEL’s Waste Management Journey

This fiscal year has marked HMEL strengthen its sustainability performance, reinforcing its commitment to responsible operations and long-term value creation. Sustainability remains embedded as a core strategic priority, guiding decision-making and enabling the Company to deliver measurable environmental outcomes while building a resilient and future-ready business. HMEL is among the pioneering companies in India to commercialize recycled polymers, by introducing ISCC-PLUS certificated. Mechanical Recycling Brand ‘ECOSURE’ & Chemical Recycling brand ‘CYCLOSURE’ as part of its commitment to sustainable waste management solutions.

HMEL ensures that hazardous waste is managed and

disposed of in full compliance with applicable regulatory requirements across Punjab and Uttar Pradesh. Through adherence to these standards, we strengthen responsible waste management practices and contribute to environmental protection. During the reporting period, the company has met its prescribed plastic recycling targets, reinforcing its commitment to sustainable resource management. By proactively engaging with authorized recyclers and implementing systematic waste management practices, HMEL ensures that its plastic footprint is responsibly managed and reduced.

In line with its Extended Producer Responsibility (EPR) commitments under the Plastic Waste Management Rules, 2016. This included significant

quantities under the Recycling Category and End-of-Life Category, demonstrating a strong commitment to advancing circular economy principles and responsible waste management practices.

HMEL’s waste reduction initiatives

HMEL advanced plastic circularity in India by selling ISCC+ certified, chemically recycled circular polymers under the “Cyclosure” brand.

Biodiversity and Ecological Management

HMEL recognizes biodiversity as a critical component of environmental stewardship and integrates it into its operational and strategic decision-making. The company’s operations, spanning 1,945 acres, are guided by periodic Environmental Impact Assessments (EIAs) to ensure minimal ecological disturbance and compliance with regulatory requirements. HMEL continues to strengthen greenbelt development across company facilities, contributing to habitat creation and ecological balance in and around the company’s operational areas.

The Company follows the mitigation hierarchy approach to managing biodiversity impacts and undertakes initiatives such as greenbelt development, afforestation, and habitat restoration to enhance ecological balance. Infrastructure planning is aligned to minimize land disturbance and protect surrounding ecosystems. HMEL has developed a total of 515 acres of green belt across its operational areas. More than 350,000 trees have been planted and are being maintained within the GGSR Complex as part of its ongoing environmental stewardship efforts. In addition, 163 acres of green belt with 1,60,000+ trees have been planted and developed in collaboration with the Forest Department. During FY 2025–26, HMEL further strengthened its afforestation initiatives by planting an additional 2,918 saplings across various business locations.



515 Acres
Area under greenbelt till FY 25-26



5,10,000+
Number of trees planted till FY 25-26



2,918
Total number of trees planted in FY 25-26



Biodiversity Risk Assessment:

HMEL's ongoing efforts have contributed to measurable improvements in local biodiversity, with observed increases in both flora and fauna in and around the sites. These outcomes are supported by planned greenbelt expansion and conservation initiatives beyond the refinery boundary. The 2017 EIA report confirms that no critically endangered, vulnerable, rare species identified on the IUCN Red List are present within the study area.

HMEL is conducting a biodiversity risk assessment using the TNFD approach. As part of this study, the company will utilize globally recognized tools such as the WWF Biodiversity Risk Filter, IBAT, and RepRisk to assess location-specific risks across its key assets, including the refinery, port, and associated

infrastructure. This enables HMEL to evaluate both dependency and impact-related risks, including those arising from its petrochemical operations. The company will implement mitigation measures, such as responsible waste management and authorized recycling practices, to address these risks.

The company's Supplier Code of Conduct mention that HMEL actively engage suppliers and partners to adopt responsible practices. Suppliers are expected to minimize biodiversity impacts, prevent habitat degradation, and support sustainable land-use practices, including efforts to address deforestation risks. Through stakeholder engagement and community initiatives, the company continues to contribute to preserving local ecosystems and strengthening ecological integrity.



HMEL Sustainability Team and Central University of Punjab, Bathinda Team signed MoU for conducting Biodiversity Risk Assessment at GGSR, Bathinda.



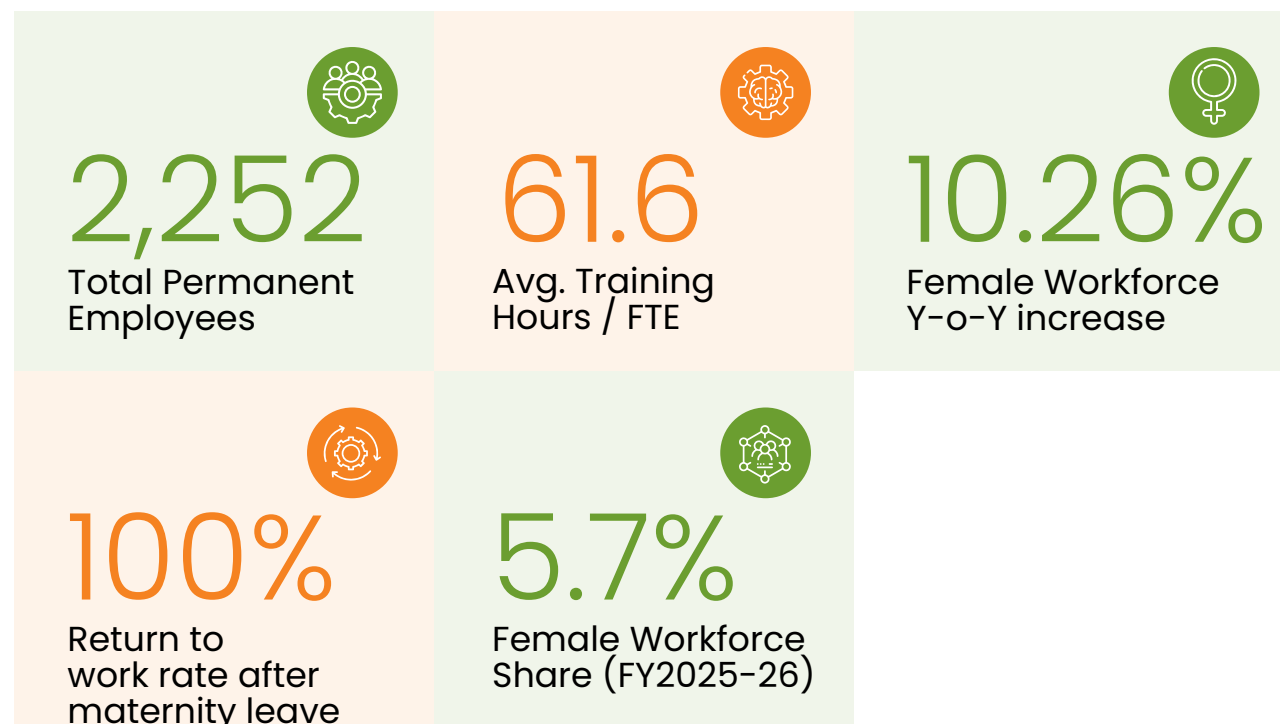
 **HUMAN
CAPITAL**



Human Capital plays a vital role in HMEL’s ability to sustain operational excellence, strengthen organizational capability, and support long-term business growth in an evolving energy landscape. The company recognizes that its workforce, and employee well-being practices are essential to maintain safe, efficient and

reliable operations. HMEL follows a people-centric approach focused on talent development, continuous learning, employee engagement and workplace inclusivity to build a motivated and future-ready workspace.

Highlights



UNSDG Alignment



Diversity, Equity and Inclusion



Ongoing DE&I training, unconscious bias programs and inclusive mentoring initiatives have been expanded, with specialized sessions designed for GET mentors to embed inclusive practices at the earliest stages of career development.

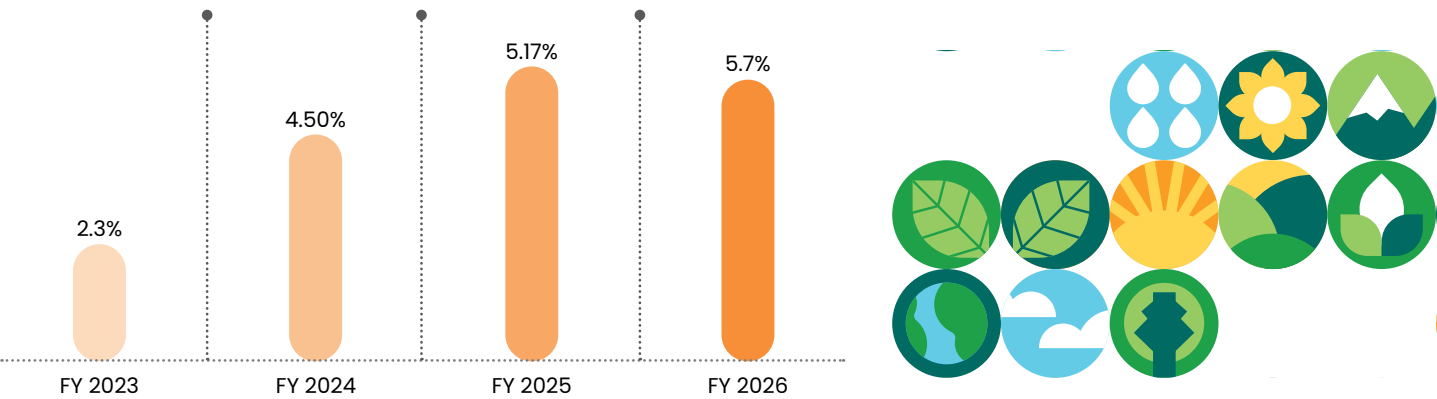
At HMEL, we believe that an organisation where everyone – regardless of gender, background or identity, has an equal opportunity to contribute and succeed is not only an ethical obligation, but a strategic advantage. Our DE&I Policy in accordance with NGRBC guidelines is a testament of our commitment towards a workplace that is fair, inclusive and free from discrimination. The female workforce has increased from 5.2% in FY 24-25

to 5.7% in FY 25-26, representing a YoY increase of 10.26%. Women representation on the Board and the proportion of women in the 30-50 age bracket has been consistently growing as well, indicating the success of targeted recruitment and retention drives focused on mid-career women professionals. HMEL is committed to gender pay equity and ensures equal pay for equal work for all employees irrespective of gender.



Category	Sub-category	FY23	FY24	FY25	FY26
Total Permanent Employees		1,956	2,201	2,262	2,252
By Age Group	< 30 years	33.6%	34.8%	34.8%	28.7%
	30-50 years	60.1%	59.9%	59.9%	63.8%
	> 50 years	6.7%	5.3%	5.3%	7.5%
By Management Level	Senior Mgmt.	2.5%	2.2%	2.2%	2.2%
	Middle Mgmt.	12.0%	15.6%	15.6%	16.6%
	Junior Mgmt.	43.6%	28.0%	28.0%	27.7%
	Others	41.8%	54.2%	54.2%	53.5%
By Gender	Male	97.7%	95.5%	94.8%	94.3%
	Female	2.3%	4.5%	5.2%	5.7%
By Nationality	Indian	99.9%	100.0%	100%	99.96%
	Foreign	0.1%	0.0%	0%	0.04%

Female Workforce



Gender Diversity

Women’s representation at H MEL has more than doubled over four years, from 2.3% in FY 22-23 to 5.7% in FY 25-26. Gains are visible across age cohorts and management levels, signaling that inclusion is being embedded across the talent pipeline, not just at entry level.

Category	FY23	FY24	FY25	FY26
Female Workforce – Organisation	2.3%	4.5%	5.17%	5.7%
Female in Revenue Generation	0.4%	0.8%	0.6%	0.6%
Female in STEM Functions	1.7%	3.2%	1.1%	3.5%
Female < 30 years (of total workforce)	1.2%	3.3%	3.6%	3.9%
Female 30–50 years (of total workforce)	1.1%	1.2%	1.5%	1.7%
Female >50 Years	0.0%	0.0%	0.0%	0.13%
Female – All Management	2.3%	2.2%	2.4%	2.5%
Female – Senior Management	0.0%	0.1%	0.0%	0.1%
Female – Middle Management	3.0%	0.3%	0.3%	0.4%
Female – Junior Management	4.2%	1.8%	2.1%	2.1%
Female – Board Members	12.5%	12.5%	25%	25.0%

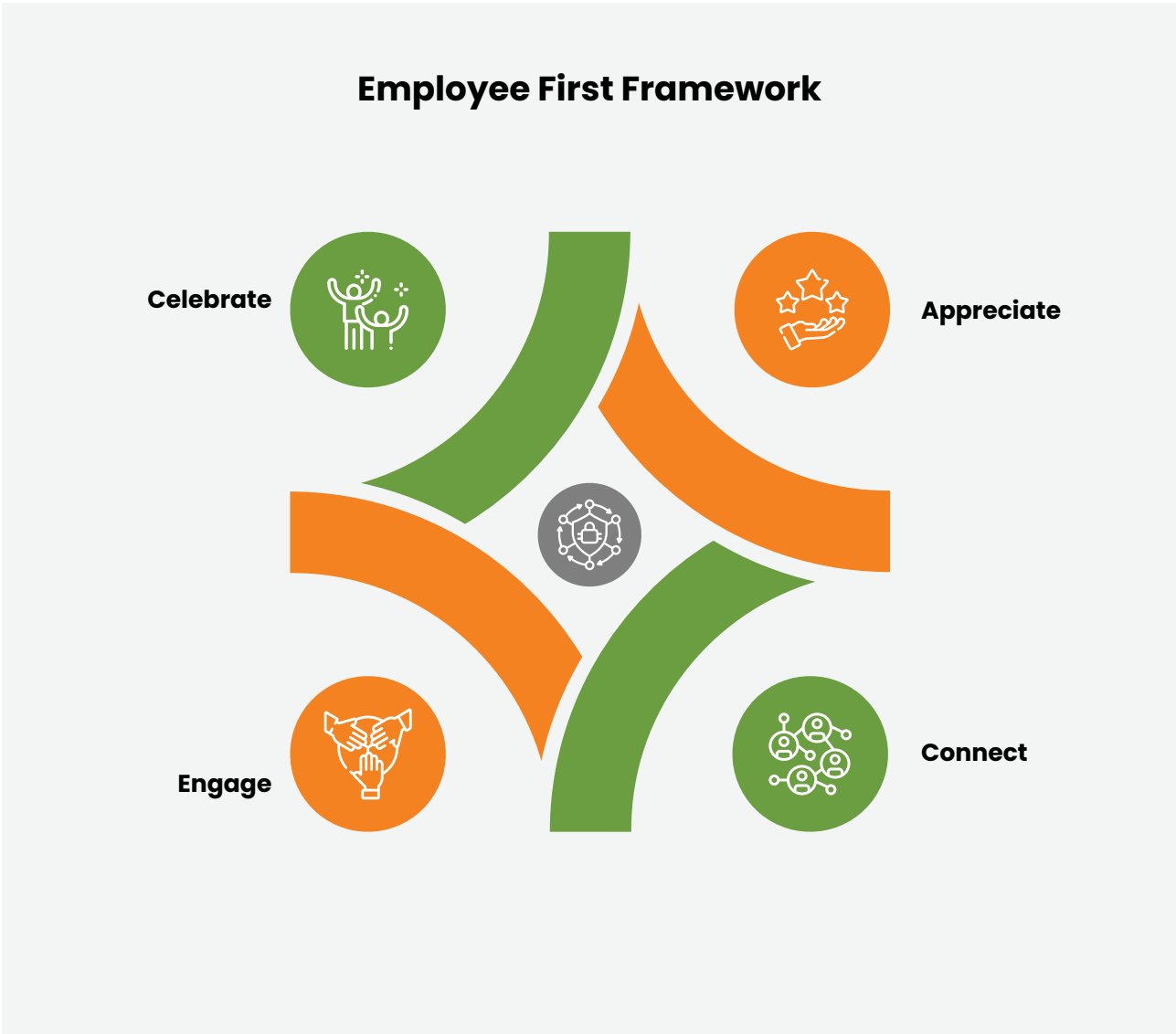
Diversity & Inclusion Programs

Diversity and inclusion at H MEL is about commitment and culture spread across the organization. Some of the key initiatives are: Organisation-wide unconscious bias and inclusive behaviour training across all levels, bespoke inclusive mentoring sessions for GET mentors, structured inclusion campaigns with internal storytelling and merit-based hiring aligned with equitable career progression pathways.

Talent Attraction and Retention

At H MEL, our people are our greatest competitive advantage, empowering us to innovate, operate with excellence, and deliver value to our stakeholders. Building a high-performing organization is contingent upon cultivating a workplace culture that not only attracts top talent but also nurtures their growth, engagement, and dedication.

To promote employee connect and cultivating a culture of belonging, H MEL has instituted the ‘Employee First’ engagement framework. We have built this around four connected pillars: Celebrate, Appreciate, Connect and Engage, which guide how we recognise success, build relationships and foster a sense of shared purpose across the organization.



Campus Connect and New Joinee Training

Building on the success of its Campus Connect initiative, HMEL continued to strengthen the industry-academia connect in FY 25-26 and infused fresh talent into the fold through structured induction and exposure programs. The Graduate Engineer Trainees (GETs) and Diploma Engineer Trainees (DETs) were welcomed through multi-day corporate induction programs at Noida and thereafter visited Guru Gobind Singh Refinery at Bathinda and pipeline locations for first-hand operational exposure.

The highlight of the Campus Connect drive was the ‘Energy Quest’ Quiz Competition, a pan India digital

contest, organised in association with Mercer Mettl. With 5,906 registrations from 70+ IITs and NITs, HMEL emerged as a knowledge-centric organization amongst India’s best engineering talent. Winners were felicitated with cash awards, curated gift hampers and some Pre-Placement Opportunities (PPOs).

HMEL also organised Industry Experience Days at its Bathinda complex, attended by 319 students and 20 faculty members from 8 institutes, for guided plant tours and interaction with the senior leadership. These visits helped strengthen academic industry connection and HMEL’s employer brand at the source of future talent.

Hiring, Turnover and Retention

The hiring volumes align with HMEL’s evolving talent strategy, from high-volume intake during the petrochemical project ramp-up to quality-focused and selective recruitment. Total new hiring in FY 25-26 was 152. Internal mobility is a testament to the strength of the talent pipeline which has grown to 17%, indicating a 24.2% increase from previous fiscal year. Thid indicates the company’s efforts to give its employees equal opportunities and freedom of mobility within the organization.

Metric	FY2023	FY2024	FY2025	FY2026
Internal Positions Filled (%)	17%	12%	14%	17%
Total Turnover Rate (%)	11%	8%	7.3%	7.2%
Male Turnover (%)	11%	7%	6.7%	6.8%
Female Turnover (%)	0%	0%	0.6%	0.4%
Voluntary Turnover (%)	9.7%	6.8%	6.9%	6.7%

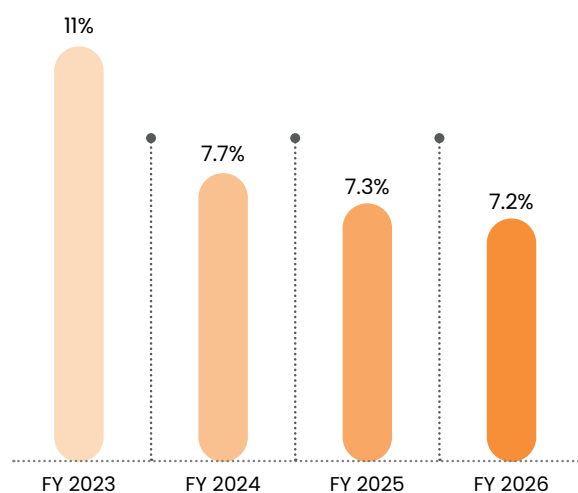
Hiring

		FY26
Headcount by Age Group	Less than 30 years	25.7%
	Between 30-50 years	70.4%
	More than 50 years	3.9%
Headcount by Management Level	Senior Management	2.0%
	Middle Management	7.2%
	Junior Management	56.6%
	Others	34.2%
Headcount by Gender	Male	86.8%
	Female	13.2%
Headcount by Nationality	Indian	100.0%
	Foreign	0.0%



In order to retain talent, H MEL has launched Long Service Retention Scheme to counter attrition problems for managerial and sub-managerial cadre. The scheme has achieved high participation rates and has been a major contributor to a demonstrable decrease in overall attrition. H MEL also conducts a comprehensive appraisal cycle, which includes an annual 360-degree feedback process for 15% employees. During this fiscal year, a significant 100% of employees underwent performance appraisals. Notably, the company has seen a substantial decrease in employee attrition, from 11% in FY 2023-24 to 7.2% in FY 25-26. This positive trend is a testament to the effectiveness of H MEL's structured retention initiatives, such as the Long Service Retention Scheme and enhanced engagement programs.

Turnover Rate



Employee Well-being

Employee wellbeing is not a standalone initiative at H MEL, it is part of our operational culture. In FY 25-26, the organization inducted new members including trainees. A variety of structured programs support the physical, mental and emotional wellbeing of our people.

To improve work-life balance, H MEL has implemented several initiatives. At our Refinery and Pipeline, a five-day working week is in place, providing employees with more time for personal pursuits. Additionally, the company prioritizes the well-being of its employees, particularly during significant life events. For instance, H MEL provides 26 weeks of fully paid maternity leave, as per the Maternity Benefit Act, ensuring that new mothers can focus on their health and family without financial stress. Female employees have a 100% return to work and 12-month retention rate, which

is a testament to the effectiveness of the family support infrastructure at H MEL. Fully paid parental leave for the non-primary caregiver is less than two week, which is in excess of the legal requirement. H MEL has expanded its spectrum of employee wellness, Employee Assistance Program on mental wellness "Employee Well-Being & Assistance Program (Care & Support program)". In order to maintain a work-life balance, H MEL has also implemented a five day working in the Refinery and Pipeline. Other than parental benefits, the company employees are also provided a total of 45 paid leaves annually for usage as per need.



100%
Return to work
after maternity
leave



Initiatives towards well-being of employees

- Stress Management & Work-Life Balance sessions facilitated by Silver Oak Health, attended by 75+ employees in Bathinda, providing insights into stress responses and effective coping mechanisms.
- 'Raise the Bar' campaign, a structured behaviour-change initiative featuring weekly e-learning challenges and webinars across five themes: micro-habits, leadership and communication, innovation, personal mastery, and well-being. The campaign engaged over 850 participants.

- Session on Self-Empowerment conducted by Dr. Mohit Gupta, renowned cardiologist and TEDx speaker, focusing on personal resilience and an empowered approach to life.
- Quarterly Town Hall Celebrations recognizing individual, departmental, and cross-departmental excellence, reinforcing a culture of appreciation and high performance.
- Everyday Inclusion Campaign and Inclusion Workshop for GET Mentors launched during the festive season, inviting employees to share personal stories of inclusion and celebrating diversity.



Learning & Development

Our people are the engine of HMEL’s progress, investing in their development is how we make sure that engine remains powerful, adaptable and future ready. HMEL’s Learning and Development function caters to a broad range of programs across technical, functional, behavioural and leadership domains, which align individual career aspirations with the organization’s strategic goals.

Learning and development is a part of HMEL’s annual curriculum. Training courses are provided through classroom sessions, virtual workshops (Webex, Zoom, MS Teams), e-learning and specialized programs in collaboration with leading academic institutions around the world. Calendar of monthly training supports structured nominations and continuous improvements based on participant feedback.

Average training hours per FTE in FY 25-26 was 61.6 as the program portfolio was refined for depth over volume.



61.6

Avg. Training Hours / FTE (FY26)



100%

Employees Trained (FY26)



230+

Training Programs Conducted

Learning & Development Metrics	FY2023	FY2024	FY2025	FY2026
Avg. Training Hours / FTE	61.8	119.7	82.4	61.61
Behavioural & Leadership Hours	21.4	33.1	27.1	20.36
Functional & Technical Hours	40.5	86.6	55.2	30.85
Safety Training Man-hours (Total)	2,35,000	1,72,716	1,43,100	2,24,500
Employees Trained – Male	1,887	2,007	2,115	2,220
Employees Trained – Female	45	101	112	135

Training Hours Detail (Total Training Hours Each Group)

		FY2023	FY2024	FY2025	FY2026
Age Group	Less than 30 years	47972	158162	87622	48178
	Between 30-50 years	65845	79368	87681	81705
	More than 50 years	7405	8937	6871	9181
Management Level	Senior Management	2212	2599	1273	3021
	Middle Management	12498	17247	15676	18539
	Junior Management	60983	121600	73629	50846
	Others	45528	105021	91595	66656
Gender	Male	117446	213589	164958	131114
	Female	3776	32877	17216	7949
Nationality	Indian	121091	246420	182160	138991
	Foreign	131	47	14	73

Human Capital Return on Investment (HC ROI)

HMEL measures the efficiency of its human capital investment through the HC ROI metric and it also reflects the scaling of employee-related expenditures in line with capability build-up. In FY 25-26 the company total revenue was INR 9,49,942 million.

HC ROI (INR Million)	FY2023	FY2024	FY2025	FY2026
Total Revenue	9,61,506	9,13,305	9,94,994	9,49,942
Total Operating Expenses	6,69,334	6,35,138	7,36,204	6,33,502
Employee-related Expenses	3,892	6,348	6,603	6,635
HC ROI	75.1	43.8	39.2	47.7



Leadership Development Programs

IMD NOVA – Building a Culture of Innovation

HMEL has partnered with IMD Lausanne, Switzerland, to design and implement NOVA, a structured, scalable program aimed at strengthening innovation and digital capability across its leadership cadre. Anchored in the 70-20-10 development framework, the program begins with a diagnostic assessment based on the Ambidextrous Leadership Model.

The journey includes faculty-led sessions on innovation principles, leadership-sponsored innovation projects with global business mentors, and a China immersion providing direct exposure to one of the world's most dynamic innovation ecosystems. The program led to HMEL's Innovation Vision and the establishment of the Central Innovation Council.



LEAD 2 – Strategic Leadership Capability



Building on the LEAD-1 foundation, HMEL launched LEAD-2 in partnership with DDI, engaging 61 DGMs and 10 GMs through four phases: Assessment, Assimilation, Development, and Sustenance, anchored in the 3E model (Experience, Exposure, Education). LEAD-2 features a curated masterclass series including Strategic Leadership by Marshall Goldsmith, Growth Mindset with the NeuroLeadership Institute, and Leading with Stakeholder Influence with Bluesky Learning.

The program has been extended to newly promoted and onboarded leaders, ensuring continuity in leadership capability building.

M-Power Mentoring Journey



M-POWER is HMEL's structured mentoring initiative connecting experienced leaders (GM and above) with emerging talent beyond their immediate teams. In the most recent cohort, 95% of mentees completed four or more sessions, facilitating 423 hours of coaching conversations. The initiative broke down functional silos, created meaningful developmental dialogue, and culminated in a finale event conducted across Noida and Bathinda.

Behavioural Training

Team Integration Program



HMEL rolled out outbound Team Integration Program for Executive category employees to improve team effectiveness through experiential, offsite learning. The program develops interpersonal effectiveness, a growth mindset and culture of collaboration, aligned with HMEL's core competencies – Develop Self and Effective Teams and Collaborates.

We have successfully conducted 4 batches in FY 25-26, covering 98 employees with encouraging feedback. The sessions are facilitated by Mr. Sanjay Sharma (Great Gurugram Outdoor) and are a mix of self-reflection, simulations, role plays and group discussions.

Growth Mindset Program

This program has been launched for Managers, AGMs, DGMs and GMs with NeuroLeadership Institute India. Supported by over 30 years of scientific research, it provides brain-based tools to help leaders be more flexible, resilient and solution-focused. Six batches covering 114 employees were conducted in FY 25-26. The program is built on five principles: Embrace a Growth Mindset, Always Improve, Inspire Others, Improve Every Interaction and Create Behaviour Change.



Sharing Knowledge and Innovating in Learning

RISE – Knowledge Sessions in the Form of Podcasts

H MEL's RISE (Ready to Invest in Self-Development and Education) initiative transforms traditional knowledge-sharing into a dynamic platform where employees share learnings from external programs in a podcast-style format. This innovative approach promotes continuous learning, internal collaboration, and strengthens H MEL's brand presence both internally and externally.

The initiative addresses key challenges such as low engagement in traditional sessions, difficulty in translating personal learnings into organizational value, and limited external representation. By replacing presentations with interactive, conversational sessions, RISE brings learning to life and encourages more participation.

Each session follows a structured format: a 10-minute presentation, followed by moderated Q&A using a podcast mic and an open forum for dialogue. This shift has led to a 35% increase in engagement, improved learning retention, and deeper discussions, appealing to today's modern workforce.

The training team provides complete support, recognizing speakers as internal thought leaders and fostering motivation across the organization.

By integrating individual learnings into a collective knowledge base, the initiative has created a culture of collaboration and innovation.



Learning Week 4 – Innovation Arcade (Metaverse)

In 2025, H MEL joined hands with ibentos to transform its annual Learning Week into a fully immersive gamified experience in the metaverse. More than 1,300 employees experienced innovation through treasure

hunts, personalized avatars, live expert sessions and interactive digital zones. The result: 100% positive feedback, 12+ hours of streamed content and 800,000+ emojis shared in appreciation.

Partner Training Program

In a pioneering move to enhance Learning & Development, H MEL launched two contractor-focused training programs- सहयोग for operations contractors and सहभागिता for maintenance contractors. Spearheaded by the Training Department, this initiative reflects H MEL's strong commitment to inclusive workforce excellence, recognizing contractors as critical contributors to safe and efficient operations in the hazardous oil & gas environment.

सहयोग: Tailored for operations contractors, focusing on technical skills for modern industrial operations.

सहभागिता: Designed for maintenance contractors, emphasizing technical excellence and safety practices.

These programs were developed in response to challenges such as limited focus on contractor

training, evolving industry expectations, and the urgent need for safety and skill enhancement among frontline workers. Contractors, often first responders in high-risk zones, needed structured upskilling to ensure effective and safe operations.

Under सहयोग, over 1500 operations contract workmen were trained in modern operational practices, while 600+ maintenance contract workmen benefited from सहभागिता, which sharpened technical skills and reinforced safety compliance. The hands-on training featured industry-specific content focused on confidence-building, practical learning, and productivity.

The results were significant: improved workforce skills, enhanced safety outcomes, increased engagement, and operational excellence. Widely recognized as a model of innovation and collaboration, these programs set a benchmark in contractor engagement.



Digital Proficiency & Industry 4.0:

To stay ahead in the digital transformation journey, H MEL has implemented targeted learning interventions in areas like data analytics, predictive maintenance, digital twins, and automation. These efforts aim to build digital fluency and prepare the workforce for smart manufacturing. AI and ChatGPT training programs provided practical, hands-on learning. This

program was held for positions DGM and below. Objectives of this program was to understand ChatGPT capabilities, learn text prompting techniques, explore different OpenAI applications, image prompting, understanding prompt reliability and privacy concerns etc. The overall FTE participation grew to 13.4% in this fiscal year.



Developing Adaptability in VUCA World



H MEL started the Developing Adaptability in VUCA World program in FY 25-26. The programs target participants involved were DM, AM, Engineer & Officer, who have opted Adapts to Uncertainty & Readiness and Adaptability competencies as their IDPs for FY 25-26. The objective of this program was to enhance participants' ability to navigate and respond effectively to change, uncertainty, and disruption, articulate the key characteristics of an adaptable mindset, to develop an adaptive mindset, building emotional and cognitive flexibility, equipping them with practical tools and strategies to lead themselves and their teams confidently in a dynamic and evolving business environment. The program had a 58.9% participation rate by employees.

H MEL's Performance Management Process promotes clear performance differentiation and high-performance culture. Each person creates an Individual Development Plan (IDP) based on the 70-20-10 model. System improvements in FY26: The Success Measure, Four Monthly Milestones and Key Strategic Priority features have improved the clarity, cascading and quality of feedback across the organization.

H MEL won the 'Innovation in Learning' award at the 15th L&D Leadership India Summit & Awards organised by Inventicon Forum, in FY 25-26. H MEL was recognised for its innovative training initiatives, including RISE Sessions, Partner's Technical Training, Enhanced Fresher's Training Modules etc. These initiatives received appreciation from the award jury members. H MEL's continuous thrust on learning and development, is rooted in the strong belief of investing in people and their growth for the organizational success.



Innovation in Learning Award

Human Rights



HPCL-Mittal Energy Limited is strongly committed to uphold its principles in all operations and relationships with stakeholders. The Company's Human Rights Policy is based on the principles of sustainable development, with a focus on the protection of fundamental rights, respect for individual dignity and the guarantee of fair and equal treatment.

H MEL has developed a formal governance structure to ensure that the Human Leadership and Procurement teams take proactive steps to identify human rights issues and address them, and to continuously evolve mitigation strategies based on learnings from the Whistleblower Policy. The Company has put in place strong measures, including multiple layers of verification, to prevent child labour, forced labour and unfair working conditions.

Health & Safety

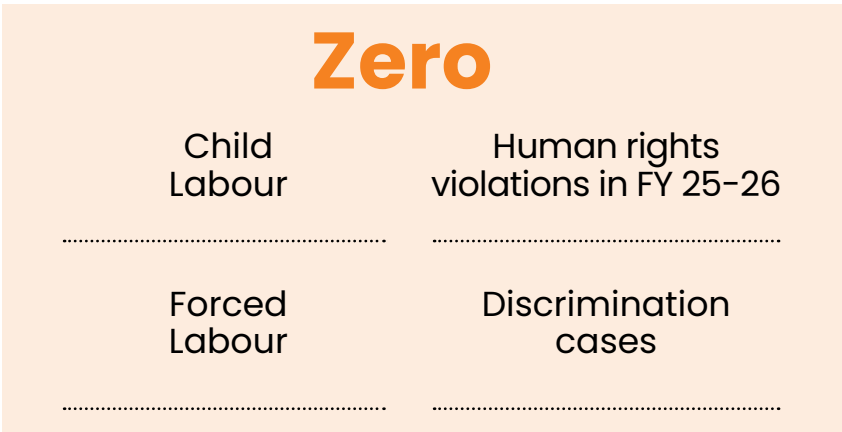
The health and safety of all people working at H MEL, whether an employee, contractor, subcontractor or third-party service provider is an unconditional organizational priority. Safety in a high-hazard industry cannot be viewed as a compliance function. At H MEL it is a core value, embedded in every operational decision, every shift handover and every interaction with leadership. The H MEL Health, Safety, Environment and Quality (HSEQ) Policy is an unambiguous reflection of this commitment. The organization is committed to achieve an incident and injury free workplace and not just legal compliance.

H MEL has an integrated safety framework certified to ISO 45001:2018 which is applicable without exception across all

locations – Guru Gobind Singh Refinery at Bathinda, Mundra Crude Oil Terminal, pipeline network and corporate offices. Health and Safety Committee meetings are held monthly at various levels of the organization to ensure that there is a meaningful ongoing dialogue on safety-related issues between managers, field operators,

contractors and safety representatives.

Performance in FY 25–26 continued to be a reflection of H MEL’s sustained investment in safety culture, process discipline and leadership engagement. The numbers below reflect the outcome of daily decisions made by thousands of people in high hazard operating environments.



Safety Metric	FY23	FY24	FY25	FY26
Fatalities – Employees	0	0	0	0
Fatalities – Contractors	0	0	0	0
LTIFR – Employees	0.00	0.19	0.00	0.00
LTIFR – Contractors	0.23	0.04	0.00	0.10
TRIFR – Employees	0.21	0.19	0.60	0.22
TRIFR – Contractors	0.90	0.62	0.80	0.57
Process Safety Events – Tier 1	0.08	0.00	0.00	0.12



Monthly safety briefing at Noida

Integrated Safety Management System

H MEL’s safety management system is built on seven strategic pillars which define how the organization identifies, manages and continually improves safety. The pillars work together to create a robust and adaptive system, driving engagement and accountability across the organization.

H MEL’s commitment to operational excellence and safety has earned it recognition within the industry. Notably, the company was conferred with two prestigious IBC Agni Suraksha Puraskar 2026 awards during the fiscal year, highlighting its excellence in safety innovation and emergency preparedness within the Oil and Gas sector.

H MEL was honoured with the ‘Outstanding EHS Innovation Award’ for its in house developed safety culture transformation programme H MEL PLUS (People Leading Unified Safety). In addition, H MEL received the ‘Outstanding Fire Preparedness and Emergency Management Award’ for achieving 99.93% Emergency Equipment Availability.



01

Active and Visible Leadership

Senior leaders conduct IIF Listening Tours. Open dialogues with workers inspire teams and encourage safe behaviours at every level.

02

Behaviour-Based Safety

IIF Champions and structured Listening Tours create an environment where safety concerns are raised proactively, not reactively.

03

Risk Identification and Management

PSM Walkthroughs build awareness of vulnerability among front-line supervisors, reinforcing hazard identification as a core competency.

04

Business Partners Safety Approach

Safety audits based on risk evaluation ensure contractors and subcontractors adhere to the same standards applied to H MEL’s own workforce.

05

Field Operational Control

Critical risk processes are implemented and assured across all units, minimizing potential hazards and maintaining safe operations continuously.

06

Emergency Response and Fire Protection

Robust systems ensure first responders and professional emergency personnel are trained, equipped, and fit for duty at all times.

07

Collaborative Environment

A culture of continuous improvement keeps all employees engaged in the ongoing enhancement of safety performance and operational efficiency.



IBC Agni Suraksha Puraskar 2026 for Safety

Key Safety Initiatives

IIF Champions Conclave

H MEL held IIF Champions Conclaves during the year, bringing together IIF Champions and Trainers in structured forums designed to sustain and strengthen the proactive safety culture across the organisation. Sessions focused on leadership's role in encouraging safe behaviours, with real-life case studies from JMJ Associates reinforcing the values of ownership, accountability, and sustained personal commitment to an Incident and Injury Free workplace. The conclave format creates a peer-to-peer reinforcement mechanism that complements top-down safety leadership.

Permit-to-Work System Enhancement

A series of Permit-to-Work (PTW) workshops were conducted during the year, targeting permit issuers, approvers, and task personnel. The workshops focused on improving procedural compliance, addressing field deviations, sharing practical experience, and refining the PTW system in line with industry best practices and regulatory standards. The PTW system serves as a critical risk control mechanism for non-routine and high-risk activities; strengthening its application across the workforce is a continuous priority.

PSM Campaign – Build to Protect and Strengthen Your Safeguards

H MEL's Process Safety Management Campaign, themed 'Build to Protect and Strengthen Your Safeguards', brought together internal teams and external process safety experts from multiple countries for structured knowledge-sharing sessions. The sessions centered on maintaining safety safeguards, barrier management, best practices, and lessons learned from the industry. A monthly SOP Quiz was simultaneously introduced to continuously test and reinforce operational knowledge, with recognition provided through safety meetings.

SafeLearn Digital Learning Platform

H MEL's SafeLearn portal provides online safety training in Hindi and English, extending safety knowledge beyond the internal permanent workforce to include business partners, contractors, and the broader public. The platform democratizes safety learning, ensuring that the same knowledge base that governs operations at GGS is accessible to all who work within or alongside H MEL's operating environment.



H MEL PLUS – People Leading Unified Safety

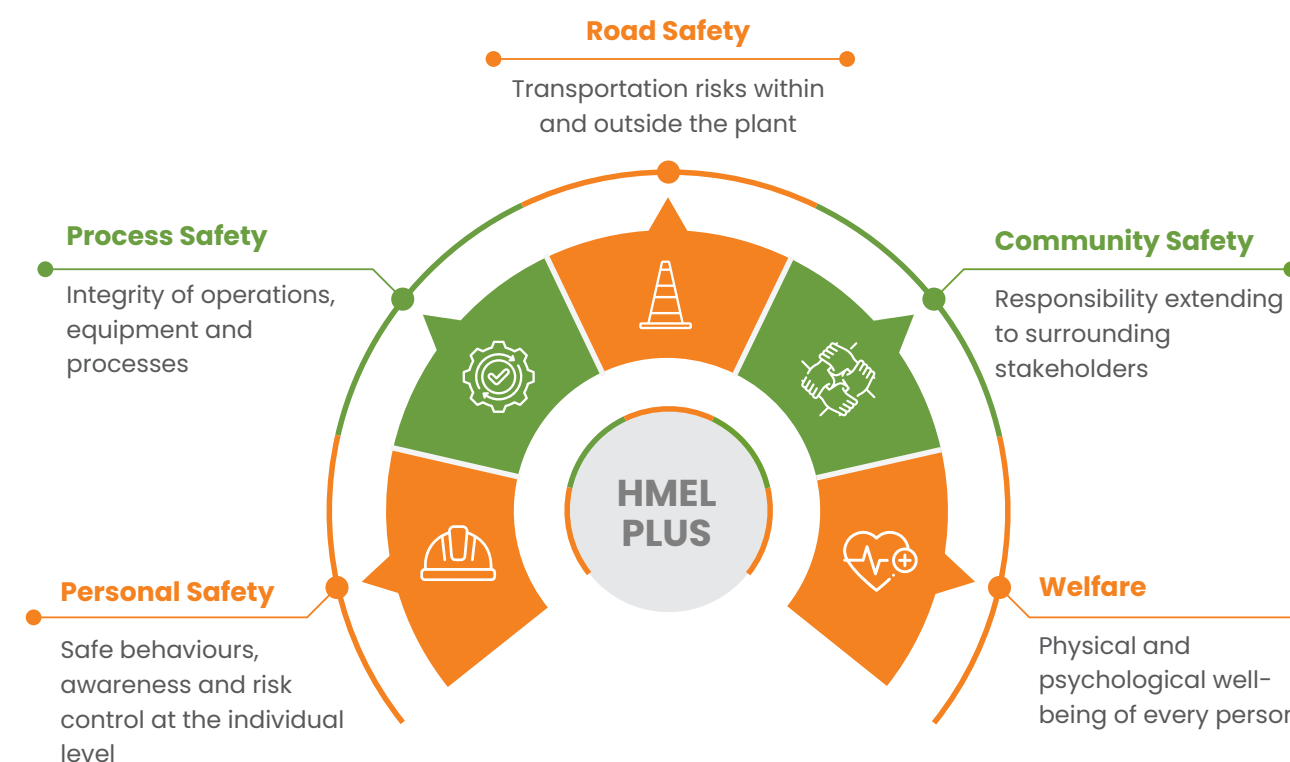
A Next-Generation Safety Philosophy

In high-hazard industries, safety has traditionally been governed through rules, procedures, and compliance systems. These controls establish a necessary floor. They do not, however,

fully address a critical reality: incidents often arise not from the absence of rules, but from how work is performed under real operating conditions– under time pressure, with incomplete information, in complex team environments.

Recognizing this, H MEL embarked on a transformative journey culminating in the launch of H MEL PLUS – People Leading

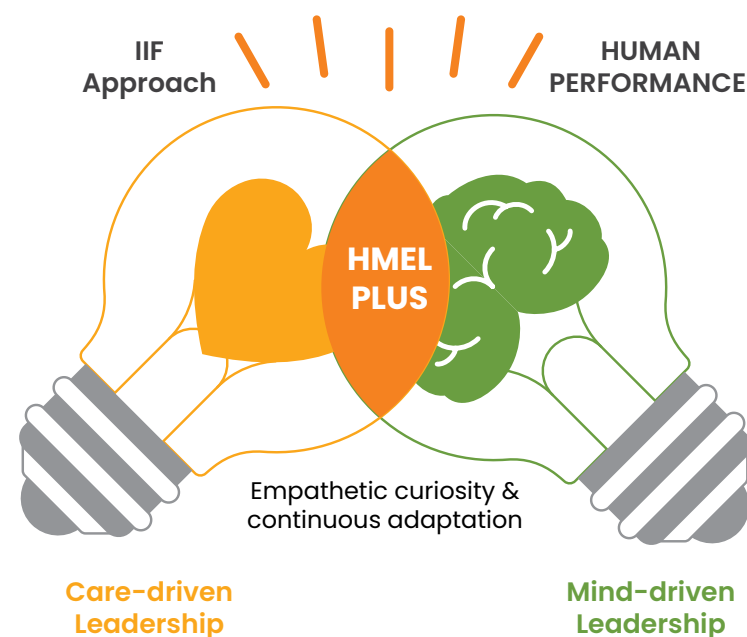
Unified Safety in September 2025. H MEL PLUS is a next-generation, human-centered safety philosophy that places people, context, and culture at the center of operational excellence. It is an integrated system bringing together five dimensions of safety into a single cohesive framework:



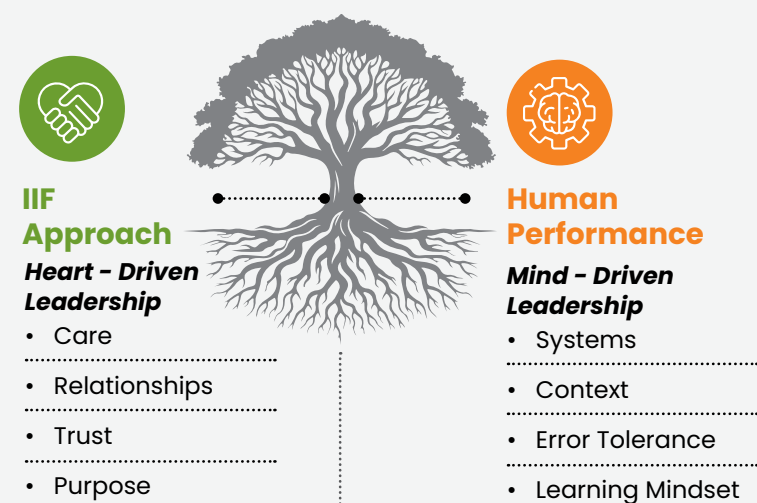
H MEL PLUS Launch event

This holistic architecture ensures safety is managed as a connected system, not fragmented across functions or confined to the workplace boundary. Each pillar reinforces the others. Personal safety behaviours improve when process safety systems are visible and trusted; community safety obligations become embedded when road and welfare standards are consistently maintained. H MEL PLUS is grounded in Human Performance principles, recognizing that errors are normal, that behaviour is shaped by context and conditions, and that meaningful safety improvement comes from understanding rather than blame. These principles are embedded into daily operations through eight High Performance tools, systematically integrated into routine work:

- Shift Handover briefing
- Procedure Adherence
- Independent Verification
- Mindfulness Practice (STAR)
- Pre-job Discussions
- Peer Checking/ Buddy System
- Concurrent Verification
- Listening Tours



H MEL PLUS



Listening tour

Psychological safety is central to the philosophy: employees and contractors must feel safe to speak up, share concerns, and report errors without fear of reprisal. This openness surfaces risks early and enables learning before incidents occur. Leadership engagement through regular Listening Tours reinforces this culture at every level of the organisation.

From its formal launch by the Board of Directors in September 2025, and the site-wide rollout at the Guru Gobind Singh Refinery in September 2025, H MEL PLUS was deployed systematically across the entire organisation through structured, phased implementation:



H MEL PLUS champions program

1,500+

Employees & Partners at Launch

66

Senior Leaders (DGM & above)

235

Managers at GGSR Workshops

77

Pipeline & Mundra Personnel

134

Corporate Office Employees

100

IIF Champions Re-engaged

19

Train-the-Trainer Graduates

50

Contractor-in-Charge Personnel Trained



A Safety Culture Survey, based on the Hudson model of cultural maturity, was conducted across the organisation in March 2026. The survey provides a structured baseline against which future progress can be tracked and improvement areas identified with precision.

Potential Level Analysis – from lagging indicators to predictive risk intelligence

Implementing PL Analysis for Serious Injury and Fatality Prevention

The traditional approach to measuring safety performance has been based on lagging indicators, the Lost Time Injury Frequency Rate (LTIFR) and the Total Recordable Injury Frequency Rate (TRIFR). These metrics are measuring harm in hindsight. They are useful for tracking outcomes, but they mask the severity potential of everyday operational activities. The observation of a near miss that could, under slightly different

circumstances, have resulted in a fatality, is the same as one that has no escalation potential.

To address this limitation, H MEL has strategically moved towards predictive safety management through the adoption of Potential Level (PL) Analysis, which is a framework to anticipate and manage Serious Injury and Fatality (SIF) risks before they occur. PL Analysis assesses each safety observation based on its credible worst-case scenario regardless of circumstances.

The Potential Level Scale

Potential Level (PL) Scale

PL 0	PL 1	PL 2	PL 3	PL 4	PL 5
No Hurt No credible escalation	Minor Minor first aid case	Moderate Medical treatment / lost time	Life Altered Amputation / loss of organ or vision	Fatality Single fatality potential	Multiple Fatalities Multiple fatality potential

Observations rated at PL3 and above (potential for life changing or fatal outcome) are immediately attended to, prioritized and barrier analysis dedicated. The PSIF (Potential Serious Injury and Fatality) Index based on PL3+, is a leading indicator that provides a far more sensitive signal of fatal-risk exposure than traditional injury metrics and allows leadership to intervene before consequences transpire.

The framework is operationalized by a structured plan-do-check-act cycle. Analytics like procedure-wise trend analysis, barrier analysis and severity heat mapping enable targeted interventions in high-risk activities such as work at height, lifting

and rigging, scaffolding operations and line-of-fire exposures. These insights strengthen supervision, procedural discipline and workforce awareness where the risk of serious consequence is greatest.

PL Analysis achieved a major milestone in the journey to inclusion in H MEL's Turnaround 2025 (TA 2025) safety strategy which is one of the most complex and risk intensive operational phases in the refinery and petrochemical complex. By monitoring PL3+ observations in real-time and engaging leadership on high-severity exposures, H MEL enhanced its ability to identify barrier gaps, reinforce life-saving controls and proactively manage fatality risks throughout the turnaround.

Process Safety Management

H MEL's Process Safety Management (PSM) framework considers the hazards and risks associated with the design, operation and maintenance of its operating facilities –

recognizing that the consequences of process safety failures in a refinery and petrochemical complex can be catastrophic. The framework consists of 16 fundamental elements, and each element covers an aspect of the process safety discipline.



HMEL’s PSM strategy is anchored on three core objectives. Firstly, to create a strong process safety culture where safety is placed at the heart of the organisation, not a technical discipline for specialist teams. Second, develop and sustain a world-class PSM program based on international best practices and the API/CCPS methodology. Third, the continuous validation, evaluation of the effectiveness of process risk control measures, and the system reflects current operating conditions rather than static assumptions.

A full project life cycle approach helps to ensure hazards are identified and mitigated at all stages of the project life cycle, from the conceptual design stage through commissioning, continued operation, and eventual decommissioning. The system-driven management of change workflows ensures that all changes to operational facilities are rigorously reviewed prior to implementation and unmanaged risk is eliminated.

The PSM Dashboard has seen major upgrades, incorporating

advanced analytics such as PHA Preventive and Mitigative Barriers for emergency response, fire & gas detection, passive & active protection, and management of change KPIs. The dashboard is designed for technical and non-technical users and includes filtering, drill-down and time-frame adjustment capabilities for thorough operational analysis.



Safety Training

Safety training is a core operational obligation at HMEL and not a periodic activity. All employees and contractor partners working in HMEL’s premises must complete a safety induction before commencing work and refresher training is provided on a structured cycle. The organisation’s training programmes are designed to provide the workforce with the knowledge and practical skills to identify hazards, use safe operating procedures and respond effectively in emergencies.

Training Program	Coverage / Reach	FY26
Average Safety Training Man-hours	All employees and business partners	10.40 man-hours
HMEL PLUS Orientation (Train-the-Trainer)	Internal trainers	19 certified
Supervisor Safety Leadership	Front-line supervisors	15 trained
Contractor Partner Programs (Sahyog + Sahbhagita)	Ops and maintenance contractors	2,100+ workmen

Occupational Health Services

HMEL’s Occupational Health Centers (OHCs) are committed to the health, safety and overall well-being of the workforce. They incorporate the elements of preventive care, early detection, health promotion, curative services and industrial hygiene monitoring into an integrated occupational health infrastructure that deals with the immediate and long-term health of the workforce.

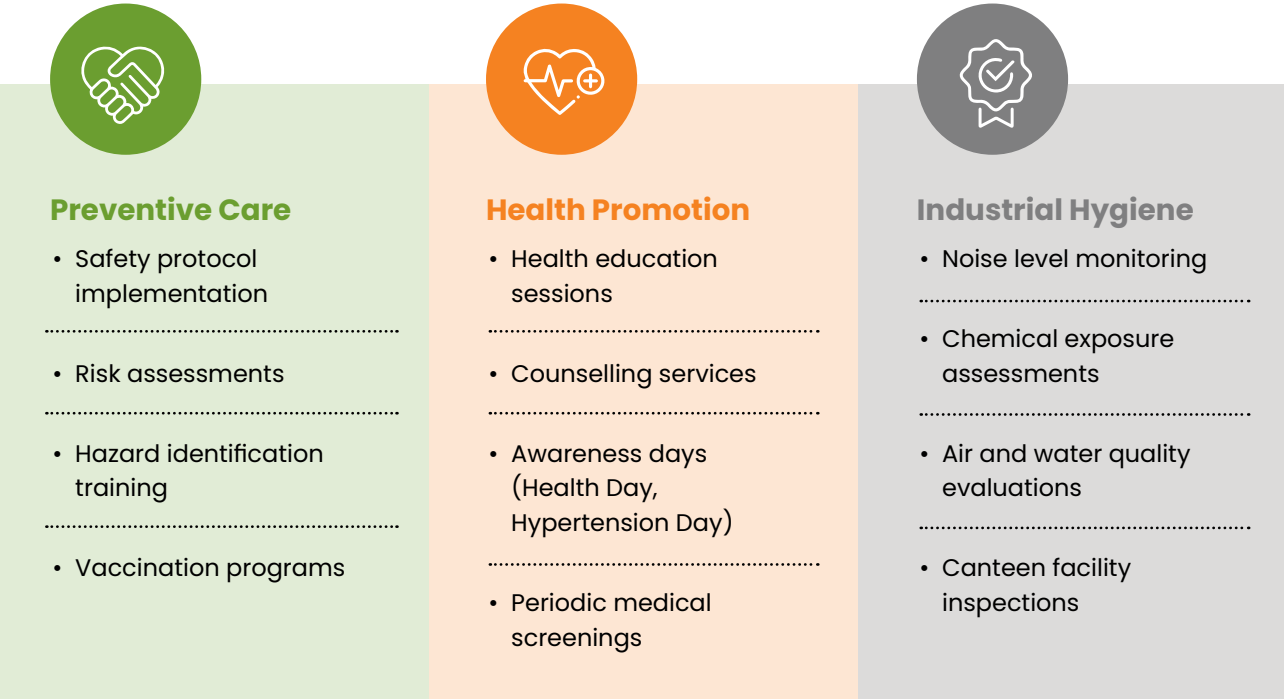
Another ambulance with ACLS is positioned at the Bathinda site to ensure the capacity of emergency medical response

for advanced emergency transport and cardiac response. Automated External Defibrillators (AEDs) are located throughout the plant, and first aid kits are located in convenient locations in all operating areas and are stocked on a set maintenance schedule. First aid training is provided to employees.

Occupational health data is collected and analyzed digitally, allowing the identification of health trends and emerging risk patterns across employee populations. This data-led approach to occupational health enables the organisation to shift from reactive treatment

to proactive risk management, identifying areas of elevated health risk before they turn into lost productivity or absence from the workforce.

The OHC also has a Drug and Alcohol-Free Workplace Program, with dope testing across the workforce and regular awareness sessions. Vaccination programs are based on occupational risk profiles, e.g. typhoid vaccines for food handlers, hepatitis B vaccines for high-risk exposure roles.





SOCIAL & RELATIONSHIPS CAPITAL



Social and Relationships Capital represents the trust, partnerships, and shared value created through an organization's engagement with its stakeholders and surrounding communities. For H MEL, this capital is closely aligned with the nature of its operations, as the Company's operational units, refinery and pipeline network, interacts with communities across different states in the country. Recognizing

this interdependence, H MEL integrates social considerations into its operational and strategic decision-making processes to ensure inclusive and responsible growth. Through focused interventions in livelihood generation, skill development, healthcare, education, infrastructure enhancement and community well-being, H MEL continues to strengthen stakeholder relationships.

Highlights

 INR 528 Million Total CSR spent	 1,77,429 Direct beneficiaries	 820 Total no of Self Help Group (SHGs) till FY 25-26
 155 SHGs formed in FY 25-26	 121 Suppliers in ESG engagement	 7.14% Local procurement of the total value

UNSDG Alignment



CORPORATE SOCIAL RESPONSIBILITY (CSR)

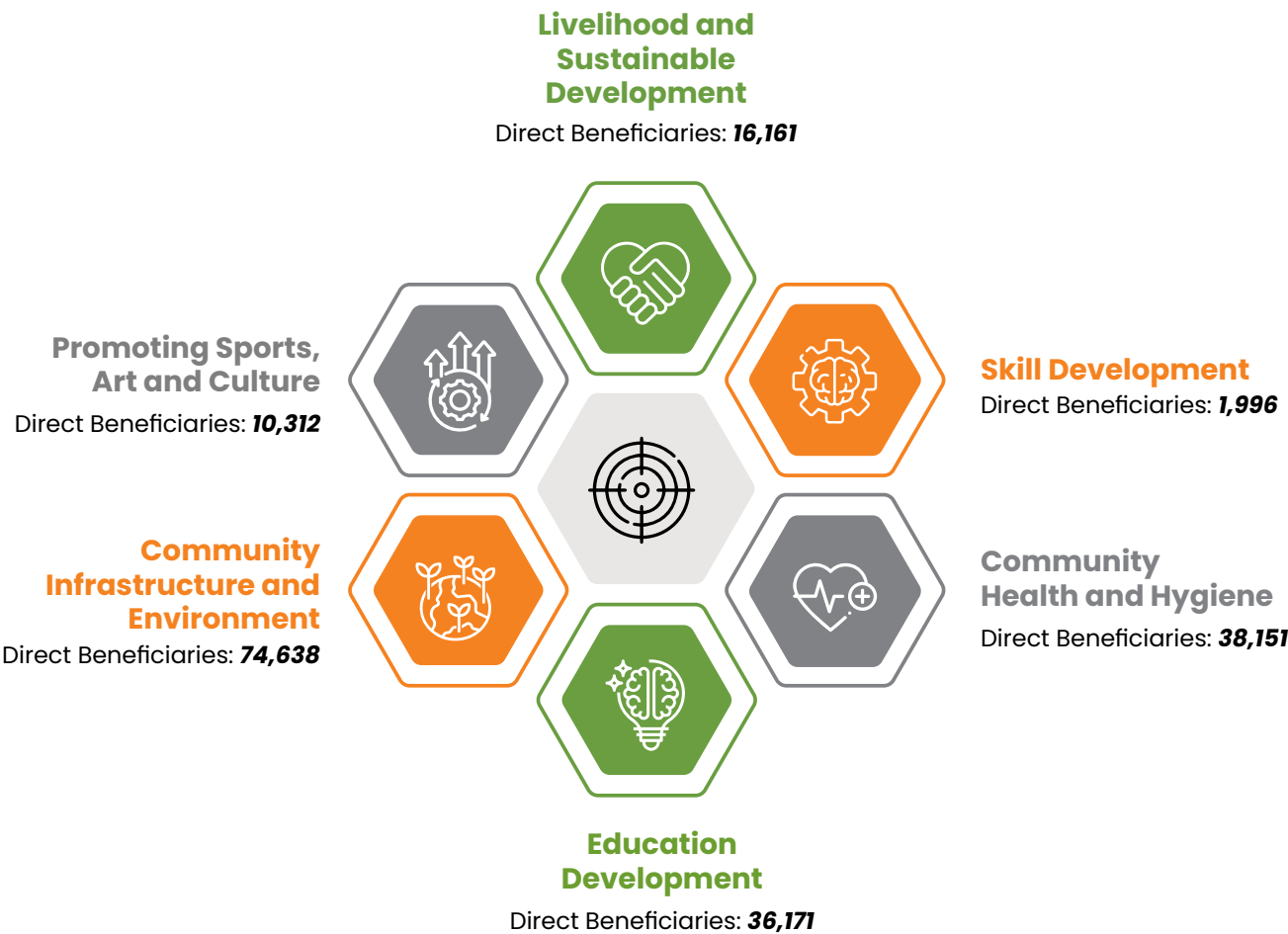
At HMEL, CSR is an important part as it governs how the company interacts with the communities around its operations. Through the HPCL-Mittal Foundation (HMF) and under the guidance of the company’s Board-level CSR Committee, HMEL take informed decisions with respect to driving initiatives while ensuring

alignment with Schedule VII of the Companies Act and guided by six core thematic pillars

In FY 25-26, HMEL continued to strengthen its community development efforts across the districts surrounding the GGSR in Bathinda and nearby regions through focus on

education, healthcare, livelihood development, infrastructure, and community well-being. HMEL follows a community-driven approach which encourages local people and aims to create a long-term positive impact. Through this approach HMEL has directly impacted 1,77,429 lives through its CSR projects.

HMEL’s CSR Focus Area



Philanthropic Contributions by Category:

(%)	FY2023	FY2024	FY2025	FY2026
Charitable Donations	10.96	3.6	7.6	16.6
Community Donations	89.04	96.4	92.4	83.4
Commercial Initiatives	0	0	0	0
Total	100	100	100	100

Philanthropic Contributions by Type:

(INR Millions)	FY2023	FY2024	FY2025	FY2026
Cash Contributions and benefits	275	409	705	528
Employee volunteering (hours)	84	108	92	120
In-kind contributions	0	0	0	0
Management overheads	0	0	0	0

Skill Development

Vocational Training in Partnership with NSDC

HMEL’s skill development strategy is built on the principle that training should be closely tied to employment outcomes. In partnership with the National Skill Development Corporation, the company has developed and delivered specialized training programs that address specific industry needs. With a focus on job market relevance, HMEL has trained 1,826 candidates over the past two years in critical roles such as Warehouse Manager, Warehouse Associate, Accounts Assistant, and Bank Assurance Relationship Associate. By providing industry-relevant training, HMEL aims to equip its trainees with the skills and competencies required to succeed in the workforce.

In FY 25-26, 1,006 students across Punjab and Haryana completed their training. An additional

100 students were enrolled in IELTS preparation program, targeting candidates with aspirations to work overseas. The program has consistently delivered above the national benchmark for training-to-employment conversion.

English Communication Program

At pipeline locations in Gujarat and Rajasthan, HMEL implemented English speaking and writing programs for 550 students across four government schools. Communication skills often determine whether a student’s academic achievement translates into professional opportunity. This initiative addresses that gap at the foundational stage, building confidence and preparing students for a world where articulating ideas in English remains a practical advantage



Skill Development training

1,826	1,006	100	550
Candidates Trained 2-year cumulative	Candidates trained in FY2025-26(FY 25-26 Punjab & Haryana)	Candidates in IELTS (preparation for international careers)	English Program for Pipeline villages

Livelihood and Sustainable Development

Women Empowerment through Self-Help Groups

At the heart of H MEL's livelihood work is a thriving network of Self-Help Groups centered around the GGS Refinery. With 820 SHGs bringing together 8,251 women, this network has become one of the most substantive community engagement structures in the region. In FY 25-26, an additional 155 SHGs were formed, adding 1,550 new women to the fold and signaling continued trust in the program.

SHG functions as not only savings and credit model but also as an enterprise incubator. Of the 228 SHG-led enterprises operating to date, 34 were newly supported in FY 25-26, engaging around 2,300 women in income-generating activities ranging from stitching school uniforms to producing notebooks and bags. Collectively, over 35 SHGs have earned more than ₹20 lakhs through these activities, making the economic case for collective action tangible.



In pipeline locations across Gujarat and Rajasthan, H MEL has simultaneously supported 85 SHGs covering 852 women and extended enterprise support to 11 of these groups. These initiatives have reinforced livelihoods, built skills, and created spaces for women to grow as decision-makers in their households and communities.

Dairy Development and Animal Husbandry

Supporting the rural economy extends to livestock as well. H MEL organized 59 animal husbandry camps across 39 villages in FY 25-26, reaching 13,381 cattle farmers with veterinary consultations, vaccination services, and advice on breed improvement. For many rural households, livestock is both income and insurance. These camps protect that asset.



Success Story

Notebook Maker to National Conference – Village Pakka Kalan's Mamta Arora Emerges as an Inspiration at the National Women Entrepreneurship Conference

With support from H MEL, she formed a Self-Help Group and launched a notebook-making enterprise, empowering other rural women towards self-reliance

A Turning Point in 2018

In the rural village of Pakka Kalan, 29 km from Bathinda, Punjab, Ms. Mamta Arora's journey exemplifies the transformative power of opportunity, perseverance, and community empowerment.

Back in 2018, Mamta's life revolved around financial constraints and daily challenges. Everything changed when she joined a Self-Help Group (SHG) under the Women Entrepreneurship Program, implemented by Hand in Hand India and supported by H MEL (HPCL-Mittal Energy Limited) through its CSR initiatives. With the formation of Satguru SHG, Mamta became one of its ten founding members. The group began with small monthly savings of



₹200 per member but soon built a strong culture of trust, discipline, and shared ambition.

Satguru Notebook Enterprise – A Dream Takes Shape

By 2024, H MEL's continued support, including the provision of a notebook-making machine, helped the SHG evolve into the Satguru Notebook Enterprise. The enterprise quickly gained recognition in the region.

A major milestone came when H MEL Refinery placed an order for 20,000 diaries worth ₹1,60,000, validating the group's quality and strengthening its financial foundation. Today, the enterprise supplies to schools, colleges, and retailers, generating sustainable livelihoods for rural women. Each member, including Mamta, now earns over ₹10,000 per month, marking a significant shift from dependency to self-reliance.

At the National Women Entrepreneurship Conference titled "Advance Women Enterprises Through Sustainable Models", Mamta stood confidently before a distinguished audience and shared her journey as a rural woman entrepreneur. Hosted in collaboration with Access Development and graced by Ms. Swati Sharma, Chief Secretary, National Rural Livelihood Mission, the conference highlighted India's growing momentum in empowering grassroots women.



820

SHGs Formed
(Cumulative)

8,251

Women
Members
GGS vicinity

228

SHG Enterprises
Supported

₹20L+

Earned by
35+ SHGs
Collective
activity

Community Health & Hygiene

Integrated Mobile Medical Unit

HMEL's flagship health initiative for FY 25-26 is the Integrated Mobile Medical Unit project, implemented in partnership with AIIMS Bathinda across 59 villages. The program brings healthcare directly to families who would otherwise travel significant distances for even basic consultation. Over 25,000 families, reMobile Medical Unit presenting a population of more than 1.5 lakh people, are covered under this initiative, which delivers free medical consultations, diagnostic

support, essential medicines, specialist tele-consultations, and referral services.

Two fully equipped mobile medical units were formally launched on 11 February 2026. By March 2026, 67 camps had been held in refinery vicinity villages. Similarly, 26 free health camps were organized at pipeline locations in Gujarat and Rajasthan, offering consultations, diagnostics, dental and eye check-ups, ECGs, and free medicines to underserved communities along the pipeline corridor.



Mobile Medical Units



Mobile medical camps organized by HMEL



Success Story

HMEL's Major Step Towards Combating Anemia in Rural Areas

Hemoglobin Testing of 7,105 Adolescents Across 45 Schools:

To address the issue of Anemia in rural Punjab, HPCL-Mittal Energy Limited (HMEL), under its Corporate Social Responsibility (CSR) program, launched a comprehensive Anemia Screening and Awareness Campaign in collaboration with MAMTA Health Institute for Mother and Child and AIIMS Bathinda.

Beneficiaries:

Under this initiative, 45 screening camps were organized across 45 schools, covering a total of 7,105 adolescents. Overall, 2,881 adolescents (40.6%) were found to be anemic, including 1,935 girls (48.4%) and 946 boys (30.6%).

Mitigation and Awareness measures taken:

21 teachers were trained, including 17 women and 4 men, with a median age of 38 years (35-42 years). HMEL and MAMTA teams subsequently provided structured training to teachers on iron-folic acid supplementation, balanced nutrition, anemia prevention, and behavior change communication. This ensures continuous monitoring and sustains awareness at the school level.

Impacts:

The campaign also brought forward several inspiring stories.

- Akki Kaur (15) from Tarkhanwala village, an active sports participant, was found to have mild anemia with an Hb level of 9.3 gm%. After nutritional counseling and adopting an iron-rich diet, her Hb level improved to 10.2 gm% within a few months, and she reported feeling more energetic.
- Chinderpal Kaur (16) from Pakka Kalan was diagnosed with severe anemia, with an Hb level of just 7.9 gm/dl. With proper counseling, iron-rich dietary intake, and regular follow-up over 3-4 months, her Hb level improved to 10.5 gm/dl.
- Harsimran Kaur, (14) whose initial Hb level was 7.2 gm%, received iron supplementation and dietary guidance, along with nutrition education for her family. Significant improvement in her health was observed following sustained intervention.



Promoting Fitness and Youth Well-being

Physical well-being is another dimension of community health that H MEL addresses through our infrastructure programs. Six indoor gyms and seven open gyms are now operational across 13 villages, and 30 village-level sports tournaments were organized in FY 25-26 to engage youth in structured physical activity. A further 32 drug-awareness tournaments were held across 26 pipeline villages, integrating public health messaging into competitive sport.



Village level sports tournament



Indoor gym facility

Drug De-addiction Program

Punjab's challenge with substance abuse is one H MEL confronts directly. Through the Drug De-addiction Centre and Bal Bhawan program, 222 patients were enrolled in in-patient de-addiction services during the year. The program provides structured rehabilitation, counselling, and mental wellness support, addressing not just the individual but the family and community that bears the consequences of addiction.

Humane Education

Recognizing that community safety and compassion are built from an early age, H MEL conducted 300 humane education sessions across 83 government schools, reaching 10,392 students. These sessions promote empathy toward animals, raise awareness about anti-rabies prevention, and encourage responsible attitudes that contribute to safer, more compassionate communities.



Humane education program



Education Development

Educational Amenities and School Supplies

Education requires more than classrooms. It requires the daily essentials that make attendance worthwhile and learning effective. H MEL distributed stationery, school bags, and uniforms to 20,450 students across 115 government schools, ensuring that no child miss school because of dearth of basic materials. A broader school supplies drive across 67 institutions added 45 computers for digital literacy, 8 RO systems and 10 water coolers for clean drinking water, first aid kits, 47 inverters for reliable power, and essential furniture. Each of these addresses a specific barrier to learning.



Computer classroom for school



School supplies by H MEL

Scholarships for Meritorious Students

H MEL recognizes that talent does not correlate with economic background, but opportunity often does. The scholarship program bridges that gap by awarding merit-based scholarships, including cash prizes and electronic gadgets, to 226 students in Bathinda and to an additional 92 students at pipeline locations. Targeting secondary class students from government schools, these scholarships reduce the financial pressure that causes capable students to exit the education system prematurely.



Scholarships provided to meritorious students



Library books donation

1.5 Lakh+

Population Covered
Mobile Medical
Unit program

93

Medical Camps
(67 Refinery +
26 Pipeline)

13

Villages with
Gyms Indoor &
outdoor

10,392

Students
Reached
Humane
Education



Success Story

Dreams Take Flight: H MEL's CSR Scholarships Turning Rural Talent into Future Doctors

H MEL is quietly creating a powerful impact through its CSR Scholarship Initiative by providing financial assistance and digital learning tools. The initiative is enabling meritorious students from government schools and remote villages to pursue higher education with confidence, proving that with the right support, rural talent can compete with the best in the country.

The impact of this initiative is reflected in inspiring success stories such as Harmandeep Singh from village Mirjeana and Rattan Amolak Kaur Bhullar from village Chak Ruldu Singh Wala, whose achievements highlight how timely support can turn dreams into reality:

- Harmandeep Singh, a student from Mirjeana, located nearly 18 kilometers from Talwandi Sabo, successfully qualified NEET examination, despite facing challenges like limited transportation and lack of access to coaching institutes. H MEL supported him under its CSR initiative by awarding a scholarship of ₹65,000 along with

a laptop. He secured admission in government medical college Patiala, becoming one of the first students from his school to enter a reputed medical college. Sharing his experience, Harmandeep said that the scholarship and laptop enabled him to prepare online and stay focused on his dream of becoming a doctor and serving humanity.

- Rattan Amolak Kaur Bhullar, a student from Chak Ruldu Singh Wala, With a strong ambition to pursue medicine, she received vital support from H MEL in the form of a scholarship and a laptop. Rattan went on to qualify NEET 2024 and secured admission to the Punjab Institute of Medical Sciences (PIMS), Jalandhar, under the sports quota, beginning her MBBS journey. Beyond academics, she has also made her mark in archery, winning medals at national competitions and earning international recognition, including a notable 8th rank at the Indoor World Series 250 Taipei Archery Open.

Coaching for Higher Studies

For the most aspirational students, H MEL provides coaching for competitive engineering entrance examinations. Six students are currently enrolled at CSRL, New Delhi, for structured IIT-JEE preparation. Of these, four cleared the JEE Main in January 2026. All six are set to appear again in April 2026 to improve their scores and secure seats at premier institutions. This initiative demonstrates what targeted, sustained investment in a young person's future can achieve.



Coaching support for students

Bicycle Distribution for Girls

Transportation is a known barrier to girls' school attendance, particularly beyond primary levels. H MEL distributed 842 bicycles to Class 8 girl students across 48 government schools, making the daily journey to school manageable and reducing the risk of dropouts. The initiative is a straightforward intervention with a disproportionately large impact on families deciding whether to continue their daughters' education.



Bicycle distribution to girls

School Infrastructure Development

H MEL undertook infrastructure development across 15 school locations, including the construction of a classroom, six toilet blocks, two mid-day meal sheds, a kitchen shed, and paver block installations. Sanitation facilities were also developed at 13 pipeline schools, benefiting approximately 3,500 students. Separately, H MEL is promoting extracurricular development through drawing and sports competitions across more than 100 schools, fostering creativity, physical fitness, and confidence alongside academics.



3D Drawing competition



Sports competition

20,450

Students supported with uniforms, bags, stationery

318

Meritorious students supported with scholarship

842

Bicycles Distributed to girl students

194

Schools supported under different CSR projects

Community Infrastructure & Environment

Village Development Work

Infrastructure is the foundation on which everything else in a community rests. In FY 25-26, HMEL undertook comprehensive development across 10 villages, building paver roads, multipurpose sheds, community halls, and bus stops. Community institutions were further equipped with RO water systems, drinking water coolers, furniture for meeting halls, and utensils for community kitchens. These interventions are not isolated acts of charity; they are deliberate investments in the social infrastructure that enables villages to function with dignity and cohesion. Environmental protection was woven into this work through the distribution of 440 tree guards and 380 concrete benches in surrounding areas.

Pond Rejuvenation

Water security is increasingly central to rural life in Punjab. HMEL undertook pond renovation work across 10 villages using the Thappar Model, a scientifically designed approach to water body restoration that focuses on maximizing retention and long-term sustainability. The process involves desilting, deepening, and repairing existing ponds to increase storage capacity, improve groundwater recharge, and secure water availability for agricultural use. Six of the ten targeted ponds were completed in FY 25-26, with the remainder progressing into FY 26-27.



Renovation of water works

Renovation of Water Works

Clean drinking water is a basic need that remains inadequately met in many rural areas. HMEL's Water Works Renovation initiative was implemented across eight villages, upgrading and restoring existing water infrastructure to improve quality, storage, and distribution. The objective is straightforward: every household in these villages should be able to access safe drinking water without compromise.

Flood Relief

When floods struck communities in Punjab, HMEL responded through the Red Cross Society, Amritsar, providing essential relief materials and resources to affected families. Additional support was extended to the state government for mobile toilet facilities at Takhat Dam, demonstrating that HMEL's community commitment is not limited to planned program but extends to responsive action in times of need.

Promoting Sports, Art & Culture

The Phulkari Revival Project

A defining institutional step was the registration of a cooperative society under the name Phulkari of Punjab, enabling collective ownership, governance, and long-term sustainability for the artisan community. A branded website has been launched to create a direct-to-consumer digital channel for authentic handcrafted products.

Phulkari is not merely embroidery. It is the visual language of Punjab, stitched into celebrations, rituals, and identity over centuries. HMEL's Phulkari Project, launched in July 2023, was conceived as an act of cultural stewardship and an economic opportunity simultaneously. Today, 312 artisans are actively engaged, strengthening their skills, income, and confidence through a program that has grown steadily since inception.

These artisans have represented India at prestigious international platforms including Creativa Germany, the International Apparel and Textile Fair in Dubai, Fashion Source London, Bharat Tex, Kala Ghoda Arts Festival, and Dilli Haat Dastkari. Exposure to these venues has done more than generated sales; it has placed Phulkari back in the conversation about global craft traditions and given artisans a sense of recognition they had not previously experienced.



Sports Promotion

Alongside the Phulkari Project, HMEL's sports promotion initiative engaged 10,000 youth beneficiaries through organized tournaments and

sporting events. These activities foster teamwork, nurture physical health, and create structured recreational space in communities where such infrastructure is otherwise absent.

312

Phulkari Artisans
Currently engaged

6+

International
Platforms
Exhibitions & fair
attended by Phulkari
artisans

30

Tournaments
Village-level
sports events



Success Stories : Fields to national pride

Inspiring Journeys from Rural Punjab

Prabhjot Kaur, a girl from a village Phullewala, Bathinda, who used to work in paddy fields to support her education, has also qualified for JEE Advanced with the help of HMEL's free coaching support and is now enrolled in Mechanical engineering at NIT Jalandhar.

With support from the district education department, a qualifying test was conducted at Bathinda Meritorious School, where selected students were sent for 11-month free residential coaching at CSRL, Delhi under HMEL's CSR initiative.



Looking ahead, the program continues its commitment. In the FY 25-26 session, 6 more students from Bathinda have been selected for the Super 100 program and will soon begin their 11-month residential coaching at CSRL Delhi.

Arjanveer's Triumph: From No Money for Fees to IIT Kharagpur

Arjanveer Singh, who scored 95% in Class 12 from Bathinda Meritorious School, says, "In January 2024, I cleared JEE Mains on my own, but I couldn't afford the ₹1500 fee for JEE Advanced. I had no coaching either. Fortunately, I had taken the Super 100 test conducted by HMEL and got selected. In June 2024, they sent me for 11 months of residential coaching at CSRL Delhi. With their support, I cleared JEE Advanced in May 2025. I secured admission to IIT Kharagpur in the first round of counselling. Now I'm the first student from my village to reach such a prestigious institution — a matter of pride for my family and community."



Impact Assessment

To assess the real-world outcomes of its CSR work, HMEL engaged the Central University of Punjab, Bathinda as an independent third party to evaluate its CSR initiatives across key thematic areas. The assessment covered seven programs and was conducted using the REEIS framework, evaluating each program on Relevance, Effectiveness, Efficiency, Impact and Sustainability. There have been no negative impact because of the company’s operations within the local communities.

Program	Headline Finding
Skill Development	Participants actively support program continuation; 92.6% reported improved job or entrepreneurial opportunities; 90.2% secured employment or started self-employment after training.
Smart Board Initiative	Teachers regularly use smart boards in classrooms; 2,400 teachers and over 50,000 students benefited; 82% reported improved student participation; overall teaching effectiveness enhanced.
Women Empowerment (SHG)	Women reported increased income-generating activities; 95% experienced enhanced confidence and decision-making ability; 93% noted improved social standing in their communities.
School Development	Supplies and infrastructure are confirmed as relevant, high-quality, and timely; 100% of respondents confident that improvements made will endure through community ownership.
School Toilet Construction	Construction recognized as addressing a deeply felt community need; separate toilets for boys and girls improved attendance and dignity, particularly for girl students.
Community Rural Development	Strong alignment with community priorities; 99% confirmed daily use of assets and improved quality of life; 99% reported enhanced cleanliness, accessibility, and social cohesion.
Induction Cooktop Distribution	Regular use confirmed by 89% of recipients; 88% reported reduced dependence on firewood and LPG; 19,340 cooktops delivered to households in Bathinda, improving indoor air quality and cooking safety.

Supply Chain Management

At HMEL, the supply chain is a vital link in the company’s value creation process, connecting with customers, communities, and shareholders. As a responsible business, HMEL recognizes that effective supply chain management involves more than just cost and quality considerations. It requires a deep understanding of the company’s suppliers, their practices, and their commitment to shared values. HMEL’s responsible sourcing approach ensures that suppliers adhere to the company’s high standards for safety, environmental sustainability, and fair labor practices, promoting a culture of integrity and accountability throughout the supply chain.

HMEL classifies its suppliers into two broad groups: crude suppliers and non-crude suppliers. Crude suppliers are managed through a distinct and separate procurement process. The non-crude supply base, which covers everything from chemicals and equipment to services and logistics, is where HMEL focuses its supplier sustainability efforts.

Non-crude suppliers are further divided into Tier-1 suppliers (those contracted directly with HMEL at over ₹1 Crore annually) and critical non-Tier-1 suppliers (indirect or sub-contracted entities that are operationally significant). This structured view helps HMEL direct risk management, ESG assessments, and audit resources where they matter most.

244 Tier-1 Non-Crude Suppliers Direct vendors above ₹1 Crore annually	1,113 Critical non-Tier -1 Suppliers (non-crude) Business-critical vendors	97 Local Vendors (Punjab) 7.14% of procurement value
825 MSME Vendors 61% of total vendor base	30 Tier-1 Crude Suppliers	121 Suppliers in ESG Engagement Program Covered under formal ESG assessment via Treeni



Local MSME Procurement

HMEL actively supports local businesses and MSMEs through its procurement decisions. Of the total vendor base, 61% (825 vendors) are Micro, Small and Medium Enterprises. This isn't just a procurement statistic, it reflects a deliberate effort to include smaller businesses in HMEL's value chain, help them grow, and strengthen the broader economic ecosystem around its operations.

On the local front, 97 vendors from Punjab account for 7.14% of HMEL's procurement spend. These are businesses operating close to the Guru Gobind Singh Refinery and pipeline locations. Working with local suppliers also reduces logistics emissions and making supply chain operations more efficient and more resilient.

Supplier ESG Engagement Program

Understanding the ESG performance of suppliers is now a standard expectation from investors, customers, and rating agencies. HMEL has responded by building a structured Supplier ESG Engagement Program that goes beyond a one-time audit to create sustained improvement across the supply chain.

The program uses Treeni's AI-enabled Supply Chain Sustainability Management (SCSM) platform to assess, score, and segment suppliers on ESG parameters. Treeni's platform enables digital data collection, automated risk scoring, and benchmarking against industry peers, giving HMEL a clear and comparable picture of its supplier ESG landscape.

121

Suppliers Enrolled Shortlisted from the non-crude supply base based on spending, category, and ESG risk profile.

63

Participated in Training Completed capacity-building sessions on environmental, social, and governance best practices.

84

Demonstrate advanced ESG Maturity and consistent ESG practices across their operations.

The program looks at three dimensions of supplier performance. On the environmental side, it covers energy consumption, GHG emissions, water management, and waste practices. On the social side, it assesses labour rights, workplace safety, and community impact. On the governance side, it covers ethics, regulatory compliance, and anti-corruption measures.

Through regular assessments and hands-on training, HMEL is building an ecosystem of suppliers who not only meet compliance thresholds but are genuinely improving their sustainability practices over time.



HMEL's Supplier Code of Conduct

HMEL's Supplier Code of Conduct (SCoC) was formally launched in September 2023 and applies to all suppliers (excluding crude suppliers) who directly or indirectly provide goods, raw materials or services to HMEL. This includes contractors, intermediaries and sub-suppliers. The Code is aligned with the UN Global Compact principles and ILO labour standards.

Pillar	Coverage
 Ethics & Legal Compliance	Anti-bribery and anti-corruption; fair competition; statutory and regulatory compliance; no gifts or hospitality to HMEL personnel; tax integrity; confidentiality of HMEL data
 Human Rights & Labour	No forced labour; prohibition of child labour under 18; non-discrimination in hiring and promotion; fair wages per applicable law; reasonable working hours; freedom of association
 Health & Safety	Safe and healthy workplaces; compliance with H&S laws; monitoring of fatality rates and LTIFR; emergency preparedness; regular OHS training
 Environment	GHG and air emissions monitoring; energy efficiency and renewable adoption; responsible water use; hazardous material management; waste and effluent management; biodiversity protection
 Grievance & Reporting	Confidential reporting via wb@hmel.in or HMEL's web portal; anonymous reporting supported; no retaliation against reporters; effective grievance procedure for all workers
 Management Systems	Documented management system; conformance monitoring; compliance with applicable laws; identification and mitigation of supply chain ESG risks

Suppliers that do not meet the Code's requirements are given a clear timeframe to remediate issues, with support from HMEL where possible. If issues remain unresolved, HMEL reserves the right to terminate the relationship.

Product Stewardship and Customer Centricity

Product quality is integral to HMEL's business operations and the company values. HMEL takes its responsibility as a manufacturer seriously and ensures that every product leaving its facilities carries the information that customers and downstream users need in order to handle it safely and responsibly. This commitment extends to how the company communicates its products and how it engages the market. In this fiscal year there have been zero breach of data security of HMEL's customers.

Health and Safety of Products

HMEL produces fuel products sold to and retailed by Oil Marketing Companies, as well as polymers and other chemical products that serve as raw materials across a wide range of downstream industries. For every product in its portfolio, the company issues Material Safety Data Sheets that are freely accessible to customers and contain all relevant information on safe handling, storage, emergency response, and disposal.

For polymer products specifically, the company issues declarations confirming conformity with applicable regulatory standards including US FDA, IS FDA, EU FDA, FSSAI, SVHC, RoHS, and PAH requirements. This gives customers operating in regulated sectors, such as food contact packaging and medical applications, the assurance they need

to use HMEL materials with confidence in their own operations.

During the reporting period, the company was not made aware of any incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of its products and services. Therefore, no fine, penalty, or warning were imposed by any regulatory authority on HMEL.

Product Information, Labeling and Responsible Marketing

HMEL maintains information on the sourcing of key raw materials and packaging within its internal systems, accessible to authorised personnel. For all products, transparency is ensured through Material Safety Data Sheets (MSDS) provided to customers at the point of sale and on request. These documents cover sourcing, content, safe use, and disposal guidance, giving every customer the complete picture they are entitled to.

The company conducts its marketing activity, including advertising, promotion, and sponsorship, with a commitment to accuracy, transparency, and respect for its customers. No incidents of non-compliance with marketing communication regulations or voluntary codes were recorded during FY 25-26. This is consistent with HMEL's track record across previous reporting years.



AWARDS AND CERTIFICATIONS

AWARDS



Golden Peacock Award – Excellence in Corporate Governance 2025

Institute of Directors, India ·
Nov 2025, London



Business Leader of the Year 2025

Mr. Prabh Das, MD & CEO ·
ENCIS Downstream India
Excellence Awards · Jul 2025



‘Make in India Champion of the Year’

FICCI Chemicals &
Petrochemicals Awards 2025
· Jan 2026, New Delhi



Outstanding Contribution to Society

FICCI Chemicals &
Petrochemicals Awards
2025 · Jan 2026, New Delhi



Transform HSE Leadership & Excellence Award 2025

Category: Sustainability
& Net Zero Initiatives,
Petrochemicals · Apr 2025,
New Delhi



Indian Social Impact Award 2025

For its impactful CSR work
in Education and Women
Empowerment



Excellence in Sustainability in Manufacturing Sector

ICC 3rd Annual
Sustainability Symposium
& Excellence Awards · Sep
2025



Innovation in Sustainable Technology Solutions (Cyclosure)

ICC 3rd Annual Sustainability
Symposium & Excellence
Awards · Sep 2025



Pioneering Circular Economy Initiatives Award

For ECOSURE & CYCLOSURE
brands · ENCIS Downstream
India Excellence Awards ·
Jul 2025



Excellent Environmental Project Award

CII Environment Best
Practices Awards 2025
(Naphtha via Crude
Pipeline) · Sep 2025, Pune



Industrial Water Sustainability Champion of the Year 2025

GEEF Global Water Tech
Awards · Presented by
Principal Scientific Advisor,
GoI · Aug 2025



ET Future Skills Awards 2025

for AR/VR Innovation in
Learning



India's Fastest Growing Private Sector Oil & Gas Brand

HME has been recognised by Brand Finance, **the world's leading brand valuation consultancy**, as **India's Fastest Growing Private Sector Oil & Gas Brand** for FY2025-26.

The award was received on behalf of HME by **Mr. Harak Banthia, CFO, HME at a gala hosted by the Brand Asia at Mumbai on 13 July 2026**. This recognition reflects HME's continued growth, brand strength and commitment to excellence.

CERTIFICATIONS



HME attained **ISO/IEC 27001:2022 : Information Security Management System** by demonstrating adherence to robust cyber security controls as per global standard.



HME achieved **ISO/IEC 20000-1:2018 : IT Service Management System** certification guaranteeing effective management of IT Services, ensuring alignment with international standards and best practices.



Our journey towards resilient IT business continuity, culminating in **ISO 22301:2019 : Business Continuity Management Systems**, 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.



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



HME successfully achieved **ISO 14001 certification** for Environmental Management Systems, demonstrating its strong commitment to sustainable operations and environmental responsibility. This certification reflects HME's systematic approach to identifying, managing, and continuously improving its environmental performance across all operational areas.



HME achieved the **ISO 45001 certification** for Occupational Health and Safety Management Systems, reaffirming its commitment to providing safe, equitable, and healthy working conditions. It reflects HME's dedication to promoting employee well-being, fostering a culture of safety, and upholding fair and inclusive workplace practices.



HME has achieved the **ISCC+ Certification** for circular polymers and products, becoming the second raw material manufacturer in India to do so. The ISCC is a globally recognized system that ensures the sustainability of products, materials, and supply chains, particularly in bioenergy, agriculture, chemicals, and petrochemicals.

GRI Content Index

Statement of Use

HPCL-Mittal Energy Limited has reported in accordance with the GRI Standards for the period (April 1, 2025–March 31, 2026)

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GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Rights, HMEL's Supplier Code of Conduct	115, 143
Forced or compulsory labor			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights, HMEL's Supplier Code of Conduct	115, 143
Local communities			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Impact Assessment	140
	413-2 Operations with significant actual and potential negative impacts on local communities	Impact Assessment	140
Supplier social assessment			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Management	141-142
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Management	141-142
Customer health and safety			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Product Stewardship and Customer Centricity	144
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Product Stewardship and Customer Centricity	144
Marketing and labeling			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Product Stewardship and Customer Centricity	143-144
Customer privacy			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Product Stewardship and Customer Centricity	143-144

Independent Assurance statement on third-party verification of sustainability information

To
The Directors and Management, **HPCL-Mittal Energy Limited**.
The Rise, 17 B&C, Film City, Sector 16A, NOIDA (U.P.) – 201301, India
Unique identification no.: **3153250507**

TÜV SÜD South Asia Pvt Ltd. (hereinafter TÜV SÜD) has been engaged by **HPCL-Mittal Energy Limited**. Ltd. to perform a limited assurance verification of sustainability information in the Sustainability Report by HPCL-Mittal Energy Limited. (hereinafter "Company") for the period from 01-04-2025 to 31-03-2026. 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 "with reference to" the reporting criteria of the Sustainability Reporting Standards of the Global Reporting Initiative 2021 version (hereinafter "Reporting Criteria").

The following sustainability indicators are included in the scope of the assurance engagement for the reporting period, Financial Year (FY) 2025–2026, as listed below.

The report is published on the Company's website under <https://www.hmel.in/disclosures-and-reports/>

Sr. No.	GRI Disclosure	Topic
1	GRI 2	Employees – 2-7
2	GRI 3	Material Topics – 3-1, 3-2, 3-3
3	GRI 201	Economic Performance – 201-2, 201-3
4	GRI 203	Indirect Economic Performance – 203-1, 203-2
5	GRI 204	Procurement Practices – 204-1
6	GRI 301	Materials – 301-1
7	GRI 302	Energy – 302-1, 302-2, 302-3, 302-4
8	GRI 303	Water – 303-1, 303-2, 303-3, 303-4, 303-5
9	GRI 304	Biodiversity – 304-1
10	GRI 305	Emissions – 305-1, 305-2, 305-4, 305-5, 305-6, 305-7
11	GRI 306	Waste – 306-1, 306-2, 306-3, 306-4, 306-5
12	GRI 308	Supplier Environmental Assessment – 308-2
13	GRI 401	Employment – 401-1, 401-2, 401-3
14	GRI 403	Occupational Health and Safety – 403-1, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10
15	GRI 404	Training and Education – 404-1, 404-2, 404-3
16	GRI 405	Diversity and Equal Opportunity – 405-1, 405-2
17	GRI 406	Non-discrimination – 406-1
18	GRI 407	Freedom of Association and Collective Bargaining – 407-1
19	GRI 408	Child Labour – 408-1
20	GRI 409	Forced or Compulsory Labour – 409-1
21	GRI 413	Local Communities – 413-1
22	GRI 416	Customer Health and Safety – 416-1, 416-2
23	GRI 417	Marketing and Labeling – 417-1, 417-2, 417-3
24	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 integrated 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.

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 information 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, along with control mechanisms, through offsite verification and onsite survey at selected multiple sites: Below sites were selected for Onsite Visit.

Sl. No.	Company Name	Site Address
1	HPCL-Mittal Energy Limited The Rise, 17 B&C, Film City, Sector 16A, NOIDA (U.P.) – 201301 India	HPCL-Mittal Energy Limited The Rise, 17 B&C, Film City, Sector 16A, NOIDA (U.P.) – 201301 India
2	HPCL-Mittal Energy Limited The Rise, 17 B&C, Film City, Sector 16A, NOIDA (U.P.) – 201301, India	HPCL-Mittal Energy Limited Phullokari Village Talwandi Saboo Taluka District Bathinda - 151301, Punjab India

Conclusion

On the basis of the assessment procedures carried out from 2026-04-23 to 2026-04-24 & 2026-04-27 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 reference to 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, Mumbai, Date 17-07-2026



Prosenjit Mitra
General Manager- Verification, Validation and Audit
Management System Assurance



Sanjeev Sharma
Verification Team Leader, TÜV SÜD
Management System Assurance

