

# Business Responsibility and Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity:

S.No.	Particulars	
1.	Corporate Identity Number (CIN) of the listed entity	L74999TG1955PLC000656
2.	Name of the listed entity	HIL Limited
3.	Year of incorporation	1955
4.	Registered office address	Office No. 1 & 2, L7 Floor, SLN Terminus, Survey No. 133, Near Botanical Gardens, Gachibowli, Hyderabad-500032, Telangana, India
5.	Corporate Office address	Office No. 1 & 2, L7 Floor, SLN Terminus, Survey no. 133, Near Botanical Gardens, Gachibowli, Hyderabad-500032, Telangana, India
6.	E-mail address	cs@hil.in
7.	Telephone no.	040-68249000
8.	Website	www.hil.in
9.	Financial year for which reporting is being done	April 1, 2022 to March 31, 2023
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital	INR 756.48 Lakhs
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Saikat Mukhopadhyay Designation: Chief Financial Officer Phone: 040-68249000 E-mail: cs@hil.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis

### II. Products/Services:

#### 14. Details of business activities (accounting for 90% of the turnover):

S.No.	Description of main activity	Description of business activity	% of turnover of the entity
1.	Roofing solutions	Manufacture and sale of fibre cement autoclave roofing sheets	52%
2.	Building solutions	Manufacture and sale of autoclaved aerated concrete blocks (fly ash blocks), fibre cement board and panels.	24%
3.	Polymer solutions	Manufacture and sale of a wide range of plumbing solutions, including CPVC, UPVC, Column Pipes, SWR and Pressure Pipes and Fittings ideal for household, industrial and commercial applications and Wall Care Putty.	24%

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S.No.	Product/Service	NIC Code	% of total turnover contributed
1.	Fibre Cement Sheets and Panels	23953	61.1%
2.	UPVC and CPVC Pipes and Fittings	22209/22208	16.2%
3.	Putty and Dry Mix	23949/23929	8.5%
4.	Fly Ash Blocks	23954	14.0%

### III. Operations:

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	12 manufacturing locations with 25 plants	4 Regional offices and 42 sales depots	60
International		NIL	

17. Markets served by the entity:

- a. Number of locations

Locations	Number
National (No. of States)	28 states and 8 union territories
International (No. of Countries)	5 countries — Nepal, Somalia, Angola, Maldives and Turkey

- b. What is the contribution of exports as a percentage of the total turnover of the entity: 0.8%

- c. A brief on types of customers

HIL's customer base includes those purchasing materials for construction, repair or/and renovation of standalone properties as well as retailers, poultry farms, goshalas and warehouses. It also includes institutional customers (infrastructure companies, builders and contractors) purchasing materials for medium to large-scale infrastructure projects.

### IV. Employees:

18. Details as at the end of financial year:

- a. Employees and workers (including differently abled):

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	1086	1037	95.5%	49	4.5%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total employees (D + E)	1086	1037	95.5%	49	4.5%
<b>WORKERS</b>						
4.	Permanent (F)	659	656	99.5%	3	0.5%
5.	Other than Permanent (G)	4497	4467	99.3%	30	0.7%
6.	Total workers (F + G)	5156	5123	99.3%	33	0.6%

- Note: 1. All management team members have been considered as permanent employees  
2. All associates and non-management employees have been considered as permanent workers  
3. All contract workers have been considered as other than permanent worker

- b. Differently abled employees and workers:

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	1	1	100%	0	0%
2.	Other than permanent (E)	0	0	0%	0	0%
3.	Total differently abled employees (D + E)	1	1	100%	0	0%
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than permanent (G)	1	1	100%	0	0%
6.	Total differently abled workers (F + G)	1	1	100%	0	0%

## 19. Participation/Inclusion/Representation of women

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.67%
Key Management Personnel*	1	0	0

\*Excluding Managing Director &amp; CEO

## 20. Turnover rate for permanent employees and workers

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	22.9%	2.6%	25.5%	16.6%	1.6%	18.2%	7.6%	12.3%	19.9%
Permanent Workers	7.89%	0%	7.89%	6.29%	0%	6.29%	9.80%	0%	9.80%

## V. Holding, Subsidiary and Associate Companies (including joint ventures):

## 21. Names of holding / subsidiary / associate companies / joint ventures

S.No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	HIL International GmbH, Germany	Wholly Owned Subsidiary	100%	No. However, certain business responsibility initiatives related to ethics, transparency and accountability, the sustainable use of resources and the well-being of employees have been adopted by the Company's subsidiaries
2.	Parador Holdings GmbH, Germany	Step Down Subsidiary	100% held by HIL International GmbH, Germany	
3.	Parador GmbH, Germany	Step Down Subsidiary	100% held by Parador Holdings GmbH, Germany	
4.	Parador Parkettwerke GmbH, Austria	Step Down Subsidiary	100% held by Parador GmbH, Germany	
5.	Parador UK Limited	Step Down Subsidiary	100% held by Parador GmbH, Germany	
6.	Parador (Shanghai) Trading Co. Ltd., China	Joint Venture	50%	
7.	Supercor Industries Limited, Nigeria	Joint Venture	33%	

## VI. CSR Details:

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): **Yes**(ii) Turnover (in Rs.): **2155.21 Crores**(iii) Net worth (in Rs.): **1114.19 Crores**

**VII. Transparency and Disclosures Compliances:**

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities Investors (other than shareholders) Shareholders Employees and Workers Customers Value Chain Partners	<a href="https://hil.in/investor-relations/policies/">https://hil.in/investor-relations/policies/</a>	Nil		NA	Nil		NA

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

S.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Water Efficiency, Recycle and Reuse	Opportunity	<ul style="list-style-type: none"> <li>Cost reduction through efficient water usage and recycling measures</li> <li>Improve groundwater levels</li> </ul>	HIL has installed: <ul style="list-style-type: none"> <li>Flow meters to monitor water consumption in the plant.</li> <li>Rainwater harvesting systems across operating units to improve groundwater levels.</li> <li>Storm water collection ponds for collecting runoff water during monsoons.</li> <li>In-house sewage treatment facilities. Treated waste water is reused in gardening.</li> </ul>	Positive

S.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Circular Economy	Risk	<ul style="list-style-type: none"> <li>Manage the increased waste generation in the industry</li> <li>The rising cost of input raw materials</li> <li>Increase in cost of waste disposal</li> </ul>	<ul style="list-style-type: none"> <li>The Company is reusing the waste generated in plants, wherever possible</li> <li>Waste which cannot be reused in plants is being sent to authorised recyclers</li> </ul>	Negative
3	GHG emissions	Risk	<ul style="list-style-type: none"> <li>Release of emissions in manufacturing process</li> <li>Regulations on GHG emissions</li> </ul>	<p>HIL is:</p> <ul style="list-style-type: none"> <li>Designing innovation-led solutions to reduce GHG emissions from products.</li> <li>Adopting efficient motors and LED lights to improve energy efficiency across operations.</li> <li>Tracking and minimising Scope 1 and 2 emissions.</li> </ul>	Negative
4	Sustainable products	Opportunity	<ul style="list-style-type: none"> <li>Respond to increasing consumer awareness and demand for sustainable products</li> <li>Maintain reputation as a sustainability focused organisation</li> <li>Strengthen product differentiation</li> </ul>	<ul style="list-style-type: none"> <li>The Company is collaborating with research institutes to develop products with a low carbon footprint and produce environment-friendly products.</li> </ul>	Positive
5	Sustainable Supply Chain	Risk	<ul style="list-style-type: none"> <li>Vendors may be called out for harmful environmental and social practices</li> <li>Rising commodity prices and availability</li> </ul>	<ul style="list-style-type: none"> <li>Engage with vendors/ supplier base to build a robust and sustainable supply chain.</li> <li>Evaluate work with vendors who align with HIL's sustainability commitments</li> </ul>	Negative
6	Renewable Energy	Risk	<ul style="list-style-type: none"> <li>Increasing cost of fossil fuel-based energy</li> <li>Increased use of renewable energy by global peers</li> <li>Regulatory obligations</li> </ul>	<ul style="list-style-type: none"> <li>HIL is reducing dependency on conventional sources of energy wherever possible.</li> </ul>	Negative

S.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Corporate Governance	Risk	<ul style="list-style-type: none"> <li>Non-compliance with regulatory and statutory requirements can impact operations, the ability to raise funds in the future and the valuation of the Company.</li> </ul>	<ul style="list-style-type: none"> <li>The Company has risk management plan &amp; process in place to identify risks and implement mitigation measures.</li> </ul>	Negative
8	Sustainable innovation	Opportunity	<ul style="list-style-type: none"> <li>Gaining a competitive edge through innovative products</li> <li>Increased revenue from non-asbestos products</li> </ul>	<ul style="list-style-type: none"> <li>The Company's R&amp;D team collaborates with research institutes to develop innovative and sustainable products.</li> </ul>	Positive
9	Occupational Health & Safety	Risk	<ul style="list-style-type: none"> <li>Employee Health and Safety (EHS) incidents pose regulatory, reputational and business continuity risks. The risk of failure / non-compliance can impact business operations.</li> </ul>	<ul style="list-style-type: none"> <li>HIL has implemented a management of change procedure (MOC) to capture any process-related changes by conducting hazard identification and risk assessments (HIRA) to determine the potential impacts of the changes on humans and property.</li> <li>HIRA is an ongoing process. The risk register is kept updated to mitigate risks.</li> </ul>	Negative
10	Product Safety	Risk	<ul style="list-style-type: none"> <li>Product safety issues might impact the Company's ability to fulfil customer demand and create value for stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>The Company offers a safe work environment during product manufacturing to prevent hazards to workers engaged in transporting/shipping the product, site/ construction workers, and users of products.</li> <li>The Company ensures that the use of its products does not impact the environment.</li> </ul>	Negative

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines on Responsible Business Conduct (NGRBC) released by the Ministry of Corporate Affairs has updated and adopted nine areas of Business Responsibility. These are briefly as under:

P1 - Ethics, Transparency and Accountability	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2 - Product Lifecycle Sustainability	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3 - Employee Well-being	Businesses should promote the well-being of all employees
P4 - Stakeholder Engagement	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
P5 - Human Rights	Businesses should respect and promote human rights
P6 - Preservation of Environment	Business should respect, protect and make efforts to restore the environment
P7 - Responsible Advocacy	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8 - Inclusive Growth and Equitable Development	Businesses should support inclusive growth and equitable development
P9 - Customer Value	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
<b>1. a. Whether the entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
<b>b. Has the policy been approved by the Board? (Yes/No)</b>	Yes	Yes	Yes	No	Yes	Yes	NA	Yes	Yes
<b>c. Web Link of the Policies, if available</b>	The following policies are available on website of the Company <a href="http://www.hil.in">www.hil.in</a> The policies related to employee wellbeing and product quality are available on intranet of the Company.								
<b>2. Whether the entity has translated the policy into procedures. (Yes / No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
<b>3. Do the enlisted policies extend to your value chain partners? (Yes/No)</b>	The Company's value chain partners do not participate in its BRSR initiatives. However, they are encouraged to adopt such practices and follow responsible business practices.								
<b>4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by the entity and mapped to each principle</b>	ISO 9001 ISO 27001-2013 IS-15778:2007, IS-13592:2013, IS-4983:2000 (Faridabad, Golan & Thimmapur) IS-7834: Part-1:1987, IS-14735:1999 (Golan), IS-14871:2000 (Kondapalli) IS-2185:Part-3:1983 (Thimmapur, Chennai, Jhajjar, Golan) IS-459:1992 (Kondapalli, Faridabad, Sathariya, Wada, Jasidih, Balasore)								
<b>5. Specific commitments, goals and targets set by the entity with defined timelines, if any</b>	<ul style="list-style-type: none"> <li>To deliver a diversified portfolio of eco-friendly products and solutions fuelled by innovation</li> <li>To build a strong corporate brand present on all continents</li> <li>To digitalise processes, end-to-end, for business excellence</li> <li>To be a diverse workplace that is a preferred employer while continuing to meet the highest standards of quality, corporate social responsibility, safety, health and environment.</li> </ul>								
<b>6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met</b>	<ul style="list-style-type: none"> <li>Received GRIHA certification for sandwich products</li> <li>Implemented artificial intelligence (AI) cameras in danger zones of machines to prevent high-severity injuries to the workers</li> <li>Cost reduction and process improvement through lean six sigma</li> <li>Faridabad plant's green belt covers a percentage area more than the regulatory requirement</li> <li>Rainwater harvesting and utilization of greener fuels</li> <li>Chennai plant is making briquettes made of de-oiled cashew that is used in the boiler</li> </ul>								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Governance, leadership and oversight</b>									
<b>7. Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)</b>									
<p>HIL is dedicated to incorporating ESG principles into its operations and is committed to ethical and equitable business practices that foster the holistic well-being of its workforce, value chain partners, community members and other stakeholders. The Company upholds the values of product stewardship by developing safe products and services that do not impact human health and the environment. HIL is strengthening its Research and Development (R&amp;D) capabilities to innovate and manufacture environment-friendly products. Today, HIL's solutions help reduce the carbon footprint of buildings and constructions and contribute to the Company's market reputation as a green, one-stop building materials company.</p> <p>The Company provides its employees and business partners with a working environment that is fair, safe, healthy, and hygienic. HIL has a structured CSR Policy that guides its social development activities.</p>									
<b>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</b>	Mr. Akshat Seth, Managing Director & CEO (DIN : 10039820) under the guidance of the Board of Director & its committees is responsible for implementation & oversight of the Business responsibility policies.								
<b>9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</b>	Yes, the Managing Director & CEO of the company is responsible for decision-making on sustainability related issues. This Committee provides valuable direction and guidance to the Management to ensure that Safety and Sustainability implications are duly addressed in all new strategic initiatives, budgets, audit actions and improvement plans.								
<b>10. Details of Review of NGRBCs by the Company:</b>									
<b>Subject for Review</b>	<b>Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee</b>			<b>Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify) - Ongoing</b>					
<b>Performance against above policies and follow up action</b>	As a practice, Business Responsibility policies of the Company are reviewed periodically or on a need basis by the senior leadership team including Managing Director & Chief Executive Officer. During this assessment, the efficacy of the policies is reviewed and necessary changes to policies and procedures are implemented.								
<b>Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances</b>	The Company complies with the existing regulations and a Statutory Compliance Certificate on applicable laws is provided by the Managing Director & Chief Executive Officer and Chief Financial Officer and Company Secretary to the Board of Directors.								
<b>11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.</b>	The Senior Management and Board Committees of the Company conduct a periodic evaluation of the charters and policies and drives the policies, initiatives and performance of the areas of corporate responsibility and sustainability.								
<b>12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:</b>									
<b>Questions</b>	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>
<b>The entity does not consider the principles material to its business (Yes/No)</b>									
<b>The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)</b>									
<b>The entity does not have the financial or/ human and technical resources available for the task (Yes/No)</b>									
<b>It is planned to be done in the next financial year (Yes/No)</b>									
<b>Any other reason (please specify)</b>	Except for P7, all principles are covered by policies.								

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

#### Essential Indicators:

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
<b>Board of Directors</b>		The familiarisation and other training programmes are aligned with the material topics as identified during the stakeholder consultation, including, but not limited to:	
<b>Key Managerial Personnel</b>	The Board of Directors and Key Management Personnel (KMPs) have attended approximately 23 familiarisation programmes during the Board meetings and other Committee meetings	<ul style="list-style-type: none"> <li>▪ Compliance and regulatory changes</li> <li>▪ Governance</li> <li>▪ Occupational health and safety</li> <li>▪ Business growth and strategy</li> <li>▪ Environment and sustainability</li> <li>▪ Corporate social responsibility</li> <li>▪ Product training</li> <li>▪ Career conversation workshop</li> <li>▪ Customer centricity</li> <li>▪ Enabling performance with competencies</li> </ul>	100%
<b>Employees other than BoD and KMPs</b>	30	<ul style="list-style-type: none"> <li>▪ Enhancing self-confidence Good to better communication</li> <li>▪ IT tools training</li> <li>▪ Six Sigma</li> <li>▪ ISO 9001</li> <li>▪ Safety</li> <li>▪ Sales</li> <li>▪ Cyber security awareness session</li> <li>▪ COVID awareness</li> <li>▪ Occupational diseases</li> <li>▪ Working at heights</li> <li>▪ PPE usage</li> <li>▪ Electrical Safety</li> <li>▪ Behavioural Safety</li> </ul>	88.76%
<b>Workers (Permanent)</b>	12	<ul style="list-style-type: none"> <li>▪ First aid</li> <li>▪ Firefighting</li> <li>▪ Human rights</li> <li>▪ POSH</li> <li>▪ Code of conduct</li> <li>▪ Work permit system</li> <li>▪ Environmental awareness</li> </ul>	89%

From time to time, open house sessions with employees are held where the Managing Director & CEO (MD & CEO) provides business updates, challenges and other company developments, new environmental and social initiatives, and so on. These sessions see strong participation of employees in person or through video/ audio conference calls. In addition to these engagements, the plant and functional leadership teams hosted several sessions in smaller groups to reiterate various principles, values and policies across levels throughout the reporting year.

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):**

The Company periodically analyses regulatory compliance risks for its business and takes necessary actions to mitigate them. An online tool, 'Kavach' administered by the company's Compliance Officer, maps compliance with statutory requirements for business activity.

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement			Nil		
Compounding fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment				
Punishment			Nil	

3. **Of the instances disclosed in Question 2 above, details of the appeal/ revision preferred in cases where monetary or non-monetary action has been appealed:** Not applicable
4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:**

The policy related to the prevention of bribery and corruption is embedded in the Company's Code of Conduct for employees, Directors and senior management. It is also a part of the Whistle Blower Policy and other HR policies and practices.

The required steps to ensure easy and objective reporting of incidents are outlined in the Whistle Blower policy. All complaints received from whistle-blowers are placed before the Audit Committee every quarter and a summary of Audit committee discussions are updated to the Board.

The Company ensures employees are aware of and understand the Whistle Blower mechanism and Code of Conduct to ensure effective implementation. The relevant policies can be accessed at <https://hil.in/investor-relations/policies/>

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2022-23	FY 2021-22
Directors		
KMPs		
Employees	Nil	Nil
Workers		

## 6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of conflict of interest of the KMPs				

## 7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest: Not Applicable

### Leadership Indicators:

#### 1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
10 Unique Programmes (Conducted at multiple locations with different periodicity)	<p>Awareness programmes for channel partners, influencers and customers to improve:</p> <ul style="list-style-type: none"> <li>▪ Product knowledge</li> <li>▪ Construction practices/learnings from a technical standpoint</li> <li>▪ Cost saving measures</li> <li>▪ Knowledge about value-added services provided by the technical team</li> <li>▪ Technical training sessions at Plants</li> <li>▪ Health programmes for value chain partners and their family members.</li> </ul>	55%

#### 2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same:

Yes, every Director of the Company discloses his/her concern or interest in the Company or companies or bodies corporate or firms or other association of individuals and any change therein, annually or upon any change, which also includes the shareholding. Further, a declaration is also taken annually from the Directors under the Code of Conduct confirming that they will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and their role therein. The Senior Management also affirms annually that they have not entered into any material, financial and commercial transactions, which may have a potential conflict with the interest of the Company at large.

In the meetings of the Board, the Directors abstain from participating in the items in which they are concerned or interested. For identifying and tracking conflict of interests involving the Directors / KMPs of the Company, the Corporate Secretarial team maintains a database of the Directors and the entities in which they are interested. This list is shared with the finance department which flags off the parties in their system for monitoring and tracking transaction(s) entered by the Company with such parties.

**PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE:**

**Essential Indicators:**

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	60%	60%	Non-asbestos fibre cement corrugated roofing sheet (Charminar Fortune) received GreenPro certification
Capex	72%	37%	

- Does the entity have procedures in place for sustainable sourcing? (Yes/No): Yes
  - If yes, what percentage of inputs were sourced sustainably?

The company's robust sourcing practices balance cost-effective procurement of quality and responsible products with opportunities to promote societal development across the manufacturing life cycle.

HIL builds mutually beneficial relationships with vendors and guides them on process and system improvements. The Company aims to use sustainable transportation systems that are fuel-efficient, have lower emissions and are less polluting. Sourcing from local / nearby areas also reduces the carbon footprint associated with the transportation of input materials. The Company sources fibre and cement in bulk-size vessels and uses waste/by-products from other industries as input materials. HIL purchases energy-efficient office supplies and uses managed services for printers. 100% of our critical raw materials are sourced sustainably.

HIL intends to introduce an e-procurement tool that will be connected with its Enterprise Resource Planning tool to make the process more reliable and transparent. This will result in improved vendor communication and a significant reduction in paperwork and associated travel, lowering the carbon footprint and saving cost.

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:

When the Company's products reach the end of their life, they are converted into Construction and Demolition waste. As a result, the safe recovery of items for reuse, recycling, and disposal at the end of their life does not fall within the Company's responsibility.

HIL is in the process of getting registered as a Brand Owner under Plastic Waste Management Rules. It is also preparing targets and measures to safely reclaim the packaging material of its products.

- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes. HIL has received EPR registration as an Importer. The registration as a brand owner is under process.

**Leadership Indicators:**

- Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of the Product/ Service	% of total turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
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HIL has not conducted LCA for any of its key products during the financial year 2022-23

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same: Not applicable

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry):

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Dry Waste Recycling- Identified defective products are ground and reused in the process	1.5*	1.5*

\*HIL's boards, sheets, pipes and fittings manufacturing plants use input material recovered from Dry Waste Recycling.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23			FY 2021-22		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging)	HIL is in the process of getting registered as a Brand Owner under the Plastic Waste Rule. The Company is setting targets and measures to reclaim the packaging material of its products safely.					
E-waste	Not applicable					
Hazardous waste	The Company's products are used for construction by the end consumer. The hazardous component in HIL products is very low. At the end of life, the consumer hand over the product to relevant vendors in line with regulations.					
Other waste	Not applicable					

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Refer to question number 3 of the essential indicators for information	

**PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS:**

**Essential Indicators:**

1. a. Details of measures for the well-being of the employees:

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>Permanent Employees</b>											
Male	1037	1037	100%	1037	100%	0	0%	1037	100%	0	0%
Female	49	49	100%	49	100%	49	100%	0	0%	0	0%
Total	1086	1086	100%	1086	100%	49	5%	1037	95%	0	0%
<b>Other than Permanent Employees</b>											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>Permanent Workers</b>											
Male	656	656	100%	656	100%	0	0%	656	100%	0	0%
Female	3	3	100%	3	100%	3	100%	0	0%	0	0%
Total	659	659	100%	659	100%	3	0.5%	656	99.5%	0	0%
<b>Other than Permanent Workers</b>											
Male	4467	4467	100%	4467	100%	0	0%	4467	100%	0	0%
Female	30	30	100%	30	100%	30	100%	0	0%	0	0%
Total	4497	4497	100%	4497	100%	30	0.67%	4467	99.33%	0	0%

Note: The health insurance, accident insurance, maternity and paternity benefits are provided to workers under ESI

2. Details of retirement benefits, for current and previous financial year:

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	11%	72%	Yes	11%	100%	Yes
Others – please specify	Not applicable					

Note: Only permanent employees and permanent workers have been considered

3. Accessibility of workplaces are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:

Currently, HIL assists differently abled visitors to access its premises or offices comfortably. The Company is evaluating the right measures to make its office premises accessible for differently abled employees and workers and will implement the necessary measures in due course of time.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy:

Yes, HIL's recruitment and referral policies specifically mention people with disabilities having an equal right to employment at the Company. The Company's HR policies are available on the internal portal.

5. Return to work and retention rates of permanent employees and workers that took parental leave:

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	84.4%	100%	100%
Female	100%	50%	100%	100%
<b>Total</b>	<b>100%</b>	<b>82%</b>	<b>100%</b>	<b>100%</b>

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	A grievance committee has been constituted to address the grievances of the permanent workers. Registers are kept in all the factories to receive complaints.
Other than Permanent Workers	Grievance boxes are kept in the plant locations to receive grievances from contract workers. Once in a month, the plant's leadership team discusses all the grievances received and suitable actions are taken.
Permanent Employees	HIL has an online portal for grievance management for permanent employees
Other than Permanent Employees	Not applicable

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>	1086	0	0%	990	0	0%
-Male	1037	0	0%	929	0	0%
-Female	49	0	0%	61	0	0%
<b>Total Permanent Workers</b>	659	278	42.2%	621	280	45%
-Male	656	278	42.4%	621	280	45.1%
-Female	3	0	0%	0	0	0%

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Permanent Employees</b>										
Male	1037	1037	100%	916	88.3%	929	929	100%	721	77.6%
Female	49	49	100%	48	98%	61	61	100%	57	93.4%
Total	1086	1086	100%	964	88.8%	990	990	100%	778	78.6%
<b>Permanent Workers</b>										
Male	656	656	100%	656	100%	621	621	100%	621	100%
Female	3	3	100%	3	100%	0	0	0%	0	0%
Total	659	659	100%	659	100%	621	621	100%	621	100%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Permanent Employees</b>						
Male	1037	803	77.4%	929	882	95%
Female	49	48	98%	61	56	92%
Total	1086	851	78.4%	990	938	95%
<b>Permanent Workers</b>						
Male	656	656	100%	621	621	100%
Female	3	3	100%	0	0	0%
Total	659	659	100%	621	621	100%

**10. Health and safety management system:**

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the Company places the highest importance on health and safety of its employees and workers. It closely monitors the Environment and Occupational Health and Safety of operations and people and ensures all applicable practices are followed. HIL's health and management system complies with global and national standards and applies to 100% of its employees and workers.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Hazard Identification and Risk Assessment (HIRA) is an important measure adopted by HIL to ensure workplace safety and minimise potential risks to workers.

The Company determines hazards through a structured process as outlined below:

- **Identify hazards:** Accident reports are reviewed, the workplace inspected and interviews are conducted with workers to identify potential hazards. These include anything that could cause harm to workers, such as electrical, chemical or physical hazards.
- **Assess risks:** Once identified, the level of risk associated with each hazard is assessed. This involves determining the likelihood of an incident occurring and the severity of the potential harm using a 5X5 risk matrix.
- **Determine controls:** Thereafter, the controls that can be implemented to minimise or eliminate the risks are determined. This can include engineering controls (such as installing guardrails), administrative controls (such as establishing safe work procedures) or personal protective equipment (PPE) (such as providing workers with respirators).

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes. Employees are encouraged to communicate ways to improve safety protocol. They drop written ideas into a suggestion box. These are then reviewed by the head of the plant and acted upon, depending on the severity of the incident.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, a focus on employee health begins at the start of the employment process with a pre-employment medical check-up and continues during the employment and post-employment phases. During periodic medical examinations, tailor-made health education and counselling sessions are conducted for employees. HIL has established a system for the medical surveillance of employees' overall health, covering both occupational and non – occupational diseases.

**Non-occupational diseases:** The first step in the process is early diagnosis, followed by treatment. Next, steps are taken to prevent the onset of complications and untimely demise. The Company's interventions have minimised morbidity and mortality rates. The final step in this process is administering health education to reiterate the importance of healthy practices and ergonomics.

**11. Details of safety related incidents, in the following format:**

Safety Incident/ Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.49	0.90
Total recordable work-related injuries	Employees	0	0
	Workers	4	5
No. of fatalities	Employees	0	0
	Workers	0	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace:**

Ensuring a safe and healthy workplace is critical to the success of any organisation. To achieve this goal, we typically take diverse measures, including:

- **Safety and health programme:** A formal programme has been established that outlines the responsibilities of management and employees for maintaining a safe work environment. It includes policies and procedures for hazard identification, risk assessment, and control measures, as well as training and education for employees.
- **Conducting regular risk assessments:** Regular risk assessments are conducted to identify potential hazards in the workplace, evaluate the associated risks, and implement control measures to mitigate those risks.
- **Providing personal protective equipment (PPE):** Depending on the nature of the work being done, employees are provided with PPE, such as hard hats, safety goggles, respirators, gloves and safety shoes, to protect them from potential hazards.
- **Implementing engineering controls:** Based on the risk score, engineering controls, such as ventilation systems, guardrails, machine guards and interlocks are implemented to eliminate or reduce exposure to hazards.
- **Providing training and education:** Training and education are provided to employees on safe work practices, hazard recognition, and the proper use of PPE and equipment.
- **Incident reporting system:** A robust incident reporting system has been established to ensure that all incidents, including near misses, are reported and investigated and that corrective actions are taken to prevent similar incidents from occurring in the future.
- **Conducting regular inspections:** Regular inspections of the workplace are conducted to identify potential hazards, evaluate the effectiveness of control measures and ensure compliance with relevant regulations and standards.

**13. Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions						
Health & Safety		Nil			Nil	

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

**15. Provide details of any corrective action taken or underway to address safety related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions:**

Artificial intelligence (AI) cameras have been placed in danger zones of the machines to prevent high-severity injuries to the workers. If any person enters the designated danger zones, the AI camera detects the human presence and immediately triggers an alarm to the concerned operator to shut off the moving parts of the machine.

Management of change procedure (MOC) has been deployed to capture any process-related changes by conducting hazard identification and risk assessments to determine the potential impacts of the changes on humans and property. Hazard identification and risk assessments are ongoing processes. The risk register is kept up to date and helps to mitigate risks.

**Leadership Indicators:**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of:**

Employees: Yes

Workers: Yes

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners:**

Contracts executed by the Company with the value chain partners have 'Standard Terms and Conditions' including, but not limited to payment of 'Taxes & Duties,' 'Compliance with Laws,' 'Compliance with Statutory Obligations,' 'Indemnification,' 'Audit Provisions' and more which binds the value chain partners to ensure payment of statutory dues. These contractual obligations are reviewed regularly to ensure that the payment of statutory dues, such as PF, Gratuity, Insurance, Taxes and so on, are made and complied with by the value chain partners.

**3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Indicate input material	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	Nil		Nil	
Workers	Nil		Nil	

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

There are no specific structured programmes in place for providing transition assistance.

**5. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Most of our tier I suppliers are big conglomerates having sustainable procurement policy which we are also part of.
Working Conditions	

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners:**

Significant risks/concerns if any related to health and safety practices and working conditions are evaluated during the assessment. No such risk/concern recorded during FY 2022-23.

**PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS**

**Essential Indicators:**

**1. Describe the processes for identifying key stakeholder groups of the entity:**

HIL's belief in maintaining the highest standards of transparency, accountability and ethical behaviour across all operational aspects, is reflected in its communications with stakeholders. In FY 2020-21, HIL identified its key stakeholder groups based on below criteria:

- The impact that stakeholders have on the value the company creates
- The impact of its business on stakeholders

2. List stakeholder groups identified as key for the entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, Website), others	Frequency of engagement (Annually/ Half yearly/ Quarterly/ Others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders and Investors	No	Annual General Meetings, other shareholder meetings, email communications, Stock Exchange (SE) intimations, investor /analysts meet / conference calls, Annual Reports, quarterly results, media releases, Company / SE website	Ongoing	Governance and financial performance, Share price appreciation, dividends, profitability and financial stability, robust ESG practices, climate change risks, cyber risks, growth prospects.
Employees	No	Senior leaders' communication / talk / forum, town hall briefing, goal setting and performance appraisal meetings/ review, exit interviews, arbitration / union meetings, wellness initiatives, engagement survey, email, intranet, flat screens, websites, poster campaigns, house magazines, confluence, circulars, quarterly, Human Resources portal	Ongoing	Responsible Care (RC), innovation, Operational efficiencies, improvement areas, long-term strategy plans, training and awareness, responsible marketing, brand communication, health, safety and engagement initiatives
Customers	No	Website, distributor/ retailer / direct customer / achievers' meets, customer meets / visits, customer plant visits, key account management, workshops, focus group discussion, trade body membership, complaints, management, helpdesk, conferences, joint BD plans, information on packaging, customer surveys, Products displays, Marketing and branding, Exhibitions, Social media and related activities	Ongoing	Product quality and availability, responsiveness to needs, aftersales service, responsible guidelines / manufacturing, climate change
Suppliers/ Partners	No	Prequalification / vetting, communication and partnership meets, plant visits, MoU and framework agreements, trade association meets/seminars, professional networks, contract management / review, product workshops / on site presentations and satisfaction surveys etc	Ongoing	Quality, timely delivery and payments, ESG consideration (sustainability, safety checks, compliances, ethical behaviour), ISO standards, collaboration and digitalisation opportunities.

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, Website), others	Frequency of engagement (Annually/ Half yearly/ Quarterly/ Others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and Regulatory Authorities	No	Working with local / state / national government and ministries, seminars, media releases, conferences, membership in local enterprise partnership and industry bodies	Ongoing	Strong ESG practices (climate change roadmap, frameworks for sustainability and beyond compliance and RC, changes in regulatory frameworks, skill and capacity building, employment, environmental measures), policy advocacy, timely contribution to exchequer/ local infrastructure, proactive engagement
Local Communities	Yes	Meets (of community / local authority and town council / committee / location head / SWOT council), community visits and projects, partnership with local charities, volunteerism, seminars / conferences Focussed Group Discussions with Communities / local authorities / location heads, community visits and projects, partnership with NGOs, volunteerism.	Ongoing	Responsible care, waste management, integrated water management, clean water, climate change impacts, community development, self-sustainability, livelihood support, disaster relief, support of the United Nations Sustainable Development Goals (UN SDGs) building capacity of future leaders, digital ecosystem development and Environmental preservation

**Leadership Indicators:**

**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board:**

The Company's management regularly interacts with its key stakeholders such as investors, customers, suppliers, employees and so on. The relevant feedback from such consultations is provided to the Board, wherever applicable.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity:**

Yes, through materiality study, the Company engages with its stakeholders in terms of identifying and prioritising the issues pertaining to economic, environmental and social topics. HIL works towards meeting the concerns raised by stakeholders by ensuring product quality/safety, developing environment-friendly products (non-asbestos sheets), training employees, making transparent disclosures and improving the energy efficiency of its manufacturing plants.

**3. Provide details of instances of engagement with and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups:**

The Company follows an integrated development approach which specifically targets the disadvantaged, vulnerable and marginalised stakeholders. Engagement with local communities, including vulnerable/marginalised stakeholder groups, helps the Company identify their concerns and address them through various CSR activities related to rural development projects, improving educational infrastructure, promotion of sanitation and improving access to safe drinking water, setting up homes and hostels for women and orphans, and so on.

**PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS**
**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	1086	359	33%	990	166	17%
Other than permanent	0	0	0%	0	0	0%
<b>Total Employees</b>	<b>1086</b>	<b>359</b>	<b>33%</b>	<b>990</b>	<b>166</b>	<b>17%</b>
<b>Workers</b>						
Permanent	659	63	10%	621	51	8.2%
Other than permanent	4497	208	4.6%	3633	208	5.7%
<b>Total Workers</b>	<b>5156</b>	<b>271</b>	<b>5.2%</b>	<b>4254</b>	<b>259</b>	<b>6.1%</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>										
Male	1037	0	0%	1037	100%	929	0	0%	929	100%
Female	49	0	0%	49	100%	61	0	0%	61	100%
<b>Other than Permanent</b>										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
<b>Workers</b>										
<b>Permanent</b>										
Male	656	0	0%	656	100%	621	0	0%	621	100%
Female	3	0	0%	3	100%	0	0	0%	0	0%
<b>Other than Permanent</b>										
Male	4467	4467	100%	0	0%	3597	3597	100%	0	0%
Female	30	30	100%	0	0%	36	36	100%	0	0%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (Amount in Lakhs)	Number	Median remuneration/ salary/ wages of respective category (Amount in Lakhs)
Board of Directors (BoD)	6	Please refer Annexure VI of Directors' Report for FY23	1	Please refer Annexure VI of Directors' Report for FY23
Key Managerial Personnel*	2		0	
Employees other than BoD and KMP	1036	10.57	49	11.67
Workers (Permanent)	707	4.16	3	2.49

\*Excluding Managing Director & CEO

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No):**

Yes, the Chief Human Resource Officer (CHRO) is the nodal authority responsible for addressing any human rights impacts or issues caused or contributed to by the business.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues:**

A dedicated email id is available to send any grievances related to human rights so that they can be investigated for its redressal. Once an email is received, a cross-functional team consisting of CHRO, Legal Head & Internal Audit Head, investigates the grievance and takes necessary action.

**6. Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human Rights related issues	0	0	NA	0	0	NA

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:**

- a. As part of Whistle Blower Policy and POSH policy, the Company has a section mentioned on the protection of identity of the complainant. All such matters are dealt in strict confidence.
- b. Also, as part of our Code of Conduct, the Company does not tolerate any form of retaliation against anyone reporting legitimate concerns. Anyone involved in targeting such a person will be subject to disciplinary action.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes. All our business agreements and contracts have clauses on human rights compliance.

**9. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others - please specify	100%

**10. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 9 above:**

There were no risks / concerns arising from the above assessments.

**Leadership Indicators**

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints:**

There have been no such instances where a business process has been modified / introduced as a result of addressing human rights grievances/complaints.

2. Details of the scope and coverage of any human rights due-diligence conducted:

The Company has not conducted a human rights due-diligence.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The Company assists differently abled visitors to access its premises or offices comfortably. HIL is currently evaluating the right measures to make its office premises accessible to differently abled employees and workers and will implement the same in due course of time.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Human rights clauses are part of all contracts/ agreements with value chain partners. The majority of HIL's Tier I suppliers are large conglomerates that follow a sustainable procurement strategy, which we also follow.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above:

No such significant risks / concerns and hence not applicable.

**PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT**

**Essential Indicators:**

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-2023	FY 2021-2022
Total electricity consumption (A)	2,46,213.45 GJ	2,39,275.35 GJ
Total fuel consumption (B)	4,28,912.69 GJ	4,24,905.77 GJ
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	6,75,126.14 GJ	664,181.12 GJ
Energy intensity per rupee of turnover (GJ/INR Crore)	313.25	336.55
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any: Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilo liters)</b>		
(i) Surface water	0	0
(ii) Groundwater	7,66,845.71	7,62,346.62
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others-Tanker Water	18,963	18,696
<b>Total volume of water withdrawal (in kilo liters) (i + ii + iii + iv + v)</b>	<b>7,85,808.71</b>	<b>7,81,042.62</b>
<b>Total volume of water consumption (in kilo liters)</b>	<b>7,85,808.71</b>	<b>7,81,042.62</b>
<b>Water intensity per rupee of turnover (kL / INR Crore)</b>	<b>364.61</b>	<b>395.77</b>
<b>Water intensity (optional) - the relevant metric may be selected by the entity</b>	<b>-</b>	<b>-</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:

HIL has not implemented a mechanism for Zero Liquid Discharge.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx			
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others-please specify			

HIL complies with the regulations for SOx and NOx emissions. The emissions are well under the limit.

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, however annual audits are conducted by Pollution Control Board and accordingly compliance reports are provided.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	Metric tonnes of CO2 equivalent	21,109.07	18,990.77
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	Metric tonnes of CO2 equivalent	48,199.01	46,820.84
Total Scope 1 and Scope 2 emissions per rupee of Turnover (tCO2e/INR Crores)		32.16	33.34
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity		NA	NA

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details:

HIL is generating electricity from rooftop solar panels, at the Chennai and Faridabad Plants, reducing dependency on grid electricity and reducing GHG emissions.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	0.00	0.00
E-waste (B)	0.00	0.00
Bio-medical waste (C)	0.02	0.02
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	1.34	0.00
Radioactive waste (F)	0.00	0.00
Other Hazardous waste (G)	12,996.39	11,835.19
Other Non-hazardous waste generated (H)	15,722.57	1,87,031.56
Total (A+B + C + D + E + F + G + H)	28,720.32	1,98,866.77
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	0.00	0.00
(ii) Re-used	5,743.02	5,877.46
(iii) Other recovery operations	98.86	83.12
	(Some hazardous waste is sent to PCB- authorised vendors. Waste batteries are covered under buy-back agreements.)	(Some hazardous waste is sent to PCB- authorised vendors. Waste batteries are covered under buy-back agreements.)
Total	5,841.88	5,960.58
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	0.02	0.02
(ii) Landfilling	17,119.82	9,648.29
	(for filling low-lying areas)	(for filling low-lying areas)
(iii) Other disposal operations	2,05,560.42	1,83,035.34
Total	2,22,680.26	1,92,683.65

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by the company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes:

Hazardous waste generated across HIL's operations is sent to authorised vendors for safe disposal. Non-hazardous waste is sold to authorised dealers for further processing. Small scrap items are sold to local vendors. All discarded or defective products, including pipes, boards, panels and sheets, are ground to convert into Dry Waste Recycle (DWR) wherever applicable and used again as input material in the manufacturing process.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S.No.	Location of operations/ office	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
			Nil

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: Yes

S.No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines/ penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not applicable				

Leadership Indicators:

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>From renewable sources</b>		
Total electricity consumption (A)	1,824.10 GJ	1,873.91 GJ
Total fuel consumption (B)	2,01,351.86 GJ	2,16,361.44 GJ
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	2,03,175.96 GJ	2,18,235.35 GJ
<b>From non-renewable sources</b>		
Total electricity consumption (D)	2,44,389.34 GJ	2,37,401.44 GJ
Total fuel consumption (E)	2,27,560.83 GJ	2,08,544.33 GJ
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	4,71,950.17 GJ	4,45,945.77 GJ

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
<b>Water discharge by destination and level of treatment (in kilo liters)</b>		
(i) To Surface water		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(ii) To Ground water		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(iii) To Sea water		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(iv) Sent to third-parties (Common Effluent Treatment Plant)		
- No treatment	10,339.50	7,900.50
- With treatment - please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
<b>Total water discharged (in kilo liters)</b>	<b>10,339.50</b>	<b>7,900.50</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

### 3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area:
- (ii) Nature of operations:
- (iii) Water withdrawal, consumption and discharge in the following format:

None of HIL's facilities are in areas that fall under the critical or over-exploited categories as per Central Ground Water Authority (CGWA).

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilo liters)</b>		
(i) Surface water		
(ii) Ground water		
(iii) Third party water		
(iv) Sea water / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilo liters)		Not applicable
Total volume of water consumption (in kilo liters)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
<b>Water discharge by destination and level of treatment (in kilo liters)</b>		
<b>(i) Into Surface water</b>		
- No treatment		
- With treatment – please specify level of treatment		
<b>(ii) Into Ground water</b>		
- No treatment		Not applicable
- With treatment – please specify level of treatment		
<b>(iii) Into Sea water</b>		
- No treatment		
- With treatment – please specify level of treatment		
<b>(iv) Sent to third-parties</b>		
- No treatment		
- With treatment – please specify level of treatment		
<b>(v) Others</b>		
- No treatment		Not applicable
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilo liters)</b>		

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: Not applicable

### 4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent		
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

HIL have not initiated the Scope 3 inventory process.

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities: Not Applicable
6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S.No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Dry waste recycle	At HIL's boards, pipes, sheets and panels manufacturing plants, discarded/defective products are ground and converted into Dry Waste Recycle (DWR) and reused in production as input material.	Reusing DWR leads to less waste generation.
2.	% asbestos reduction in roofing sheets	In keeping with HIL's growing focus on producing environment-friendly solutions, it developing non-asbestos products and increasing revenues from this stream. A production line has been installed at the Faridabad plant to produce non - asbestos products.	<ul style="list-style-type: none"> <li>Reduced the dependency on imported asbestos fibre.</li> <li>Received GreenPro certification for eco-friendly asbestos-free corrugated roofing sheet (Charminar Fortune) developed by humid cure technology</li> </ul>
3.	Carbon cure of Charminar roofing sheets and panels	HIL has collaborated with Prof. Holmer, University of Sao Paulo, Brazil, to develop accelerated carbonation curing of cementitious products.  The non-asbestos fibre cement boards and autoclaved aerated concrete (AAC) blocks cured by the autoclave method usually take 14 to 35 days. Through this collaboration, HIL aims to accelerate the curing of both products.	Currently, a pilot project is underway. The advantage of accelerated carbonation curing is the possibility of early dispatch of products leading to reduced inventory, improved strength and durability of products, utilisation of industrial CO2 waste and a low carbon footprint.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link:

HIL has an on-site management plan for each facility that covers recognised risks, consequences analysis, frequency of occurrence of accidents, and prioritisation for emergency preparedness response. The plan also includes an emergency command structure, with duties and tasks assigned to each member of the organisation.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Most of the Company's Tier I suppliers are big conglomerates with a sustainable procurement policy which we are also part of. HIL is covered by these policies.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts:

Most of the Company's Tier I suppliers are big conglomerates with a sustainable procurement policy. HIL is covered by these policies.

**PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT**
**Essential Indicators:**

1. a. Number of affiliations with trade and industry chambers/ associations: 10
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:

S.No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	The Fibre Cement Product Manufacturer's Association (FCPMA)	National
2.	Confederation of Indian Industry (CII)	National
3.	The Federation of Telangana Chambers of Commerce and Industry (FTCCI)	State
4.	Faridabad Industries Association	State
5.	Balasore Chamber of Industries	State
6.	Haryana Environmental Management	State
7.	CRISIL Limited	National
8.	(Green Rating for Integrated Habitat Assessment (GRIHA)	National
9.	Indian Green Building Council (IGBC)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities:

Name of authority	Brief of the case	Corrective action taken
Nil		

**Leadership Indicators:**

1. Details of public policy positions advocated by the entity:

S.No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of review by Board (Annually/ Half yearly/ Quarterly / Others - please specify)	Web Link, if available
Nil					

The Company's advocacy efforts are largely routed through collective forums like various industry bodies, associations and committees, of which it is a member. HIL participates actively in policy formulation and discussions related to environmental protection, regulatory frameworks, pollution control measures, extended producer responsibility (EPR) and so on. Through these forums, HIL also contributes to decisions regarding appropriate processes for reuse of municipal waste, collective bargaining of workers wages and facilities and so on, as agreed upon by various stakeholders.

**PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**
**Essential Indicators:**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the entity, in the following format:

S.No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community:

HIL has a systematic mechanism for receiving, investigating, responding to complaints or grievances received from affected communities in a timely, fair and consistent manner. Grievances can be expressed verbally or written in local languages. The Company has a dedicated email id, cs@hil.in, through which the grievances can be lodged.

When a grievance is received, the matter is examined/investigated by Company officials, and the complaint is promptly responded to. Grievances are escalated to the senior management if deemed necessary.

HIL believes that community grievance processes should be based on dialogue where a resolution can be found together with the complainant. Remedial action is taken on a case-to-case basis keeping in mind the specific issues and related facts of the matter.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	13%	11%
Sourced directly from within the district and neighboring districts	9%	8%

**Leadership Indicators:**

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by the entity in designated aspirational districts as identified by government bodies:

S.No.	State	Aspirational District	Amount Spent (In INR)
There are no designated aspirational districts in the area of operations of the Company.			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No): No

(b) From which marginalized /vulnerable groups do you procure? Not applicable

(c) What percentage of total procurement (by value) does it constitute? Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by the entity (in the current financial year), based on traditional knowledge:

S.No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Nil				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:

Name of authority	Brief of the Case	Corrective action taken
Nil		

6. Details of beneficiaries of CSR Projects:

S.No.	CSR Project	No. of Persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Eradicating hunger, poverty and malnutrition, promoting healthcare, including preventive health care and contributing to the Swachh Bharat Kosh set up by the Central Government to promote sanitation and make safe drinking water available	General public at large	100%
2.	Promoting education, including special education and employment enhancing vocation skills, especially among children, women, elderly and the differently abled and livelihood enhancement projects	>1000	100%
3.	Promoting gender equality, empowering women	General public at large	100%
4.	Enhancing livelihoods of smallholder farmers through (i) building the capacities and supporting them to collectively address the issues related to agriculture production systems; and (ii) developing agri-value chains that are sustainable and conducive for end markets looking for sustainable sourcing	10,000 smallholder farmers	100%
5.	Building a centre for Learning, Excellence and Development (LED) to empower local villagers in a phased manner by providing training and suitable livelihood opportunities	General public at large	100%
6.	Rural development projects	General public at large	100%

**PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER**

**Essential Indicators:**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:

HIL's customer engagement strategy would be incomplete without an understanding of their opinions and satisfaction with its different offerings. The Company is the first in the building materials industry to come up with an exclusive customer service cell to address all customer concerns. The cell monitors customer complaints centrally as a single point of contact for the customer and sales team and ensures an independent and unbiased approach to resolving issues. HIL customer service officers are available in all the major cities of India and provide prompt responses to customer queries. These engagements help get feedback on customer satisfaction with HIL solutions and their emerging needs. Regular customer engagements also secure information on the need for improvement and support in designing remedial actions. Surveys are conducted to assess the Company's loyalty programmes, with a dual focus on scouting for opportunities for improved engagement and identifying customer needs. Such customer engagements have helped HIL develop new products and address emerging market trends successfully.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	0%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy						
Advertising						
Cyber-security						
Delivery of essential services			Nil			
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

	Number	Reason for recall
Voluntary recall		
Forced recall		Nil

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy:

Yes, the policies related to cyber security are available on the HRMS portal and accessible to all employees. Awareness sessions are conducted for all employees twice a year. A phishing simulation exercise is conducted once a year.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on Safety of products / services: Not Applicable

**Leadership Indicators:**

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available):

Details on products and services of the company can be accessed on:

- Roofing solutions: Charminar – Roofing solutions, Building and Cladding material manufacturer (hil.in)
- Walling solutions: Birla Aerocon – Roofing solutions, Building and Cladding material manufacturer (hil.in)
- Polymer solutions-Pipe: Birla HIL Pipes – Roofing solutions, Building and Cladding material manufacturer
- Polymer solution-Putty: Birla HIL Putty – Roofing solutions, Building and Cladding material manufacturer
- Flooring solutions: Parador | Roofing solutions, Building and Cladding material manufacturer (hil.in)
- Engineering solutions: Engineering Division – Roofing solutions, Building and Cladding material manufacturer (hil.in)

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services:

None of HIL's products pose safety hazards. Therefore, the requirement to inform and educate consumers about the safe and responsible usage of products is not applicable.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:

HIL proactively shares information about any potential disruptions or discontinuations of essential services with its customers via email, text message, social media, or the Company's website.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did the entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

HIL complies with applicable labelling regulations, the requirements of the Bureau of Indian Standards and the Legal Metrology Act.

Yes, HIL's marketing department conducts extensive customer satisfaction surveys leveraging its telemarketing (outbound) facility to connect with customers across the country. The Company also conducts surveys to assess the effectiveness of its loyalty programs and understand areas for improved engagement and identify customer needs.

5. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact: Nil
- b. Percentage of data breaches involving personally identifiable information of customers: Not applicable

On behalf of the Board of Directors

**HIL Limited**

Sd/-

**Akshat Seth**

Managing Director & CEO

(DIN 10039820)

Place: New Delhi

Date: May 15, 2023