

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: L23109MP1972PLC008290
2. Name of the Listed Entity: HEG Limited ('HEG' or 'the Company' or 'We')
3. Year of incorporation: 1972
4. Registered office address: Mandideep, Near Bhopal Dist. Raisen MP- 462046
5. Corporate address: Bhilwara Towers, A-12, Sector-1, Noida – 201301, India
6. E-mail: [heg.brsr@lnjbhilwara.com](mailto:heg.brsr@lnjbhilwara.com)
7. Telephone: +91-120-4390300 (EPABX)
8. Website: [www.hegltd.com](http://www.hegltd.com)
9. Financial year for which reporting is being done: 2025-26
10. Name of the Stock Exchange(s) where shares are listed: 1. BSE Limited 2. National Stock Exchange of India Limited.
11. Paid-up Capital: ₹ 38.60 Crores
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. Manish Gulati, Chief Sustainability Officer & Executive Director  
Tel: 07480-405500, 233524 to 233527, E Mail: [manish.gulati@lnjbhilwara.com](mailto:manish.gulati@lnjbhilwara.com)
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):  
  
The disclosures under this report are made on Standalone Basis.
14. Name of assessment or assurance provider: HEG does not fall within the top 500 listed companies based on average market capitalisation and, therefore, is not mandatorily required to undertake external assessment or assurance for the Business Responsibility and Sustainability Report (BRSR) as per regulatory guidelines. Accordingly, this requirement is currently not applicable.
15. Type of assessment or assurance obtained: Not Applicable.

### II. Products/services

16. 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	Manufacturing of Graphite Electrodes	Manufacturing of Graphite Electrodes	91.26%

17. 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	Manufacturing of Graphite Electrodes	23994	91.26%

### III. Operations

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

Location	Number of plants	Number of offices	Total
National	2	1	3
International	-	-	-

19. Markets served by the entity:

- a. Number of locations

Locations	Number
National (No. of States)	25
International (No. of Countries)	42

- b. What is the contribution of exports as a percentage of the total turnover of the entity?

The overall contribution of the exports to the total turnover is 67.03%.

- c. A brief on types of customers.

HEG serves a diverse and global customer base across multiple industrial sectors. Its comprehensive product portfolio supports a wide range of industries, including iron and steel, metallurgy, refractories, aluminium, chemical, electrochemical, power, cement, and glass.

The Company's clientele primarily comprises leading steel manufacturers operating Electric Arc Furnaces (EAF) in their production processes. Notable clients include Jindal Steel and Power Limited (JSPL), Steel Authority of India Limited (SAIL), ArcelorMittal, Qatar Steel, Emirates Steel, Tata Steel, CELSA Group, Jindal Stainless Limited, and Acerinox Europa.

In addition to the steel sector, HEG supplies specialized, high-quality graphite products to a variety of other industries, offering tailored solutions to meet diverse technical and operational requirements.

### IV. Employees

20. 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)	361	337	93%	24	7%
2.	Other than Permanent (E)	52	51	98%	1	2%
3.	<b>Total employees (D + E)</b>	<b>413</b>	<b>388</b>	<b>94%</b>	<b>25</b>	<b>6%</b>
<b>WORKERS</b>						
4.	Permanent (F)	814	814	100%	-	0%
5.	Other than Permanent (G)*	35	34	97%	1	3%
6.	<b>Total workers (F + G)</b>	<b>849</b>	<b>848</b>	<b>100%</b>	<b>1</b>	<b>0%</b>

\*Excludes job-based workers engaged through contractors for completion of specific assignments/tasks and not employed for a fixed number of working days.

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)	-	-	0%	-	0%
2.	Other than Permanent (E)	-	-	0%	-	0%
3.	<b>Total differently abled employees (D + E)</b>	-	-	<b>0%</b>	-	<b>0%</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	-	-	0%	-	0%
5.	Other than permanent (G)	-	-	0%	-	0%
6.	<b>Total differently abled workers (F + G)</b>	-	-	<b>0%</b>	-	<b>0%</b>

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	2	17%
Key Management Personnel*	5	-	0%

\*Includes 2 Executive Directors which are also included in the Board of Directors.

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2025-26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	14%	13%	14%	8%	15%	8%	13%	12%	13%
<b>Permanent Workers</b>	5%	0%	5%	7%	0%	7%	3%	0%	3%

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

23. (a) 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 ventures	% 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.	TACC Limited	Wholly Owned Subsidiary	100%	No
2.	Bhilwara Infotechnology Limited	Wholly Owned Subsidiary	100%	No
3.	HEG Graphite Limited	Wholly Owned Subsidiary	100%	No
4.	Bhilwara Energy Limited	Associate	45.62%	No

## VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
- (ii) Turnover (in ₹): 2,568.50 Crores
- (iii) Net worth (in ₹): 4,303.17 Crores

## VII. Transparency and Disclosures Compliances

25. 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 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
		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	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes	54	-	-	48	2	Action Taken Reports (ATRs) for the two pending complaints were filed within the prescribed timelines on the SCORES Portal. The complaints were subsequently marked as resolved on the SCORES Portal on 11/04/2025.
Employees and Workers	Yes	-	-	-	-	-	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	(If Yes, then provide web-link for grievance redress policy)*	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
Customers	Yes	30	18	<ul style="list-style-type: none"> <li>- Actions for resolution for all complaints have been initiated in accordance with the Standard Operation Procedure (SOP).</li> <li>- Closure process has been initiated for 4 complaints, as these have been resolved at the customer's end.</li> <li>- The remaining pending complaints are under active resolution and will be closed in due course as per the SOP.</li> </ul>	50	45	<ul style="list-style-type: none"> <li>- Closure is in progress for 11 cases.</li> <li>- Improved material has been supplied and is currently under evaluation at the customer's end; feedback is awaited.</li> <li>- Further dispatches are planned in certain cases based on ongoing assessments and customer coordination.</li> <li>- In a few cases, there has been limited or no response from the customer despite follow-up efforts.</li> </ul>
Value chain partners	Yes	-	-	-	-	-	-
Others (please specify)	-	-	-	-	-	-	-

\*The Company has a well-defined Business Ethics Policy, Anti-Bribery and Anti-Corruption Policy, and a formal Grievance Redressal Policy ([https://hegltd.com/wp-content/uploads/2026/05/Grievance-redressal-policy09\\_04\\_2026.pdf](https://hegltd.com/wp-content/uploads/2026/05/Grievance-redressal-policy09_04_2026.pdf)) for all of its employees and stakeholders to report concerns, complaints, or suspected violations of the Company's Code of Conduct, Supplier's Code of Conduct, or any other applicable Laws. These policies provide structured mechanisms to ensure timely, fair, and transparent resolution of grievances.

In addition to this, the Company also has a separate department namely, "Secretarial Department" to take care of the shareholders' grievances and resolve them appropriately on a timely basis.

There is a specific email ID ([heg.investor@lnjbhilwara.com](mailto:heg.investor@lnjbhilwara.com)) for addressing queries by any Investors and Shareholders. The Secretarial Department is responsible to monitor and resolve the queries and concerns raised through this email ID, taking inputs and resolutions from the relevant departments within the Company.

The Company also has detailed Human Resources (HR) Policies, covering different aspects related to grievance redressal including, but not limited to, Policy on Prevention of Sexual Harassment (POSH) and Whistle Blower Policy, to safeguard the interest of the employees and workers (including females), in alignment with the overarching Grievance Redressal framework.

26. 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.	Climate Change and Emission Management	Risk and Opportunity	Climate change poses significant physical and transition risks, including extreme weather events, regulatory changes, and rising carbon costs, which may impact operations and increase compliance costs. At the same time, the transition towards a low-carbon economy presents opportunities for the Company through adoption of renewable energy, cleaner fuels, energy-efficient technologies, and sustainable operations, which can enhance operational efficiency, reduce long-term energy costs, strengthen regulatory preparedness, improve stakeholder confidence, and support sustainable business growth.	The Company is advancing its decarbonization strategy through multiple initiatives, including: <ul style="list-style-type: none"> <li>- Evaluation of hydrogen blending with natural gas to reduce carbon intensity.</li> <li>- Commissioning of a 2.4 MW solar power plant, in addition to an existing 3 MW Solar Plant.</li> <li>- Adoption of electric vehicles (EVs) for internal and intercity mobility (three EVs deployed).</li> <li>- Deployment of in-plant trucks and battery-operated forklifts, with the objective of reducing diesel consumption.</li> <li>- Planned conversion of furnaces and kilns from furnace oil to natural gas.</li> <li>- Expansion of 15,000 MT capacity powered by natural gas.</li> </ul>	Negative and 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.	Waste Management	Risk and Opportunity	The generation of industrial waste is inherent to manufacturing operations. Inefficient waste handling can result in regulatory non-compliance, environmental liabilities, and reputational damage. Conversely, adopting circular economy practices such as recycling and resource recovery can improve cost efficiency, reduce environmental footprint, and enhance stakeholder confidence.	The Company ensures responsible waste disposal through authorized recyclers and is working towards achieving zero waste to landfill by FY 2030.	Negative and Positive
3.	Air Emissions	Risk	Uncontrolled air emissions can result in environmental degradation, health risks, regulatory non-compliance, and reputational damage.	The Company has implemented a robust monitoring system to ensure the compliance with applicable regulatory standards. Additionally, as part of the 15,000 MT capacity expansion project, advanced air pollution control systems including electrostatic precipitators, scrubbers, and baghouse filters have been installed to effectively control particulate matter and gaseous emissions. These measures are complemented by ongoing maintenance, periodic performance assessments of pollution control equipment, and adherence to prescribed emission norms to ensure sustained environmental compliance and operational efficiency.	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)
4.	Water Management	Risk and Opportunity	Water is a critical resource for industrial operations. Unsustainable withdrawal and inadequate wastewater treatment can lead to regulatory challenges, operational disruptions, and adverse environmental impacts. At the same time, efficient water management practices present opportunities for cost savings, improved resource security, and enhanced sustainability performance.	<p>The Company follows a structured water management approach guided by its Water Resource Management and Wastewater Management policies. Key initiatives include:</p> <ul style="list-style-type: none"> <li>- Operation of fully functional Effluent Treatment Plants (ETPs).</li> <li>- Upgradation of Sewage Treatment Plants (STPs).</li> <li>- Recycling and reuse of treated wastewater for non-potable purposes.</li> </ul> <p>These measures enable the Company to achieve Zero Liquid Discharge (ZLD) as certified by Madhya Pradesh Pollution Control Board (MPPCB) vide letter reference 1102/ क्षेका / प्रनिबो / 2026, and reduce freshwater dependency.</p>	Negative and Positive
5.	Biodiversity	Opportunity	<p>Biodiversity conservation initiatives strengthen environmental stewardship, regulatory compliance, and stakeholder relationships.</p> <p>The Company supports biodiversity protection initiatives to enhance its social license to operate and align with global sustainability goals.</p>	NA	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)
6.	Energy Management	Risk and Opportunity	Energy consumption constitutes a significant portion of operational costs in graphite manufacturing. Inefficient energy use can increase cost pressures and emissions, posing financial and regulatory risks. Conversely, energy optimization and adoption of cleaner energy sources can enhance cost competitiveness, reduce carbon footprint, and improve resilience to energy price volatility.	The Company has established a comprehensive energy management framework that includes: <ul style="list-style-type: none"> <li>- Continuous monitoring and optimization of energy consumption.</li> <li>- Adoption of energy-efficient technologies.</li> <li>- Development of a long-term renewable energy roadmap.</li> <li>- Promotion of energy conservation practices.</li> </ul>	Negative and Positive
7.	Human Capital Development	Opportunity	The Company's growth and operational efficiency depend on a skilled and adaptable workforce. Investing in employee development, training, and capability building enables innovation, enhances productivity, and supports long-term competitiveness in a technically specialized industry.	NA	Positive
8.	Employee/ Worker Health & Safety	Risk	Manufacturing operations involve inherent occupational hazards that may lead to accidents, injuries, or health impacts if not effectively managed. Failure to maintain robust safety standards can result in legal liabilities, operational disruptions, and reputational damage.	The Company prioritizes employee well-being through: <ul style="list-style-type: none"> <li>- Compliance with the Factories Act, 1948.</li> <li>- Implementation of ISO 45001:2018 Occupational Health and Safety Management System.</li> <li>- Robust risk identification, mitigation, and safety monitoring processes.</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)
9.	Corporate Social Responsibility (CSR)	Opportunity	As a responsible corporate entity, the Company recognizes its role in contributing to community development. Effective CSR initiatives foster trust, strengthen community relations, and enhance brand reputation, thereby supporting long-term business sustainability.	NA	Positive
10.	Human Rights	Risk	The Company's operations and value chain may expose it to potential human rights risks, including labor practices and working conditions. Failure to identify and address such risks can lead to regulatory scrutiny, reputational damage, and stakeholder concerns.	The Company has implemented a Human Rights Policy supported by due diligence processes to identify, assess, and mitigate risks across operations.	Negative
11.	Product Stewardship	Risk	The Company's products must meet evolving regulatory, environmental, and customer expectations across their lifecycle. Inadequate product stewardship may lead to non-compliance, customer dissatisfaction, and reputational risks, particularly as sustainability considerations gain prominence in procurement decisions.	The Company integrates sustainability into product design and lifecycle management, supported by: <ul style="list-style-type: none"> <li>- Compliance with environmental standards.</li> <li>- Responsible sourcing practices.</li> <li>- Customer feedback mechanisms through annual satisfaction surveys.</li> <li>- Continuous improvement and training programs.</li> </ul>	Negative
12.	Innovation	Opportunity	In a competitive and evolving industry, innovation is critical to improving product quality, optimizing processes, and addressing sustainability challenges. Continuous innovation enables the Company to remain competitive, meet customer expectations, and capitalize on emerging market opportunities.	NA	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)
13.	Economic Performance	Risk and Opportunity	Sustained financial performance is essential for business continuity and growth. Strong performance enables investment in strategic initiatives, while adverse economic conditions or market volatility can impact profitability, liquidity, and investor confidence, thereby posing both risks and opportunities.	The Company maintains robust financial discipline through prudent cost management, risk frameworks, and transparent reporting practices.	Negative and Positive
14.	Data Privacy and Cyber Security	Risk	Increasing reliance on digital systems exposes the Company to cybersecurity threats and data breaches. Failure to safeguard sensitive information can lead to operational disruptions, financial losses, regulatory penalties, and reputational damage.	The Company has implemented robust data protection frameworks aligned with global standards to safeguard sensitive information and ensure compliance.	Negative
15.	Supply Chain Sustainability	Opportunity	The Company's supply chain plays a critical role in ensuring business continuity and Environmental, Social and Governance (ESG) performance. Integrating sustainability considerations into supplier selection and management enhances resilience, reduces risks, and aligns with stakeholder expectations for responsible sourcing.	NA	Positive

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? * (Yes/No) <i>*Except for certain operational policies, which have been approved by the Executive Director of the Company, rest of the policies have been approved by the Board.</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available <i># Link for Policies</i>									
<b>Policy for Preservation of Documents</b> <a href="https://hegltd.com/wp-content/uploads/2020/07/Preservation-of-documents.pdf">https://hegltd.com/wp-content/uploads/2020/07/Preservation-of-documents.pdf</a>	✓								
<b>Policy on Prevention, Prohibition and Redressal against Sexual Harassment of Women Employees</b> <a href="https://hegltd.com/wp-content/uploads/2022/02/Sexual-Harrassment-Policy_January-2020.pdf">https://hegltd.com/wp-content/uploads/2022/02/Sexual-Harrassment-Policy_January-2020.pdf</a>	✓		✓		✓				
<b>Dividend Distribution Policy</b> <a href="https://hegltd.com/wp-content/uploads/2018/04/Dividend-Distribution-Policy.pdf">https://hegltd.com/wp-content/uploads/2018/04/Dividend-Distribution-Policy.pdf</a>	✓								
<b>Nomination and Remuneration Policy</b> <a href="https://hegltd.com/wp-content/uploads/2022/05/HEG_NRC-Policy_09.02.2022.pdf">https://hegltd.com/wp-content/uploads/2022/05/HEG_NRC-Policy_09.02.2022.pdf</a>	✓		✓						
<b>Archival Policy for Website for the Events/Information Disclosed to Stock Exchanges</b> <a href="https://hegltd.com/wp-content/uploads/2017/04/Archival_Policy_for_Website_for_the_Events_Information_Disclosed_to_SEs.pdf">https://hegltd.com/wp-content/uploads/2017/04/Archival_Policy_for_Website_for_the_Events_Information_Disclosed_to_SEs.pdf</a>	✓								
<b>Policy for Determination of Materiality of Events / Information and Disclosure to Stock Exchanges</b> <a href="https://hegltd.com/wp-content/uploads/2022/05/HEG_Determination-Materiality-of-Events_09.02.2022.pdf">https://hegltd.com/wp-content/uploads/2022/05/HEG_Determination-Materiality-of-Events_09.02.2022.pdf</a>	✓								
<b>Policy for Determining Material Subsidiary</b> <a href="https://hegltd.com/wp-content/uploads/2020/07/Material-subsidiary.pdf">https://hegltd.com/wp-content/uploads/2020/07/Material-subsidiary.pdf</a>	✓								
<b>Whistle Blower Policy</b> <a href="https://hegltd.com/wp-content/uploads/2018/07/Whistle-Blower-Policy-08.05.2018.pdf">https://hegltd.com/wp-content/uploads/2018/07/Whistle-Blower-Policy-08.05.2018.pdf</a>	✓		✓		✓				
<b>Policy on Related Party Transactions</b> <a href="https://hegltd.com/wp-content/uploads/2022/05/HEG_RPT-Policy_09.02.2022.pdf">https://hegltd.com/wp-content/uploads/2022/05/HEG_RPT-Policy_09.02.2022.pdf</a>	✓								
<b>Air Emission Management Policy</b> <a href="https://hegltd.com/wp-content/uploads/2024/08/AIR-EMISSION-MANAGEMENT-POLICY.pdf">https://hegltd.com/wp-content/uploads/2024/08/AIR-EMISSION-MANAGEMENT-POLICY.pdf</a>						✓			

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Water Resource Management Policy</b> <a href="https://hegltd.com/wp-content/uploads/2024/08/WATER-RESOURCE-MANAGEMENT-POLICY.pdf">https://hegltd.com/wp-content/uploads/2024/08/WATER-RESOURCE-MANAGEMENT-POLICY.pdf</a>						✓			
<b>Waste Water Management Policy</b> <a href="https://hegltd.com/wp-content/uploads/2024/08/WASTE-WATER-MANAGEMENT-POLICY.pdf">https://hegltd.com/wp-content/uploads/2024/08/WASTE-WATER-MANAGEMENT-POLICY.pdf</a>						✓			
<b>Waste Management Policy</b> <a href="https://hegltd.com/wp-content/uploads/2024/08/WASTE-MANAGEMENT-POLICY.pdf">https://hegltd.com/wp-content/uploads/2024/08/WASTE-MANAGEMENT-POLICY.pdf</a>						✓			
<b>Waste Disposal Policy</b> <a href="https://hegltd.com/wp-content/uploads/2024/08/WASTE-DISPOSAL-POLICY.pdf">https://hegltd.com/wp-content/uploads/2024/08/WASTE-DISPOSAL-POLICY.pdf</a>						✓			
<b>Quality Policy</b> <a href="https://hegltd.com/wp-content/uploads/2024/08/QUALITY-POLICY.pdf">https://hegltd.com/wp-content/uploads/2024/08/QUALITY-POLICY.pdf</a>		✓							✓
<b>E-Waste Management Policy</b> <a href="https://hegltd.com/wp-content/uploads/2024/08/E-WASTE-MANAGEMENT-POLICY.pdf">https://hegltd.com/wp-content/uploads/2024/08/E-WASTE-MANAGEMENT-POLICY.pdf</a>						✓			
<b>ESG &amp; Sustainability Policy</b> <a href="https://hegltd.com/wp-content/uploads/2024/08/ESG-SUSTAINABILITY-POLICY.pdf">https://hegltd.com/wp-content/uploads/2024/08/ESG-SUSTAINABILITY-POLICY.pdf</a>	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Environment Policy</b> <a href="https://hegltd.com/wp-content/uploads/2024/08/ENVIRONMENT-POLICY.pdf">https://hegltd.com/wp-content/uploads/2024/08/ENVIRONMENT-POLICY.pdf</a>		✓				✓			
<b>Energy Policy</b> <a href="https://hegltd.com/wp-content/uploads/2024/08/ENERGY-POLICY.pdf">https://hegltd.com/wp-content/uploads/2024/08/ENERGY-POLICY.pdf</a>						✓			
<b>Climate Change Policy</b> <a href="https://hegltd.com/wp-content/uploads/2024/08/CLIMATE-CHANGE-POLICY.pdf">https://hegltd.com/wp-content/uploads/2024/08/CLIMATE-CHANGE-POLICY.pdf</a>						✓			
<b>Equal Opportunity Policy</b> <a href="https://hegltd.com/wp-content/uploads/2025/01/Equal-Opportunity-Policy.pdf">https://hegltd.com/wp-content/uploads/2025/01/Equal-Opportunity-Policy.pdf</a>			✓		✓			✓	
<b>Human Trafficking Policy</b> <a href="https://hegltd.com/wp-content/uploads/2025/01/HUMAN-TRAFFICKING-POLICY.pdf">https://hegltd.com/wp-content/uploads/2025/01/HUMAN-TRAFFICKING-POLICY.pdf</a>			✓		✓				
<b>Health &amp; Safety Policy</b> <a href="https://hegltd.com/wp-content/uploads/2025/01/SHE-POLICY.pdf">https://hegltd.com/wp-content/uploads/2025/01/SHE-POLICY.pdf</a>			✓		✓				

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>OMBUDS Policy</b> <a href="https://hegltd.com/wp-content/uploads/2025/01/OMBUDS-POLICY.pdf">https://hegltd.com/wp-content/uploads/2025/01/OMBUDS-POLICY.pdf</a>	✓			✓					
<b>Code of Conduct Policy</b> <a href="https://hegltd.com/wp-content/uploads/2025/01/CODE-OF-CONDUCT.pdf">https://hegltd.com/wp-content/uploads/2025/01/CODE-OF-CONDUCT.pdf</a>	✓		✓		✓				
<b>Business Ethics Policy</b> <a href="https://hegltd.com/wp-content/uploads/2025/01/BUSINESS-ETHICS-POLICY.pdf">https://hegltd.com/wp-content/uploads/2025/01/BUSINESS-ETHICS-POLICY.pdf</a>	✓			✓					
<b>Supplier Code of Conduct Policy</b> <a href="https://hegltd.com/wp-content/uploads/2025/01/SUPPLIER-CODE-OF-CONDUCT.pdf">https://hegltd.com/wp-content/uploads/2025/01/SUPPLIER-CODE-OF-CONDUCT.pdf</a>		✓	✓	✓	✓	✓		✓	
<b>Anti-Bribery and Anti-Corruption Policy</b> <a href="https://hegltd.com/wp-content/uploads/2025/01/ANTI-BRIBERY-AND-ANTI-CORRUPTION-POLICY.pdf">https://hegltd.com/wp-content/uploads/2025/01/ANTI-BRIBERY-AND-ANTI-CORRUPTION-POLICY.pdf</a>	✓								
<b>Business Continuity Policy</b> <a href="https://hegltd.com/wp-content/uploads/2025/01/BUSINESS-CONTINUITY-POLICY.pdf">https://hegltd.com/wp-content/uploads/2025/01/BUSINESS-CONTINUITY-POLICY.pdf</a>						✓			
<b>Human Rights Policy</b> <a href="https://hegltd.com/wp-content/uploads/2025/01/HUMAN-RIGHTS-POLICY.pdf">https://hegltd.com/wp-content/uploads/2025/01/HUMAN-RIGHTS-POLICY.pdf</a>			✓		✓				
<b>Board of Diversity Policy</b> <a href="https://hegltd.com/wp-content/uploads/2025/01/BOARD-DIVERSITY-POLICY.pdf">https://hegltd.com/wp-content/uploads/2025/01/BOARD-DIVERSITY-POLICY.pdf</a>	✓							✓	
<b>Grievance Redressal Policy</b> <a href="https://hegltd.com/wp-content/uploads/2026/05/Grievance-redressal-policy09_04_2026.pdf">https://hegltd.com/wp-content/uploads/2026/05/Grievance-redressal-policy09_04_2026.pdf</a>	✓		✓	✓	✓			✓	✓
<b>CSR Policy</b> <a href="https://hegltd.com/wp-content/uploads/2021/06/amended-csr-policy.pdf">https://hegltd.com/wp-content/uploads/2021/06/amended-csr-policy.pdf</a>	✓			✓		✓		✓	
<b>Code of Conduct for Directors and Senior Management</b> <a href="https://hegltd.com/wp-content/uploads/2017/02/CODE_OF_CONDUCT_HEG_05-02-2015.pdf">https://hegltd.com/wp-content/uploads/2017/02/CODE_OF_CONDUCT_HEG_05-02-2015.pdf</a>	✓								
<b>Information Security Policy</b> <a href="https://hegltd.com/Policies/Group_IT_Policy.pdf">https://hegltd.com/Policies/Group_IT_Policy.pdf</a>	✓								✓
Rest of the Policies are available on Company's Intranet, accessible by all employees of the Company.									
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. The following policies of the Company explicitly extend to certain value chain partners such as suppliers, key business partners, contractors, consultants, and third-party service providers: ESG & Sustainability Policy, Climate Change Policy, Equal Opportunity Policy, Health & Safety Policy, Code of Conduct, Business Ethics Policy, Supplier Code of Conduct, Anti-Bribery and Anti-Corruption Policy, Business Continuity Policy, and Human Rights Policy.								
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 your entity and mapped to each principle.	-	-	-	-	-	-	-	-	-

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.

The Company has identified material ESG topics established measurable commitments, goals, and targets with defined timelines to drive sustainable value creation:

**1. Climate Change & Emission Management**

- Reduce Scope 1 & 2 greenhouse gas emissions intensity (measured per unit of physical output) by 25% by FY 2030, using FY 2023-24 as the baseline.
- Obtaining validation from the Science-Based Target initiative (SBTi).

**2. Waste Management**

- Achieve Zero Waste to Landfill across all manufacturing locations by 2030, with FY 2023-24 as the baseline.

**3. Water Management**

- Maintaining 100% ZLD status across operational sites.

**4. Air Emission**

- Ensure 100% compliance with regulatory air emissions norms annually.

**5. Biodiversity**

- Undertaking annual tree plantation initiatives to enhance biodiversity in and around operational areas.

**6. Energy Management**

- Increase renewable energy share to 25% of total energy consumption by 2030, using FY 2023-24 as the baseline.

**7. Health & Safety**

- Achieving a Zero Harm workplace.
- Ensuring 100% coverage of plant personnel under Environment, Health, and Safety (EHS) training programs annually.

**8. Human Capital Development**

- Increase in training hours per employee by 10% year-on-year.
- Increase the women representation to 10% in non-shop floor/non-production roles by FY 2027-28, using FY 2023-24 as the baseline.
- Conduct annual employee satisfaction surveys to improve workplace engagement.

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**9. CSR**

- Ensuring 100% compliance with statutory CSR obligations annually under the Companies Act, 2013, with a focus on impactful and inclusive development initiatives.

**10. Human Rights**

- Ensure 100% of employees and workers receive training on human rights.

**11. Corporate Governance**

- Maintain Board composition in compliance with Securities and Exchange Board of India (SEBI)'s Listing Obligations and Disclosure Requirements (LODR) Regulations.

**12. Product Stewardship**

- Conducting annual customer satisfaction surveys/ other mechanisms and integrating feedback into product innovation and service enhancement.

**13. Supply Chain Sustainability**

- Assess 100% of key suppliers on ESG parameters, fostering a responsible and sustainable supply chain.

**14. Risk Management**

- Integrate ESG risks into the Enterprise Risk Management (ERM) framework for proactive risk identification and mitigation.

**15. Economic Performance**

- Achieving financial growth and profitability in a responsible and sustainable manner.

**16. Privacy & Data Security**

- Maintain zero instances of information security breaches.

6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.

<b>S. No.</b>	<b>Specific Commitment / Goal / Target</b>	<b>Performance in FY 2025-26</b>
<b>1.</b>	<b>Climate Change &amp; Emission Management</b>	
1(i)	Reduce Scope 1 & 2 GHG emissions intensity (per unit of physical output) by 25% by 2030, using FY 2023-24 as the baseline	GHG emissions intensity reduced by 12% in FY 2025-26 as compared to the FY 2023-24 baseline.
1(ii)	Obtain validation from the Science-Based Target initiative (SBTi)	The Company is in the process of getting its emission reduction targets validated by the SBTi.

S. No.	Specific Commitment / Goal / Target	Performance in FY 2025-26
<b>2. Waste Management</b>		
2	Achieve Zero Waste to Landfill across all manufacturing locations by 2030, using FY 2023-24 as the baseline	Waste directed to landfill reduced by 58% in FY 2025-26 as compared to the FY 2023-24 baseline.
<b>3. Water Management</b>		
3	Maintain 100% Zero Liquid Discharge (ZLD) status across all operational sites	100% ZLD status maintained across all operational sites during FY 2025-26.
<b>4. Air Emissions</b>		
4	Ensure 100% compliance with regulatory air emissions norms annually	100% compliance with applicable regulatory air emission norms achieved across all operational sites during FY 2025-26.
<b>5. Biodiversity</b>		
5	Undertake annual tree plantation initiatives to enhance biodiversity in and around operational areas	1,339 plants planted within plant premises during FY 2025-26 as part of the annual biodiversity enhancement initiative.
<b>6. Energy Management</b>		
6	Increase renewable energy share to 25% of total energy consumption by 2030, using FY 2023-24 as the baseline	The Company has initiated and is actively implementing measures to increase its renewable energy share. It is confident of achieving its 25% renewable energy target by FY 2030.
<b>7. Health &amp; Safety</b>		
7(i)	Achieve a Zero Harm workplace	Zero workplace harm incidents recorded during FY 2025-26.
7(ii)	Ensure 100% coverage of plant personnel under EHS training programs annually	65% of employees and 88% of workers covered under Health & Safety training programmes during FY 2025-26.
<b>8. Human Capital Development</b>		
8(i)	Increase training hours per employee by 10% year-on-year	Training hours per employee increased by 8% in FY 2025-26 over the previous year.
8(ii)	Increase women's representation to 10% in non-shop floor / non-production roles by FY 2027-28, using FY 2023-24 as the baseline	Women constitute 22% of the workforce in non-shop floor / non-production roles as of FY 2025-26, significantly exceeding the 10% target.
8(iii)	Conduct annual employee satisfaction surveys to improve workplace engagement	Annual employee satisfaction survey was conducted during FY 2025-26; findings have been analysed and are being incorporated into employee engagement and workplace improvement initiatives.
<b>9. Corporate Social Responsibility</b>		
9	Ensure 100% compliance with statutory CSR obligations under the Companies Act, 2013, with focus on impactful and inclusive development initiatives	100% compliance with statutory CSR obligations achieved during FY 2025-26; CSR spend directed towards impactful and inclusive development programmes.
<b>10. Human Rights</b>		
10	Ensure 100% of employees and workers receive training on human rights	100% of new employees and workers received human rights training at the time of onboarding; regular refresher training on human rights also provided to existing employees and workers at frequent intervals.

S. No.	Specific Commitment / Goal / Target	Performance in FY 2025-26
<b>11. Corporate Governance</b>		
11	Maintain Board composition in compliance with SEBI's LODR Regulations	Board composition maintained in full compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during FY 2025-26.
<b>12. Product Stewardship</b>		
12	Conduct annual customer satisfaction surveys / other feedback mechanisms and integrate findings into product innovation and service enhancement	Customer satisfaction surveys and other feedback mechanisms were conducted during FY 2025-26; results have been analysed and incorporated into product and service enhancement initiatives.
<b>13. Supply Chain Sustainability</b>		
13	Assess 100% of key suppliers on ESG parameters, fostering a responsible and sustainable supply chain	82.2% of upstream value chain partners assessed on ESG parameters during FY 2025-26.
<b>14. Risk Management</b>		
14	Integrate ESG risks into the Enterprise Risk Management (ERM) framework for proactive risk identification and mitigation	The Company is in the process of formally integrating ESG risks into its Enterprise Risk Management framework and is actively strengthening its ERM to capture, assess, and mitigate ESG-related risks.
<b>15. Economic Performance</b>		
15	Achieve financial growth and profitability in a responsible and sustainable manner	The Company continued to pursue responsible financial growth during FY 2025-26, maintaining a focus on sustainable business practices, operational efficiency, and long-term value creation for all stakeholders.
<b>16. Privacy &amp; Data Security</b>		
16	Maintain zero instances of information security breaches	Zero instances of reportable information security breaches recorded during FY 2025-26.

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## Governance, leadership, and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure).

During FY 2025-26, HEG continued to strengthen its commitment to responsible business conduct and sustainability. The Company faced challenges related to climate change, resource efficiency, governance, and stakeholder expectations, while also making steady progress on its ESG agenda.

On the environmental front, we advanced our renewable energy portfolio by operating a 3 MW solar power plant that generated 24,98,570 kWh of electricity during the year, while also progressing towards commissioning an additional 2.4 MW solar capacity by June 2026. We are evaluating hydrogen blending with natural gas as part of our decarbonization strategy, alongside initiatives such as deploying EVs for internal mobility and expanding natural gas-powered capacity. Our waste management practices were strengthened with the longterm target of achieving zero waste to landfill by FY 2030, and our water management framework sustained ZLD compliance through recycling and reuse of treated wastewater. Advanced air pollution control systems were also installed as part of our expansion project to ensure adherence to prescribed emission norms.

On the social front, we reinforced employee health and safety through compliance with ISO 45001:2018 and robust risk mitigation processes. Workforce development and inclusion initiatives remained integral to building technical capabilities and resilience, while our CSR programs continued to support community development and stakeholder trust.

On the governance front, we maintained strong oversight through Boardapproved policies, transparent disclosures, and adherence to national guidelines on responsible business conduct. Our governance framework emphasizes ethical practices, anti-corruption measures, stakeholder grievance redressal, and compliance with evolving regulatory requirements.

With the current assessment, the Company is in line with the committed targets that need to be achieved.

Looking ahead, our ESG priorities include expanding renewable energy adoption, strengthening biodiversity conservation, enhancing supply chain sustainability, and deepening stakeholder engagement. These efforts are designed to mitigate risks, capture opportunities, and support the Company's long-term growth in alignment with national guidelines and global sustainability standards.

HEG remains committed to transparent governance, ethical conduct, and continuous improvement in ESG performance, thereby reinforcing stakeholder confidence and contributing to sustainable value creation

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).
- Mr. Manish Gulati, Chief Sustainability Officer and Executive Director  
Tel: 07480-405500, 233524 to 233527  
E Mail: [Manish.gulati@lnjbhilwara.com](mailto:Manish.gulati@lnjbhilwara.com)

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.

Yes, the Company has established a Board-level CSR and ESG Committee, chaired by Mr. Ravi Jhunjhunwala, Chairman, Managing Director & CEO. The Committee is entrusted with the responsibility of overseeing and making decisions on sustainability-related matters. It plays a pivotal role in guiding the Company's ESG strategy, aligning it with regulatory expectations and stakeholder interests.

The Committee comprises the following members:

1. Mr. Ravi Jhunjhunwala, Chairman
  2. Mr. Satish Chand Mehta, Member
  3. Dr. Kamal Gupta, Member
  4. Mrs. Vinita Singhanian, Member
  5. Mr. Manish Gulati, Member
-

**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes									Annually
Compliance with statutory requirements of relevance to the principles and, rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes									Annually

**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.**

P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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Yes, the Company has undertaken independent assessments/ evaluation of the working of certain policies, particularly those falling under ISO standards through external evaluations conducted by Bureau Veritas.

**12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									Not Applicable
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## 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
Board of Directors	4	<p><b>Topics:</b> Ethics, Transparency, Accountability, Environment Protection, Governance, Social Responsibility.</p> <p><b>Impact:</b> The Board of Directors oversees the Company's commitment to ethical conduct, transparency and accountability in line with the BRSR framework of the SEBI. The Board ensures that appropriate governance policies and oversight mechanisms are in place to promote responsible business practices and protect stakeholder interests.</p>	100%
Key Managerial Personnel	4	<p><b>Topics:</b> Ethics, Transparency, Accountability, Environment Protection, Governance, Social Responsibility.</p> <p><b>Impact:</b> The Key Managerial Personnel are responsible for implementing the Company's policies and practices relating to ethical conduct, transparency and accountability in line with the BRSR framework . They ensure effective execution of governance processes and responsible business practices across the organisation.</p>	100%
Employees other than BoD and KMPs	1042	<ul style="list-style-type: none"> <li>- Policy for handling Goods &amp; Services and Product Safety</li> <li>- Safety Awareness</li> <li>- Human Rights Policy</li> <li>- Environmental Protection Policy</li> <li>- Public Care and Regulatory Policy</li> <li>- POSH, Code of Conduct &amp; Insider Trading</li> <li>- Business Ethics</li> <li>- Skill Upgradation</li> </ul>	82%
Workers	1045	<ul style="list-style-type: none"> <li>- Policy for handling Goods &amp; Services and Product Safety</li> <li>- Safety Awareness</li> <li>- Human Rights Policy</li> <li>- Environmental Protection Policy</li> <li>- Public Care and Regulatory Policy</li> <li>- POSH, Code of Conduct &amp; Insider Trading</li> <li>- Business Ethics</li> <li>- Skill Upgradation</li> </ul>	96%

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):

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	P1	BSE and National Stock Exchange of India Limited	₹1,01,480 (inclusive of GST)	During the reporting period, BSE Limited and National Stock Exchange of India Limited levied a penalty on the Company for alleged non-compliance with Regulation 17(1A) of the SEBI (LODR) Regulations, 2015. The Company had submitted a waiver application; however, the same was not acceded to and the Company has paid the fine of ₹1,01,480 (inclusive of GST).	No
Settlement	-	-	-	-	-
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	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Punishment	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
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.

Yes, HEG has implemented a comprehensive Anti-Bribery and Anti-Corruption Policy, accessible at: <https://hegltd.com/wp-content/uploads/2025/01/ANTI-BRIBERY-AND-ANTI-CORRUPTION-POLICY.pdf>.

At HEG , we are committed to upholding the highest standards of ethical conduct and integrity across all our business operations. The Company maintains a strict zero-tolerance stance towards any form of bribery or corruption, whether undertaken by our employees or by third parties acting on our behalf.

This Policy is mandatory for all employees as well as for business partners representing the Company in any capacity, anywhere in the world.

It outlines clear guidelines and responsibilities to proactively prevent, detect, and report bribery and corrupt practices in any form.

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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

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

	FY 2025-26 (Current Financial Year)		FY 2024-25 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
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, as there were no cases of corruption and conflicts of interest which were reported during the year.

8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Number of days of accounts payables	86	66

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-

Parameter	Metrics	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Concentration of Sales	a. Sales to dealers /distributors as % of total sales	-	-
	b. Number of dealers / distributors to whom sales are made	-	-
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers / distributors	-	-
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.0437%	0.0493%
	b. Sales (Sales to related parties / Total Sales)	-	-
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	99.41%	-
	d. Investments (Investments in related parties / Total Investments made)	55.51%	38.06%

#### 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
The Company remains committed to promoting responsible business practices across its value chain. During the year, the focus was on strengthening ongoing engagement mechanisms with value chain partners, and accordingly no separate structured awareness programmes were undertaken.		

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, the Company has established processes to prevent and manage conflicts of interest involving members of the Board. HEG maintains a comprehensive 'Code of Conduct for Directors and Senior Management', which provides guidelines and mechanisms for identifying, avoiding and addressing potential conflicts of interest, along with a protocol for reporting such situations.

The Company also obtains annual declarations from Directors and Key Managerial Personnel regarding their interests in other entities. Any related transactions are undertaken only after obtaining the necessary approvals in accordance with applicable legal requirements and internal policies. The Code of Conduct is available on the Company's website, which can be assessed at [https://hegltd.com/wp-content/uploads/2017/02/CODE\\_OF\\_CONDUCT\\_HEG\\_05-02-2015.pdf](https://hegltd.com/wp-content/uploads/2017/02/CODE_OF_CONDUCT_HEG_05-02-2015.pdf)

## 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.

	2025-26 Current Financial Year	2024-25 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	-	-	Not Applicable
Capex	58.8%	58%	A significant portion of capital expenditure is directed towards enhancing operational efficiency, energy performance, and environmental compliance. Key investments include transition to cleaner fuels, renewable energy integration, upgradation of electrical systems for improved energy efficiency, and modernization of infrastructure to reduce emissions and resource consumption. These initiatives contribute to reduced environmental impact, improved workplace conditions, and overall operational sustainability

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)  
Yes, HEG have procedures in place for sustainable sourcing, wherein, the Company assesses the sustainability parameters of its vendors before procurement of the major input material and maintain consistent sourcing from identified sources.
  - If yes, what percentage of inputs were sourced sustainably?  
82.2% of the input material was sourced sustainably.
- 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.

HEG does not have a formal mechanism for reclaiming products at end-of-life, as its products are consumed during customer processes. However, the Company ensures responsible lifecycle management through robust systems for handling, reuse, recycling, and disposal of various waste streams in compliance with applicable environmental regulations.

**(a) Plastics (including packaging):**

Plastic usage is limited in operations. Plastic waste, such as sheets and straps is segregated at source and disposed of through authorized recyclers in accordance with environmental regulations. Customers and logistics partners are also encouraged to follow responsible disposal practices.

**(b) E-waste:**

While the Company's core products do not generate e-waste, any auxiliary electronic waste generated from operations (e.g., sensors, electronic components) is segregated, stored in designated areas, and handed over to authorized recyclers in compliance with applicable e-waste management rules.

**(c) Hazardous waste:**

The Company's products are non-hazardous in nature. However, hazardous waste generated from operations (such as used oil and contaminated materials) is identified, safely stored, and disposed of through vendors authorized by the State Pollution Control Board, in accordance with regulatory requirements.

**(d) Other waste:**

Non-hazardous waste, including graphite scrap and fines, is segregated and either reused internally (e.g., as recarburizers or fillers) or provided to authorized external processors for recycling. Packaging materials such as wood and metal are also segregated and recycled or disposed of through approved channels.

4. 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.

Not Applicable.

#### Leadership Indicators

1. 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?

The Company has not conducted a formal Life Cycle Assessment (LCA) for its products during the reporting period.

However, the Company has established processes for responsible lifecycle management of its products and associated materials, including reuse, recycling, and disposal practices for packaging and by-products. The Company is evaluating the feasibility of undertaking a comprehensive LCA for its products in line with evolving sustainability practices.

NIC Code	Name of 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.
-	-	-	-	-	-

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.

Name of Product / Service	Description of the risk / concern	Action Taken
As mentioned in point no. 1 above, since the Company is in the process of doing the LCA for each of its products, therefore, currently this information is not available.		

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 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Green Scrap	6.0%	8.0%
Graphite Fines	1.31%	1.2%

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 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

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
-	-

### 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 employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	337	337	100%	337	100%	-	-	-	-	-	-
Female	24	24	100%	24	100%	24	100%	-	-	-	-
<b>Total</b>	<b>361</b>	<b>361</b>	<b>100%</b>	<b>361</b>	<b>100%</b>	<b>24</b>	<b>7%</b>	-	-	-	-
<b>Other than Permanent employees</b>											
Male	51	51	100%	51	100%	-	-	-	-	-	-
Female	1	1	100%	1	100%	1	100%	-	-	-	-
<b>Total</b>	<b>52</b>	<b>52</b>	<b>100%</b>	<b>52</b>	<b>100%</b>	<b>1</b>	<b>2%</b>	-	-	-	-

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

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent workers</b>											
Male	814	814	100%	814	100%	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>814</b>	<b>814</b>	<b>100%</b>	<b>814</b>	<b>100%</b>	-	-	-	-	-	-
<b>Other than Permanent workers</b>											
Male	34	34	100%	34	100%	-	-	-	-	-	-
Female	1	1	100%	1	100%	1	100%	-	-	-	-
<b>Total</b>	<b>35</b>	<b>35</b>	<b>100%</b>	<b>35</b>	<b>100%</b>	<b>1</b>	<b>3%</b>	-	-	-	-

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format-

	<b>FY 2025-26 Current Financial Year</b>	<b>FY 2024-25 Previous Financial Year</b>
Cost incurred on well-being measures as a % of total revenue of the Company*	0.04%	0.04%

\*Expenditure incurred on Health Insurance, Accident Insurance and maternity benefits have been considered for the purpose of the aforesaid disclosure.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

<b>Benefits</b>	<b>FY 2025-26 Current Financial Year</b>			<b>FY 2024-25 Previous Financial Year</b>		
	<b>No. of employees covered as a % of total employees</b>	<b>No. of workers covered as a % of total Workers</b>	<b>Deducted and deposited with the authority (Y/N/N.A.)</b>	<b>No. of employees covered as a % of total employees</b>	<b>No. of workers covered as a % of total workers</b>	<b>Deducted and deposited with the authority (Y/N/N.A.)</b>
PF	100%	100%	Yes	100%	100%	Yes
Gratuity*	100%	100%	Yes	100%	100%	Yes
ESI**	10.53%	38.57%	Yes	51.29%	4.37%	Yes
Others – please Specify	-	-	-	-	-	-

\*Employees who have successfully completed 5 years of tenure are entitled for Gratuity benefits.

\*\* Applicable to employees as per the threshold limit prescribed under the Employees State Insurance Act, 1948.

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.

Presently, majority of our premises / offices are accessible to differently abled employees and workers. However, the Company is planning to improvise the current system in place.

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, the Company has an Equal Opportunity Policy as per the Rights of Person with Disabilities Act, 2016. The said Policy is publicly available on the Company's website and can be accessed at <https://hegltd.com/wp-content/uploads/2025/01/Equal-Opportunity-Policy.pdf>.

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

<b>Gender</b>	<b>Permanent employees</b>		<b>Permanent workers</b>	
	<b>Return to work rate</b>	<b>Retention rate</b>	<b>Return to work rate</b>	<b>Retention rate</b>
Male*	0%	0%	0%	0%
Female	100%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

\*For males, return to work and retention rate is 0, because Company does not have the Policy of paternity leave.

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.

	<b>Yes/No (If Yes, then give details of the mechanism in brief)</b>
Permanent Workers	<p>Yes, HEG is committed to providing a safe, inclusive, and supportive workplace environment for all employees and workers. The Company has established multiple grievance redressal mechanisms to ensure that concerns can be raised and addressed effectively. These include:</p> <ul style="list-style-type: none"> <li>• A dedicated Grievance Register for employees and workers to record their concerns.</li> <li>• Grievance Boxes installed at various common areas.</li> <li>• Engagement through the Union and its representatives, who are empowered to raise issues via established committees.</li> <li>• Regular weekly meetings at the shop floor level to facilitate open communication and immediate resolution of day-to-day concerns.</li> </ul>
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

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

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	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 (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>	<b>361</b>	-	<b>0%</b>	<b>348</b>	-	<b>0%</b>
Male	337	-	0%	327	-	0%
Female	24	-	0%	21	-	0%
<b>Total Permanent Workers</b>	<b>814</b>	<b>814</b>	<b>100%</b>	<b>766</b>	<b>766</b>	<b>100%</b>
Male	814	814	100%	766	766	100%
Female	-	-	0%	-	-	0%

8. Details of training given to employees and workers:

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / D)	Number (F)	% (F / D)
<b>Employees</b>										
Male	337	224	66%	221	66%	327	190	58%	229	70%
Female	24	10	42%	13	54%	21	6	29%	13	62%
<b>Total</b>	<b>361</b>	<b>234</b>	<b>65%</b>	<b>234</b>	<b>65%</b>	<b>348</b>	<b>196</b>	<b>56%</b>	<b>242</b>	<b>70%</b>

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / D)	Number (F)	% (F / D)
	<b>Workers</b>									
Male	814	716	88%	415	51%	766	615	80%	425	55%
Female	-	-	0%	-	0%	-	-	0%	-	0%
<b>Total</b>	<b>814</b>	<b>716</b>	<b>88%</b>	<b>415</b>	<b>51%</b>	<b>766</b>	<b>615</b>	<b>80%</b>	<b>425</b>	<b>55%</b>

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

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	337	306	91%	327	318	97%
Female	24	24	100%	21	19	90%
<b>Total</b>	<b>361</b>	<b>330</b>	<b>91%</b>	<b>348</b>	<b>337</b>	<b>97%</b>
<b>Workers</b>						
Male	814	756	93%	766	758	99%
Female	-	-	0%	-	-	0%
<b>Total</b>	<b>814</b>	<b>756</b>	<b>93%</b>	<b>766</b>	<b>758</b>	<b>99%</b>

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 has implemented an Occupational Health and Safety Management System in line with ISO 45001:2018 standards. The system covers all operations, facilities, employees, and workers across the organization. This certification reflects the Company's commitment to maintaining a safe and healthy workplace through continuous monitoring, risk management, and improvement of occupational health and safety practices.

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

The Company follows a structured Hazard Identification and Risk Assessment (HIRA) process in line with ISO 45001:2018 standards. This includes identification of hazards across operations, maintenance, utilities, and associated activities, covering physical, chemical, biological, mechanical, electrical, fire, and ergonomic risks.

Risks are evaluated based on severity, likelihood, regulatory requirements, and potential emergency scenarios. Control measures are implemented in accordance with the hierarchy of controls, including elimination, substitution, engineering controls, administrative measures, and use of personal protective equipment (PPE). The HIRA process is reviewed periodically and updated in case of any operational or process changes.

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

Yes. The Company has established mechanisms for reporting and addressing work-related hazards through a structured safety management framework. Shop-level and plant-level safety committees regularly identify and address safety concerns.

In addition, formal systems such as the Incident Reporting and Investigation System (IRIS) and Accident Reporting and Investigation System (ARIS) are in place to ensure timely reporting, investigation, root cause analysis, and closure of incidents. These systems enable employees and workers to report unsafe conditions and support corrective and preventive actions.

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

Yes. The Company provides employees and workers access to non-occupational medical and healthcare services to support overall well-being. This includes general medical care, preventive health check-ups, and wellness programs. Employees are also covered under medical insurance or reimbursement schemes, as per Company Policy, along with periodic health awareness initiatives.

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

Safety Incident/Number	Category*	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	0.584
	Workers	-	0.246
Total recordable work-related injuries	Employees	-	1
	Workers	-	1
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

\*Including the contract workforce

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

HEG ensures a safe and healthy workplace through a comprehensive Occupational Health and Safety Management System. Key measures include:

- **Regulatory Compliance and Certification:** Compliance with applicable statutory requirements, including the Factories Act, 1948, and certification under ISO 45001:2018.
- **Safety Governance Framework:** Implementation of a well-defined Safety Policy supported by safety committees at multiple levels to oversee safety performance and resource adequacy.
- **HIRA:** Regular identification and evaluation of workplace hazards, with risk mitigation measures implemented in line with the hierarchy of controls.
- **Engineering Controls & Infrastructure Improvements:** Continuous investments in workplace infrastructure, including modernization of welfare facilities and installation of ventilation systems to improve air quality and mitigate heat stress.
- **Audits & Inspections:** Periodic safety audits and workplace inspections to monitor compliance and drive continuous improvement.
- **Emergency Preparedness:** Regular mock drills, including fire and other emergency scenarios, to strengthen response capabilities.
- **Training and Awareness:** Ongoing safety training and awareness programs to build a strong safety culture among employees and workers.

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

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during theyear	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

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% of the plants and offices were assessed by third parties.
Working Conditions	100% of the plants and offices were assessed by third parties.

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.

The Company did not identify any significant risks or concerns arising from assessments of health and safety practices and working conditions during the reporting period. However, in alignment with its commitment to continuous improvement, the Company proactively undertakes measures to maintain and enhance workplace safety and health standards.

Key measures include:

- **Incident Investigation and Corrective Actions:** All incidents, including near misses, are systematically reported and investigated. Root causes are identified, and corrective and preventive actions are implemented and tracked to closure.
- **Third-Party Assessments:** Occupational health and safety systems are periodically evaluated by accredited external agencies to ensure compliance with regulatory requirements and industry best practices.
- **Proactive Risk Mitigation:** Preventive measures such as automation of manual processes, enhanced supervision, and targeted safety training are implemented to reduce potential risks.
- **Preventive Maintenance:** Regular inspection and maintenance of critical equipment and safety systems are carried out to minimize operational hazards.
- **Emergency Preparedness:** Fire detection and alarm systems are installed, and emergency preparedness is strengthened through regular drills and response planning.
- **Safety Reporting Culture:** A structured reporting framework encourages employees and workers, including contractual personnel, to report hazards and unsafe conditions, enabling timely corrective action.

These measures ensure continuous strengthening of occupational health and safety practices across the organization.

#### Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).  
Yes, at HEG, a provision for a Death Relief Fund (DRF) exists under which the Company provides financial assistance of ₹7 Lakhs to the family of a deceased employee or worker.
2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company has instituted multiple measures to ensure that statutory dues are duly deducted and deposited by its value chain partners. At the time of onboarding, all business partners are required to furnish valid statutory documentation, including GST registration, PAN, and MSME certificates, as applicable.

To promote ongoing compliance, the Company incorporates contractual obligations within all purchase orders and agreements, mandating timely deduction and deposition of statutory dues such as TDS, PF, ESI, and GST. These provisions are legally binding and reinforce the accountability of the partners.

In specific cases like work contracts, the Company actively verifies that contractors have deposited PF and ESI contributions and have submitted valid proof of such compliance.

- 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 are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Employees	-	-	-	-
Workers	-	-	-	-

- 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)

Yes, the Company provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment. As part of this initiative, awareness sessions are conducted for eligible individuals, and selection into the program is based on merit.

- 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	82.2% of upstream value chain partners
Working Conditions	82.2% of upstream value chain partners

- 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.

No significant risks/ concerns were identified from assessments of the value chain partners at Question 5 above

## 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.

HEG is a globally recognised organisation that engages with a diverse range of stakeholders, each having distinct priorities and expectations. The Company has established a structured mechanism to identify key stakeholder groups, understand their concerns and incorporate their perspectives into its sustainability strategy. Senior and middle management teams regularly engage with stakeholders throughout the year, and the key issues emerging from such interactions are duly considered and integrated into the Company's risk management framework.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees and Workers	No	<ul style="list-style-type: none"> <li>- Training programmes, events, seminars, workshops</li> <li>- Awards - plant level reward programmes</li> <li>- Surveys</li> <li>- Employee centric application</li> </ul>	As needed	<ul style="list-style-type: none"> <li>- Foster innovation, motivation, and teamwork</li> <li>- Address issues and resolve concerns</li> <li>- Prevention from accidents and health hazards</li> </ul>
Shareholders/ Investors	No	<ul style="list-style-type: none"> <li>- Annual General Meeting</li> <li>- Annual Report</li> <li>- Shareholder meetings</li> <li>- Sustainability Report</li> <li>- Grievance redressal mechanism</li> </ul>	Annually and need based	<ul style="list-style-type: none"> <li>- Garner stakeholder/investor confidence</li> <li>- Illustrate our market leading initiatives and value creation</li> <li>- Market our sustainability initiatives and disclose our targets</li> </ul>
Customer	No	Customer technical services for queries and feedback	As needed	Gather feedback to enhance operations, services, and product offerings
Suppliers and Service Providers	No	<ul style="list-style-type: none"> <li>- Supplier meetings</li> <li>- Assessment surveys</li> </ul>	Need based	Strengthen supplier relationships, receive market feedback, be abreast with supplier challenges
Government/ Regulators	No	Regular compliance report	Need based	Ensure compliance with government regulations
Media	No	<ul style="list-style-type: none"> <li>- Media meets</li> <li>- Press conference</li> <li>- Management interviews</li> </ul>	Need based	Share annual progress and enhance brand perception
Local Communities and NGO's	Yes	Regular interactions & field surveys	Need based	Gather community feedback on ESG concerns and CSR impact

### 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.

Stakeholder consultations are regularly undertaken by relevant business heads, group leaders and Company officials. Feedback and issues of corporate significance are escalated to the Board, either directly or through the appropriate Board Committees, including the Audit Committee, CSR & ESG Committee, Risk Management Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, as required.

The Company believes that consistent and proactive engagement with stakeholders, including regular interactions and conference calls, strengthens communication on its strategy and performance. Such ongoing engagement supports the principle of shared growth and contributes to sustainable value creation for both the Company and society as a whole.

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, stakeholder consultation plays an important role in identifying and managing ESG related topics. The Company engages with stakeholders through various channels such as focused group meetings and feedback mechanisms, and incorporates their inputs into its sustainability strategies based on the triple bottom line approach (ESG).

These engagements support initiatives relating to climate change mitigation, reduction of carbon footprint, energy efficiency, water conservation, waste management and development of a sustainable supply chain through responsible sourcing. The Company also focuses on strengthening its human capital through skill development initiatives while promoting diversity and inclusion, occupational health and safety, human rights and supplier diversity.

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

The Company identifies communities around its manufacturing facilities at Mandideep, Bhopal and Tawa Nagar. Through its CSR initiatives, the Company undertakes various programmes to support marginalised and vulnerable communities in these areas. For further details on such engagements, please refer to Annexure VI of the Annual Report 2025–26.

## 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 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	361	184	51%	348	327	94%
Other than permanent	52	13	25%	50	3	6%
<b>Total Employees</b>	<b>413</b>	<b>197</b>	<b>48%</b>	<b>398</b>	<b>330</b>	<b>83%</b>
<b>Workers</b>						
Permanent	814	448	55%	766	271	35%
Other than permanent	35	3	9%	28	-	0%
<b>Total Workers</b>	<b>849</b>	<b>451</b>	<b>53%</b>	<b>794</b>	<b>271</b>	<b>34%</b>

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

Category	FY 2025-26 Current Financial Year					FY 2024-25 Previous Financial Year				
	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>	361	-	-	361	100%	348	-	-	348	100%
Male	337	-	-	337	100%	327	-	-	327	100%
Female	24	-	-	24	100%	21	-	-	21	100%
<b>Other than Permanent</b>	52	-	-	52	100%	50	-	-	50	100%
Male	51	-	-	51	100%	49	-	-	49	100%
Female	1	-	-	1	100%	1	-	-	1	100%
<b>Workers</b>										
<b>Permanent</b>	814	-	-	814	100%	766	-	-	766	100%
Male	814	-	-	814	100%	766	-	-	766	100%
Female	-	-	-	-	-	-	-	-	-	-
<b>Other than Permanent</b>	35	-	-	35	100%	28	-	-	28	100%
Male	34	-	-	34	100%	28	-	-	28	100%
Female	1	-	-	1	100%	-	-	-	-	-

3. Details of remuneration/salary/wages

a. Median remuneration\* / Wages:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (In Lakhs)	Number	Median remuneration/ salary/ wages of respective category (In Lakhs)
Board of Directors (BoD) **	10	12	2	6.38
Key Managerial Personnel#	3	59.03	-	-
Employees other than BoD and KMP	334	6.01	24	4.94
Workers	814	4.61	-	-

\*The aforesaid calculations have been provided on the basis of Cost to the Company.

\*\* The calculation of median remuneration includes two Executive Directors (male), whose compensation comprises salary and commission. The remaining ten Non-Executive Directors (including Independent Directors), which include two female directors, receive only sitting fees. Accordingly, the median remuneration has been computed based on this composition.

#Only CS, CFO & Group Chief Strategy Officer are considered as KMP for this calculation, as the median remuneration of 2 Executive Directors (KMPs) is covered as a part of Board of Directors, therefore not included in the median remuneration paid to KMPs.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Gross wages paid to females as % of total wages*	2%	2.24%

\*The aforesaid calculations have been provided on the basis of Cost to the Company.

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. As per Clause 17 of the Company's Code of Conduct Policy, the Head of HR has been designated as the focal point responsible for addressing 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.

HEG is committed to providing a safe, inclusive, and supportive workplace environment for all employees and workers. The Company has established multiple internal mechanisms to redress grievances related to human rights issues in a timely and effective manner.

Employees and workers can raise concerns through several formal and informal channels, including the Code of Conduct, POSH Policy, a dedicated grievance register, and grievance boxes placed in accessible locations. In addition, workers may raise concerns through union representation and during regular shop floor meetings.

All grievances are reviewed by the appropriate department (such as HR or designated committees), with an emphasis on confidentiality, fair investigation, and timely resolution. The Company also ensures that there is no retaliation against individuals raising concerns in good faith and provides escalation mechanisms where required.

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

	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	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	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/ Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as a % of female employees/workers	0%	0%
Complaints on POSH upheld	-	-

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.
- At HEG , we ensure that individuals who raise concerns related to discrimination or harassment are fully protected against retaliation, punishment, or any other adverse actions for voicing legitimate concerns in good faith. Our Grievance Redressal Policy, Whistleblower Policy, and POSH Policy contain specific provisions to safeguard the confidentiality of complainants. These policies state that all reports, records, and information exchanged during the investigation process will be treated as confidential, and access to this information will be restricted by the Company as deemed appropriate.
9. Do human rights requirements form part of your business agreements and contracts?
- Currently, human rights requirements do not form part of our business agreements and contracts; however, the Company is in the process of implementing the same in the coming years.
10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100% of the plants and offices were assessed by third parties.
Forced/Involuntary Labour	
Sexual Harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.
- Not Applicable, as no significant risk/concerns were identified from the assessment carried out on topics as mentioned above during the year.

**Leadership Indicators**

- Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.  
During the reporting period, no human rights grievances or complaints were received. Accordingly, no modifications to business processes were required or undertaken.
- Details of the scope and coverage of any Human rights due diligence conducted.  
HEG conducts regular internal due diligence assessments on human rights, beginning with the employee onboarding process. This includes verifying age and other criteria to ensure new hires meet our rigorous employment standards. All employees, including security personnel, undergo regular training to remain compliant with our norms on human rights, and code of conduct.

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?

Presently, majority of our premises / offices are accessible to differently abled visitors. However, the Company is planning to improvise the current system in place.

4. Details on assessment of value chain partners:

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual Harassment	
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	82.2% of upstream value chain partners
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 significant risks/ concerns were identified from assessments of the value chain partners at Question 4 above

## 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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
<b>From Renewable sources</b>		
Total electricity consumption (A) (In Giga Joules)	10,659	14,920
Total fuel consumption (B) (In Giga Joules)	-	-
Energy consumption through other sources (C) (In Giga Joules)	-	-
<b>Total energy consumption from renewable sources (A+B+C)</b> (In Giga Joules)	<b>10,659</b>	<b>14,920</b>
<b>From Non-Renewable sources</b>		
Total electricity consumption (D) (In Giga Joules)	16,75,862	15,16,351
Total fuel consumption (E) (In Giga Joules)	7,26,899	9,12,574
Energy consumption through other sources (F) (In Giga Joules)	-	-
<b>Total energy consumption from non- renewable sources (D+E+F)</b> (In Giga Joules)	<b>24,02,761</b>	<b>24,28,925</b>
<b>Total energy consumed (A+B+C+D+E+F)</b> (In Giga Joules)	<b>24,13,420</b>	<b>24,43,845</b>

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
<b>Energy intensity per rupee of turnover</b> (Total energy consumed (Giga Joules)/ Revenue from operations)	0.00009	0.00011
<b>Energy intensity per rupee of turnover adjusted for Purchasing power Parity (PPP)</b> (Total energy consumed (Giga Joules) / Revenue from operations adjusted for PPP)*	0.0019	0.0022
<b>Energy intensity in terms of physical output (Giga Joules/Metric Tonnes)</b>	21.83	24.5
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

\* The source for Purchasing Power Parity (PPP) is International Monetary Fund (IMF). The PPP rates considered is 20.34 as per the 2026 update.

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

- 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, as the Company does not have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Target (PAT) Scheme of the Government of India.

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

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	59,440	73,440
(iii) Third party water	3,89,021	3,20,988
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>4,48,461</b>	<b>3,94,428</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>4,48,461</b>	<b>3,94,428</b>
<b>Water intensity per rupee of turnover</b> (Total water consumption (kilolitres)/Revenue from Operations)	0.00002	0.00002
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption (kilolitres) / Revenue from operations adjusted for PPP)	0.00036	0.00037
<b>Water intensity in terms of physical output (Kilolitres/Metric Tonnes)</b>	4.0	4.0
Water 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

4. Provide the following details related to water discharged:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
<b>(i) To surface water</b>		
- No treatment	-	-
- With treatment -please specify level of treatment	-	-
<b>(ii) To Groundwater</b>		
- No treatment	-	-
- With treatment -please specify level of treatment	-	-
<b>(iii) To Seawater</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	-	-
- With treatment -please specify level of treatment	-	-
<b>Total water discharge (in kilolitres)</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

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

The Company has established an integrated water management system supported by its Water Resources Management Policy and Wastewater Management Policy. An ETP is fully operational and ensures 100% treatment of industrial wastewater generated from operations. In addition, a STP is in place to treat domestic wastewater.

The treated water from both ETP and STP is reused within the plant premises for non-potable applications such as cooling towers and gardening. This closed-loop system minimizes dependence on freshwater resources and significantly reduces overall water consumption.

As a result, no wastewater is discharged beyond the plant boundary, and the facility effectively operates under a ZLD framework, covering all industrial and domestic wastewater streams. In recognition of this achievement, the Company has received a formal certification from the MPPCB vide letter no. 1102/क्षेका/प्रनिबो/2026, certifying the ZLD status of its operations.

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

Parameter	Please specify unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
NOx	MT	59.65	51.39
Sox	MT	149.75	149.15
Particulate matter (PM)	MT	135.80	145.47
Persistent organic pollutants (POP)	-	Not Applicable	Not Applicable
Volatile organic compounds (VOC)	-	Not Applicable	Not Applicable
Hazardous air pollutants (HAP)	-	Not Applicable	Not Applicable
Others – please specify	-	Not Applicable	Not Applicable

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

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	1,28,853	1,78,393
<b>Total Scope 2 emissions**</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	3,30,372	3,06,219
<b>Total Scope 1 and Scope 2 emissions intensity per rupee of Turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO <sub>2</sub> e/rupee turnover	0.00002	0.00002
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO <sub>2</sub> e/rupee turnover adjusted for PPP	0.00036	0.00046
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>	tCO <sub>2</sub> e/Metric Tonnes	4.15	4.87
<b>Total Scope 1 and Scope 2 emission intensity (optional)</b> – 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

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

Yes, the entity has undertaken multiple projects and initiatives to reduce Greenhouse Gas (GHG) emissions as part of its decarbonization strategy across operations, energy use, and logistics.

### 1. Renewable Energy Adoption

The Company operates a 3 MW solar power plant and is in the process of commissioning an additional 2.4 MW capacity. This will increase the share of renewable energy in the overall energy mix and contribute to reduction in Scope 2 emissions.

### 2. Cleaner Fuel Transition

- The Company has approved a CAPEX of ₹5 Crore to convert select furnace oil-based systems to natural gas, with implementation planned in FY 2026-27. Upon implementation, this transition is expected to replace approximately 3,000 MT of furnace oil annually, resulting in an estimated reduction of ~2,500 MT of CO<sub>2</sub>e emissions per year, along with combustion efficiency and lower air pollutant emissions.
- Additionally, a capacity expansion project (₹650 Crore) has been approved, wherein new units will operate entirely on cleaner fuel (natural gas), supporting low-carbon growth.
- The Company is also evaluating hydrogen blending with natural gas to further reduce dependence on fossil fuels, subject to technical feasibility and safety assessments.

### 3. Sustainable Mobility and Logistics Optimization

- The Company has replaced three diesel-powered vehicles with EVs and has committed to transitioning all future additions or replacements in the staff and executive transport fleet exclusively to EVs. The EV fleet covered 170,422 km during the year, displacing approximately 10,000 litres of diesel and avoiding 27 MT of CO<sub>2</sub>e Scope 1 emissions, while improving fleet efficiency and reducing fuel cost.
- Internal logistics efficiency has been enhanced through the deployment of 12 MT-capacity trucks, with one truck introduced last year and an additional truck added during the current year. This has improved in-plant material movement, reduced fuel consumption per unit of material handled, and enhanced overall operational productivity.
- Two battery-operated forklifts have been commissioned, resulting in reduced diesel usage and corresponding GHG emissions within plant operations. These initiatives resulted in a reduction of approximately 13,900 litres of diesel consumption during the year, despite increased production levels, demonstrating improved logistic efficiency and reduced fuel intensity.

### 4. Carbon Sequestration and Green Cover Enhancement

As part of its environmental stewardship initiatives, the Company planted 1,339 trees within the plant premises during the year, contributing to carbon sequestration and biodiversity enhancement.

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

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	192.4	249.9
E-waste (B)	8.0	8.9
Bio-medical waste (C)	0.0007	0.0027
Construction and demolition waste (D)	-	-
Battery waste (E)	4.6	4.0
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G) (Oil waste, oil drums waste, cotton waste & Chemical waste)	78.3	65.1
Other Non-hazardous waste generated (H). Please specify, if any. (Garbage, paper waste, process waste, metallic scrap, electrical waste, old machinery, refractory waste, wood waste, horticulture waste.)	3,484.7	4,423.4
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>3,768.1</b>	<b>4,751.2</b>
<b>Waste intensity per rupee of turnover</b> (Total waste generated (Metric Tonnes) / Revenue from operations)	0.0000001	0.0000002
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated (Metric Tonnes) / Revenue from operations adjusted for PPP)	0.000003	0.000004
<b>Waste intensity in terms of physical output</b> (Metric Tonnes/Metric Tonnes)	0.03	0.05
<b>Waste intensity</b> (optional) – the relevant metric may be selected by the entity	-	-
<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>		

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
(i) Recycled	1,626.7	2,227.5*
(ii) Re-used	1,993.2	2,199.2
(iii) Other recovery operations	-	-
<b>Total</b>	<b>3,619.90</b>	<b>4,426.7*</b>
<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	0.1	0.4
(ii) Landfilling	148.1	324*
(iii) Other disposal operations	-	-
<b>Total</b>	<b>148.2</b>	<b>324.4*</b>

\*The previous year's figures have been revised and restated.

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

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

At HEG, we are committed to responsible and sustainable waste management as part of our broader environmental stewardship goals. Our approach is guided by a comprehensive Waste Management Policy, aligned with the globally recognized "waste hierarchy" approach, which emphasizes:

- Prevention of waste generation
- Reuse of materials where feasible
- Recycling of recoverable waste
- Safe and compliant disposal of residual waste

We have established structured procedures for the systematic collection, segregation, storage, transportation and disposal of various waste streams, ensuring strict compliance with applicable environmental laws and regulations. Waste is segregated at source into hazardous and non-hazardous categories to enable effective handling and maximize resource recovery.

Hazardous wastes generated at our facilities are carefully identified, safely segregated, and stored in designated areas before being handed over to authorized agencies certified by the State Pollution Control Board for environmentally sound disposal. The Company undertakes periodic monitoring, record-keeping and analysis of hazardous waste streams are conducted to ensure regulatory compliance and identify opportunities for waste minimization.

In addition to the Waste Management Policy, the Company has also adopted the following supporting policies to reinforce its waste and resource management practices:

- Waste Disposal Policy
- E-Waste Management Policy
- Water Resources Management Policy
- Waste Water Management Policy

These policies collectively reflect our commitment to managing all forms of waste in a safe, efficient, and environmentally responsible manner.

11. 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/offices	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.
The Company does not have any operations/offices in/around ecologically sensitive areas.			

12. 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
No environmental impact assessment of projects was undertaken by the Company during the current Financial Year. Hence, this requirement is not applicable.					

13. 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, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, HEG has complied with the applicable environmental laws/regulations/guidelines applicable in India.

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
Since there is no non-compliance with the applicable environmental laws/ regulations/ guidelines in India during the reporting period, the detailed disclosure format is not applicable.				

#### Leadership Indicators

1. **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:** Not Applicable
- (ii) **Nature of operations:** Not Applicable
- (iii) **Water withdrawal, consumption, and discharge in the following format:**

Not Applicable, as we do not have any operations in areas of water stress.

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-

<b>Total volume of water withdrawal (in kilolitres)</b>	-	-
<b>Total volume of water consumption (in kilolitres)</b>	-	-
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)	-	-
<b>Water intensity (optional)</b> –the relevant metric may be selected by the entity	-	-
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</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

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

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 Equivalent	3,23,439	3,60,639
<b>Total Scope 3 emissions per rupee of turnover</b>		0.00001	0.00002
<b>Total Scope 3 emission intensity</b> in terms of physical output (Metric Tonnes/Metric Tonnes)		2.93	3.62

Note: The following categories of Scope 3 greenhouse gas (GHG) emissions have been assessed and reported:

- Category 1 Purchased goods and services
- Category 2 Capital goods
- Category 3 Fuel and energy related emissions
- Category 4 Upstream transportation
- Category 5 Waste generated in operations

- Category 6 Business travel
- Category 7 Employee commute
- Category 9 Downstream transportation

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. With respect to the ecologically sensitive areas reported at Question 11 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.

The Company does not have any operations or offices located in or around ecologically sensitive areas. Accordingly, no significant direct or indirect impact on biodiversity in such areas has been identified during the reporting period, and the disclosure is presently not applicable.

4. 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:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Installation of Solar Power Plants	The Company operates a 3 MW solar power plant, generating 24,98,570 kWh of electricity during the year. An additional 2.4 MW capacity is under commissioning and is expected to be operational by June 2026.	The existing solar plant contributed 2,498 MWh of clean energy, reducing reliance on grid power and avoiding approximately ~1,800 MT CO <sub>2</sub> e emissions annually. The upcoming 2.4 MW installation is expected to generate 1,500 MWh annually, further increasing renewable energy share and supporting long-term decarbonization.
2.	Adoption of EVs	The Company has replaced three diesel vehicles with EVs to promote clean mobility. All future additions to the staff/executive fleet are planned to be EVs.	The EV fleet covered 1,70,422 km during the year, displacing approximately 10,000 litres of diesel and avoiding 27 MT of CO <sub>2</sub> e Scope 1 emissions, while improving fleet efficiency, and reducing fuel cost.
3.	Transition from Furnace Oil to Natural Gas	A capital expenditure of ₹5 Crore has been approved during the year for conversion of selected furnace oil-based burners to natural gas, with implementation planned in FY 2026-27.	Upon implementation, this transition is expected to replace approximately 3,000 MT of furnace oil annually, resulting in an estimated reduction of ~ 2500 MT of CO <sub>2</sub> e emissions per year, along with improved combustion efficiency and lower air pollutant emissions.
4.	Introduction of High-Capacity Trucks	A 12 MT truck was introduced as a replacement for forklift to optimize internal material movement and fuel use. An additional truck has been deployed during the year.	These initiatives resulted in a reduction of approximately 13,900 litres of diesel consumption during the year, despite increased production levels, demonstrating improved logistic efficiency and reduced fuel intensity.
5.	Introduction of Battery-Operated Forklifts	Two battery-operated forklifts have been commissioned to reduce reliance on diesel-based equipment in plant operations.	
6.	Tree Plantation within Plant Premises	The Company has undertaken plantation of 1,339 trees within its premises as part of its environmental and biodiversity initiatives.	The increased green cover enhances on-site biodiversity and microclimate.

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
7	Use of Clean Fuel for Capacity Expansion	The Company has undertaken a ₹650 Crore Board-approved capacity expansion project, with new units designed to operate exclusively on natural gas.	The use of cleaner fuel in new operations is expected to reduce emission intensity compared to conventional fuels, supporting low-carbon growth and contributing to reduced Scope 1 emissions in future operations.

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

HEG has a Business Continuity Policy to ensure continuity of critical operations during disruptions. The Policy covers risks such as natural disasters, cybersecurity incidents, operational disruptions, and human-related events, and provides a framework for risk assessment, mitigation, and recovery. It defines roles and responsibilities, recovery objectives, and communication protocols to enable timely response. The Company also undertakes periodic testing, training, and annual review of the Policy to ensure its effectiveness and alignment with evolving risks and regulatory requirements.

Web link: <https://hegltd.com/wp-content/uploads/2025/01/BUSINESS-CONTINUITY-POLICY.pdf>

6. 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.

The Company, being engaged in manufacturing operations, is part of a broad value chain involving upstream and downstream partners such as raw material suppliers, service providers, logistics partners, and customers. It is acknowledged that the various stages of this value chain may have environmental impacts, including emissions, resource consumption, and waste generation.

At present, the Company has not identified or disclosed any specific significant adverse environmental impacts arising directly from its value chain. However, recognizing the potential for such impacts, the Company is taking steps to promote environmental responsibility across its operations and among its value chain partners.

Some of the mitigation and adaptation measures undertaken include encouraging sustainable sourcing practices, complying with relevant environmental regulations, optimizing resource usage, and fostering greater awareness among suppliers and partners regarding sustainability goals. The Company remains committed to continuously improving its environmental performance and strengthening its value chain through collaborative and sustainable practices.

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

82.2% of Upstream Value Chain Partners (by value of business done with such partners) were assessed for environmental impacts.

8. How many Green Credits have been generated or procured:

a. By the listed entity: The Company has not generated or procured green credits under the Green Credit Programme. However, as part of its renewable energy strategy, the Company has procured Renewable Energy Certificates (RECs), with 72,478 RECs credited during FY 2025-26.

b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners:

The Company has not currently captured data on Green Credits generated or procured by its value chain partners. As this is a relatively new non-mandatory Leadership Indicator introduced by SEBI, the Company is in the process of strengthening its data collection and assessment mechanisms across the value chain.

The Company intends to incorporate Green Credit-related parameters as part of its supplier assessment framework from FY 2026 - 27 onwards, in line with evolving regulatory expectations.

## 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.  
6
- 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	Federation of Indian Export Organisations (FIEO)	National
2	Chemical and Allied Export Promotion Council (CAPEXIL)	National
3	PHD Chamber of Commerce and Industry (PHDCCI)	National
4	Federation of India Chambers of Commerce and Industry (FICCI)	National
5	Confederation of Indian Industry (CII)	National
6	Quality Circle Forum of India	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
The Company has not received any adverse orders from any regulatory authorities relating to anti-competitive conduct during the reporting period. Accordingly, no corrective actions were required or undertaken in this regard.		

### 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
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HEG is a member of various industry and trade associations and actively participates in task forces and forums within these bodies. Through such participation, the Company engages on matters of common interest and contributes to initiatives that support the interests of its stakeholders, the industry, the economy and society at large.

## 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
The Company did not undertake any projects during the current financial year that required a Social Impact Assessment (SIA) under applicable laws. Accordingly, the disclosure is not applicable for the reporting period.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement(R&R) is being undertaken by your 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)
The Company did not undertake any projects during the reporting period that required Rehabilitation and Resettlement (R&R) under applicable laws or regulations. Accordingly, the disclosure is not applicable.						

3. Describe the mechanisms to receive and redress grievances of the community.  
Grievances from the community can be submitted via email to [heg.mbp@lnjbhilwara.com](mailto:heg.mbp@lnjbhilwara.com). Additionally, community members may approach the HR team at any of the Company's plant locations to raise concerns or submit complaints.

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

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Directly sourced from MSMEs/ small producers	16.71%	9.85%
Directly from within India	53.25%	32.34%

5. Job creation in smaller towns – Disclose wages\* paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Rural	2%	2%
Semi-Urban	91%	90%
Urban	-	-
Metropolitan	7%	8%

(Place to be categorized as per RBI classification system – rural / semi – urban / urban / metropolitan)

\*The aforesaid calculations have been provided on the basis of Cost to the Company.

### 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
The Company did not undertake any projects during the current financial year that required a SIA under applicable laws. Accordingly, no negative social impacts were identified requiring mitigation actions during the reporting period.	

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

S. No.	State	Aspirational District	Amount Spent (In ₹)
The Company has not undertaken any CSR projects in designated aspirational districts identified by the Government of India during the current financial year.			

- 3 (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)  
The Company does not have a Preferential Procurement Policy where it gives preference to purchase from suppliers comprising marginalized/vulnerable groups.
- (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 your 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
Not Applicable				

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
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Projects	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Apna Ghar Ashram	670	100%
2	Akshay Patra Foundation	44,910	100%
3	Global Vikas Trust	31,038	100%
4	Graphite Higher Secondary School	1,900*	12%

\*Note: Includes 66 as School Staffs

## PRINCIPLE 9

### Businesses should engage with and provide value to their consumers in a responsible manner

#### Essential Indicators

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

The Company has established structured mechanisms to receive and respond to consumer complaints and feedback in a timely and effective manner. All consumer complaints are managed through a well-defined SOP, which ensures prompt acknowledgment and resolution within defined timelines, including initial responses within 48 hours.

A formal Grievance Redressal Policy is in place, supported by a dedicated customer service team responsible for handling and resolving complaints. The team works in coordination with relevant functions and escalates critical issues to senior management, where required.

The Company also periodically collects and reviews customer feedback, including through satisfaction assessments, to identify improvement areas. Insights from such feedback are used to strengthen processes, enhance service quality, and drive continuous improvement in customer engagement.

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

	<b>As a percentage of total turnover</b>
Environmental and social parameters relevant to the product.	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

- Number of consumer complaints in respect of the following:

	<b>FY 2025-26 Current Financial Year</b>		<b>Remarks</b>	<b>FY 2024-25 (Previous Financial Year)</b>		<b>Remarks</b>
	<b>Received during the year</b>	<b>Pending resolution at end of year</b>		<b>Received during the year</b>	<b>Pending resolution at end of year</b>	
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential Services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-

	FY 2025-26 Current Financial Year		Remarks	FY 2024-25 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Others	30	18	<ul style="list-style-type: none"> <li>- Actions for resolution for all complaints have been initiated in accordance with the SOP.</li> <li>- Closure process has been initiated for 4 complaints, as these have been resolved at the customer's end.</li> <li>- The remaining pending complaints are under active resolution and will be closed in due course as per the SOP.</li> </ul>	50	45	<ul style="list-style-type: none"> <li>- Closure is in progress for 11 cases.</li> <li>- Improved material has been supplied and is currently under evaluation at the customer's end; feedback is awaited.</li> <li>- Further dispatches are planned in certain cases based on ongoing assessments and customer coordination.</li> <li>- In a few cases, there has been limited or no response from the customer despite follow-up efforts.</li> </ul>

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

	Number	Reasons for recall
Voluntary recalls	-	Not Applicable
Forced recalls	-	

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 Company has a Policy on Cyber Security and risks related to data privacy, which can be accessed at [http://hegltd.com/Policies/Group\\_IT\\_Policy.pdf](http://hegltd.com/Policies/Group_IT_Policy.pdf)

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.

During the reporting period, the Company did not receive any complaints relating to advertising, delivery of essential services, cybersecurity, or customer data privacy. Further, there were no instances of product recalls, nor were any penalties imposed or actions taken by regulatory authorities relating to the safety of products or services. Accordingly, no corrective actions were required or undertaken in this regard.

7. Provide the following information relating to data breaches:	
a. Number of instances of data breaches	No instances of data breaches were identified.
b. Percentage of data breaches involving personally identifiable information of customers	Since no instances of data breaches were identified during the reporting period, no breaches involving personally identifiable information of customers were reported.
c. Impact, if any, of the data breaches	As no instances of data breaches were identified during the reporting period, there was no impact on customer or business data arising from such incidents.

### Leadership Indicators

- Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).  
Information on products and services of the Company can be accessed at the Company's official website i.e., [www.heg ltd.com](http://www.heg ltd.com)

- Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.  
The Company undertakes multiple initiatives to promote the safe, efficient, and responsible use of its products by customers.

These include structured customer training programs focused on effective product usage, process optimization, and energy efficiency. The Company also provides value-added technical support, including application-specific analyses, to help customers optimize performance and minimize resource consumption.

To ensure safe handling and usage, relevant products are accompanied by Material Safety Data Sheets (MSDS), which provide detailed information on safe handling, storage, usage, and disposal in line with regulatory requirements. In addition, products are provided with clear and standardized markings to facilitate proper identification, installation, and use.

Detailed instructions on handling, packing, and unpacking are also shared with customers to minimize risks related to damage or injury during transit and usage.

- Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.  
The Company has established a Business Continuity Plan to proactively manage potential disruptions and ensure continuity of critical operations. As part of this framework, mechanisms are in place to assess risks and enable timely communication with customers in case of any anticipated or actual disruption of services.

In such situations, the Company informs affected customers through appropriate communication channels, including direct emails, official communications, phone calls, and digital platforms, depending on the nature and urgency of the disruption. This ensures that customers are adequately informed and can take necessary measures to manage any impact.

- 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 your 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)

Yes, the Company displays product information beyond what is legally mandated. Each product is assigned a unique identification number to ensure complete traceability up to the point of end use. Product packaging is also labelled with essential information such as safe handling instructions, product specifications, origin details, and treatment stamps (e.g., for wood, where applicable), to support responsible usage and enhance transparency for customers.

Yes, the Company conducts structured customer satisfaction surveys covering its major products and operations. These surveys are conducted through a standardized questionnaire, and customer feedback is systematically collected and analyzed. The insights gained help the Company better understand customer expectations and are used as key inputs for strategic planning and investment decisions.

The surveys typically assess performance on the following parameters:

- Product Quality
- Delivery Performance
- Container Stuffing
- Packaging
- Technical Support (Material & Operations)
- Documentation
- Responsiveness in Communication