

04

**BUSINESS RESPONSIBILITY
AND SUSTAINABILITY REPORT**

**Business Responsibility and
Sustainability Report for the
Financial Year ended
31 March 2023**

SECTION A: GENERAL DISCLOSURES

i) Details of the listed entity

Sr. No.	Particulars	Details
1	Corporate Identity Number (CIN)	L99999GJ1987PLC022333
2	Name of the Company	HESTER BIOSCIENCES LIMITED
3	Year of incorporation	1987
4	Registered office address	1 st Floor, Pushpak, Panchvati Circle, Motilal Hirabhai Road, Ahmedabad, Gujarat 380006, India
5	Corporate address	1 st Floor, Pushpak, Panchvati Circle, Motilal Hirabhai Road, Ahmedabad, Gujarat 380006, India
6	E-mail	cs@hester.in
7	Telephone	+91 79 2644 5107
8	Website	www.hester.in
9	Financial year for which reporting is being done	2022-2023
10	Name of the Stock Exchange(s) where shares are listed	a) National Stock Exchange of India Limited b) BSE Limited
11	Paid-up Capital	₹ 85.07 million
12	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Mr. Vinod Mali, Company Secretary & Compliance Officer Address: 1 st Floor, Pushpak, Panchvati Circle, Motilal Hirabhai Road, Ahmedabad 380006 Tel.: +91 79 2644 5107 Email: cs@hester.in
13	Reporting boundary - Are the disclosures under this report made on a standalone basis or on a consolidated basis.	The disclosures made in this report are on a standalone basis.

ii) Products/services :

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

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing and trading of veterinary vaccines and health products	Manufacturing and trading of veterinary vaccines and health products	97%

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

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacture of pharmaceuticals, medicinal chemical and botanical products.	2100	100%

iii) Operations:

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

Location	Number of plants	Number of offices	Total
National	1	7	8
International	-	-	-

17. Markets served by the entity :

a) Number of locations:

Locations	Number
National (No. of States)	Pan India
International (No. of Countries)	36

b) What is the contribution of exports as a percentage of the total turnover of the entity? :

Our contribution of exports is 14% of our total turnover during the Financial Year 2022-23.

c) A brief on types of customers :

Hester is the second largest poultry vaccine manufacturer in India. Its customer base in India includes stockists, retailers, dairy farms, pharmaceutical companies, veterinary professionals, government bodies, and farmer community. It provides vaccines to other countries government and global bodies like FAO, UN, etc. as part of global PPR and other vaccination initiatives. It also services household customers pan-India as part of its pet care range.

iv) Employees:

18. Details as at the end of Financial Year:

a) Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	619	582	94%	37	6%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	619	582	94%	37	6%
WORKERS						
4.	Permanent (F)	74	72	97%	2	3%
5.	Other than Permanent (G)	372	353	95%	19	5%
6.	Total workers (F + G)	446	425	95%	21	5%

b) Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	-	-	-	-	-
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total differently abled workers (F + G)	-	-	-	-	-

19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors *	10	2	20%
Key Management Personnel **	2	-	-

* Excluding the one Alternate Director

** Key Management Personnel other than Board of Directors

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Particulars	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	27.57%	30.99%	27.79%	25.40%	31.58%	25.79%	26.14%	34.78%	26.63%
Permanent Workers	2.78%	-	2.70%	2.74%	-	2.67%	-	-	-

v) Holding, Subsidiary and Associate Companies (including joint ventures)

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

Sr. No.	Name of the holding / subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Texas Lifesciences Private Limited	Subsidiary	54.81%	No
2	Hester Biosciences Africa Limited	Subsidiary	100.00%	No
3	Hester Biosciences Nepal Private Limited	Subsidiary	65.00%	No
4	Hester Biosciences Kenya Limited *	Subsidiary	100.00%	No
5	Hester Biosciences Tanzania Limited	Subsidiary	100.00%	No
6	Thrishool Exim Limited	Joint Venture	50.00%	No

* Wholly-owned subsidiary of the Hester Biosciences Kenya Limited.

vi) CSR Details

22.

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: YES

(ii) Turnover (in ₹) : 2,540.00 million

(iii) Net worth (in ₹) : 2,923.82 million

A detailed report on CSR projects undertaken during the Financial Year 2022-23 has been provided in 'Annexure - 3' to the Board's report.

Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2022-23		
		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	Nil	Nil		Nil	Nil	
Investors (other than shareholders)	Yes	Nil	Nil		Nil	Nil	
Shareholders	Yes	Nil	Nil		4	-	
Employees and workers	Yes	Nil	Nil		Nil	Nil	
Customers	Yes	Nil	Nil		Nil	Nil	
Value Chain Partners	Yes	Nil	Nil		Nil	Nil	

The Company has a grievance redressal mechanism in place for all internal and external stakeholders of the business. The policy can be accessed from website at <https://www.hester.in/corporate-governance>

During the year, there have been no complaints/grievances from any stakeholders on any of the 9 principles of NGRBC.

24. The Company has a grievance redressal mechanism in place for all internal and external stakeholders of the business. The policy can be accessed from website at <https://www.hester.in/corporate-governance>.

Sr. 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	In case of risk, approach to adapt or mitigate
1	Managing waste	Risk and Opportunity	<p>Risk: Waste, water and energy management have been identified as key material environmental issues. Such risks are proactively addressed through mitigation plans to avoid operational disruptions. This also emphasizes the Company's climate consciousness and its contribution towards reducing overall environmental impact of its operations.</p> <p>Opportunity: Comprehensive resource management plans that are in line with the company's strategy for environmental protection will highlight the company's dedication to enhancing environmental preservation and its involvement in efforts to mitigate climate change.</p>	<p>Ensuring compliance through effective governance and review mechanisms, strengthening the capabilities of EHS and legal compliance teams, conducting risk assessments, and conducting periodic reviews. The Company is planning to implement compliance management software for tracking and monitoring adherence to all applicable regulatory requirements.</p> <p>The Company is also exploring new initiatives and technologies to reduce the amount of water consumption (through rain water harvesting, ETP and STP treatments, etc.) and waste generated through its operations (by engaging in R&D to generate new by-products from the existing waste). The Company is also looking at increasing share of renewable energy in its operations to reduce its GHG emissions.</p>	<p>Positive: The Company's focus on strengthening climate and ESG specific initiatives bolsters long-term value-creation and enables the company to effectively respond to rising stakeholder demands.</p> <p>Negative: Lack of robust initiatives and action plans to contribute to ESG awareness and climate change could adversely impact business operations and lead to workforce disruption.</p>
2	Water stewardship				
3	Energy efficiency and carbon emissions				
4	Climate Change				
5	Attracting / retaining talent and workforce welfare	Risk and Opportunity	<p>Risk: Talent management parameters such as acquisition, retention and development are intrinsically linked to workforce welfare. Inability to meet with the workforce expectations may impact the Company's retention rate and affect the Company's the business continuity due to the criticality of workforce as a part of the business growth plan.</p> <p>Opportunity: Company's efforts towards workforce welfare and development directly conveys its resolute commitment towards the upliftment of the most integral asset.</p>	<p>Attracting and retaining talent through multiple talent development programs encompassing global talent management, stretch programs and schemes along with compensation and other benefits to employees.</p>	<p>Positive: A strong workforce with high retention rate highlights the Company's efforts towards creating a conducive work environment in addition to creating a positive approach towards workforce development</p> <p>Negative: Workforce being an integral component of the Company's value creation strategy play a critical role in the business growth plan. Inability to meet the workforce expectations may result in adverse impacts on the workforce productivity and the company's growth plan in a long run.</p>

6	Occupational health and safety	Risk and Opportunity	<p>Risk: Occupational health and safety is critical aspect of the Company's commitment towards workforce welfare which further highlights the performance in terms of provision of safe and secure working environment. Identification of a high number of health and safety incidents reflect the efficiency of the existing EHS management approach.</p> <p>Opportunity: Strong EHS management system integrated with a comprehensive hazard identification, mitigation plans, root cause analysis of the reported incidents and corresponding corrective action plan will highlight the Company's approach and resoluteness towards workforce health and safety.</p>	<p>1. Implementing a robust EHS management system with periodic internal and external audits of the safety practices.</p> <p>2. Adoption of comprehensive corrective action plans post the identification and assessment of safety incidents to prevent any such future instances.</p>	<p>Positive: Robust Occupational, Health and Safety management approach enables the Company to prevent the occurrence of incidents.</p> <p>Negative: Frequent safety incidents and injuries may adversely impact the Company's performance from the aspect of safety as well as workforce wellbeing.</p>
7	Data integrity and security and Technology	Risk and Opportunity	<p>Risk: Risk linked to technology directly impact the security and integrity of the system across the business operation. The criticality involved with the technology and cyber security needs to be assessed periodically to prevent breaches of data privacy from the aspects of confidential information of the Company as well as its stakeholders.</p> <p>Opportunity: A strong governance on the data integrity, technology and innovation parameters of the Company enables the creation of a secure and impenetrable network while supporting pace and scale of business transactions across geographies.</p>	<p>Strengthened perimeter security, IT and monitoring systems, anti-virus and patch management while conducting trainings on cyber security to reduce risks arising from cyber security and data breaches.</p>	<p>Positive: Strong alignment of secure data integrity principles with the help of innovative technology initiatives within the Company's business operations will ensure compliance of data security, privacy and prevent any loss of data.</p> <p>Negative: Lack of a strong data integrity and security mechanism may lead to increase in number of data breaches and loss of valuable data.</p>

8	Product accessibility, responsibility and quality	Risk and Opportunity	<p>Risk: Addressing risks pertaining to product accessibility, responsibility and quality is significantly important for the pharmaceutical sector. Lack of accessibility to vaccines due to availability pose an adverse effect on the Company's vision as well the business growth strategy. Due to high vulnerability of product quality and safety issues for the pharmaceutical sector, addressing risks relevant to product responsibility is critically important. The risk analysis and consecutive mitigation action plans are linked with standards and guidelines of all local and global regulatory agencies, focusing on pharmacovigilance, proprietary, confidentiality and other core governance standards.</p> <p>Opportunity: Climate change and heat stress is likely to increase instances of diseases in livestock, which mandates need for more vaccines and treatments. Through strong product portfolio built on the foundation of robust R&D principles, the Company will continue to work towards increased accessibility of new vaccines and healthcare products to a wider consumer base.</p>	<ol style="list-style-type: none"> 1. Establishing a strong and diversified product portfolio by enhancing cross-functional synergies, organisational capabilities, project management and governance focused on product identification, development, planning and launch. 2. Strengthening licensing and licensing of products. Vendor development, strengthening supply chain, working capital and inventory management. 3. Detailed SOPs that ensure efficient surveillance and reporting of adverse events. 4. Established global quality standards and procedures throughout the organisation. 5. Undertaking periodic quality review of third-party locations 6. Brand protection activities and strengthen framework for trademark and IP protection activities with the support of a dedicated IP team. 	<p>Positive: A comprehensive and expanding product portfolio in terms of accessibility and disease mitigation through the Company's product innovation and research centre amplifies the brand value. Compliance of products on the aspects of quality and safety from all relevant regulatory requirements, highlights the Company's commitment as well as integrity towards safety.</p> <p>Negative: Identification of major issues from the aspects of product safety and quality may lead to penalties and warnings from relevant regulatory authorities.</p>
---	---	----------------------	--	---	---

9	Responsible supply chain management	Risk	<p>Risk: Strong dependency on the supply chain for the entire product life cycle poses a requirement of a strong contingency plan to deal with unprecedented situations which may lead to disruption in the supply chain. The Company extends its responsible business principles across the value chain and expecting its suppliers to adhere with the requirements. Non-adherence of the principles from the supplier end may affect the Company's partnership with them.</p>	<p>Establishing a assessment mechanism to assess the implication of unprecedented disruption on the supply chain and develop a comprehensive contingency plan to avoid major impact on the business.</p>	<p>Positive: Responsible supply chain practices enables the Company to have a strong mechanism to deal with supply chain disruptions due to unprecedented situations, moreover the compliance with the Company's responsible business practices and principles, amplify the Company's social and environment performance across the supply chain.</p> <p>Negative: Non-compliance of the major requirements from responsible business perspective such as human rights may affect the Company's business partnerships in a long run.</p>
---	-------------------------------------	------	---	--	--

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
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)	Yes, the Company has developed comprehensive policies covering these principles. Some of the Policies have been approved by the Board as per relevant statutory requirements.								
c) Web Link of the Policies, if available	Policies are uploaded on the website of the Company at https://www.hester.in/corporate-governance								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
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.	<ul style="list-style-type: none"> • National Guidelines on Responsible Business Conduct (NGRBC) • Product quality - ISO 9001: 2015 • Environment Management System- ISO 14001: 2015 • Health and Safety- ISO 45001: 2018 • Good Manufacturing Practices (GMP) • Good Laboratory Practices (GLP) • DSIR approved R&D Center <p>All the relevant policies have been developed considering relevant national standards acts like Factories Act, 1948, Companies Act, 2013, the Listing Regulations, and various other Statutes.</p>								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Even though the Company does not currently have any targets or goals related to ESG concerns, it constantly works to improve its environmental and social impact through a variety of initiatives and improvements based on best practises from across the world and the industry.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not Applicable								

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)	A statement and details on ESG are part of this Annual report.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Rajiv Gandhi CEO & Managing Director DIN: 00438037
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.	No. The responsibility for the day-to-day decision making on ESG & wider sustainability related issues is with respective functional heads of the Company.

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)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Periodically/Need basis								
Compliance with statutory requirements of relevances to the principles, and, rectification of any non-compliances.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Ongoing basis								

Note : In line with Code of Conduct, all Board level meetings and business meetings are led by the CEO & Managing Director for sustainability and business responsibility discussions on continual basis. The Directors and Senior Management members affirm compliance with the Code of Conduct on annual basis.

The Company publishes the Business Responsibility Report in its Annual Report. The Corporate Social Responsibility (CSR) Committee of the Company is responsible for formulating, implementing and monitoring the CSR Policy of the Company under the guidance of the Board. CEO & Managing Director is a member of this Committee. The Committee meets at least twice a year to review progress on various CSR initiatives. The CSR Committee also approves Annual CSR Report as per the provisions of the Act. CSR Report is part of the Board's Report.

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.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Most of our policies are internal policies which are adopted by the Company. They are reviewed internally on a periodic basis. No review is conducted through external partners.								

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

This section is aimed at helping companies demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every Company that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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:

Our employees have lived up to the highest standard of business integrity, transparency, ethics and compliance. Our values are aligned with code of conducts and operations. To further enhance this and ensure that the competency of our workforce is at par with the best industry practices, we provide online as well as offline training programmes and capacity building workshop to our entire workforce covering all various principles given by NGRBC. The coverage of our training programmes can be understood as follows:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	4	As a part of Agenda of Board / Committee Meetings presentations are regularly made to the Directors on various matters inter-alia covering the Company’s strategy, Business, operations, markets, performance, organisation structure, product brands, finance, risk management framework, quarterly and annual financial results, human resources, technology, health safety & environment, regulatory updates and future outlook. NGRBC principle wise details and its implications. We also provide trainings and updates as follows: - Internal Controls and Compliances update - Various Policies, Cyber Security and Internal controls on Risk Management Strategy and Framework. - Regulatory Updates and its implications	100%
Key Managerial Personnel*	4		100%
Employees other than BoD and KMPs	15	Curated training programmes span a wide range of subjects that fall under all guiding principles, including (but not limited to) Code of Conduct, PoSH, skill development, health, safety, and the environment	100%
Workers	15	In addition to trainings on health and safety and skill upgradation, we provide training to our workers on various topics such as, - Good Documentation Practices - IMS awareness - Data Integrity - Manufacturing related Standard Operating Procedures (SOPs).	100%

*2 out of 4 KMPs are also Board Members.

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

Monetary					
Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine			NIL		
Settlement					
Compounding fee					
Non-Monetary					
Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment			NIL		
Punishment					

During the financial year 2022-23, no fines / penalties / award / compounding fees / settlement amount was paid in proceedings by the Company or by its Directors / KMPs as per the materiality policy and SEBI Regulations.

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.

The Company has 'zero tolerance' to any form of corruption or bribery. The Company has a Code of Conduct (applicable to Board Members, Directors & Senior Management) and the Employee Manual, which applies to employees (whether permanent, temporary or on contract, direct or through contractor, retainer or full-time consultant), as well as to associated persons for ensuring compliance with applicable anti-bribery laws, rules and regulations. Weblink – Code of Conduct: <https://www.hester.in/corporate-governance>

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

Particulars	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs		
Employees		
Workers		

During the year, no disciplinary action has been taken by any law enforcement agency or the charges of bribery/ corruption against any Directors/KMPs/ employees/workers.

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

Particulars	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL		NIL	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL		NIL	

During the year, no complaints were recorded with regard to conflict of interest.

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

Principle 2:

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. 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.

Our employees have lived up to the highest standard of business integrity, transparency, ethics and compliance. Our values are aligned with code of conducts and operations. To further enhance this and ensure that the competency of our workforce is at par with the best industry practices, we provide online as well as offline training programmes and capacity building workshop to our entire workforce covering all various principles given by NGRBC. The coverage of our training programmes can be understood as follows: (% of total capex)

Particulars	FY 2022-23	FY 2021-22	Details of Improvement in environmental & social impacts
R&D	1.38%	0.62%	Investment into the new technologies to improve the to improve the environmental and social impacts of product and processes
Capex	7.33%	1.26%	Energy and water conservation initiatives and upgradation of rainwater harvesting tank and sewage treatment plant

2. a) Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, the company has a procedure for sustainable sourcing where all new & existing supply chain partners are mandatorily evaluated on environment, health & safety and sustainability parameters before onboarding. The company ensures that each of its suppliers have got international or domestic accreditation/ certification, e.g. ISO, etc.

Requirements of WHO, GMP and cGMP standards are also included in various standard operating procedures and protocols for supplier selection. Hence, utmost care is taken to ensure that products conform to stringent quality standards and stability of products is submitted during the periodic audits. All suppliers need to have environment audit certifications from ISO and OHSAS.

The Company has identified approved vendors for procuring materials and a Standard Operating Procedure is also in place for sourcing raw materials and packaging materials. Strict assessment is undertaken based on sample approvals, performance trials, and plant audit and regulatory & environmental clearances as part

of onboarding any new suppliers. Existing suppliers are also assessed periodically on these parameters to ensure their compliance and improvement on sustainability parameters.

Preference is also given to suppliers from nearby locations/districts to reduce carbon footprint from the logistics activity. Only government accredited suppliers are chosen for waste management activities to ensure strictest level of compliance.

b) If yes, what percentage of inputs were sourced sustainably?

100% of inputs sourced from critical suppliers is sourced sustainably by the Company

3. 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

The company does not generate any specific waste product to reclaim apart from the packaging which includes thermocol, plastics wrapping, gel packs bottles and vials. Thermocol and gel packs are generally sold off by our end customers to third parties for reuse and disposal.

Strict protocols are in place to ensure that the hazardous and biological waste generated as part of the production process is disposed as per the guidelines of State Pollution Control Board (SPCB). We work with designated waste recyclers to help us with collection, recycling, and disposal. Detailed logs and records are maintained for traceability and tracking.

Internal waste management policy also acts as a guiding principles for e-waste and old machinery/equipment. The policy mandates the disposal of the generated e-waste and machinery/equipment waste through an authorised dealer. The asset team identifies the assets older than stipulated time for disposal. Later, the procurement department enlists a certified waste dealer through whom all wastes are managed.

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.

EPR rules are not applicable to the company operations.

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)
Permanent employees											
Male	582	582	100%	582	100%	-	-	582	100%	582	100%
Female	37	37	100%	37	100%	37	100%	-	-	37	100%
Total	619	619	100%	619	100%	37	100%	582	100%	619	100%
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

Note: All permanent employees are covered by well-being measures such as life insurance, health insurance, accident insurance, maternity benefits, paternity benefits and day care facilities (as applicable).

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	72	-	-	72	100%	-	-	72	100%	72	100%
Female	2	-	-	2	100%	2	100%	-	-	2	100%
Total	74	-	-	74	100%	2	100%	72	100%	74	100%
Other than Permanent employees											
Male	353	-	-	353	100%	-	-	353	100%	-	-
Female	19	-	-	19	100%	19	100%	-	-	-	-
Total	372	-	-	372	100%	19	100%	353	100%	-	-

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

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI*	100%	100%	Y	100%	100%	Y
Others - NPS	4%	-	Y	-	-	Y

Note: ESI is not covered at all locations. We have provided the coverage where it is applicable. All the eligible persons are covered for the PF and Gratuity.

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.

Yes, the Company's plant and offices are accessible to differently abled employees and workers, in accordance with the requirements of the Rights of Persons with Disabilities Act, 2016. If any changes or adjustments are required, the entity is actively working to provide accessibility for all individuals. We are also working on improving the overall accessibility of our office premises to meet the highest standards possible.

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.

Providing equal opportunities to everyone is one of the key themes of the internal Employee Manual Policy and various HR policies in place within the organisation. The company does not discriminate based on race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability, or any other category protected by applicable law. <https://www.hester.in/corporate-governance>

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

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.

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees and Workers	Yes. The Company's employees and workers have access to a grievance redressal mechanism. Under the mechanism provided in the Whistleblower Policy, the Company provides a grievance redressal mechanism and encourages its employees and workers to report and bring to attention any instances of unethical behaviour, incidents, frauds, or violations.
Other than Permanent Employees and Workers	Yes. The non-permanent employees and workers communicate their grievances through their respective supervisors. The grievances are further communicated to the Company for necessary action and resolution. They can also use the Company's Whistleblower mechanism to report any instances of unethical behaviour, incidents, or violations.

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

Currently, no employees or workers are covered under any associations or unions. The Company believes that all employees are important stakeholders, and it is imperative to build a culture of mutual trust and respect, interdependence, and meaningful engagement. This approach helps in building, strengthening, and sustaining harmonious employee relations across the organisation.

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)
Total Permanent Employees	619	-	-	512	-	-
- Male	582	-	-	478	-	-
- Female	37	-	-	34	-	-
Total Permanent Workers	74	-	-	74	-	-
- Male	72	-	-	72	-	-
- Female	2	-	-	2	-	-

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	582	312	54%	312	54%	478	125	26%	130	27%
Female	37	35	95%	35	95%	34	30	88%	25	74%
Total	619	347	56%	347	56%	512	155	30%	155	30%
Workers										
Male	72	72	100%	72	100%	72	72	100%	72	100%
Female	2	2	100%	2	100%	2	2	100%	2	100%
Total	74	74	100%	74	100%	74	74	100%	74	100%

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	582	582	100%	478	478	100%
Female	37	37	100%	34	34	100%
Total	619	619	100%	512	512	100%
Workers						
Male	72	72	100%	72	72	100%
Female	2	2	100%	2	2	100%
Total	74	74	100%	74	74	100%

The Company has a formal year-end performance assessment and career development review process in place. The process applies to all permanent employees and workers.

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 is an Integrated Management System Certified Company meeting the requirements specified in ISO 9001:2015 Quality Management System, ISO 14001:2015 Environment Management System and ISO 45001:2018 Occupational Health and Safety Management System. We further take measures to prevent work related injury and ill health, minimise risks and continuously improve safety performance.

The company has a formal health and safety policy and framework across the end-to-end operations and covers the entire workplace. Also the Company follows the standards prescribed under the legal requirements under the Factories Act, Indian Boilers Act, Environment Protection Act, the Epidemic Disease Act.

There is a dedicated safety manager on the plant site who is responsible to day-to-day implementation of the H&S policies and also engages in various H&S initiatives to encourage best practice and ensure a very safe work environment across the company. Weekly health check-ups are offered to all employees/workers.

The company has tie-ups with nearby hospitals to take care of any medical emergencies. Safety shoe, jackets, helmets, gloves, etc are mandatory for workforce in protected sites. Periodic safety assessment are undertaken to ensure compliance.

Various safety programs are conducted at all sites to ensure safety of all the laborers/workers. National safety week is celebrated every year. Apart from that fire and safety day is also celebrated to train and spread awareness among workers, for proactively minimising any impact in case such incidents happen in future.

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 adopts the Hazard Identification and Risk Assessment (HIRA) process wherein the Safety manager and other functional/technical team work together to identify the hazards associated with the company activities and evaluate the risks vis a vis the control measures in place. This is done for all routine and non-routine activities.

The company also has health & safety professionals on site to regularly keep a check on the activities carried out. A regular safety check/maintenance is also carried out for safety of all equipment/machinery in place.

Through ongoing trainings, safety related messaging is continuously communicated to all workforce to remind of various safety protocols, policies and initiatives in place to reduce any safety related risks.

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 a well-established Health and Safety management process in place for employees and workers to identify and report on work-related hazards, as well as the steps taken to minimise them. In addition, the Company trains all its employees and workers with occupational health and safety modules. The training modules cover aspects of the methodology to identify work-related hazards, analyse the risks associated with them, and take subsequent steps to mitigate them.

During the safety and emergency evacuation drills, employees and workers are trained on dealing with emergency equipment such as fire hydrants, firefighting systems, leak and spill control procedures, and safety alarms, among others. Furthermore, employees' ability to deal with emergency situations is checked on a regular basis. The practical training of the employees with the right procedure for reporting work-related hazards and the steps to remove themselves from such situations.

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

Yes. the employees and workers have access to non-occupational medical and healthcare services and are provided medical insurance facilities in case of hospitalisation.

11. Details of safety related incidents:

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

During the year, there have been no safety related incidents involving any workers or employees.

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

The Company embeds the guidelines and principles of ISO 45001:2018, OSHA standards, the Factory Act, and other state-level regulatory requirements within its Environment, Health, and Safety (EHS) management system. The EHS policy advocates the provision of a safe working environment for all employees, contractors, sub-contractors, visitors, and neighbouring communities. The company conducts internal audits on a regular basis to check the safety practices and processes in accordance with the EHS management system and the ISO 45001:2018 criteria.

During the year, the company has proactively undertaken the following initiatives to ensure a safe and healthy work environment:

- Arranged a safety walk for Safety awareness.
- Celebration of Road Safety Week 2023 for precaution of Road Accidents
- Provided Personal Protective Equipment (PPE) to all workers who are working on the service floor.
- Established mechanisms for reporting near-misses.

The Company identifies key areas requiring rapid corrective action as part of the auditing procedure. The safety incidents and risks are investigated to establish the root cause, and then corrective action plans are developed to avoid similar incidents from occurring in the future. Furthermore, as part of the EHS management system, the Company provides safety training to all of its employees and workers through modules and safety drill practices. The safety training programmes enable the workforce to create a firm foundation in terms of their abilities to detect, reduce, and prevent occupational health and safety issues. The Company strives to prevent negative health effects on its employees through various health awareness workshops, medical facilities, and medical insurance benefits.

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

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

During the FY 2022-23 and FY 2021-22, there were no complaints filed by the employees and workers on the Company’s working conditions, health and safety parameters.

14. Assessments for the year:

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

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

During the year, no significant risks or concerns have arisen from the H&S focused assessments undertaken and hence no corrective action has been required.

All the safety related incidents and near misses are investigated as per our Health and Safety policy and process. All the identified Corrective and Preventive Action (CAPA) are defined and implemented horizontally across our operations to stop reoccurrence of similar incident. We track all our safety related incidents and the internal safety assessment procedures are reviewed on a periodic basis to check its implementation and effectiveness.

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.

We have identified our key internal and external stakeholders through analysis of stakeholder groups that could have potential impact or influence on our business operations as well as the impact Company might have on them. Stakeholders are critical to our business operations and their interests are key enablers for our business strategy in accordance with the business activities. The key internal and external stakeholder groups identified by the Company as part of the engagement mechanism are - Suppliers / Vendor / Third party manufacturers, Shareholders and Investors, Employees/Workers, Customers, and Communities.

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

Methods of stakeholder engagement includes surveys (such as supplier, customer, employee surveys), workshops, online video calls, regular interactions with the CSR teams and impact assessments, periodic updates, investors meetings & calls and interactions with team members. The table below provides a more detailed overview in relation to how we engage with both our internal and external stakeholder groups.

Stakeholder Group	Whether identified as Vulnerable & Marginalised 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
Suppliers / Vendor / Third party manufacturers	No	<ul style="list-style-type: none"> • Vendor meetings • Virtual modes such as e-mail, telephonically 	Continuous	<p>Responsible supply chain practices are critically important for ensuring the business continuity in a sustainable manner.</p> <p>Engagement with suppliers, vendors enable the Company to identify the key material issues impacting the supply chain. The key areas of interest for the suppliers are:</p> <ul style="list-style-type: none"> • Timely payments • Promoting local suppliers • Promoting shared growth
Customers	No	<ul style="list-style-type: none"> • Product catalogues • Customer meets and visits • Corporate film • News releases • Social media platform 	Continuous	<p>Customers form a vital part of the Company's stakeholder engagement group to ensure quality services. The key areas of interest for Customer are:</p> <ul style="list-style-type: none"> • Product quality, access and pricing • Ensure availability of products • Understanding of requirements and benefits of products

Shareholders and Investors	No	<ul style="list-style-type: none"> • Website • Investors/ Analyst meetings or calls • Stock Exchange Announcements • Press Releases • Quarterly results announcements • Timely disclosures • Notice of the Shareholder's General Meetings • Corporate profile • Annual Report • Social media platforms 	Annually / Quarterly / Need based	<p>Investors/ Shareholders form an integral part of the stakeholder group, influencing the decisions of the Company. The key areas of interest for Shareholders / Investors are:</p> <ul style="list-style-type: none"> • Enhancing enterprise value • Financial Performance • Strategy • Corporate governance • Transparency in disclosures • Regulatory compliance
Employees/Workers	No	<ul style="list-style-type: none"> • Hester Times (in-house newsletter) • Intranet • Training and performance management • Employee engagement events • Corporate film • Regular update through email communication 	Continuous	<p>Employee wellbeing and satisfaction is an integral part of the Company's growth model. Employee engagement through various means of communication provides an insight into the key action areas for employee wellbeing and growth. The key areas of interest for employees are:</p> <ul style="list-style-type: none"> • Training, professional growth and development • Well-being initiatives • Employee recognition • Fair remuneration • Work-life balance
Communities	Yes	<ul style="list-style-type: none"> • In-person meetings • Engagement through NGO partners 	Continuous	<p>Community development programs initiated by the Company's CSR activities enables driving a positive impact on the community members. The key areas of interest for community are:</p> <ul style="list-style-type: none"> • Community development programs with a focus on health, education, sanitation and infrastructure development

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:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	619	619	100%	512	512	100%
Other than Permanent	-	-	-	-	-	-
Total Employees	619	619	100%	512	512	100%
Workers						
Permanent	74	74	100%	74	74	100%
Other than Permanent	372	372	100%	346	346	100%
Total Workers	446	446	100%	420	420	100%

2. Details of minimum wages paid to employees and workers:

Category	FY 2022-23				FY 2021-22					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	619	-	-	619	100%	512	-	-	512	100%
Male	582	-	-	582	100%	478	-	-	478	100%
Female	37	-	-	37	100%	34	-	-	34	100%
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent	74	-	-	74	100%	74	-	-	74	100%
Male	72	-	-	72	100%	72	-	-	72	100%
Female	2	-	-	2	100%	2	-	-	2	100%
Other than Permanent	372	-	-	372	100%	346	325	94%	21	6%
Male	353	-	-	353	100%	329	308	94%	21	6%
Female	19	-	-	19	100%	17	17	100%	-	-

3. Details of remuneration/salary/wages:

Particulars	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹ million)	Number	Median remuneration/ salary/ wages of respective category (₹ million)
Executive Directors	1	41.07	1	5.40
Non- Executive Directors	7	0.25	1	0.43
Key Managerial Personnel *	2	7.54	-	-
Employees other than BoD and KMP	579	0.34	36	0.30
Workers	72	0.22	2	0.18

* Other than Board Members

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

Yes, the Head of Human Resource department of the Company is responsible for addressing human rights impact or issues.

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

The Company uses email and other informal channels of communication as the internal mechanism for grievance redressal of human rights issues. The Company's Human Rights Policy outlines the grievance redressal mechanism through the open channels of communication and the Ombudsman channel as per the Whistleblower Policy. The Ombudsman ensures the confidentiality of the complaints and grievances received through Email: cs@hester.in

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

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

During the year, there have been no complaints made by workers or employees on any human rights issues.

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

The Company has a Whistle Blower Policy wherein all employees can report, without fear of retaliation, any wrong practices or unethical behaviour on discrimination or harassment which may have a detrimental effect on the organisation, including financial damage and impact on brand image.

The details of the complainant are kept confidential and the authenticity of the complainant's report is investigated by the assigned committee/ officer. The details regarding the investigation are also limited to the committee and kept confidential. The complainant is protected from any discrimination and harassment till the issue is resolved.

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

No, human rights requirements do not explicitly form a specific part of the business agreement & contracts. However, the Company has a zero tolerance policy for any human rights violations and adopts best practices while engaging with the employees and workers of the company as well as external customers, suppliers and other value chain partners.

9. Assessments for the year:

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

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

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

Principle 6:

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators**1. Details of total energy consumption (in Tera Joules) and energy intensity:**

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	30.04	30.30
Total fuel consumption (B)	19.66	12.89
Energy consumption through other sources (C)	0.37	0.41
Total energy consumption in Tera Joules (A+B+C)	50.06	43.60
Turnover (₹ million)	2,540	2,193
Energy intensity per rupee of turnover (Total energy consumption in Tera Joules/ turnover in ₹ million)	0.02	0.02

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, the Company has not undertaken any independent assessment/assurance of the environmental data disclosed in the report.

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

No, the Company is not identified as designated consumer under the Performance Achieve and Trade (PAT) Scheme of the Government of India.

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

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres 'KL')		
(i) Surface water	-	-
(ii) Groundwater	42,962	43,071
(iii) Third party water	142	136
(iv) Seawater/ desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in KL) (i + ii + iii + iv + v)	43,104	43,207
Total volume of water consumption (in KL)	43,104	43,207
Water intensity per rupee of turnover (Water consumed (KL)/ turnover in ₹ million)	16.97	19.70

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, the Company has not undertaken any independent assessment/assurance of the environmental data disclosed in the report.

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

During the year, the company has installed a Zero Liquid Discharge (ZLD) mechanism at the Kadi plant. An Effluent Treatment Plant (ETP) of 180 KLD (kilo liters per day) capacity has been commissioned and will be fully effective from August 2023. Partially treated water from ETP RO shall be used for cooling tower and boiler feed water usage. A new 40 KLD STP plant has been also installed and commissioned. Previously used septic tanks are being replaced by new sewage treatment plant (STP). Treated water from STP plant will be used for gardening purposes on the plant premises. Solid waste generated will be disposed off through approved third party agencies.

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

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	ppm	-	-
SOx	ppm	-	-
Particulate matter (PM)	mg/Nm ³	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-

The Company regularly engages government-accredited third-party agencies to monitor air emissions from its operations at its manufacturing facility in line with the requirements of local pollution control regulations. The air emissions recorded during the FY are within the permissible limits. The Company will continue to monitor its air emissions on an ongoing basis and implement various environmental control measures and technologies to reduce its air emissions.

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.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1,461.44	958.24
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	5,912.50	5,764.15
Total Scope 1 & Scope 2 emissions	Metric tonnes of CO ₂ equivalent	7,373.95	6,722.39
Total Scope 1 and Scope 2 emissions per ₹ of turnover (Metric tonnes of CO ₂ equivalent/ turnover in ₹ million)		2.90	3.07

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, the Company has not undertaken any independent assessment/assurance of the environmental data disclosed in the report.

Scope 1 and Scope 2 emissions are from the consumption of electricity, fuel, and other energy sources at the corporate office, the manufacturing facility at Kadi, and the six branch offices in India. Scope 1 calculations are undertaken using guidelines and emissions factors prescribed by the IPCC (2006 version). The latest GWP factors published as part of AR5 are used for the calculations. Scope 2 calculations are undertaken using the emission factors prescribed by the Central Electricity Authority (version 18).

The company's activities do not involve any processes or fugitive emissions.

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

Yes, the company is committed to reducing its carbon footprint by focusing on various initiatives across the end-to-end operations to reduce its carbon footprint and other emissions. As a move away from fossil fuels, the company has shifted towards increasing its use of renewable energy and has installed solar panels of 100 KWH capacity on the QC department building. Additional solar panel installation is in pipeline.

Moreover, CFL lights were replaced by LED in approx 50% of the plant operations and immediate plans are to cover the entire plant operations. This will greatly reduce the amount of energy consumption.

Additionally, the company has implemented SMARTPO panel in HVAC system which helps in saving electricity consumption by atleast 3.6%. Furthermore, the company also engages in tree plantation and afforestation drives every year (including as part of World Environment day celebrations) to ensure carbon sequestration in the long term.

8. Provide details related to waste management by the entity:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.80	1.13
E-waste (B)	0.21	0.15
Bio-medical waste (C)	7.70	7.20
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Hazardous waste (G)	582.31	508.13
Other Hazardous waste ETP Sludge (H)	2.62	3.27
Other Non-hazardous waste generated - Paper, Box and Glass waste (I)	46.91	132.32
Other Non-hazardous waste generated - Drums waste (Nos) (J)	1,368.00	2,024.00
Total (A + B + C + D + E + F + G+ H + I)	640.55	652.20
Total (J)	1,368.00	2,024.00

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste

(i) Recycled (Plastic, E-waste, Paper, Box and Glass waste)	47.91	133.60
(ii) Re-used (Nos)	1,368.00	2,024.00
(iii) Other recovery operations	-	-

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste

(i) Incineration (Bio-medical waste + Hazardous waste)	575.32	504.10
(ii) Landfilling (Hazardous waste + ETP sludge)	17.30	14.50
(iii) Other disposal operations	-	-
Total	592.62	518.60

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, the Company has not undertaken any independent assessment/assurance of the environmental data disclosed in the report.

9. 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.

The Company has a robust approach to waste management. Various initiatives and best practice are implemented to address the key categories of waste generated as part of its operations. Below is an overview of the waste management practice in place:

- a) Biomedical waste : Waste eggs cells remained after the production process. Other biomedical waste is also generated as a part of the QC and R&D testing process
- b) ETP sludge waste : Settled sludge after the primary and secondary treatment of the waste from the production process
- c) Plastic waste : Used carboys, containers as well as corrugated boxes received as a packaging material of raw material and other supporting materials
- d) Electronic waste : Waste generated from parts of electronics instruments, computers, etc.

All categories of waste is being sent to approved third parties agencies for recycling/reusing or disposing off via landfill or incineration as per the regulatory requirements.

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

The Company's manufacturing facility and offices do not fall in or around ecologically sensitive areas.

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

During the year, no environmental impact assessment has been undertaken by the Company.

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

During the year, there were no cases of non-compliance to applicable laws, regulations, guidelines as per the national and state level mandates. Our manufacturing facility has received a valid Consent to Operate, issued by Gujarat State Pollution Control Board.

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.**

The Company has affiliations with 4 (four) national and state level trade and industry associations/ chambers.

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.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
2	The Indian Drug Manufacturers Association	National
3	Gujarat Chamber of Commerce & Industry	State
4	Indian Federation of Animal Health Companies (INFAH)	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.

During the year, no adverse orders from any regulatory authorities have been received in relation anti-competitive conduct.

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.**

During the year, the Company did not undertake any Social Impact Assessment.

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

During the year, the Company did not undertake any projects which involve any form of Rehabilitation and Resettlement (R&R).

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

The Company interacts with members of the community through local panchayat and in-person meetings. These avenues of contact make it easier to receive and address local community issues. In addition, the Company uses several community programmes to reach out to areas near its manufacturing location. The grievance register, which is handled at the manufacturing facility, is open to all community members for the purpose of raising grievances and questions as a written communication channel. Concerned authority members of the Company addresses the grievances received from the communities through the register.

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

Parameter	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	70%	63%
Sourced directly from within the district and neighbouring districts	51%	51%

Principle 9:
Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

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

The company has well established standard operating procedures for handling customer complaints.

Once a product quality complaint is received and logged with the Company, it is picked up by the Quality Assurance department as per the defined technical and quality procedures. The complainant is acknowledged, and a preliminary assessment is undertaken. A sample follow-up is initiated along with the preliminary assessment. The follow up runs in parallel with initial risk assessment and an investigation procedure. Post completion of the investigation, a corrective action plan is initiated. Simultaneously, a complaint summary report is submitted. A final risk assessment is carried out and a response to complainant is sent resulting in the final closure of the complaint.

Proactively, the Company carries out the consumer satisfaction survey to measure the satisfaction among its consumers. Post marketing surveillance is also carried out by the marketing team to track and monitor the efficacy and safety of the products.

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

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product Safe and responsible	Not applicable - There are no specific environmental and social parameters relevant to the product since the products are pharmaceutical products prescribed by a veterinarian.
Safe and responsible usage	100% of the Company's products carry information about its responsible and safe usage. Due to the criticality associated with the safe and responsible consumption of vaccines, the Company displays relevant information on the product labels as per the requirements of national and international drug regulatory bodies.
Recycling and/or safe disposal	Not applicable - While the Company does not specifically mention any such details on its products, it complies with all statutory requirements of the Pollution Control Boards.

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

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

During the year, there have been no complaints from customers across any parameters.

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

	Number	Reasons for recall
Voluntary recalls	Nil	-
Forced recalls	Nil	-

During the year, there have been no instances of product recalls on account of safety/quality issues.

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 cyber security policy and a framework for data privacy and protection in place. A dedicated IT team is responsible for implementation of the policy and assessment of the end-to-end operations for any vulnerabilities. Through ongoing monitoring and robust IT controls, the company proactively implements measures to mitigate any cyber security and data privacy risks. The policy can be accessed from website at <https://www.hester.in/corporate-governance>

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 year, there have been no issues to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls. No penalty/action have been taken by any regulatory authorities on these matters.