ESG Factbook FY 2024-25

Purpose in **Motion**

Progress in **Action**

About the Report

Scope, Boundary, and Reporting Period

This ESG Factbook covers our ESG performance and strategic initiatives for the period 01 April 2024 to 31 March 2025 and marks another milestone in our journey toward integrating sustainability into the core of our business. The scope and boundaries of our Annual Report FY 2024-25 and this ESG Factbook encompass operations under our manufacturing facilities in Paradeep (Odisha) and Zuarinagar (Goa). The reports highlight significant advancements, challenges, and future goals, demonstrating the company's commitment to integrating sustainable practices into operations and continuously improving key ESG metrics.

Our ESG disclosures are aligned with globally recognized frameworks, including the Global Reporting Initiative (GRI) Standards, Sustainability Accounting Standards Board (SASB) sector-specific criteria, and the United Nations Sustainable Development Goals (SDGs). We also voluntarily report under the SEBI-mandated Business Responsibility and Sustainability Reporting (BRSR) framework, and our ESG data is externally assured by TÜV India, Pvt. Ltd. enhancing credibility and transparency.

We remain committed to publishing our ESG report annually, ensuring transparency and continuous improvement. Through this report, we reaffirm our dedication to building a resilient, inclusive, and sustainable future for all stakeholders.

Statement of Responsibility

PPL confirms that as per our understanding, this report accurately reflects our environmental, social, and governance performance for the financial year FY 2024-25. The report has been prepared with input from various stakeholders and under the guidance of senior management.

Assurance

Any non-financial information that has been independently assured has been explicitly called out in this report. We have received assurance from TUV India Private Limited dated 08 October 2025 for the ESG data and other non-financial disclosures. The detailed assurance statement is suffixed at the last section of the report.

Feedback

We are committed to being transparent and responsive to the needs of our stakeholders. Your feedback helps us improve and stay aligned with your expectations. If you have any suggestions, queries, or insights, we encourage you to connect with us.

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We appreciate your input and look forward to engaging with you.

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Company Overview

Category	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Revenues in reporting currency (INR)	78,587,192,000	133,407,219,000	115,751,198,000	138,202,080,000
Revenues in USD	1,035,267,975	1,623,353,845	1,387,737,657	1,616,398,596
Total Employees	1,354	1,476	1,467	1,457
Production Volume (MT)	1,247,178	2,032,516	2,304,970	2,635,409

Governance

Corporate Governance

Board Independence

At PPL, independence in board governance is a cornerstone of our commitment to ethical oversight and balanced decision-making. Each independent director, both at the time of appointment and at the start of every financial year, submits a formal declaration affirming their independence in accordance with Section 149(6) of the Companies Act, 2013, read with Schedule IV, and Regulation 16(1)(b) of the SEBI Listing Regulations. These declarations are reviewed by the Board and due diligence is carried out to verify the authenticity and compliance of each submission. Based on the assessment, the Board confirms that all independent directors meet the statutory criteria for independence.

In alignment with SEBI's governance norms, at least 50% of the Board must comprise independent directors. PPL currently maintains this benchmark, with four (04) out of eight (08) directors categorized as independent, ensuring that the Board remains impartial, diverse in perspective, and aligned with stakeholder interests.

Board Type

Our board of directors ensures that governance at PPL is strategic and based on a diverse set of internal and external stakeholders that provide balanced opinions on pertinent topics related to company operations:

Type of Members	Number of members
Executive directors	1
Independent directors	4
Other non-executive directors	3
Total board size	**8**

For more information regarding our Board of Directors please refer to our annual report pg. 83: https://www.paradeepphosphates.com/uploads/content/annual-report-2024-25.pdf

Non-Executive Chairperson/ Lead Director

The Board of Directors of the Company comprises eight (08) directors as on 31 March 2025, with seven (07) Non-Executive Directors including four (04) independent directors and a Managing Director. Mr. Saroj Kumar Poddar is the Chairman and Non-Executive Director of the Company, while Mr. N Suresh Krishnan is the Managing Director and CEO of the Company.

On 15 May 2024, a meeting of the Independent Directors, chaired by Mr. Satyananda Mishra was convened to evaluate the performance of Non-Independent Directors, the Board's overall effectiveness, and the Chairman, based on feedback from Executive and Non-Executive Directors. They also reviewed the quality and timeliness of information shared between Management and the Board to support effective governance.

Board Accountability

At PPL, board accountability is embedded in our governance framework to ensure transparency, strategic oversight, and ethical leadership. The Board of Directors is responsible for setting the company's direction, monitoring performance, and safeguarding stakeholder interests. The tables below illustrate our Board's accountability metrics, paired with information regarding diversity, individual skill sets, succession plans and financial KPIs, giving stakeholders a holistic overview of the functioning and operational fitness of PPL's Directors.

Board Gender Diversity

PPL recognizes the importance of gender diversity in enhancing board effectiveness, decision-making quality, and stakeholder representation. As of 31 March 2025, women hold 12.5% of the Board positions, with one (01) female Independent Director contributing to diverse perspectives and inclusive governance. The company remains committed to improving gender balance through targeted succession planning and board nomination processes.

Number of Female Directors on the Board	1

Board Accountability

Average board meeting attendance is above 75%	Yes, Average Board Meeting attendance was 85.4% for FY 2024-25
Shareholder approval required for changes in bylaw	Yes
The company has board members with 4 or less other mandates	4
CEO succession plan is in place	Yes Succession planning for the position of MD & CEO is a critical priority for PPL to ensure seamless leadership continuity and organizational stability. We have the process in place to identify potential successors and groom them through focused development initiatives, enabling them to step into the role whenever required.
Board performance reviews are in place	Yes
There is no limitation to directors' liabilities	Under the Companies Act 2013, there is no blanket exemption from liability for directors. Generally, in a company limited by shares, directors are not personally liable for the debts of the company since the company is treated as a separate legal entity. However, the Act specifically provides circumstances where directors can be held personally liable. These include cases of fraud, misstatements in prospectus, failure to repay deposits, fraudulent conduct of business, breach of fiduciary duty, misapplication of company funds, and other statutory violations. Additionally, directors may also be liable under other laws such as tax or labour laws, Therefore, while the liability of directors is not unlimited in all

	cases, they can be made personally responsible where the law imposes such obligations.
Board members are elected on an annual basis	The Independent Directors and executive director are appointment for the fixed terms the other non-executive director will be liable to retire by rotation annually as per the provision of the Companies Act,2023

Board Average Tenure

The average tenure of the board is calculated based on the initial date of appointment of each individual board member. For initial date of appointment of the board members and other information, please check the quarterly compliance report on corporate governance for quarter ending on 31 December 2024. Please use this link to access the report:

https://www.paradeepphosphates.com/uploads/content/ppl-cg-reg-27-dec-31-2024.pdf

Average tenure of board members (in years)	4.75 years

The average tenure of board members has been updated as per the latest quarterly compliance report on corporate governance available publicly on our website. This is the most recent and updated value.

Board Industry Experience

Director Name	Fertilizers/Specialty Chemicals	Manufacturing Quality & supply chain	Risk Management	Environment Social and Governance	Information Technology
Saroj Kumar Poddar	✓			✓	
N Suresh Krishnan	✓	✓	✓	✓	✓
Soual Mohammad	✓			✓	
Karim Lotfi Senhadji	✓		✓	✓	✓
Dipankar Chatterji			✓	✓	
Satyananda Mishra				✓	
Subhrakanta Panda	✓	✓		✓	✓
Mrs. Rita Menon				✓	

The Board of Directors at Paradeep Phosphates Limited brings together a diverse group of leaders with extensive experience across business, finance, governance, and public administration. Their collective expertise supports the company's strategic direction and strengthens its commitment to responsible and sustainable growth.

Mr. Saroj Kumar Poddar, Chairman of Adventz Group, has decades of experience in the fertilizer and agrochemical industry, having served on the boards of Chambal Fertilizers, Zuari Agro Chemicals, and Texmaco Rail & Engineering. Mr. Soual Mohamed, a senior executive at OCP Group, and Mr. Karim Lotfi Senhadji, CFO of OCP and former CEO of OCP Africa, bring deep global expertise in the phosphate and fertilizer sector. Mr. Subhrakant Panda, Managing Director of Indian Metals & Ferro Alloys Ltd. and President of FICCI, adds valuable insights from the manufacturing and resource-based industries. Mr. N. Suresh Krishnan, Managing Director & CEO of PPL, has over 35 years of leadership experience in the fertilizer,

energy, sugar, and cement sectors. He has held key roles in companies such as Zuari Agro Chemicals, Mangalore Chemicals & Fertilizers, and Zuari Industries.

His expertise spans manufacturing, strategy, business development, and M&A. Mr. Dipankar Chatterji, a seasoned chartered accountant, contributes his expertise in finance, regulatory matters, and auditing. Mr. Satyananda Mishra, a retired IAS officer, offers strong insights into public policy and governance, while Mrs. Rita Menon, a former senior bureaucrat, brings extensive experience in public sector leadership and administration.

CEO-to-Employee Pay Ratio

The table below provides specific details on the ratio between the total annual compensation of the Chief Executive Officer and the median as well as mean employee remuneration for FY 2024-25:

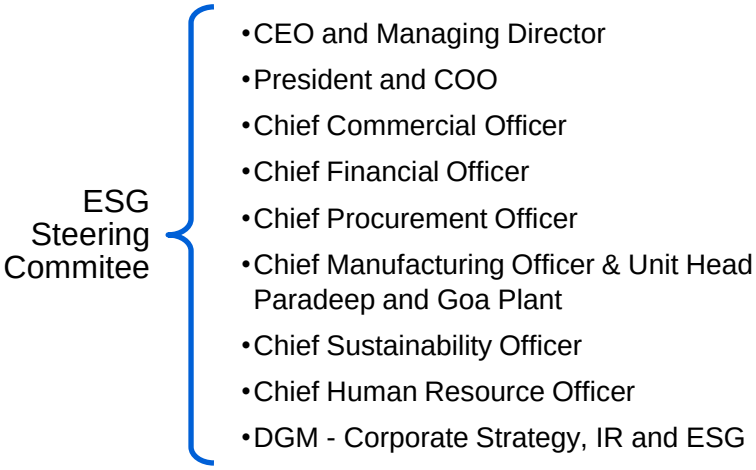
Category	FY 2024-25 (in INR)	
CEO Compensation	727.59 Lakhs	
	Median Employee Compensation (in INR)	**Mean (in INR) ***
Employee Compensation	Male - 9,98,676 Female - 9,99,463	Male - 13,10,713 Female - 11,33,315
	Average: 9,99,069	Average: 13,02,921
Ratio	72.82	55.84

ESG Governance Oversight

PPL has established a dedicated Corporate Social Responsibility & ESG Committee, chaired by a Non-Executive Independent Director, to oversee ESG governance. The Committee meets periodically and is responsible for recommending the company's ESG strategy to the Board, monitoring ESG-related policies and performance, and reviewing implementation of ESG targets, standards, and metrics. It also ensures alignment with long-term strategic objectives and principles of good corporate citizenship. The Company Secretary acts as the Committee's secretary, and quorum requirements are defined to ensure effective oversight.

Sr. No.	Name	Designation
1.	Ms. Rita Menon	Chairperson (Independent Director)
2.	Mr. N. Suresh Krishnan	Member (CEO and Managing Director)
3.	Mr. Karim Lotfi Senhadji	Member (Non-Executive Director)

To support the implementation of ESG initiatives across the organization, we have formed an ESG Steering Committee comprising senior leadership from key business functions. This cross-functional team plays a critical role in driving the company's ESG agenda, integrating sustainability into core operations, and ensuring alignment with strategic goals.



Core Responsibilities

The steering committee provides strategic leadership by developing and guiding a comprehensive ESG strategy that aligns with the company's broader corporate objectives, ensuring that sustainability remains a core priority across all levels of the organization. The committee oversees the implementation of ESG initiatives, ensuring that they are effectively rolled out across business units and that the company remains committed to its sustainability goals and industry best practices. The committee also conducts regular assessments of the company's sustainability performance, measuring progress against defined goals and reporting key insights to Promoters, Investors, and the Board of Directors.

Monitoring and Reporting

The committee meets quarterly to review ESG priorities, track progress, and adapt strategies as needed. It also ensures transparent communication with the Board and stakeholders, reinforcing the company's dedication to responsible business practices and ethical conduct.

This ESG Governance Framework underscores our commitment to sustainability and ethical business conduct. By embedding ESG principles into our operations, we aim to drive positive impact, enhance stakeholder trust, and contribute to a more sustainable future for all.

Materiality

Materiality Analysis

Our commitment to resilience and sustainability is deeply embedded in our strategic decision-making. To ensure our ESG priorities align with stakeholder expectations and business realities, we conducted a comprehensive materiality assessment using a structured, multi-phase approach. This process enables us to identify, prioritize, and act on the most significant environmental, social, and governance issues impacting our operations and stakeholders. Following are the details about our three-phase approach:

- Identifying Material Issues:
  Scanning our operational landscape and industry context to pinpoint critical ESG topics that could influence our long-term performance and stakeholder relationships. We

conducted in-depth research to understand the evolving Environmental, Social, and Governance (ESG) landscape within the chemical sector. This analysis led to the identification of 40 key topics.

- Stakeholder Engagement:
  Conducting targeted surveys and consultations with key internal and external stakeholders including employees, suppliers, customers, and investors to gather insights into their expectations, concerns, and priorities. This reinforces transparency and inclusiveness during the assessment process.

- Analysis and Validation:
  Undertaking rigorous data analysis to validate the relevance of identified issues. This helped us prioritize topics based on their significance to both business success and stakeholder interest.

The final materiality findings were reviewed and formally approved by PPL's senior leadership, ensuring alignment with strategic objectives. Following tables provide information on how PPL treats select material topics, including business cases, linked targets, and mitigation strategies.

Material Issues for Enterprise Value Creation

Particular	Material Issue 1	Material Issue 2	Material Issue 3
Material Issue	Chemical Safety	Business Ethics	Air Pollution
Business Case	Chemical safety is crucial for us due to the hazardous nature of the chemicals involved in production, such as ammonia and phosphate compounds. Ensuring proper handling, storage, and disposal mitigates risks of accidents, such as explosions, fires, and toxic exposures, which can endanger workers and surrounding communities. Also, the company is subject to strict regulations based on the handling, production, storage, and transportation of these chemicals. Therefore, it is crucial to comply with these regulations else it may lead to penalties, legal issues, and production stoppages.	Ethical conduct builds trust and drives strong governance which helps in better decision making and in the longevity of the business. It helps businesses grow, earn more profits, better employee's wellbeing and better future prospects. It helps retain customers, attract the right talent, and mitigate risks of any kind. Ethical practices ensure compliance with environmental and safety standards, reducing the risk of legal issues and foster community goodwill.	Our manufacturing operations incur the emission of various air-polluting substances such as particulate matter (PM), nitrogen oxides (NOx), sulphur oxides (SOx), and other harmful gasses or particles. These emissions can have severe consequences on human health, ecosystems, and the environment. It can lead to respiratory problems, cardiovascular diseases, acid rain, smog formation, and damage to crops and natural habitats.

Particular	Material Issue 1	Material Issue 2	Material Issue 3
	Any occupational incident may steer workers' protest, increase downtime, damage reputation, and potentially impact hiring the right talent in the organization.		
Type of Impact	Risk	Revenue	Risk
Business Strategies	Our operations are ISO 45001certified (Occupational Health and Safety Management Systems). Our Health and safety policy provides our commitment against hazardous chemicals and its safe use. We have developed various SOPs (standard operating procedures) and safety manuals on safe handling of the chemicals. Adequate PPEs are provided to ensure safety in the storage, handling, and transportation of chemicals. Regular internal and third-party audits are conducted, and results are shared with the senior management.	We have a code of conduct applicable to all employees which capture our commitment towards ethical business. It also mentions the escalation mechanism if an individual wants to raise a concern/ complaint. Additionally, policy on antibribery & corruption, human rights, tax, sexual harassment, insider trading, etc. drives strong governance within the organization. The code for insider trading highlights precautionary measures to be undertaken for unpublished price sensitive information. The supplier code of conduct specifies the commitment that the vendors, suppliers, and business partners are required to provide against fair treatment, human rights issues, etc. Additionally, we have formulated a board level CSR and ESG Steering Committee to support our commitment to the environment, corporate social responsibility, and corporate governance.	Our environmental policy reflects PPL's commitment to minimizing the release of harmful air pollutants into the atmosphere. Our operations are ISO 14001 certified (Environmental management system). Various SOPs at the plant level have been formulated. Employees receive regular awareness sessions, training, etc., emphasizing the need to operate responsibly. Emissions are periodically monitored to ensure they remain within permissible limits.

Materiality Metrics for Enterprise Value Creation

Particular	Material Issue 1	Material Issue 2	Material Issue 3
Material Issue	Chemical Safety	Business Ethics	Air Pollution
Target	We aim to keep zero accidents in our operations including chemical spills	Increase the share of women in all management cadre to overall 6% by 2030. 100% employee coverage for the ESG Governance & Policy Training by the year 2025	Reduction in PM / NOX / SO2 Intensity by 5% compared to the baseline year 2024
Target Year	2025	2030	2027
Progress	01 incident reported near Goa facility of elevated levels of Total Kjeldahl Nitrogen (TKN) and Potassium in water samples drawn by GSPCB.	Currently, Women hold 12.5% of Board positions, including one female Independent Director. Women represent 4% of all management positions, covering junior, middle, and senior levels.	At present, the PM / NOX / SOX Intensity is 0.0005 / 0.0002 / 0.0005 MT / MT of production.
Executive Compensation			Employees are rewarded for their actions and efforts put towards organizations' ESG Risk management. We value and recognize individuals who go above and beyond. We have established department-specific ESG-related KPIs, including key indicators on environmental factors such as emissions, energy consumption, air emissions, etc. If not carefully managed, these factors can have a significant environmental impact and pose risks to the climate. When the team successfully manages performance against these KPIs and achieves their yearly goals, it positively impacts their overall annual performance review.

Material Issues for External Stakeholders

In our ongoing commitment to transparency and corporate responsibility, we have once again conducted a thorough assessment of the positive and negative impacts of our business operations, products and services, and supply chain on external stakeholders. The insights gathered from this comprehensive evaluation have highlighted two critical material topics that hold significant importance for our stakeholders and possess the potential to profoundly influence both society and the environment.

Recognizing the gravity and immediacy of these issues, we are fully dedicated to implementing robust and effective measures to address and mitigate the associated direct and indirect impacts. Our strategic focus will encompass both short-term and long-term horizons, ensuring sustainable and responsible business practices that align with our core values and stakeholder expectations. As we move forward, we will intensify our efforts to create meaningful positive changes and uphold our responsibility as a conscientious corporate citizen.

Particular	Material Issue 1	Material Issue 2
Material Issue	Chemical Safety	Product Stewardship
Cause of the Impact	Operations and Supply chain	Operations, Products
External Stakeholders Impacted	The fertilizer manufacturing process involves the handling and processing of various chemicals, some of which are hazardous. Inadequate chemical safety measures can jeopardize the health and safety of nearby communities. Accidents, leaks, or improper storage can result in exposure to toxic substances, potentially causing health issues and, in severe cases, fatalities. Noncompliance with chemical safety regulations can lead to fines, penalties, and legal actions, which not only impact PPL's financial performance but also erode the trust of regulatory bodies and stakeholders in the company's commitment to responsible operations. Additionally, fertilizer manufacturing involves chemicals that, if not managed properly, can harm the environment. Chemical spills, leaks, or emissions can contaminate soil, water bodies, and the air, adversely affecting local ecosystems and wildlife and potentially leading to long-term environmental damage.	Fertilizer manufacturing involves the use of various chemicals and processes that can significantly impact the environment. If not properly managed, the release of pollutants and greenhouse gases can lead to air and water pollution, soil degradation, and harm to ecosystems, affecting surrounding communities. Non-compliance with environmental and safety regulations can result in fines, legal liabilities, and reputational damage. Stakeholders, including investors, customers, and regulatory authorities, closely monitor our adherence to these regulations. This year, we are intensifying our commitment to sustainable practices and regulatory compliance to protect the environment, ensure community well-being, and maintain stakeholder trust.
Type of Impact	Negative	Positive and Negative

Particular	Material Issue 1	Material Issue 2
Mitigation Measure	We are intensifying our efforts to reduce the harmful impact of chemical use in our manufacturing process. By leveraging innovative practices, we ensure safe handling of intermediate products like sulphuric and phosphoric acid combined with ammonia and potash. To further mitigate our carbon footprint, we have expanded our supply chain to secure more molten Sulphur from IOCL, reducing imports, lowering costs, and significantly cutting greenhouse gas (GHG) emissions. Our Paradeep facility continues to exemplify our commitment to environmental protection as a zero liquid discharge site, ensuring no wastewater contaminates the land. We have also enhanced our operational oversight with more frequent and rigorous internal and third-party audits, promptly sharing results with senior management. This proactive approach ensures continuous improvement in safety and environmental standards, reinforcing our dedication to responsible and sustainable manufacturing.	We continue to enhance product stewardship to minimize risks to people and the environment, reducing potential liabilities. At our Paradeep plant, we source rock phosphate from OCP Group and procure molten Sulphur from IOCL, significantly reducing Scope 1 and Scope 3 emissions compared to imported Sulphur. In products like Zypmite and Zypmite+, we use phosphogypsum for soil correction and micronutrients 45 for soil conditioning. Additionally, we engage in the sale, trading, and distribution of city compost. Biodegradable waste from canteens, offices, and households is converted into organic manure (bio-fertilizer) through our vermicomposting unit at PPL premises, supporting sustainable waste management and soil enrichment. We also conducted Life Cycle Assessment of three of our key products i.e. Urea (46:0:0), NPK (15:15:15:09) and DAP (18:46:0) to identify the environmental impacts. These measures reflect our commitment to sustainability and responsible manufacturing, protecting both our communities and the environment.
Topic Relevance	The manufacturing process in the fertilizer manufacturing involves handling and processing various chemicals, some of which can be hazardous. Inadequate chemical safety measures can put the health and safety of nearby communities at risk. Accidents, leaks, or improper storage can lead to exposure to toxic substances, leading to health issues, and, in severe cases, fatalities. Failure to adhere to chemical safety regulations can result in fines, penalties, and legal action, impacting not only the PPL's bottom line but also the trust of regulatory bodies and stakeholders in the commitment to responsible operations. Fertilizer manufacturing involves handling chemicals that can harm the environment if not managed properly.	Fertilizer manufacturing involves the use of various chemicals and processes that can have a significant impact on the environment. If not managed properly, the release of pollutants, greenhouse gasses, or other harmful substances can lead to air and water pollution, soil degradation, and harm to ecosystems. This can affect not only the environment but also the surrounding communities that rely on clean air, water, and fertile soil for their well-being. Violations of environmental and safety regulations can lead to fines, legal liabilities, and reputational damage. Stakeholders, such as investors, customers, and regulatory authorities, closely monitor a company's compliance with these regulations. Noncompliance can result in significant

Particular	Material Issue 1	Material Issue 2
	Chemical spills, leaks, or emissions can contaminate soil, water bodies, and the air. This pollution can harm local ecosystems and wildlife, potentially leading to long-term environmental damage.	financial losses and losses of public trust.

Materiality Metrics for External Stakeholders

Particular	Material Issue 1	Material Issue 2
Material Issue	Chemical safety	Product Stewardship
Output Metric	Amount of water discharged	No. of new products in the product portfolio Release of GHG emission in 1 ton of production of the product (NPK, Urea, DAP)
Impact Valuation	Conducted Water Risk Assessment for both sites.	Product Design Criteria – 4R Principles By implementing the 4R principles, we aim to maximize value and minimize environmental damage at the source. These principles involve selecting the Right source, applying at the Right rate, at the Right time, and in the Right place.
Impact Metric	Overall water risk Physical risk quantity Physical risk quality Regulatory and Reputational Risk	Y-o-Y new products added Decrease in GHG emissions in 1 ton of production of the product

Risk and Crisis Management

We have defined a risk management framework which ‘Assess’, ‘Design’, ‘Build’ and ‘Support’ the implementation of a robust risk management infrastructure and set of processes which are not only linked to the strategic objectives but also continuously drive a proactive and sustainable risk ‘aware’ culture.

Risk Governance

Risk governance is a strategic pillar of our corporate oversight, designed to ensure proactive identification, evaluation, and mitigation of risks across all levels of the organization. Our governance structure integrates operational vigilance with board-level accountability, enabling us to respond effectively to both immediate challenges and long-term uncertainties. During FY 2024-25, two meetings of the Risk Management Committee were held on July 31, 2024, and February 24, 2025.

Board Oversight:

The Board of Directors holds ultimate responsibility for the oversight of our risk management framework. It defines the company’s risk strategy, appetite, and key focus areas. The Board is supported by the Audit Committee, which monitors financial reporting, internal controls, compliance, ethics, and risk-related policies. Our risk governance framework is reinforced by

clear accountability mechanisms. Any mismanagement or failure to address significant risks that result in operational disruptions can impact variable payouts for board members, thereby aligning leadership incentives with risk performance.

Site and Functional Teams:

The site and functional teams are responsible for risk identification, evaluation, prioritization, and mitigation at the operational level. As the first line of defense, they are the primary owners of risk (risk champions at PPL) and are directly involved in managing and mitigating risks as they arise in day-to-day operations.

Risk Management Committee:

The Risk Management Committee is responsible for overarching management, coordination, and mitigation of risks. The committee ensures that risk considerations are embedded in decision making, strategic planning, and operational execution. The Risk Management Committee, comprising senior leadership including:

- Mr. Dipankar Chatterji – Independent Director (Chairman)
- Mr. Karim Lotfi Senhadji – Non-Executive Director (Member))
- Mr. Narayanan Suresh Krishnan – Managing Director (Member)
- Mr. Rajeev Nambiar – Chief Operating Officer (Member)

Internal Audit:

As the third line of defense, the Internal Audit department plays a critical role in maintaining and updating the enterprise risk register. It conducts periodic reviews and provides independent assurance on the effectiveness of risk controls.

Risk Management Processes

We operate in a complex and evolving regulatory landscape and are exposed to various internal and external risks that could influence our operations, financial performance, and future growth. Recognizing the risks, we employ a structured and dynamic risk management process that ensures continuous monitoring and mitigation of risks across the enterprise. Risks are assessed at both gross and residual levels. They are categorized as high, medium, or low based on their potential impact. High and medium risks are actively mitigated through robust systems, controls, and processes to reduce them to acceptable residual levels.

The risk register is updated biannually to reflect changes in the operating environment, including emerging trends, regulatory developments, stakeholder expectations, and global dynamics. ESG-related risks are fully integrated into the enterprise risk framework, ensuring that sustainability considerations are embedded in strategic planning and operational decision-making. The internal auditor uses a risk-based approach to evaluate the effectiveness of internal systems and controls. Findings are reported quarterly to the Audit Committee, which ensures timely corrective actions. We review our risk management policy and risk exposures at least once every two years. Our risk management framework incorporates following stages:

Risk identification:

PPL's risk management process begins at the operational level, where site and functional teams actively monitor day-to-day activities to identify potential risks. These risks may arise

from internal operations, external market dynamics, regulatory changes, or environmental and social factors. The teams act as risk champions, ensuring early detection and documentation of risks across business units.

Root Cause Analysis:

Once a risk is identified, a detailed root cause analysis is conducted to understand the underlying factors contributing to the risk. This step helps differentiate between symptomatic issues and systemic vulnerabilities. By identifying the source whether it's process inefficiency, regulatory non-compliance, or external disruption, PPL ensures that mitigation efforts are targeted and effective.

Risk Prioritization:

Risks are evaluated based on their likelihood and potential impact. PPL uses a dual-level assessment:

- Gross Risk Level: Initial categorization as high, medium, or low before mitigation.
- Residual Risk Level: Reassessment after applying controls and mitigation strategies.

Risk exposure:

We assess the risk exposure through a structured enterprise risk management (ERM) framework that considers both the likelihood of occurrence and the magnitude of impact across strategic, operational, financial, and compliance domains. We have developed a robust risk rating criteria and have defined a risk rating scale ranging from “unlikely (score 1)” to “almost certain (score 5)” for likelihood of occurrence and scale ranging from “insignificant (score 1)” to “severe (score 5)” under the magnitude of impact.

The identified risks are prioritized based on a composite score derived from likelihood and impact scores and are categorized as key risks at both inherent and residual levels. Once the ratings are given, the risks are plotted on a heat map of likelihood versus impact and colour coded in reference to the composite score of high, medium, low. High and medium risks are prioritized for immediate action, while low risks are monitored periodically. This prioritization feeds into the risk register, which is updated biannually to reflect emerging trends and stakeholder expectations. An example of risk rating scale is provided below:

Impact	**Insignificant (score 1)**	**Minor (score 2)**	**Moderate (score 3)**	**Major (score 4)**	**Severe (score 5)**
Business interruption due to stream days lost (excluding annual plant shutdown)	-	< 7 days	7 to 15 days	> 15 days	> 15 days
Health and safety	-	Single injury	Multiple injuries	Single fatality	Multiple fatalities
Likelihood	**Unlikely (score 1)**	**Rare (score 2)**	**Moderate (score 3)**	**Likely (score 4)**	**Almost Certain (score 5)**
Likelihood of occurrence	Theoretically possible, but not expected	Unlikely to occur at any time in foreseeable future	Likely to happen in next 3 to 5 years	Highly likely to happen in next 2 to 3 years	Certain to happen in next 1 year

We identified total 172 Gross risks, out of which 72 are rated as high gross risks, 43 are rated as medium gross risks, and 57 are rated as low gross risks. While residual risks are categorized as 05 high risks, 02 medium risks, and 165 low risks. For each prioritized risk, we develop a management plan that outlines risk description, root cause analysis, mitigation plan, responsibilities, and implementation timeline.

Management and Mitigation:

Mitigation strategies are developed and implemented by the operational teams, with oversight from the Risk Management Committee and the Head of Risk. These strategies include process improvements, technology upgrades, policy changes, training and awareness programs.

Reporting and Communication:

Risk-related information is communicated across all levels of the organization:

- The Internal Audit team reports findings quarterly to the Audit Committee.
- The Risk Management Committee reviews the updated risk register and mitigation progress.
- The Board of Directors oversees the overall risk strategy, appetite, and governance.

ESG-related risks are integrated into the enterprise risk framework, ensuring sustainability is embedded in decision-making. The Internal Audit team provides independent assurance on the effectiveness of these controls.

Emerging Risks

As global dynamics evolve rapidly, identifying and addressing emerging risks has become a critical component of PPL's strategic risk management framework. These risks not only influence operational continuity but also shape long-term business resilience and competitiveness. In this context, PPL has proactively assessed and documented key emerging risks in its risk register, focusing on areas with potential high-impact disruptions. The table below outlines two (02) significant risks, geopolitical instability affecting maritime trade routes and technological shifts in agri-input advisory ecosystems. Their potential impact and corresponding mitigation strategies are also described.

Risk Category	Risk	Risk Description and Potential Impact	Mitigation Actions
Geopolitical: Disruption from Global Maritime Chokepoints	Increasing geopolitical tensions in Red Sea, Suez Canal, and Hormuz Strait threaten the stability of global maritime trade routes. PPL's reliance on imported raw materials (e.g., phosphate rock from Morocco) makes it vulnerable to shipping delays and cost surges.	• Risk of inventory shortages and production halts. • Increased freight costs and insurance premiums. • Need for alternative logistics and sourcing strategies.	• Evaluating alternate shipping corridors (e.g., India-Middle East-Europe Corridor). • Building strategic raw material reserves at ports.

Risk Category	Risk	Risk Description and Potential Impact	Mitigation Actions
			• Exploring bilateral trade agreements for priority shipping lanes
Technological: AI-Driven Disruption in Agri-Input Advisory Ecosystems	The rise of AI-powered agri-advisory platforms (e.g., precision nutrient mapping, drone-based diagnostics, and automated crop health monitoring) may reduce farmers' reliance on traditional fertilizer recommendations and shift demand toward hyper-personalized nutrient solutions.	• Risk of disintermediation from the farmer decision-making process. • Potential decline in brand loyalty and reduced product stickiness. • Need to integrate digital agronomy into product and service offerings.	• Exploring digital extension services and farmer advisory platforms. • Collaborating with agri-tech startups to co-develop AI-based nutrient tools. • Piloting IoT-enabled soil health monitoring in key markets.

Business Ethics

Code of Conduct

PPL's Code of Conduct provides a comprehensive framework for ethical behavior, covering key areas such as anti-corruption and bribery, discrimination, confidentiality, conflicts of interest, antitrust practices, money laundering, insider trading, environmental health and safety, and whistleblowing. It sets clear expectations for employee conduct and promotes a culture of integrity and compliance. This code of conduct guides our actions and decisions, ensuring responsible operations across PPL.

Link:
https://www.paradeepphosphates.com/uploads/content/codeofbusinessconductandethicsnew1677899628.pdf

Anti-Bribery and Anti-Corruption Policy

We are committed to maintaining the highest standards of ethical conduct and integrity in all its business dealings. The company's Anti-Bribery and Anti-Corruption (ABAC) Policy outlines a framework to prevent, detect, and address bribery and corruption risks across its operations. It outlines clear expectations and procedures to ensure compliance with legal and ethical standards. The policy includes:

- Strict prohibition of bribery and corruption, whether direct or indirect, in dealings with public officials or private entities.
- Guidelines for gifts and entertainment, allowing only nominal-value gifts and requiring disclosure and approval for any exceptions.

- Controls on political contributions, which are permitted only under the Companies Act, 2013, and require prior Board approval.
- Conditions for charitable contributions and sponsorships, ensuring they are not used to influence government officials and are properly vetted.
- Mandatory training programs for employees, especially those in high-risk roles, to raise awareness and ensure understanding of anti-bribery principles.
- Established reporting mechanisms for suspected breaches, including a whistleblower email channel with confidentiality protections.
- Defined disciplinary actions for violations, which may include termination or legal proceedings depending on the severity of the breach.

This policy reinforces our zero-tolerance stance on corruption and its commitment to transparency, accountability, and responsible corporate conduct.

Link: https://www.paradeepphosphates.com/uploads/content/abac1758890401.pdf

Whistleblowing Mechanism

We have implemented a structured **Whistle Blower Policy** to promote transparency and ethical conduct across its operations. The policy enables employees and directors to report concerns related to misconduct, fraud, or violations of company policies without fear of retaliation. Reports can be submitted through multiple channels, including email and sealed written communication, with official contact details provided.

Anonymous reporting is permitted only if it contains sufficient details and evidence to conduct an enquiry/investigation. The policy ensures that the identity of the whistleblower is protected, and all disclosures are treated with strict confidentiality. We enforce a zero-tolerance approach to retaliation, safeguarding whistleblowers from any adverse consequences. The policy is made accessible to employees through noticeboards, the company website, and is referenced in the annual report to ensure awareness and transparency.

Link:https://www.paradeepphosphates.com/uploads/content/whistle-blower-policy1758890399.pdf

Reporting on Breaches

As a responsible organization, we are committed to upholding the highest standards of ethical conduct and corporate integrity across all its operations. As part of our governance framework, we actively monitor and report breaches related to our Code of Conduct, which covers areas such as corruption and bribery, discrimination or harassment, data privacy, insider trading, and conflicts of interest.

We are proud to have maintained a track record of zero breaches or convictions regarding corruption and bribery, customer data privacy, conflicts of interest, and insider trading. This reflects our strong internal controls, impact of the employee awareness programs, and result of robust compliance mechanisms. However, one incident related to discrimination or harassment was reported. We promptly investigated the incident in accordance with the company's Code of Conduct and POSH (Prevention of Sexual Harassment) policy and corrective action was taken to resolve the issue. The investigation involved confidential

interviews with the concerned parties, review of relevant documentation, and adherence to due process.

Reporting areas	Number of breaches in FY 2024-25
Corruption and Bribery	0
Discrimination or Harassment	1
Customer Privacy Data	0
Conflicts of Interest	0
Money laundering or Insider Trading	0
Total	**1**

Policy Influence

As a responsible organization, we maintain transparency on our political and associational activities, providing fair disclosure on financial and policy/advocacy contributions made to any political campaigns and trade and tax-exempt groups.

Contributions and Other Spending

PPL is not directly lobbying for green ammonia, but it is a key beneficiary of India's push for the green ammonia, as it was the designated offtaker for 75,000 metric tonnes per annum (MTPA) of green ammonia at Paradeep facility and 25,000 MTPA at Goa facility for a 10 year period in the country's first auction for the as a feedstock for NPK fertilizers in August 2025. This move supports PPL's decarbonization efforts and will make green ammonia more economically viable for the fertilizer sector through the National Green Hydrogen Mission. We are involved in:

- Offtaker in the First Green Ammonia Auction:
  PPL was the offtaker for the first auction of green ammonia under India's National Green Hydrogen Mission, receiving 75,000 MTPA at a record-low price of INR 55.75 per kg at Paradeep facility and receiving 25,000 MTPA at INR 62.84 per kg at Goa facility.
- Partner in the SIGHT Scheme:
  This procurement is part of the SIGHT Scheme (Strategic Interventions for Green Hydrogen Transition), which aims to accelerate the adoption of green hydrogen and its derivatives, like ammonia, for industrial use.
- Decarbonization of the Fertilizer Sector:
  PPL is one of India's largest fertilizer companies, and integrating green ammonia is a significant step in its decarbonization journey, aligning with global efforts to reduce industrial carbon footprints.
- Economic Viability:
  The record-low price discovered in the auction is expected to make green ammonia economically feasible for industrial applications, particularly in the fertilizer sector, which is a large consumer of natural gas.

Currency (INR)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Lobbying, interest representation or similar	0	0	0	0
Local, regional or national political campaigns/organizations / candidates	0	0	0	0

Currency (INR)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total Trade associations or tax-exempt group spending	0	0	0	0
Other spending	0	0	0	0
Total	0	0	0	0
Data Coverage (% of operations)	100	100	100	100

Supply Chain Management

Supplier Code of Conduct and ESG Program

We have established a standalone Supplier Code of Conduct (SCoC) that outlines the minimum environmental, social, and governance (ESG) standards expected from all suppliers and business partners. This policy serves as a foundational document to ensure that our supply chain reflects the values and commitments of PPL. Each supplier is required to provide an undertaking of SCoC to steer business with the organization. This undertaking reinforces our shared responsibility for sustainable and responsible operations. Our procurement practices are regularly reviewed to ensure they remain aligned with the principles of the SCoC and do not conflict with broader ESG objectives.

In our supplier selection and contract awarding processes, ESG performance is a key consideration. We assign a minimum weightage to ESG criteria, giving preference to suppliers who demonstrate strong sustainability practices. To support this, we conduct training sessions for stakeholders and procurement teams with the aim of enhancing their understanding of ESG risks and responsibilities within the supply chain. Our ESG Steering Committee oversees the implementation, progress, supplier compliance, and ensures continuous improvement in the ESG performance across our supplier network. We expect all suppliers to comply with applicable environmental laws and regulations, including the following:

Environmental Authorizations and Reporting:

- Suppliers shall comply with or exceed applicable environmental regulations, including obtaining all required environmental permits and licenses, information registrations, and following operational and reporting requirements.
- We seek to understand the environmental impact of products and services and provide data as requested to allow us to report on our environmental footprint.
- Suppliers must also comply with applicable water pollution and air emission norms and ensure that monitoring and reporting requirements specified under regulatory permits issued by the State Pollution Control Board (or equivalent authority) are fully met.

Waste management and pollution prevention:

We are committed to managing waste to reduce environmental impact and ensure public health and we expect the suppliers to do the same to completely align with PPL's Vision.

- Hazardous materials and emissions: Work in a way that, as far as practical, avoids the use of hazardous materials, minimizes generation of waste through elimination, reuse, and/or recycling; and avoids GHG emissions from refrigeration systems (for example, HFCs) and production processes (for example, solvents).

- Regulatory Compliance: Suppliers shall also ensure compliance with pollution prevention norms and implement waste management practices as mandated under applicable environmental regulations and permits, including those issued by the State Pollution Control Board.
- Operational Controls: Make certain to have systems in place to ensure the safe handling, movement, storage, disposal, recycling, reuse, or management of waste, air emissions, and wastewater discharges
- Plastic usage reduction: Eliminate the use of non-critical single-use plastic in operations. Avoid buying single use plastic products such as straws, stirrers, cutlery, plates, and water bottles.

Link to our supplier-specific policies:
https://www.paradeepphosphates.com/uploads/content/supplier-code-of-conduct.pdf

Supplier Screening

To minimize risks, prioritize resources and to bring greater transparency, we classify our suppliers as critical (significant) and non-critical. This is primarily categorized based on the volume, availability, and extent of substitutability of the material. Commodity-specific risks are considered in our screening process for significant/ critical suppliers. We also consider key ESG parameters, geographic location, sector orientation, and the importance of the commodity when assessing the criticality of the supplier. During FY 2024-25, we screened 1,859 suppliers and 90 were identified as critical or significant across tier 1 and non-tier 1.

Supplier Assessment and Development

We have presently initiated the desk-based assessment through sharing a comprehensive ESG questionnaire. Based on the responses received, the supplier's ESG maturity is analyzed. The objective is to assess the ESG risks/ gaps and further develop a corrective action plan and share with them. The assessment outcomes will impact the suppliers' ongoing business with us if they fail to meet the minimum ESG requirements within a specified timeframe. We intend to cover the entire value chain however our priority is to ensure that all the critical suppliers are fully covered for ESG risks. Our objective is to assist our vendors in addressing and mitigating potential ESG impacts and associated risks within our supply chain.

We also organize a virtual capacity building program for our suppliers. This program is led by PPL's internal expert who informs suppliers about the importance of ESG and the best practices they should adopt. As part of our supplier ESG capacity-building efforts, we provide CAPA support to all vendors where potential or actual ESG-related risks or gaps are identified through webinars, workshops and third-party expert consultations that provide in-depth technical support to realize the CAPA plan requirements. We also ensure they have access to information on benchmark suppliers' publicly available programs and case studies.

Through these programs, the vendors are made aware of PPL's supplier management practices and the expectations from partners/vendors to adhere to these diligently to ensure long term collaboration. This includes developing policies and commitments, capturing and managing data, setting goals & targets and tracking year-on-year progress. They are also informed as to how peers are implementing and driving responsible supply chain practices to minimize risks.

KPIs for Supplier Screening

Supplier Screening	FY 2024-25
Total number of Tier-1 suppliers	390
Total number of significant suppliers in Tier-1 (a)	62
Total number of significant suppliers in non-Tier-1 (b)	28
Total number of significant suppliers (Tier-1 and non-Tier-1) (a+b)	90
Total number of MSME/ Small producers	757
% of total spend on significant suppliers in Tier-1	82.51%
% spending on local suppliers	6%

KPIs for Supplier Assessment and Development

Progress of Supplier Assessment programs

Supplier Assessment	FY 2024-25
Total number of suppliers assessed via desk assessments/on-site assessments	79
% of significant suppliers assessed	100%
Number of suppliers assessed with substantial actual/potential negative impacts	0
% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	0
Number of suppliers with substantial actual/potential negative impacts that were terminated	0

Coverage and Progress of Suppliers with Corrective Action Plans

Corrective action plan support	FY 2024-25
Total number of suppliers supported in corrective action plan implementation	0
% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	0

Progress of Capacity Building programs

Capacity Building Programs	FY 2024-25
Total number of suppliers supported in capacity building programs	0
% of unique significant suppliers in capacity building programs	0

Tax Strategy

Tax Strategy and Governance

PPL prioritizes strong tax governance through established procedures and risk mitigation, emphasizing transparency and integrity. Our expert tax team collaborates across departments to integrate tax implications into business decisions, ensuring legal compliance with support from external advisors when necessary.

We are committed to ensuring that value created by our operations is not transferred to low-tax jurisdictions and remains aligned with the location of genuine economic activity.

Link to our Tax Strategy and Policy:
https://www.paradeepphosphates.com/uploads/content/tax-strategy-and-policy.pdf

Effective Tax Rate

A good effective tax rate balances minimizing the tax liability legally while supporting essential government services. It's achieved through smart financial planning, utilizing available deductions and credits, and considering long-term investment strategies. Presented below is PPL ETR for the past 2 financial years.

Financial Reporting	FY 2023-24	FY 2024-25
Earnings before Tax (in INR)	140,83,42,000	752,41,34,000
Reported Taxes (in INR)	40,92,50,000	200,62,79,000
Effective Tax Rate (in %)	29.05	26.66
Cash Taxes Paid (in INR)	58,36,25,000	142,32,79,000
Cash Tax Rate (in %)	41.44	18.91

The effective tax rate (ETR) for the current financial year has decreased by 2.39% compared to the previous year. This movement is primarily attributable to changes in the nature and timing of tax-deductible and non-deductible expenditures, as recognized under applicable accounting standards. In the previous financial year, the company incurred notable non-deductible expenses, including Corporate Social Responsibility (CSR) contributions. While these expenditures support the company's long-term strategic and ESG goals, they are not deductible under current tax laws, resulting in a higher tax expense relative to accounting profit.

The ETR remains marginally above the statutory rate due to continued investments in CSR and donations, which, although non-deductible, reflect the company's commitment to social responsibility and sustainable development.

Information Security

In today's digitally integrated business environment, where cloud platforms and IT systems are central to operations, ensuring uninterrupted access and secure handling of data is critical. At PPL, we recognize the growing risks associated with information security breaches, technical failures, and human errors. In response, we have significantly strengthened our risk management and contingency planning frameworks. Our focus has remained on reinforcing

systems to uphold the Confidentiality, Integrity, and Availability (CIA) of critical information assets, reflecting our commitment to operational resilience and data protection.

Information Security Governance

We have established a robust Information Security Policy and governance mechanism to address availability, concerns, incidents related to information assets. Information security oversight at PPL is anchored at the strategic level by the Risk Management Committee, chaired by Mr. Dipankar Chatterji (Independent Director). The committee operates independently to identify, assess, and mitigate risks, including those related to IT infrastructure, information security, data privacy. Following are the key roles and responsibilities of the committee:

- identification, evaluation, predication, and mitigation of risks and incidents
- review compliance status periodically (monthly basis)
- oversee the use and maintenance of information assets (digital as well as physical)
- enhance security measures and ensure continuous improvement to match requirements, technology, regulations.

Information Security Policy

We ensure highest standards of data privacy and information security and have developed Information Security Policy and Information Security Management System (ISMS). Our Information Security Policy outlines the principles, roles and responsibilities, processes and infrastructure, and necessary controls in place to protect the confidentiality, integrity, and availability of PPL's information assets. In addition to IT security, a dedicated Privacy Policy governs the collection, use, and protection of personal data across the organization.

The policy applies to all employees, contractors, consultants, supply chain partners, and third-party service providers (collectively referred as stakeholders). It also includes all information systems, applications, networks, and data owned or managed by PPL and all physical and digital assets that are used to store, process, or transmit information.

The policy can be accessed here:
https://www.paradeepphosphates.com/uploads/content/isp1758890401.pdf

Information Security Management Programs

Our Information Security Management System (ISMS) is central to how we manage and protect data across the company. We understand that keeping our data secure is crucial, as any breach could impact on reputation and business operations. Our Information Security Management System is ISO 27001:2022 certified and provides a robust system of checks and balances to protect sensitive information. It sets clear standards for data privacy and security and is available to all employees. To help everyone stay informed about cybersecurity threats, we offer regular training sessions. These sessions are now a key part of both our new hire orientation and ongoing training programs. Participation tracking has been streamlined to ensure comprehensive engagement across the organization. This ensures that employees have the knowledge they need to identify and handle potential risks.

The information security management program at PPL operationalizes the information security policy through structured processes, tools, and continuous improvement mechanisms. It ensures that information security is embedded across business functions and decision-making. We have a streamlined escalation process. To raise any concern regarding information technology, cybersecurity, data privacy, individuals can send an email to dpmohanty@adventz.com and sanjitmohapatra@adventz.com.

We have also integrated information security performance into employee evaluations. Adhering to the protocols is crucial, and any violations are considered during annual reviews. If an employee is found to be involved in any malicious activity or breach, it could lead to disciplinary action. Additionally, we have a publicly available privacy policy that outlines how personal information is collected, processed, and protected. For more details, please refer to the Company's Privacy Policy.

Process and Infrastructure:

- Connectivity between Data Center (DC) and Disaster Recovery (DR) sites is secured through an MPLS VPN, reinforced by a firewall. External Internet Leased Lines (ILL) are also terminated at this firewall for added security.
- Utilization of Office 365 with point-to-point encryption, hosted on the Microsoft India cloud.
- Robust antivirus protection is installed on all endpoint devices to safeguard our network.
- SAP ERP system is integrated across departments Sales & Distribution, Material Management, Finance & Costing, Plant Maintenance, Production Planning and HR.
- Regular monthly assessments of information assets (digital and physical) are conducted. These include credential management, data backup, and mock drills every quarter. To ensure external validation of its systems, PPL undergoes an annual ITGC audit by external auditors, reviewing its information technology infrastructure and information security management systems. Additionally, PPL conducts yearly third-party Vulnerability Assessment and Penetration Testing, including simulated hacker attacks, to proactively identify and address vulnerabilities.
- Incident response procedures are shared with everyone to quickly restore operations in case of disruptions.

Environment Policy and Management

Environment Policy

Our Environmental Policy underscores its dedication to addressing key environmental challenges, including climate change, waste management, and energy efficiency, among others. The Chief Sustainability Officer oversees the implementation of the policy at the grassroots level. Specific roles and responsibilities are designated to ensure effective execution of the policy in day-to-day operations. It contains the following key elements:

Roles and Responsibilities

We are committed to defining distinct roles and responsibilities to ensure effective implementation of its environmental management policy at the operational level. In addition, we are actively monitoring environmental performance, setting objectives and targets aimed at continuous improvement. We are committed to maintaining a strong management framework focused on environmental issues to uphold our policy commitments effectively.

Compliance with Laws and Regulations

We are dedicated to not only adhering to statutory environmental protection laws and regulations but also striving to surpass these requirements wherever possible. We are committed to staying aligned with the evolving national and international standards and best practices, while integrating the Best Available Technology/Techniques (BAT) throughout our operations and activities. Our Environmental Management System (EMS) is verified through international standards such as ISO 14001:2015 for both Paradeep and Goa facilities and ISO 50001:2018 for Paradeep facility. The certification documents can be accessed here: https://www.paradeepphosphates.com/investors/corporate-governance

Awareness of Internal and External Stakeholders

We are in the process of developing systems and procedures to consistently strengthen our commitment to environmental responsibility by fostering awareness among both its internal and external stakeholders. We undertake training and awareness sessions on a quarterly basis to ensure the effective implementation of the policy.

Key Focus Areas and Targets

Targets for key environmental aspects have been set, and their progress is tracked annually. Key focus areas of the policy include:

- Reduction in Scope 1, 2, 3 GHG emissions
- Reduce Scope 1 and 2 GHG emission intensity by 5% by FY 2027
- Reduce energy intensity by 5% by FY 2027
- Maintain compliance to zero liquid discharge (ZLD)
- Responsible waste and water management - Use of best available technologies (BAT)
- Biodiversity risk assessment and progress towards net positive impact - 4R nutrient stewardship

The policy can be accessed here:
https://www.paradeepphosphates.com/uploads/content/environmental-policy.pdf

Return on Environmental Investments

PPL's environmental management system (EMS) enables tracking of financial information associated with environmental initiatives and programs across the whole enterprise at the corporate level. A few of our initiatives taken during FY 2024-25 include replacement of cooling tower pump, replacement of LT motors with energy efficient motors and compressors, installation of heat exchangers, installation of an economizer, installation of biodigester, and other pollution control devices. Details of the investments undertaken for energy savings and pollution control are provided as follows:

Description	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Capital Investments (INR)	9,000,00	2,030,000	4,050,000	356,860,532
Operating Expenses (INR)	31,080,000	45,260,000	44,610,000	191,415,929
Total Expenses (INR) (= Capital Investment + Operating Expenses)	31,980,000	47,290,000	48,660,000	548,276,461
Savings, cost avoidance, income, tax incentives, etc. (INR)	-	-	-	14,00,000
% of operations covered. Basis for the coverage (revenue, production volume, employees, etc.)	60	60	100	100

Economizer

Heat exchanger

Installation of blower

Installation of blower

Alkali scrubber

Fumes scrubber

Wastewater treatment plant

Biodigester installation


Sludge dryer

Environmental Violations

We actively work towards ensuring compliance with the applicable environmental laws/ 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. However, our facility at Paradeep received a closure notice from the CPCB on 22 March 2024 under Section 5 of the Environment (Protection) Act, 1986 for alleged violation of certain conditions of Consent to Operate License sighting action points required for resumption of the operations during FY 2024-25.

We firmly dispute these allegations and have provided legitimate reasons to CPCB for the observed conditions. In compliance with the directive, we have deposited an amount of INR 40,50,000/- as compensation in accordance with the Polluter's pay principle. Along with this, we have taken prompt action and have developed a structured action plan to address the concerns raised. We have also partnered with National Environmental Engineering Research Institute (NEERI) which has carried out detailed study on groundwater quality, surface water quality, and soil quality in and around Paradeep facility. Based on the findings and report submitted by NEERI, remediation actions are being implemented under the supervision of Odisha Pollution Control Board (OSPCB). Regular inspections by OSPCB and NEERI are ongoing, and monthly as well as quarterly compliance reports are being submitted to CPCB and OSPCB.

The storm water collection pond has already been constructed and commissioned, and this action point stands completed. The work is being implemented in line with the approved timelines, with a few of the activities scheduled for completion by March 2027 and June 2028. Based on the action plan and periodic submission of compliance reports, the CPCB has revoked the closure notice, allowing operations to resume from 29 April 2024. There was no financial impact on the company and its operations during the closure period.

The Goa State Pollution Control Board (GSPCB), based on their analysis of the water samples drawn in and around Goa unit, has alleged that elevated levels of Total Kjeldahl Nitrogen (TKN) and Potassium are present in the sample as they are constituents in the Products manufactured by PPL. We firmly dispute these allegations and have provided legitimate reasons for the observed conditions. However, in compliance with the directive we have

deposited an amount of INR 12,37,500/- as compensation in accordance with the Polluter's pay principle while we continue to contest the GSPCB's findings at Goa facility.

Description	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Number of violations of legal obligations/regulations	00	00	01	02
Amount of the fines/penalties related to the above (INR)	Nil	Nil	Nil	52,87,500
Environmental liability accrued at year end (INR)	Nil	Nil	Nil	0

Energy

Energy Management Programs

Our Energy Management System is designed to drive energy efficiency and sustainability throughout our operations. The system provides a structured framework for identifying improvement opportunities, setting measurable targets, and integrating innovative solutions to optimize energy use while minimizing environmental impact. We conduct regular energy audits as an essential part of the ISO 50001 Energy Management System certification to monitor energy consumption and identify areas for improvement. We take immediate actions based on the outcome and recommendations of energy audit such as implementation of Heat Recovery Systems at the facility to enhance overall energy efficiency and capture energy that would otherwise be wasted.

Reduction of Energy Use

We strive to leverage the use of clean fuels and energy recovery measures. In FY 2024-25, out of the total energy consumption, more than 55% of our energy was sourced from natural gas and close to 38% of our energy was recovered from waste heat recovery process for steam and electricity generation. We are also in the process of installing a 1 MW solar power plant which is expected to generate 14 lakh units of electricity annually, saving approximately 1,000 tCO_2eq.

We aim for an overall reduction in energy intensity by 5% by FY 2027-28 compared to the baseline of FY 2023-24. In FY 2024-25, our energy intensity in terms of physical output was 5.75 GJ per metric tonnes of production which has improved by 12.6% compared to FY 2023-24 (6.58 GJ per metric tonnes of production).

Investments in Innovation or R&D

The company allocates resources to research innovative ammonia conversion configurations and improved use of low-pressure steam, aiming for greater energy efficiency through innovative solutions. There are multiple energy saving projects under engineering phase which are projected to further reduce the specific energy consumption by 0.52 GCal/MT Ammonia and 0.30 GCal/MT Urea.

We have implemented several initiatives to improve energy efficiency in its operations. This includes the replacement of old LT motors with new energy efficient motors and replacement

of old cooling water pump of 460 kW with new pump of 300 kW capacity at SAP plant. These initiatives have resulted in electricity savings of 1,27,092 kWh and 12,62,059 kWh respectively. We regularly monitor energy consumption and energy intensity to evaluate progress towards our target of reducing energy intensity by 5% by 2027-28.

We have collaborated with International Fertilizer Development Center (IFDC), USA for R&D and testing of Sulphur Coated Urea (SCU). The R&D and testing of SCU is aimed at enhancing nutrient use efficiency and reducing nutrient losses especially in tropical and sub-tropical agricultural conditions. This initiative aligns with our broader goal of advancement in fertilizer technology and enabling sustainable agriculture practices.

Energy Efficiency Training

Regular energy efficiency training sessions are conducted to promote a culture of energy reduction among employees, thereby raising overall awareness about the importance of energy efficiency.

Energy efficiency training sessions

Energy Consumption

The following table provides information regarding energy consumption categorized under Renewable and Non-Renewable energy.

Energy Consumption	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total non-renewable energy consumption	MWh	3,908,075.80	4,459,763.55	4,214,026.94	4,201,569.78
Total renewable energy consumption	MWh	276.50	252.26	229.30	186.88
Data coverage (as % of)	Operations	100	100	100	100
Total energy consumption	MWh	3,908,352.30	4,460,015.81	4,214,256.24	4,201,756.66
Energy intensity per tonne of production	MWh/ MT	3.13	2.19	1.82	1.59

Waste and Pollutants

Waste Management Programs

We have adopted a holistic and proactive waste management strategy aimed at minimizing environmental impact, optimizing resource use, and aligning long-term sustainability goals. The approach is structured around several key pillars:

Waste audits: We conduct regular and systematic waste audits across our operations. These audits serve as the foundation for refining waste management strategies and ensuring compliance with environmental regulations. The waste audits are conducted to:

- Identify sources and types of waste generated.
- Evaluate current disposal and recycling practices.
- Pinpoint inefficiencies and opportunities for reduction.
- Inform data-driven decisions for improving waste handling and resource recovery.

Action to reduce waste generation: operational philosophy is anchored in the 3R framework – Reduce, Reuse, Recycle, with a strong emphasis on waste prevention. This approach not only reduces the dependency on disposal to landfill but also enhances circularity within the operations and supply chain.

- Reduction: Process optimization to minimize raw material wastage and packaging waste.
- Reuse: Repurposing materials such as containers, pallets, and by-products within the plant.
- Upcycling: Innovative reuse of certain waste streams into valuable inputs for other processes or industries.

Targets to minimize waste:

We have set quantified targets to reduce waste and are working towards achieving Zero Waste to Landfill by FY 2027, with the goal of minimizing negative ecological impacts.

Waste reduction training: Recognizing that behavioral change is key to sustainability, we have implemented waste reduction and recycling training programs.

- Tailored sessions for employees across departments to increase awareness and skills in waste segregation, reduction, recycling, and responsible consumption.
- The training sessions are coupled with on-site recycling initiatives to reinforce practical application and encourage participation. This includes color-coded bins and designated zones for recyclable materials and partnerships with authorized recyclers.

Waste Disposal

Non-Hazardous Waste	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total waste recycled/reused	MT	30,350	39,510	29,472	35,213
Total waste disposed	MT	14,75,544	14,78,660	10,12,566	9,87,064
- Waste landfilled	MT	0	0	0	0

Non-Hazardous Waste	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
- Waste incinerated with energy recovery	MT	0	0	0	0
-Waste incinerated without energy recovery	MT	0	0	0	0
-Waste otherwise disposed	MT	14,75,544	14,78,660	10,12,566	9,87,064
-Waste with unknown disposal method	MT	-	-	-	-
Data coverage (as % of)	Operations	100	100	100	100

Hazardous waste

Following is a summary of hazardous waste management, illustrating the recycled, reused, and disposed quantities for last 04 financial years.

Hazardous waste	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total waste recycled/reused	MT	3,267.91	3,414.18	3,101.97	3402.57
Total waste disposed	MT	98.76	152.64	109.49	138.87
- Waste landfilled	MT	50.75	100.50	96.75	125.96
- Waste incinerated with energy recovery	MT	0	0	0	0
-Waste incinerated without energy recovery	MT	0	2.97	2.26	12.53
-Waste otherwise disposed	MT	48.01	49.17	10.48	0
-Waste with unknown disposal method	MT	0	0	0	0
Data coverage (as % of)	Operations	100	100	100	100

Chemical Oxygen Demand

Following is a summary of COD, illustrating the Direct Chemical Oxygen Demand and Data Coverage % for last 04 financial years.

Chemical Oxygen Demand	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Direct Chemical Oxygen Demand	MT	0	0	0	0
Data Coverage %	MT	100	100	100	100

NOx Emissions

Following is a summary of NOx, illustrating total NOx emissions and Data Coverage % for last 04 financial years.

Direct NOx emissions	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total NOx emissions	MT	380.95	438.75	496.83	575.72
Data Coverage	%	100	100	100	100
Total NOx emissions per tonne of production	MT/ MT production	0.000305	0.000215	0.000215	0.000218

SOx Emissions

Following is a summary of SOx, illustrating Total SOx emissions and Data Coverage % for last 04 financial years.

Direct SOx emissions	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total SOx emissions	MT	1,137.78	1,259.93	1,034.20	1436.37
Data Coverage	%	100	100	100	100
Total SOx emissions per tonne of production	MT/ MT production	0.000912	0.000619	0.000448	0.000545

Volatile Organic Compounds Emissions

Following is a summary of VOC emissions for last 04 financial years.

Direct VOC emissions	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total VOC emissions	MT	-	23.32	18.96	21.83
Data Coverage	%	-	100	100	100
Total VOC emissions per tonne of production	MT/ MT production	-	0.000011	0.000008	0.000008

Water

Water Efficiency Management Programs

Our water management program is centered around assessing and improving the efficiency of water usage across all operations. Our water efficiency management program is focused on minimizing freshwater consumption, increasing wastewater recycling, maintaining ZLD status, and ensuring compliance with regulatory norms. Through a series of strategic initiatives, we take decisive actions to achieve these goals, demonstrating our commitment to effective water management.

Our Goa facility has been a zero liquid discharge (ZLD) compliant facility since 1990, and it utilizes a closed-loop water cycle and various recycling methods to minimize freshwater usage. We also maintain online analyzers, PTZ cameras, and 24x7 connectivity with the Pollution Control Board.

Targets and progress

Our target to reduce freshwater consumption is set as 10% or less by FY 2028-29 from the baseline FY 2023-24. We have already achieved a 13.26% reduction in water intensity in terms of physical output in FY 2024-25 compared to FY 2023-24.

Water Recycling

Embracing water recycling practices further contributes to our conservation efforts. To further prevent contamination, color-coded pipelines are installed to segregate effluents from stormwater. At both of our facilities, the treated wastewater is reused to further decrease freshwater consumption. The quality of the treated water is analyzed through NABL accredited labs on a regular basis and has found to be compliant against the specifications set.

We have installed a reverse osmosis (RO) plant to treat Cooling Tower Blowdown streams, we reuse permeate as make-up water for cooling towers, while the reject serves as a process water at for PA plant, reducing more than 10.4% of the freshwater requirement at Goa facility.

While at the Paradeep facility, we have integrated the ETP into the system, utilizing treated water as make-up water for the cooling towers, while the reject stream is used as process water in the Phosphoric Acid (PA) plant which has reduced freshwater consumption by close to 7.0%.

Training

We emphasize on providing awareness training for employees, equipping them with the necessary knowledge and skills to actively engage in water efficiency management programs.

Water Consumption

Annual metrics for water usage reveal water withdrawal, discharge, and net freshwater consumption for last 04 financial years.

Water	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Water withdrawal (excluding saltwater)	Million m^3	10.52	10.01	10.26	10.18
Water discharge (excluding saltwater)	Million m^3	0	0.004	0.0008	0
Total net freshwater consumption	Million m^3	10.52	10.01	10.26	10.18
Data coverage	%	100	100	100	100
Water intensity per tonne of production	KL/metric tonnes of production	3.69	4.92	4.45	3.86

Water Consumption in Water-Stressed Areas

We recognize water as a critical resource and have undertaken comprehensive assessments and initiatives to manage climate and water-related risks across its operations. We have undertaken a climate and water risk assessment study following an approach that integrates physical, regulatory, reputational, and stakeholder-related dimensions of water risk. SSP1-2.6 and SSP5-8.5 scenarios were used to capture extremely optimistic and extremely pessimistic scenarios to ensure our preparedness for both extremes of the spectrum. We have also used recognized tools such as WRI's Aqueduct and WWF's Water Risk Filter to identify and prioritize water related risks and have also identified mitigation strategies at both Goa and Paradeep facilities. Key findings are given as follows:

- Based on the climate and water risk assessment undertaken, both facilities do not fall under water stress zone. The same has been updated in the water consumption from water stressed region related point for FY 2024-25.

- According to the NITI Aayog's report on per capita water availability by 2025, Goa exceeds 1700 m3, categorizing it as a region with no water stress.[1]

Water consumption in areas with water stress (e.g. <1700 m3/(person*year)	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total net freshwater consumption in water-stressed areas (Total water withdrawals – Total water discharges)	Million m^3	10.52	10.01	10.26	0
Data coverage	%	100	100	100	100

Exposure to Water Stressed Areas

PPL methodically monitor and document the water usage of their facilities using an all-inclusive water management tool that considers regional water stress whose mapping is in line with S&P key definitions.

No. of production plants in last FY in water-stressed areas (e.g. <1700 m3/(person*year))	00
Total No of production plants in last FY	02
% of production plants in last FY in water-stressed areas (e.g. <1700 m3/(person*year))	00%
% of Cost of goods sold (COGS) in last FY (if applicable)	NA

Water Risk Management Programs

Due to the nature of the business and operations, PPL is heavily dependent on the constant supply of water. PPL conducted a comprehensive climate and water risk assessment to understand the risks associated and thereby implement mitigation strategies. The risks and their impacts have been identified using tools WWF water risk filter and WWF Aqueduct. The scope of the assessment was restricted to its own operations and product use phase.

Indicator	Required Information
Dependency-related water risks considered in risk assessment	The dependency related water risks considered in the assessment include Physical risks (covers water scarcity, availability, flooding, water quality & ecosystems services stations) Regulatory Risks (includes enabling environment, governance, management instruments, & infrastructure & finance), and Reputational Risks (includes cultural importance, biodiversity importance, media scrutiny & conflict). These risks are evaluated across both manufacturing facilities and are integrated into the company's broader ESG and operational risk registers.
Impact-related water risks considered in risk assessment	Both our facilities are equipped with Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP) to ensure responsible wastewater management. During the non-monsoon season, both sites operate as zero liquid discharge (ZLD). Our Goa facility has been a ZLD facility since 1990, enabled by a closed-loop water cycle and multiple recycling routes. A Reverse Osmosis (RO) plant has been installed to treat Cooling Tower Blowdown streams. The permeate is reused as cooling tower make-up, while the reject stream is utilized as process water, further reducing freshwater dependency. These initiatives reflect PPL's commitment to minimizing water withdrawal and maximizing reuse across operations.
Assessment of future water quantities available	Based on the climate risk assessment conducted, the annual ground water extraction in Goa region is 0.068 bcm and the stage of ground water extraction is 21.37% and all 12 talukas in Goa have been categorized as

[1] Per Capita Water Availability, India Climate and Energy Dashboard, 2025 URL: https://iced.niti.gov.in/climate-and-environment/water/per-capita-water-availability

Indicator	Required Information
	safe. While in the case of Paradeep region, the stage of ground water extraction has increased to 46.33% in 2023 as compared to 44.25% in 2022. We have also projected the per capita water availability (m3/year) till 2051 based on the increase in population and corresponding decrease in per capita availability since 1951, as per the data shared by Government of India, 2009 (NCIWRD Report, 1999). The data shows that by 2031 and 2051, the per capita water availability will be 1,367 m3/year and 1,228 m3/year in Goa and Paradeep region. The stats have also shown that Groundwater levels are rapidly dropping due to ever increasing agricultural, urban, and industrial demands. The national water supply is projected to fall 50% short of demand by 2030, indicating a potentially worsening crisis.
Assessment of future water quality-related risks	In order to assess water quality and track changes over recent years, we conducted a comprehensive analysis of several key parameters such as TDS, pH level, COD. There were several parameters that were monitored over 10 years to assess the water quality at the Taladanda Canal in Atharabanki, which serves as the water intake point for PPL. Upon analyzing the input water quality at the Paradeep plant for the past 10 years, we observed a minor increase in the Total Dissolved Solids (TDS) levels over the past decade, increasing from 118 ppm to 149 ppm. However, it's worth noting that the water quality remains within acceptable limits for drinking purposes. The water's pH has increased slightly. Additionally, there is a significant increase in the COD value, reflecting higher pollutant levels and potentially requiring more complex treatment methods. The Fe (Iron) value has remained relatively stable. The analysis covers several critical parameters, a decreasing trend in DO levels over the years is observed. pH measurement is crucial for water quality assessment, with variations indicating potential pollution.
Assessment of impacts on local stakeholders	By aligning with SDG Target 6.1, 6.6 and 6b; we have taken various initiatives to align with the requirements and benefits of local stakeholders. A jaundice outbreak in August 2025, linked to contaminated water, underscores the importance of safe drinking water and the need for ongoing monitoring and preventative measures across Jagatsinghpur. To support the local community in dealing with this challenge, we have installed high-quality RO water purifiers at various schools and public spaces, being managed and operated by community members. Along with that, we have initiated a daily water supply through tankers to 59 households in Chanakana village, located in Paradip Garh GP with the intention of providing 50 liters of water to each household every day. This initiative has significantly helped in improving both health and convenience by not travelling 5 km for water collection. PPL also carried out multiple water body cleaning drives, covering 10 villages, which are now being used for fisheries related interventions. Initiated ‘Youth4Water Campaign’ in collaboration with UNICEF (Odisha), focused on adopting 1000 ponds and maintaining them for water conservation and groundwater recharge.
Assessment of future potential regulatory changes at a local level	Regulatory risk is linked to how water is managed (or governed) in the area or country. Thus, it is heavily tied to the concept of good governance and the fact that businesses thrive in a stable, effective, and properly implemented regulatory environment. The regulatory risk remains significant at Goa. This is exemplified by a concerning situation where as many as 75 lakes throughout Goa have been contaminated with sewage and E. coli bacteria, known for causing severe food poisoning. The lack of good housekeeping practices and improper disposal of hazardous waste directly into the natural environment presents many challenges, affecting biodiversity and the well-being of local communities. This reckless practice not only jeopardizes ecosystems but also generates significant regulatory risks. Recent cases, like the Odisha State Pollution Control Board (OSPCB) notices to a hospital for contaminating the Taladanda canal and a mass fish mortality incident observed in Velsao bay, Goa in May 2024

Indicator	Required Information
	underscores the urgent need for adopting good practices and responsible waste management. These instances are stark reminders of detrimental consequences of neglecting environmental regulations and vital importance of safeguarding our ecosystems and the health of nearby communities.

Climate Strategy

Direct Greenhouse Gas Emissions (Scope 1)

Annual numbers for direct GHG emissions (Scope 1) are presented for last 04 financial years.

Description	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total Scope 1 GHG emissions	tCO_2e	4,25,708	4,46,055	4,20,147	468,920
Data coverage (as % of)	Operations	100	100	100	100
Total Scope 1 emissions per tonne of production	tCO_2e / MT	0.34	0.22	0.18	0.17

Our data has been third party assured (TUV India Pvt. Ltd.)

Indirect Greenhouse Gas Emissions (Scope 2)

Indirect greenhouse gas emissions (Scope 2) are detailed over 04 financial years, featuring both location-based and market-based data. The scope 1 and scope 2 emissions intensity per metric tonne of production has reduced by almost 16.67% in FY 2024-25 compared to FY 2021-22.

Scope 2 in tCO_2e	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total Scope 2 GHG emissions – Location Based	tCO_2e	22,744	41,786	44,653	65,908
Data coverage (as % of)	Operations	100	100	100	100
Total Scope 2 GHG emissions – Market Based	tCO_2e	-	-	-	-
Data coverage (as % of)	Operations	100	100	100	100
Total Scope 2 emissions per tonne of production	tCO_2e / MT	0.018	0.020	0.019	0.025
Total Scope 1 and 2 emissions per tonne of production	tCO_2e / MT	0.24	0.24	0.20	0.20

Our data has been third party assured (TUV India Pvt. Limited).

Indirect Greenhouse Gas Emissions (Scope 3)

The data on indirect greenhouse gas emissions (Scope 3) is presented across various fiscal years. The scope 3 emissions intensity per metric tonne of production has reduced by 5.07% in FY 2024-25 compared to FY 2021-22.

Description	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25*
Total Scope 3 GHG emissions	tCO_2e	5,459,498	5,747,817	6,489,507	7,355,608
Total Scope 3 emissions per tonne of production	tCO_2e / MT	2.96	2.83	2.82	2.81

The scope 3 GHG emissions for FY 2024-25 have been updated using the latest emission factors of DEFRA 2025 and employee commute emissions and emissions during use of sold products (nano-fertilizers) have been added. These are the most recent and updated values of the scope 3 emissions. Our data has been third party assured (TUV India Pvt. Limited).

Scope 3 emissions category wise

Scope 3 emissions for FY 2024-25 are outlined by category, including the methodologies employed for their calculation.

Category	FY 2024-25* (tCO2e)
Purchased Goods and Services	2,412,599
Capital Goods	3,977
Fuel and Energy Related Activities	97,637
Upstream Transportation and Distribution	327,488
Waste Generated in Operations	-
Business Travel	393
Employee Commute	969
Upstream Leased Assets	-
Downstream transportation and distribution	135,782
Processing Sold Products	24,884
Use of Sold Products	4,308,361
End of Life Treatment of Sold Products	-
Downstream Leased Assets	-
Franchises	43,481
Investments	-
Total	7,355,608

The scope 3 GHG emissions for FY 2024-25 have been updated using the latest emission factors of DEFRA 2025 and employee commute emissions and emissions during use of sold products (nano-fertilizers) have been added. These are the most recent and updated values of the scope 3 emissions. Our data has been third party assured (TUV India Pvt. Limited).

Emissions of ozone-depleting substances

Description	Unit	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Quantity of HCFC-22 or R-22	Kgs	2,240	671	1,029	0

Climate Governance

ESG Governance Framework Overview:

The ESG Governance Framework is a critical component of our organization's commitment to integrating sustainability into our corporate strategy. At its core lies the ESG Steering Committee, chaired by the Managing Director and CEO, who embodies high-level accountability and commitment to ESG principles. The committee is comprised of key leadership roles, including the President and COO, Chief Officers across commercial, financial, procurement, and human resource divisions, as well as specialized roles such as Chief Sustainability Officer and DGM - Corporate Strategy, IR and ESG.

The ESG Steering Committee aims to advance Environmental, Social, and Governance (ESG) initiatives, ensuring that sustainability practices are intertwined with our strategic objectives. Our vision is to foster responsible business operations that generate long-term value for all stakeholders, achieved through active engagement with employees, investors, and stakeholders. Climate-related issues are scheduled agenda items in the annual board meeting.

Core Responsibilities

- Strategic Leadership: Develops comprehensive ESG strategies that align with our overall corporate goals, prioritizing sustainability across all organizational levels.
- Implementation Oversight: Ensures the effective rollout of ESG initiatives, maintaining adherence to sustainability commitments and promoting best practices across business units.
- Stakeholder Engagement: Promotes active communication to build a collaborative environment focusing on ESG matters, enhancing engagement and fostering shared responsibility.
- Performance Assessment: Conducts regular evaluations of sustainability performance and reports the insights from evaluations to key stakeholders, ensuring continuous progress tracking against established goals.
- Monitoring and Reporting:
- Quarterly Reviews: Conduct comprehensive assessments of ESG priorities, guaranteeing alignment with sustainability objectives and adapting strategies as necessary.
- Transparent Communication: Reinforces dedication to transparency by providing consistent updates to the Board and stakeholders, contributing to responsible business conduct.
- Committee Composition: The committee's leadership structure, chaired by our Managing Director, underscores accountability to ESG principles. A diverse expertise base, composed of members from various business functions, addresses ESG challenges innovatively and effectively.

Climate-Related Management Incentives

We believe that effective climate risk management is not just a strategic imperative but a shared responsibility. To foster a culture of environmental stewardship and accountability, we have embedded sustainability performance into our employee recognition and evaluation systems. Employees who demonstrate exceptional commitment to climate risk mitigation and sustainability initiatives are formally recognized and rewarded. This includes:

- Proactive efforts to reduce emissions and energy use.
- Innovative ideas that contribute to waste reduction or resource efficiency.
- Leadership in cross-functional ESG projects or awareness campaigns.

We have established department-specific ESG-related KPIs, including key indicators on environmental factors such as emissions and energy consumption. These KPIs are monitored regularly and reviewed as part of the organization's broader ESG strategy.

Achievement of ESG targets directly influences the annual performance appraisal of teams and individuals. This step positively impacts the overall performance rating and strengthens the link between individual accountability and corporate sustainability outcomes.

TCFD Disclosure (2.5.5) and Climate Risk Management

PPL embeds climate change risks into its broader risk management strategies, considering both physical and transitional risks. Physical risks include acute events like extreme weather and floods, as well as chronic impacts such as temperature fluctuations. Transitional risks involve navigating shifts towards lower-carbon economies, influenced by emerging regulations, technological advancements, and market dynamics. Through this integrated approach, PPL anticipates and adapts to evolving conditions, aligning its strategies with regulatory changes and consumer preferences.

Scenarios for Assessing Physical and Transition Risks

PPL employs scenario analyses to effectively assess climate risks:

- **Physical Risks**: Using scenarios like SSP1-2.6, which envision rigorous global policy interventions to limit warming to 1.8°C by 2100, and SSP5-8.5, which predicts a 5°C rise under minimal policy changes. These scenarios inform PPL's proactive adaptation measures.
- **Transition Risks**: Considering ambitious pathways like Net Zero 2050, aiming for substantial CO2 reductions, alongside evaluating current policy trajectories which, if unchanged, could result in a global temperature increase of over 3°C. These scenarios highlight the urgent need for policy advancements.

Key Climate Risk Factors

Policy and Legal Risks:

- **Carbon Pricing**: PPL navigates carbon pricing mechanisms, anticipating potential spikes in operational costs due to carbon credit and taxation. PPL invests in sustainable technologies such as green materials and renewable energy to mitigate these costs, though this necessitates significant initial capital expenditure.
- **Green Material Policies**: Embracing policies that encourage sustainable materials, PPL strengthens its reputational standing and appeals to eco-conscious consumers. Compliance requires strategic infrastructure investments and supply chain adjustments.

Market Risks:

- **Energy Price Volatility**: PPL manages fluctuating costs of traditional energy sources by exploring diverse, renewable options to maintain operational cost stability.

- **Investor Preferences**: As investors focus shifts to sustainability, PPL communicates its robust climate goals effectively, ensuring ease in securing investment and avoiding higher costs or insurance premiums.

Physical Risks:

- **Acute Physical Risks**: Cyclones and floods pose the risk of disrupting infrastructure and supply chains, potentially reducing revenue and increasing operational challenges. PPL fortifies infrastructure and develops robust contingency plans to counter such events.
- **Chronic Physical Risks**: Persistent heat stress or droughts impact energy consumption and production processes, prompting PPL to deploy efficient cooling systems and water management strategies.

Technology Risks:

- **Advancements in Technology**: PPL adopts technological advancements necessary for transitioning to more sustainable processes, such as green ammonia production. While these innovations contribute to operational resilience, PPL must manage associated financial premiums and integration complexities to avoid escalating production costs.
- **Decarbonization Technologies**: Implementing new technologies to reduce carbon footprints can be expensive without financial support. PPL addresses these challenges by combining cost-effective energy sources with cutting-edge technology to enhance efficiency and sustainability.

Reputational Risks:

- **Environmental Damage and Pollution**: PPL takes proactive measures to mitigate emissions and pollution-related challenges. Failure to adapt effectively could harm PPL's brand and stakeholder trust, but continuous improvement initiatives aim to enhance its public image and consumer relationships.
- **Investor and Shareholder Pressure**: PPL prioritizes transparency and sustainability in its operations, recognizing that meeting investor expectations is crucial for securing ongoing support and confidence. Inadequate disclosures could lead to diminished investor interest and growth challenges.

Adaptation and Mitigation Strategies

PPL is actively implementing:

- **Infrastructure Resilience**: Strengthening critical sites to withstand extreme weather.
- **Water Management**: Diversifying sources and improving efficiency.
- **Emission Reduction**: Utilizing energy-efficient technologies and green materials.
- **Product Evolution**: Adapting products to meet changing consumer demands.

Through rigorous risk assessment processes, including climate risk quantification, mitigation strategies, and continuous monitoring, PPL positions itself at the forefront of industry best practices. By addressing both physical and transition risks, PPL bolsters adaptability, safeguards operations, and contributes positively to sustainability efforts, ensuring growth while serving communities and protecting the environment.

The financial impact values presented in the assessment are derived from scenario-based analysis and modeling techniques. The values are intended to support strategic planning and risk preparedness and not to serve as precise forecasts.

Financial risk of Climate Change

Risks Driven by Changes in Regulation

The introduction of a carbon credit trading scheme in India poses a risk for emissions-intensive industries, such as fertilizers. This scheme could lead to carbon price volatility and impose higher compliance costs, posing substantial financial risks, especially for companies with tight margins.

- Estimated inherent financial impact: ₹8,822 million
- Estimated costs to mitigate risks: ₹218.3 million investment in renewable energy

Risks Driven by Changes in Physical Climate Parameters

A rising risk from climate change is increased precipitation and the associated flood risk for PPL. Projections indicate more frequent heavy rainfall, necessitating improvements in stormwater drainage and groundwater recharge systems. Addressing these infrastructure needs could help manage the potential impacts of heightened rainfall.

- Estimated inherent financial impact:
  - Minimum: ₹1,980 million
  - Maximum: ₹5,281 million
- Estimated costs to mitigate risks:
  - Insurance coverage required to be 45.81 times the risk value
  - Mangrove Afforestation cost: ~₹1.08 lakh per hectare

Time Frame for Risk and Opportunity

- Estimated time frame for both risks and opportunities: By 2030 (6 years)

This structured approach separates the analysis of financial opportunities and risks associated with climate change, making the information easier to digest and understand.

Financial Opportunities Arising from Climate Change

The transition to green ammonia in the fertilizer industry presents a significant opportunity to reduce the sector's carbon footprint. This transition is driven by advancements in green hydrogen production and strategic policy support. In line with this, the Indian government's Strategic Interventions for Green Hydrogen Transition (SIGHT) initiatives aim to invest ₹174,900 million to support the development of green hydrogen hubs. These hubs will facilitate large-scale production and utilization of green hydrogen, making it a mainstream component in fertilizer production. The economic viability is expected to improve due to lower capital costs, efficient supply chain development, and incentives like carbon credits. This not only supports sustainable production but also enhances the industry's economic feasibility.

Financial Implications

- Estimated financial positive implications: ₹11,373 million

- Estimated time frame: By 2030 (6 years)
- Estimated annual costs of development: ₹9,600.8 million

Climate Related Scenario Analysis

A comprehensive approach to climate risk assessment considers multiple scenarios affecting climate change impacts:

Physical Risks:

1. Scenario SSP1-2.6:
    - Assume stringent policy measures to limit global warming to 1.8°C by 2100.
    - Focuses on proactive adaptation and mitigation strategies.
2. Scenario SSP5-8.5:
    - Represents a business-as-usual scenario with relaxed policy measures.
    - Leads to nearly a 5°C temperature rise by 2100.
    - Requires robust adaptation measures due to severe climate impacts.

Transition Risks:

1. Net Zero 2050:
    - An ambitious goal to achieve net zero CO_2 emissions by 2050.
    - Involves stringent climate policies and innovation.
2. Current Policies:
    - Reflect existing climate policies without further strengthening.
    - Projects a global warming of 3°C+ by 2100.

Biodiversity

Biodiversity Assessment

We conducted a biodiversity assessment study aligned with GLOBIO and IUCN standards which is focused on evaluating ecological impacts within a 10 km radius around our manufacturing facility in Paradeep, Odisha. The study incorporates our own operations and adjacent areas characterized by diverse land uses such as agriculture, human settlements, vegetation, and water bodies. Our operations, located in coastal areas, indicate no significant dependency-related biodiversity risks, and there are no concerns regarding supply chain interruptions due to biodiversity impacts.

The approach to biodiversity assessment starts with an inception phase where a preliminary site visit was conducted to evaluate the nature-related linkages and dependencies at the site, identifying major Land Use and Land Cover (LULC) and factors influencing biodiversity. Followed by this, desk-based research involving a thorough review of existing data regarding various aspects of flora and fauna, including ecosystem influences and the effectiveness of actions countering anthropogenic pressures was conducted. Data was collected using direct field observations using GPS and other tools, focus group discussions, key informant interviews, and remote sensing and GIS techniques to assess biodiversity impacts. Vegetation assessment was conducted using the quadrate method to evaluate plant species diversity and abundance through separate plots for trees, shrubs, and herbs. Faunal assessment was

carried out using specific methods for different fauna types, including point counts for birds, line transects for mammals, and visual and call surveys for amphibians.

With the use of LULC maps and GIS tools, random sampling was carried out across the LULC classes. Data analysis was incorporated for both primary and secondary data to compute biodiversity indices like the Shannon-Wiener Index, Berger-Parker Index, and Simpson's Diversity Index, offering a detailed picture of biodiversity characteristics for each site.

Use of Location-Specific Approach: The report focuses on Paradeep Phosphates Limited (PPL) located in Odisha and assesses biodiversity within a 10 km radius of the facility. The study considers specific local geographic and ecological patterns, such as the presence of agricultural land, water bodies, forests, wetlands, and built-up areas.

References to Methodologies or Frameworks Used for Assessment: For biodiversity assessment, several methodologies and frameworks are utilized such as:

- Quadrate method for vegetation analysis
- Point count and transect methods for faunal assessments
- Stratified sampling for data collection
- Calculations using diverse indices such as Shannon-Wiener, Berger-Parker, and Simpson's Diversity indices.

Grid alignment

Herb identification with villagers

Biodiversity Risk Assessment

We have undertaken a comprehensive biodiversity risk assessment study using the WWF biodiversity risk filter (WWF BRF) and have determined physical and reputational risks to our business operations. The WWF BRF tool considers a range of factors, such as threatened species, ecosystems, and protected areas, based on the location of operation. The approach and methodology started with identifying industry type, site(s), materiality, dependencies and impact through company’s value chain. Following this the scape risks and site level risks were calculated. Further to this, the identified risks were integrated into company-wide risk management processes.

From the assessment, it was found that both Paradeep and Goa facilities are at less exposure to high pressures on biodiversity. However, Paradeep site was identified with a high biodiversity risk level, both reputationally and physically. Water scarcity and condition along with tropical cyclones were identified as high dependency related risk factors for Paradeep facility and medium dependency related risk factors for Goa facility as the demand for industrial water is rising due to multiple companies setting up their operations. On the other

hand, pollution (nutrients and air) and media scrutiny were identified as very high impact related risks for both Paradeep and Goa facilities.

While we operate in a sector inherently associated with nutrient and air pollution due to the nature of fertilizer production, we recognize these risks and have adopted a structured approach to monitor, mitigate, and manage these risks responsibly. We are actively working to reduce the nutrient pollution with introduction of nano-fertilizers, high nutrient use efficiency fertilizers, and R&D and testing on Sulphur Coated Urea. Along with this, as explained in section on environment related investments, we have taken several steps such as use of scrubbers, effluent treatment plants, nutrient recovery systems, energy efficient systems, and other pollution control devices.

The pollution risk indicators identified through the risk assessment are based on regional environmental data and scenario analysis. These values are intended to guide strategic planning and risk mitigation and do not reflect actual operational emissions.

We have also mapped interlinkage between climate related risks and biodiversity risks and have drafted potential impacts and mitigation strategies given as below.

Climate Risk	Linkage to Biodiversity Risk	Implication for PPL's operations	Potential Mitigation/ Adaptation Strategy
Cyclones, coastal flooding, Sea level rise	Loss of mangroves, estuarine habitats, disruption of nesting grounds, Decline in aquatic biodiversity, salinization of habitat	Damage to the infrastructure, loss of natural buffers, reduced water quality, impact on wastewater treatment, stress on marine ecosystems	Stormwater drainage infrastructure is already in place, mangrove restoration, monitoring of salinity
Water stress, heat stress and temperature rise	Shift in species distribution, groundwater depletion, nitrogen leaching affecting aquatic life	Increased demand for cooling, reduced efficiency of the equipment, increased operational expenses, challenges with water usage	Upgrade to energy-efficient equipment and lightning to reduce heat generation, maintaining ZLD status, diversification of water sources, rainwater harvesting
Adoption of green ammonia, green energy share	LULC change, disruption to local ecosystems during infrastructure expansion	Can lead sustainable fertilizer production, enhance reputation, increase in capital investment with reduction in dependence	Biodiversity sensitive site planning during engineering and commissioning phase
Carbon pricing policies, stricter emission control norms	Nature related dependencies and risks	Increase in capital and operational costs Need for monitoring biodiversity KPIs and risk disclosures	Potential revenue from selling excess renewable energy credits, TNFD-aligned risk assessment
Shift in consumer preference to low-carbon and organic fertilizers	Overexploitation of natural inputs, Land-use change, monoculture plantations affecting biodiversity	Depletion of natural reserves, reduced sales and profitability, lack of confidence in investors and consumers	Investment into R&D and manufacturing of Nano Shakti based fertilizers

Biodiversity and No Deforestation Commitment

We are committed to creating a net-positive environmental impact through proactive afforestation and ecosystem restoration initiatives. We are committed to undertaking tree plantation drives to contribute to afforestation efforts and no gross deforestation in operational areas and compensating through future reforestation/ afforestation initiatives. All tree plantation activities are conducted on degraded, non-forest, or previously barren land, ensuring that no natural habitats are adversely impacted. In FY 2024-25, PPL planted a total of 50,000 trees in the vicinity of the Paradeep facility, significantly scaling up from 27,500 trees planted in FY 2023-24 exceeding our target of increasing annual saplings plantation by 5% by 2025. These plantations are part of our ongoing efforts to restore green cover, enhance local biodiversity, and contribute to carbon sequestration. Additionally, in targeted locations near the Goa facility, 418 trees were planted in FY 2024-25.

We actively collaborate with local communities and NGOs to maximize the social and environmental impact of our initiatives. We are establishing a structure for regular monitoring and maintenance of the tree plantation activities to ensure long-term ecological benefits. We aim to further scale-up the tree plantation and ecosystem restoration initiatives and focus on measurable outcomes in carbon sequestration, biodiversity enhancement, and co-benefits to the community. Biodiversity and deforestation policy can be accessed here:

https://www.paradeepphosphates.com/uploads/content/biodiversity-and-no-deforestation-policy.pdf

Afforestation/ tree plantation activities

Product Stewardship

Product Design Criteria

Product stewardship is a key component of our ESG strategy, reflecting our commitment to responsible management throughout the lifecycle of our fertilizer products. In an industry where the balance between agricultural productivity and environmental impact is continually scrutinized, we prioritize sustainable practices, from raw material sourcing to production, distribution, and end use. Our stewardship initiatives aim to minimize ecological footprints, enhance product safety, and ensure compliance with regulatory standards. By promoting

innovation in eco-friendly formulations and encouraging responsible usage among farmers, we contribute to global food security while protecting natural ecosystems.

In FY 2024-25, our production volume climbed from 2.30 MMTPA to 2.63 MMTPA, with capacity utilization improving from 76% to an impressive 87%. On the sales front, volumes surged from 2.52 MMTPA to 3.03 MMTPA, increasing our national market share in the phosphatic fertilizer segment from 12.6% to 14.4%. We introduced 04 new sustainable products namely Jai Kisaan Navratna Nano Shakti branded Nano-urea and Nano-DAP, and TSP 46% P and Nitronic 32. The company's Paradeep plant, equipped with a backward-integrated captive phosphoric acid facility, has increased its annual capacity from 0.3 million to 0.5 million metric tonnes this year. Similarly, the Goa plant, which is backward integrated for ammonia production, offers a specialized, soil and crop specific and climate friendly product portfolio of various NPK grade fertilizers.

Responsible sourcing

We have implemented a robust supplier assessment framework to support sustainable sourcing, evaluating suppliers on key ESG criteria. This includes systematic supplier screening, mandatory adherence to PPL's Supplier Code of Conduct, and ESG risk assessments through structured questionnaires. Regular senior management reviews ensure the framework remains effective and aligned with our sustainability goals. By enabling data-driven decision-making, it promotes responsible sourcing and the adoption of sustainable practices across our supply chain. Additionally, we conduct awareness sessions to help suppliers enhance their ESG performance, reinforcing our shared commitment to ethical and environmentally responsible business practices.

At our Paradeep plant, we obtain our main raw material, rock phosphate, from the OCP Group, which holds the largest phosphate reserves in the world. OCP Group's strategy is centered around sustainability, with a commitment to achieving carbon neutrality by 2040. For our sulphuric acid production, we source molten sulphur directly from IOCL, fulfilling one-third of our total sulphur needs. This approach helps us avoid substantial Scope 1 and Scope 3 emissions compared to using solid sulphur. In Maha Zypmite and Zypmite plus, we are using phosphogypsum for soil correction and micronutrients for the soil conditioning product. Apart from our core fertilizer products, we also engage in the sale, trading, and distribution of city compost. To improve fertilizer efficiency, we follow the 4R Nutrient Stewardship program, which provides a framework for achieving sustainable agriculture goals. In line with the Indian government mandate, we produce 100% neem-coated urea, which enhances soil health and improves nutrient use efficiency.

Life Cycle Assessment

We initiated the Life Cycle Assessment (LCA) of three of our key products, Urea (46:0:0), NPK (15:15:15:09), and DAP (18:46:0). These three products were selected to represent the complete composition spectrum of chemicals in our product portfolio. For instance, 15:15:15:09 contains DAP, Urea, Ammonium Sulphate, and Potash. Together, these three products account for 48.81% of our total product portfolio.

The assessment was conducted in accordance with ISO 14040 (principles and framework for LCA) and ISO 14044 (requirements and guidelines for LCA). It aimed to quantify the life cycle

greenhouse gas emissions (GHG) from cradle to grave, identify emission hotspots, and propose mitigation actions. The study was modeled using SimaPro 9.5.0 software, utilizing emission factors from the Ecoinvent database. Impact categories covered included global warming, stratospheric ozone depletion, terrestrial acidification, freshwater and marine eutrophication, human and ecological toxicity, ozone formation, ionizing radiation, particulate matter, land use, water consumption, and resource scarcity (metal and fossil).

The results provided insights into the global warming potential (GWP) per ton of the product across the value chain upstream, operational, and downstream stages. The details of the GWP are given as follows:

Product	PPL	Peer comparison	Remarks
Urea GWP Total (tCO_2)	5.89	5.22 (PT Petrokimia Gresik)[2]	Our production stage emissions are significantly lower; however, the upstream emissions are relatively higher compared to peers. This may be due to the fact that we import a significant portion of the raw materials, lack of data on supplier specific energy mix and emissions data throughout the supply chain.
		11.19 (Fertilizers Europe: 2011)[3]	
NPK GWP (tCO_2)	2.18	10.71	Our GWP values are well below as compared to our peers making it a low-carbon product. The GWP value is derived from a study conducted by Fertilizers Europe: 2011.
DAP GWP (tCO_2)	3.29	11.27	Our GWP values are well below as compared to our peers. The GWP value is derived from a study conducted by Fertilizers Europe: 2011.

Exposure to Hazardous Substances

We are committed to responsible chemical management and product safety across the entire lifecycle of its fertilizer products. Our operations are governed by the Fertilizer Control Order (FCO), 1985, under the Essential Commodities Act, which ensures that all fertilizers manufactured and sold in India meet stringent quality and safety standards. In addition to that, we are strictly complying with the rules and regulations under Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 as amended in October 1994 and January 2000 which regulate the handling of hazardous substances in India.

Although we do not export products to the EU and are not directly subject to REACH registration, we voluntarily screen all raw materials and finished products against REACH guidelines and Indian List of Hazardous and Toxic Chemicals to ensure alignment with global best practices. Our product portfolio primarily consists of inorganic fertilizers (e.g., Urea, DAP,

[2] URL: https://api.environdec.com/api/v1/EPDLibrary/Files/b8b12630-7b8a-4de1-0aef-08dc685f3598/Data
[3] URL: https://www.researchgate.net/profile/Prem-Baboo/post/Can_anybody_suggest_CED_and_a_CO2-eq_emission_factors_for_Vinasse_fertilizer/attachment/59d634dc79197b80779927e4/AS%3A381587746246658%401467989016955/download/carbon_footprint_web_V4.pdf

NPK), which do not contain any substances currently listed under REACH SVHC or restricted categories.

We are also Protect & Sustain Certified which is a global product stewardship standard for the fertilizer industry, as it allows producers, distributors, traders, and transporters to publicly and credibly prove their commitment to reaching the highest levels of safety, security and sustainability. The certificate can be accessed at:

https://www.paradeepphosphates.com/uploads/content/2024-01-17-15-40-office-lens.pdf

Renewable Raw Materials

We utilize a diverse mix of renewable, non-renewable, and recycled materials across our product portfolio, reflecting its commitment to sustainable sourcing, circular economy principles, and decarbonization.

Renewable material includes Jai Kisaan Navratna Bhoomitra (City Compost), Jai Kisaan Navratna Bhoomitra Gold (FOM), Jai Kisaan Farm Potash (PDM), Jai Kisaan PROM (Phosphorous Rich Organic Manure), Jai Kisaan Gaushakti (Cow Dung Manure) and Jai Kisaan Shaktimaan/ Miracle GR/ Bio Gold Plus (Bio Enriched Organic Manure).

Non-Renewable material includes rock phosphate, potash (MOP), sulphuric acid, ammonia, natural gas, sulphur, phosphoric acid, and urea.

Recycled material includes Jai Kisaan Maha Zympmite/ Zypmite Plus (Soil Conditioners), HFSA, and filler from sludge.

Material name	Unit	Type of material	FY 2023-24	FY 2024-25
Rock Phosphate	MT	Non-renewable	1,421,975	1,687,520
Potash (MOP)	MT	Non-renewable	124,421	397,669
Sulphuric Acid	MT	Non-renewable	239,351	484,691
Ammonia	MT	Non-renewable	403,014	420,712
Natural Gas (Raw material)	MT	Non-renewable	91,068	100,269
Sulphur	MT	Non-renewable	279,228	361,780
Phosphoric acid	MT	Non-renewable	234,695	184,264
Urea	MT	Non-renewable	54,582	200,982
Jai Kisaan Navratna Bhoomitra (City Compost)	MT	Renewable	23,496	16,554
Jai Kisaan Navratna Bhoomitra Gold (FOM)	MT	Renewable	-	1,128
Jai Kisaan Farm Potash (PDM)	MT	Renewable	26,261	28,835
Jai Kisaan PROM (Phosphorous Rich Organic Manure)	MT	Renewable	4,518	5,757
Jai Kisaan Gaushakti (Cow Dung Manure)	MT	Renewable	1,486	2,347
Jai Kisaan Shaktimaan/Miracle GR/Bio Gold Plus (Bio Enriched Organic Manure)	MT	Renewable	1,868	3,048
Jai Kisaan Maha Zympmite/Zypmite Plus/Setright (Soil Conditioners)	MT	Recycled	47,244	44,519
HFSA	MT	Recycled	5,566	9,021
Filler from sludge	MT	Recycled	13,330	9,840
Other filler	MT	Non-renewable	-	-
Total	**MT**	**-**	**2,972,103**	**3,958,935**

Material name	Unit	FY 2023-24	FY 2024-25
Renewable Raw material	MT	57,629	57,669
Non-Renewable Raw material	MT	2,848,333	3,837,886
Recycled material	MT	66,140	63,380
Percentage of raw materials which are from renewable sources	%	1.94%	1.46%
Percentage of raw materials which are from non-renewable sources	%	95.84%	96.94%
Percentage of recycled input materials used	%	2.23%	1.60%
Percentage of reclaimed products and their packaging materials	%	NA	NA

Sustainable Products

PPL has launched India's first biogenic Nano Urea and Nano DAP under the Jai Kisaan Navratna Nano Shakti brand which are high nutrient use efficiency products and are designed to improve crop yield, reduce input costs for farmers, and support sustainable agricultural practices. The products include Nano-urea, Nano-DAP, TSP 46% P, Nitronic 32.

Nano Urea contains 8% nitrogen in nano-sized particles, and it promotes reduction in use of conventional urea by enhancing nutrient use efficiency (NUE) to >90%, compared to 30–35% for conventional urea.

Nano DAP contains 6% nitrogen and 16% phosphorus (P_2O_5) and it provides phosphorus and nitrogen in bioavailable form, improving uptake efficiency and reducing excess application by farmers. Both products are foliar applied, reduce the amount of nitrogen lost to leaching and volatilization, lowering input costs for farmers while minimizing the soil degradation and water contamination due to excessive use.

TSP 46% P acts as an alternative to DAP for phosphorus application particularly suited for crops like soybean, pulses, oilseeds and vegetables and supports nutrient rebalancing by reducing overuse of nitrogen. On the other hand, Nitronic 32 is a high NUE liquid fertilizer that contains nitrogen availability for crops in 03 forms Urea, Ammoniacal and Nitrate. Nitrate is immediately available for plant uptake while Urea form of nitrogen ensures longer availability of nitrogen for plant growth.

Along with this, circular products such as Zypmite Plus which is a gypsum-based micronutrient mixture manufactured from recycled Phosphogypsum and contains Sulphur, Zinc, Boron, Calcium and Magnesium and Bhoomitra Gold (Fermented Organic Manure (FOM) and compost) are being produced. Zypmite Plus or Maha Zypmite helps in correcting the soil pH and making the soil conducive for optimal crop growth while compost and FOM helps improve soil organic carbon.

PPL's nano fertilizer strategy is embedded in its farmer-first model, reaching more than 9.5 million farmers through 95,000 retail points. The company has conducted over 4,000 field trials, farmer training workshops, and crop seminars to promote adoption. These products are aligned with EU Taxonomy principles for sustainable agriculture, particularly under objective

01 climate change mitigation and objective 05 pollution prevention and control. According to the peer reviewed studies done for wheat and rice farming in India, use of nano-urea coupled with recommended dose of nitrogen (RDN) resulted in increase in yield by approximately 7.5% and reduction in GHG emissions by 16 to 25%.[4,5] These findings validate PPL's nano-fertilizers as low carbon and climate smart products, contributing to India's target of achieving self-sufficiency in urea production by 2026 and achieving net zero by 2070.

In FY 2024-25, with a growing share attributed to these sustainable products, PPL generated INR 44,791.77 lakhs revenue. We sold 1.66 million bottles of nano-fertilizers, and this alone contributed to INR 6,445.09 lakhs revenue. We have noticed a strong market acceptance across the country primarily driven by reduction in input costs for users, improved crop yields, and reduced environmental footprint. We are targeting to sell 3 million bottles of nano-fertilizers by 2026 and increase the production of Zypmite and other sustainable products.

The following table provides details of the quantity produced and sales of the newly launched sustainable products.

Product Name	Quantity produced in FY 2024-25 (MT)	Sales in FY 2024-25 (INR)
Jai Kisaan Navratna Nano Shakti Nano Urea	238	77,676,000
Jai Kisaan Navratna Nano Shakti Nano DAP	639	566,833,000
Jai Kisaan Navratna TSP 46% P	148,058	3,342,759,000
Jai Kisaan Navratna Nitronic 32 (UAN)	29	14,727,000
Maha Zypmite and Zypmite Plus	44,519	381,275,000
City Compost (FOM)	17,682	95,907,000
Total	**211,165**	**4,479,177,000**

[4] Tripathi, S. C., Kumar, N., & Venkatesh, K. (2025). Nano urea's environmental edge and economic efficacy in boosting wheat grain yield across diverse Indian agro-climates. Scientific Reports, 15(1), 3598.

[5] Nagangoudar, M. B., Jayadeva, H. M., Lalitha, B. S., Hanumanthappa, D. C., Kumar, R. M., Sannagoudar, M. S., ... & Sneha, M. A. (2025). Impact of Water and Nitrogen Management Strategies on Productivity, Resource Use Efficiency, and Greenhouse Gases Emission in Aerobic Rice. Environmental and Sustainability Indicators, 100750.

Social Dimension

Labor Practices Commitment

Policy Aspects	Remarks
Paying a living wage	PPL is committed to providing living wages that ensure fair and sustainable compensation for all employees. In addition, we extend a range of welfare benefits, including free uniforms, subsidized meals, and housing at below-market rates. Our facilities are supported by well-equipped townships with comprehensive amenities, designed to provide employees and their families with a comfortable and dignified living environment.
Avoiding or reducing overtime or excessive working hours	We protect the wellbeing of our employees and contract workers by setting clear limits on working hours, closely tracking overtime to avoid excessive working hours in line with our Working Days, Hours and Leaves Policy, ensuring all extra work is fairly compensated.
Setting maximum working hours	
Equal remuneration for men and women	We provide fair, consistent, and unbiased compensation, ensuring equal pay for equal work, regardless of gender, race, caste, creed, religion, age, or background. In line with our Human Rights Policy, we maintain wages, benefits, and working conditions that are equitable and comply with local laws, creating an inclusive workplace free from discrimination and supportive of employee satisfaction and success.
Paying workers for annual leave	Under the Working Days, Hours and Leaves Policy, all our employees are entitled to Privilege Leave (PL) for up to 30 days per year (depending on entity and date of joining). The policy also explicitly provides for annual encashment of PL, allowing employees to receive payment in lieu of leave.
Setting minimum consultation or notice periods before mass terminations	We have not undertaken any mass terminations to date. In the unlikely event that such a situation arises, the company is committed to complying with all applicable legal requirements and will ensure appropriate consultation and notice periods are provided to employees in a fair and transparent manner.
Scope of commitment	We uphold fair labor practices across our operations, covering all employees (full-time, part-time, and subcontracted) as well as on-site contractors. This commitment also extends to our wider network, including suppliers, and other business partners.

Labor Practices Programs

We believe that fair treatment, equitable opportunities, and respect for individual dignity lead to a stronger, more committed workforce.

(1) Wages Aligned to Cost of Living

Every two to three years, we conduct a comprehensive benchmarking exercise with peer group companies and market data. Rather than aligning to statutory minimum wages, we use these insights to ensure our compensation remains well above living wage estimates and competitive within our industry. Any necessary corrections are integrated through our Performance Management System (PMS) cycle to keep our approach fair and sustainable.

(2) Protecting Against Excessive Working Hours

We have set clear limits on working hours for employees and on-site contractors. Overtime is closely tracked and fairly compensated, ensuring protection against excessive working hours. As per the Working Days, Hours and Leaves Policy, we have set defined weekly working hour limits across all Adventz Group Agri-Business entities ensuring employees are not subject to excessive or unregulated workloads.

It establishes a maximum of 48 hours per week for manufacturing units, field marketing officers, laboratories, and retail stores. For corporate and sales head offices, the limit is 45 hours per week. Shift and non-shift arrangements vary slightly by location, but all are capped at 48 hours per week. By standardizing working hours across sites and business verticals, the company ensures that employees are not subject to excessive work schedules. Overtime, where required, is monitored and compensated in line with statutory requirements, reinforcing the principle of fair work–life balance

(3) Fair and Transparent Overtime Pay

All additional hours are paid in line with statutory requirements and internal commitments, reflecting our belief that extra effort should be acknowledged and rewarded appropriately.

(4) Listening to Worker Voices

We recognize and respect our employees' right to freely associate on matters related to their employment, in line with company policies, procedures, and applicable laws. We maintain open channels with worker representatives at our manufacturing facilities. We are also putting formal agreements in place with government unions to enable constructive dialogue on labor-related matters and strengthen mutual trust between teams and leadership.

(5) Addressing the Gender Pay Gap

We conduct regular pay equity reviews to close gender-based pay gaps and prevent bias linked to background, caste, or other personal characteristics.

(6) Extending Social Protection Beyond Public Programs

Our workforce benefits go beyond legal obligations to provide life insurance, healthcare, paid parental leave for all parents, on-site childcare where possible adequate sick leave and retirement provision. These safeguards are designed to reduce stress and help employees focus on their wellbeing and performance.

(7) Respect for Rest and Time Off

Employees receive paid annual leave and are encouraged to plan time away from work. Our leave systems are designed to make it easy to take breaks without compromising team operations. As per our Working Days, Hours and Leaves Policy, employees are granted up to 30 days of Privilege Leave (PL) annually, depending on their joining date and entity. The policy also allows for annual encashment, enabling employees to receive payment for unused leave days.

(8) Support During Change

When roles or business needs evolve, we provide reasonable notice and offer reskilling programs so employees can adapt to shifts in the industry, including those brought by technology, climate-related changes, or new market demands.

Discrimination & Harassment

As covered in our Code of Business Conduct and Ethics, PPL is committed to non-discrimination, ensuring that all employment decisions, whether in hiring, promotion, training, or termination are based solely on merit and ability, without regard to race, colour, caste, creed, religion, age, disability, gender, sexual orientation, or marital status. Discrimination of any kind is not accepted or tolerated. Both the COBC and our Prevention of Sexual Harassment (POSH) Policy affirm a zero-tolerance stance toward all forms of harassment, threats, insults, unlawful discrimination, and other unprofessional conduct. We expect every employee to uphold the same standard in their behaviour.

We provide all employees and line managers with training and guidance on recognizing, preventing, and addressing discrimination and sexual harassment in the workplace. Regular refresher sessions are held to keep our workforce informed, aware, and sensitive to these issues. The POSH policy also sets out a clear escalation process for lodging complaints and seeking redressal, along with defined steps for investigation. It outlines the corrective and disciplinary actions that may be taken based on the recommendations of the Internal Complaints Committee in cases of discriminatory behaviour or harassment.

Workforce Breakdown: Gender

Diversity Indicator	FY24	FY25
Share of women in total workforce (as % of total workforce)	4.00%	4.00%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	4.25%	4.00%
Target for share of women in all management positions		6% by 2030
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	8.92%	4.8%
Share of women in top management positions (as % of total top management positions)	Nil	0%
Share of women in management positions in revenue-generating functions (as % of all such managers)	2.76%	2.82%
Share of women in STEM-related positions (as % of total STEM positions)	2.55%	2.02%

Workforce Breakdown: Nationality

We are not able or allowed to report on ethnic and racial minorities, and therefore provide a breakdown based on nationality.

Nationality/ Geography	Share in total workforce (as a % of total workforce)	Share in all management positions, including junior, middle and senior management (as % of total management workforce)
Indian	100%	100%

Gender Pay Indicators

Employee level	Average Women Salary (INR) in FY24	Average Men Salary (INR) in FY24	Average Women Salary (INR) in FY25	Average Men Salary (INR) in FY25
Executive level (base salary only)	-	1,91,254	-	8,12,944
Executive level (base salary + other cash incentives)	-	5,67,614	-	10,61,267
Management level (base salary only)	22,686	28,367	77,071	85,164
Management level (base salary + other cash incentives)	66,559	85,464	85,846	96,278
Non-management level (base salary only)	56,551	57,809	1,25,699	1,20,240

Base salary is considered as monthly fixed salary. The salary reported here is monthly salary.

Freedom of Association

We respect our employees' rights to freedom of association and collective bargaining, and the table below shows the proportion of our workforce represented by unions.

	FY25
% of workers represented by an independent trade union or covered by collective bargaining agreements	23.61%

Human Rights

Human Rights Due Diligence Process

We have established a comprehensive, company-wide human rights due diligence process to proactively identify, assess, and address potential impacts and risks across all our operations. This process is publicly available, reflecting our commitment to transparency, accountability, and alignment with internationally recognized human rights standards.

Human rights risks can emerge at any point in a company's operations or value chain, from the sourcing of raw materials to the treatment of workers, engagement with local communities, or the integration of newly acquired businesses. Recognizing this, our due diligence covers our own operations, our supply chain, and any connected business activities, including new relationships formed through mergers, acquisitions, and joint ventures.

We conduct thorough and periodic risk mapping to identify potential and emerging issues. Our approach focuses on protecting vulnerable groups and addressing critical risks such as forced labour, human trafficking, child labour, restrictions on freedom of association, barriers to collective bargaining, equal remuneration, and all forms of discrimination. We also assess risks specific to our employees, women, children, third-party employees and local communities that may be affected by our activities. By systematically reviewing and updating our risk mapping, we can anticipate challenges, respond early, and build stronger, more responsible

business relationships. Through these measures, we aim to make respect for human rights not just a principle, but a daily practice embedded in every part of our business.

Human Rights Assessment

During the last financial year, we took a significant step to enhance the rigour of our human rights due diligence by commissioning an independent third-party assessment of our operations.. The assessment was undertaken at both our operational units in Paradeep, Odisha, and Zuarinagar, Goa.

Category	% of total assessed in last three years	% of total assessed where risks have been identified	% of risk with mitigation actions taken
Own operations (as a % of sites)	100	0	0
Contractors and Tier I suppliers (as a % of contractors or Tier I Suppliers)	0%	0%	0%
Joint ventures	0%	0%	0%

Human Rights Mitigation and Remediation

Category	Remarks
Processes implemented to mitigate human rights risks	Our senior leadership works closely with all departments to ensure that human rights considerations are integrated into day-to-day operations. While we do not employ child labour, we take proactive steps to reduce the likelihood of such risks within our supply chain. During the reporting period, these included: • Providing ongoing training for management on applicable legal requirements and methods for identifying early warning signs of child labour risks. • Maintaining a detailed employee register to verify compliance with legal working age requirements. To reduce the risk of unresolved human rights concerns, we maintain a clear and accessible grievance mechanism that includes: • A formal procedure for lodging complaints, communicated to all stakeholders. • A structured system to track and resolve grievances in a timely and transparent manner. • Continuous review of grievance data to identify patterns and drive organisational improvements. We have also established an Internal Complaints Committee (ICC) to promptly address and resolve complaints, ensuring that affected individuals receive appropriate support and remedies.
The number of sites with mitigation plans	Although the Company did not cause or contribute to any adverse human rights impacts or violations during the reporting year, both our operational sites have established mitigation plans to reduce the likelihood of potential risks arising in the future.

Category	Remarks
The type of remediation actions taken	While no remediation actions were required during the reporting year, the Company maintains robust systems to enable a swift and effective response should the need arise. We uphold a zero-tolerance policy against retaliation and have clear protocols to ensure all concerns are addressed promptly, impartially, and in confidence. Where potential risks are identified, targeted corrective and preventive measures are implemented to reinforce our human rights safeguards and reduce the likelihood of recurrence.

Human Capital Management

Our human capital approach focuses on three areas: building employee skills through relevant learning opportunities, maintaining an inclusive and respectful workplace culture, and taking practical steps to support employee well-being. These measures help us strengthen our workforce for current and future needs.

Training and Development Inputs

To address skills gaps and support business needs, we invest in learning and development that builds employee capabilities while encouraging retention and engagement. Continuous learning is vital for our industry, where evolving technology, safety protocols, and regulatory standards demand up-to-date skills. By strengthening our workforce knowledge, we ensure operational excellence and deliver better solutions to the farming communities we serve.

	FY 23	FY 24	FY 25
Total hours of training and development	63,756	68,354	58,775
Average hours per FTE of training and development	43	45	40
Total spend on training and development (in INR)	29,675,270	14,880,088	7,281,260
Average amount spent per FTE on training and development (in INR)	20,105	6,565	7,097

TRAINING DATA BREAKDOWN (MANAGEMENT LEVEL & GENDER WISE) FY 25			
Category	**Unit**	**Male**	**Female**
Management staff	Total hours of training	45,806	1,823
	Average hours of training	43	40
Non-management staff	Total hours of training	10,475	670
	Average hours of training	33	35

Employee Development Programs

Learning methods (externally/internally) offered at PPL for employee development includes:

Type of program offered for employee development	Remarks	Coverage (Employees/Contractual/Both)
Leadership development program	We invest in the growth of our critical talent through structured Learning Journey programs in partnership with premier institutions. Asset-facing employees participate in a six-month program at IIM Mumbai, which includes three intensive two-day exposures, while customer-facing employees undertake a nine-day executive education program at IIM Lucknow spread over six months. These programs cover advanced concepts in manufacturing, AI, blockchain, ESG, HR, and finance, equipping our teams with strategic insights, enhanced agility, and the leadership capabilities required to drive business impact.	Employees

	Program 1	Program 2
Name & Description of the program	**Enhancing Productivity with Balance Score Card:** We believe that clearly communicating our vision is essential for sustainable growth. To reinforce this, we conducted a strategic workshop on the Balanced Scorecard for our Senior Management team. The program focused on driving operational and business excellence across four key dimensions: Financial, Customer, Business Process, and Learning & Growth. The session was facilitated by our senior leaders, including CHRO Mr. Rajneesh Bhardwaj, President & COO Mr. Rajeev Nambiar, and CMO & Unit Head, Paradeep Unit, Mr. Palanisamy Velusamy.	**Transforming Work Culture: SAKSHAM Training Programme:** This is a capability-building program designed to enhance the skills and competencies of our shop-floor employees. It reflects our commitment to continuous improvement and operational excellence, reinforcing our organizational culture and strengthening workforce capabilities.
Business benefits of the program	The Balanced Scorecard program strengthens the link between leadership actions and the organization's strategic priorities, enabling senior leaders to monitor and enhance performance effectively. By providing actionable frameworks, we aim to drive improved operational efficiency, better decision-making, and higher team productivity, ensuring that strategic objectives are consistently translated into measurable business outcomes. The program	By investing in skill development through SAKSHAM, we enhance employee responsiveness, productivity, and workplace discipline, directly contributing to operational efficiency and quality performance. The program helps us build a workforce that is agile, safety-conscious, and aligned with our organizational standards, thereby supporting sustainable business outcomes and driving continuous

	Program 1	Program 2
	supports sustainable organizational growth and aligns our leadership efforts with the company's Vision and Mission.	improvement across shop-floor operations.
Quantitative impact of business benefits	We are committed to bringing more such programs to leverage strategic frameworks that continuously enhance productivity and foster sustainable growth of our employees and the organization. 51 HOS participated in the program, who helped in 100% implementation of BSC during the appraisal cycle of 2024. This led to a fair appraisal process and helped to reduce the attrition % from 5.6 to 3.9 % for our management cadre.	Facilitated by the distinguished Dattopant Thengadi National Board for Workers Education and Development (DTNBWED), the program witnessed the enthusiastic participation of 395 employees representing diverse functions. Feedback was strongly positive, with satisfaction levels exceeding 90% across all parameters. Following the program, 4% of participants were promoted, reflecting their enhanced teamwork and contribution to workplace culture.

L&D program: Enhancing productivity with Balance Score card

L&D program: Enhancing productivity with Balance Score card

SAKSHAM Training Program

SAKSHAM Training Program

Human Capital Return on Investment

	FY 22	FY 23	FY 24	FY 25
Total Revenue (INR)	78,587,192,000	133,407,219,000	115,751,198,000	138,202,080,000
Total Operating Expense (INR)	71,876,100,000	125,397,300,000	109,272,800,000	125,643,700,000
Total Employee-related expenses (salaries + benefits) (INR)	1,385,044,000	2,132,025,000	2,297,877,000	2,491,005,000
Resulting HC ROI (a - (b-c)) / c	5.84	4.75	3.81	6.04
Total Employees	1,354	1,476	1,467	1,457

Hiring

	FY 22	FY 23	FY 24	FY 25
Total number of new employee hires	108	166	252	133
Percentage of open positions filled by internal candidates (internal hires)	4%	9%	0%	4%
Average hiring cost/ FTE (in INR)	56,127	59,669	31,009	56,104

NEW HIRES DATA BREAKDOWN (MANAGEMENT, GENDER AND AGE-WISE)			
Category	**Breakdown**	**Unit**	**FY25**
Management Staff	Male	No.	125
	Female	No.	6
	<30	No.	91
	30-50	No.	38
	>50	No.	2
Non-Management Staff	Male	No.	2
	Female	No.	0
	<30	No.	0
	30-50	No.	0
	>50	No.	2
Permanent Workmen	Male	No.	0
	Female	No.	0
	<30	No.	0
	30-50	No.	0
	>50	No.	0
Contractual employees	Male	No.	1,276
	Female	No.	34
	<30	No.	514
	30-50	No.	714
	>50	No.	82

INTERNAL HIRES DATA BREAKDOWN (MANAGEMENT, GENDER AND AGE-WISE)			
Category	**Breakdown**	**Unit**	**FY25**
Management Staff	Male	No.	5
	Female	No.	0
	<30	No.	0
	30-50	No.	3

INTERNAL HIRES DATA BREAKDOWN (MANAGEMENT, GENDER AND AGE-WISE)			
Category	**Breakdown**	**Unit**	**FY25**
	>50	No.	2
Non-Management Staff	Male	No.	0
	Female	No.	0
	<30	No.	0
	30-50	No.	0
	>50	No.	0
Contractual employees	Male	No.	0
	Female	No.	0
	<30	No.	0
	30-50	No.	0
	>50	No.	0

Employee Turnover Rate

	FY 22	FY 23	FY 24	FY 25
Total employee turnover rate	7%	9%	10.2%	9.8%
Voluntary employee turnover rate	5.83%	5.35%	6.95%	6.2%
Data coverage (as % of all FTEs globally)	100%	100%	100%	100%

TOAL EMPLOYEE TURNOVER DATA BREAKDOWN (MANAGEMENT, GENDER AND AGE-WISE)			
Category	**Breakdown**	**Unit**	**FY25**
Management Staff	Male	No.	102
	Female	No.	4
	<30	No.	69
	30-50	No.	39
	>50	No.	8
Non-Management Staff	Male	No.	42
	Female	No.	2
	<30	No.	0
	30-50	No.	1
	>50	No.	43
Permanent Workmen	Male	No.	80
	Female	No.	0
	<30	No.	0
	30-50	No.	0
	>50	No.	80
Contractual employees	Male	No.	1,595
	Female	No.	16
	<30	No.	543
	30-50	No.	821
	>50	No.	247

Long-Term Incentives for Employees

1. The type of long-term incentive program 2. The type of employees below the senior management level the program applies to	Company's long-term incentives for employees below the senior management level are on average paid out after	Percentage of company's workforce below senior management level (max. two levels from the CEO) that this program applies to	Do the long-term incentives include targets associated with sustainability performance?
Under our Employee Stock Option Program (ESOP 2021), we grant eligible employees, across our Company, the right to acquire shares at a future date. This performance-linked program aligns our people's interests with our long-term growth, encourages them to actively contribute to profitability, and helps us attract and retain top talent. It also gives our employees the opportunity to share in the future value they help create.	Longer than 3 years	100%	No

Employee Support Programs

We approach employee well-being with the understanding that good health, balance, and a supportive workplace are essential for sustained performance. Our initiatives address the varied needs of our workforce, taking into account differences in roles, locations, and personal circumstances.


Yoga and Employee wellness activities and programs


Sports activities and programs




Cultural activities and other programs

Workplace stress management	We prioritize the well-being and engagement of our workforce by addressing both the physical and mental aspects of work-life balance. We offer initiatives such as yoga sessions, mental health support, and financial planning workshops to help employees manage stress and maintain overall wellness. To further strengthen engagement, we launched the PPL CARES Framework, a structured model covering seven key areas: ***We Empower, We Recognize, We Grow, We Bond, We Communicate, We Celebrate, and We Nurture***. Through this framework, we celebrate achievements, encourage open dialogue, foster learning and career growth, promote cross-functional collaboration, and support well-being initiatives, all aimed at reducing workplace stress and building a resilient, motivated workforce.
Sport & health initiatives	Recreation clubs across our Paradeep and Goa plants, such as PPERC, PPOC, PPL Ladies Club, Mandir Committee, Jai Kisaan Club, and the

	Management Club offer sports, cultural activities, and community engagement, strengthening team cohesion. To streamline these initiatives, PPERC and PPOC have merged to form the Navratna Club, which now oversees all sports and community engagement programs. Supporting physical health and wellness, two open gyms have been inaugurated in the township for employees and their families, alongside a new OPD wing at the hospital with 24×7 pharmacy support from Apollo Pharmacy.
Work Conditions	Maintaining a healthy work-life balance is a priority at PPL. Working arrangements we offer include flexible working hours and remote work options, to help employees balance professional and personal priorities.
Family Benefits	**Childcare and Breastfeeding Support** The Company has established fully equipped crèche facilities at all its plant locations, offering safe and supportive care for children during working hours. These facilities also provide space for lactating mothers to conveniently breastfeed their children during working hours, helping them balance parental care with professional responsibilities. • Paid Parental Leave to Primary care givers: 26 weeks as per Act • Paid Parental Leave to Non-Primary care givers: 1 week **Adoption Leave** Employees who legally adopt a child below three months of age are eligible for 12 weeks of adoption leave. This provision enables parents to dedicate time to bonding with and caring for their child during the critical early stages of adoption. **Health Insurance** We provide comprehensive health insurance for our employees and their families, with special provisions for maternal and childcare. This ensures the health and well-being of both mother and child are supported at every stage.

Type of Performance Appraisal

Our performance evaluation approach blends structured goal setting with diverse feedback channels and ongoing dialogue, ensuring that employees remain aligned with business priorities while continuously developing their capabilities.

	Remarks
Management by objectives	At the start of each year, managers and employees agree on specific performance goals linked to our operational and strategic priorities. Progress is reviewed formally at year-end to ensure alignment and recognize contributions.
Multidimensional performance appraisal	We conduct annual reviews that incorporate feedback not just from supervisors but also from peers and, where relevant, subordinates. This 360-degree view helps capture performance more holistically and highlights areas for growth.
Team-based performance appraisal	As part of the annual goal-setting process, each function and entity defines objectives for the year, which are then evaluated at year-end to determine performance against predefined business parameters. Variable pay incentives are tied to the collective results of each entity or function, reflecting a team-based appraisal approach that recognizes group performance alongside individual contributions.

	Remarks
	In parallel, functional heads cascade goals across levels, enabling alignment within teams. Employee performance is then assessed not only on individual contributions but also on how effectively these align with team and organizational goals, with increments and incentives reflecting this combined performance.
Agile conversations	Beyond formal reviews, managers hold regular check-ins with their teams to discuss progress, share feedback, and address emerging challenges. These touchpoints help keep goals relevant and maintain momentum throughout the year.
Performance Appraisal Frequency	At least yearly

Trend of Employee Wellbeing

We actively seek employee feedback through multiple channels, including town halls and surveys. In 2023, we conducted an Employee Satisfaction Survey to understand perceptions around job satisfaction, sense of purpose, well-being, workplace relationships, and fairness. The Employee Satisfaction Index (ESI) for the year was 65.8. Insights from the survey have guided us in prioritizing improvement areas. Initiatives are now underway to strengthen well-being, enhance workplace relationships, and create a more positive environment. Recognizing that job satisfaction varies by individual, we aim to align employees' strengths and interests with their roles wherever possible. We plan to conduct a third-party Employee Satisfaction Survey (ESS) next and are targeting a 10% improvement in our ESI over the previous score, reinforcing our commitment to continuously enhancing the employee experience.

Core focus	FY 22	FY 23	FY 24	FY 25
Employee engagement (% of employees with top level of engagement, satisfaction)	Data is not available	65.8	65.8	65.8
Data coverage (% of FTEs)	NA	64	64	64

Aspects addressed in the company's employee surveys	Remarks
Job satisfaction	The employee survey that we conduct assesses critical markers of employee experience, such as job satisfaction, sense of purpose, overall happiness, and stress levels at work.
Purpose	
Happiness	
Stress	

Occupational Health and Safety

OHS Programs

We believe that a truly safe and healthy workplace is fundamental to our success, our environmental responsibility, and the well-being of our people and communities. Our safety philosophy is built on the pillars of proactive risk mitigation, continuous improvement, and the empowerment of every individual to be an active participant in their safety journey. This dedication extends across all operations, encompassing our employees, contractors, and the broader ecosystem within which we operate.

Both manufacturing units, Paradeep and Zuarinagar, proudly hold ISO 45001:2018 certification, covering 100% of our entity, including both regular employees and contractors. This foundational certification underscores our dedication to a robust occupational health and safety management system. Additionally, our ISO 50001 Energy Management System and 5S Certification for housekeeping further contribute to a safe and efficient operational environment.

Our approach to risk management

- **Systematic Hazard Identification:** We employ a comprehensive strategy including Hazard Identification and Risk Assessment (HIRA), HAZOP studies, and extensive safety audits to identify work-related hazards and assess risks routinely and non-routinely.
- **Emergency Preparedness:** Proactive measures include well-defined emergency preparedness plans, robust fire safety protocols, and regular electrical safety audits.
- **Health Surveillance:** Special health checks are conducted periodically for workers in hazardous areas. An On-Campus Hospital provides round-the-clock health services to employees and their families, ensuring immediate medical attention when needed.
- **Instant Alert & Action:** Our Safety Mobile App enables instant recording and sharing of unsafe observations, ensuring prompt action. Coupled with "safety touch" initiatives and "safety hot spots," we proactively identify unsafe conditions on the shop floor.
- **Accident Abatement**: The well-maintained workplace model AAINAA (Advance Action in Industries to Abate Accidents) is implemented in 9 locations.
- **Advanced Detection:** A Fire Detection System is installed at the Navratna Building and emergency control room.
- **Emergency Infrastructure**: An Emergency Water Pond is constructed at the SAP plant for acid splash emergencies.
- **External Collaboration:** Recognizing safety knowledge gaps among transporters, we collaborated with CSIR-NEERI to develop SOPs for spill cleanup and soil decontamination.
- **Integration of Action Plans and Targets:** Our OHS program is guided by a structured risk-based approach, where action plans are developed to address identified hazards and critical risks. These plans are supported by quantified, time-bound targets, ensuring that risk mitigation measures are measurable, accountable, and aligned with overall business objectives.
- **Monitoring Progress Against Targets:** We regularly track and evaluate our progress in reducing and preventing health and safety risks against these defined targets. Periodic reviews, internal and external audits, and performance dashboards enable us

to monitor improvements, identify gaps, and continuously strengthen workplace health and safety outcomes.

- **OHS in Procurement and Contractual Practices:** Occupational health and safety requirements are embedded into our procurement and contractual processes, ensuring that suppliers, contractors, and service providers adhere to the same safety standards as our own workforce. This integration reinforces a culture of safety across our extended value chain and safeguards all stakeholders involved in our operations.

Cultivating a safety-first mindset at PPL

Daily Safety Training and Awareness of Contract workers and employees

Road Safety awareness program 2025

- **Structured Governance:** Our Central Safety Committee (Apex Safety Committee) and Zonal Safety Committees (Sub-Safety Committees) provide leadership and oversight over the safety culture at the company.
- **Internal Inspections**: A cross-functional team performs monthly inspections of the plant and contractors' sheds to ensure the safety of tools and equipment. Our Task Force Committee oversees workplace safety, ensuring personnel comply with Standard Operating Procedures (SOPs) and implement safe practices
- **Engaged Participation:** Through monthly safety meetings, regular audits, and daily safety briefings, we actively encourage worker participation in safety processes and hazard identification.
- **Continuous Learning:** A guided annual safety training calendar ensures regular health and safety training, both on-site and off-site, keeping our workforce updated and skilled.
- **Empowering Voices:** Employee safety concerns are directly addressed in monthly meetings. Suggestion boxes provide an anonymous feedback channel, while "Safety Mann Ki Baat" sessions, safety theme meetings, and morning safety pep talks foster open dialogue and responsiveness.

Assessments conducted during the year:

Number of Internal Health & Safety audits in FY25	2
Number of External/ Third party Health & Audits (ISO 45001) in FY25	3

Safety Performance

Safety Incident/Number	Category	FY 22	FY 23	FY 24	FY 25
Number of work-related fatalities	Employees	0	0	0	0
	Contractors	1	3	1	0
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0	0.57	0.96
	Contractors	0.11	0.13	0.07	0.58
Process Safety Events: Tier 1 (Number per million hours worked)	Employees	NA	NA	0	0
Data Coverage (as % of employees)	% of employees	NA	NA	100%	100%

Onsite Emergency Drill 2025

Monthly Mass Safety Awareness

54th National Safety Week - 4th to 10th March 2025

Customer Relations

Customer Satisfaction Measurement

Core focus	FY 22	FY 23	FY 24	FY 25
Satisfaction Measurement (Percentage of satisfied customers)	88%	88%	88%	88%
Data coverage	74%	74%	74%	74%

Community Relations

Stakeholder Engagement Programs

We believe meaningful change begins with listening. Our community engagement approach is built on partnership, participation, and transparency, ensuring that every initiative reflects local voices and delivers lasting impact. Snapshots of our stakeholder and community engagement programs are given below.

Training sessions organized with community members

Health camps organized with community members

Other activities and initiatives

Stage	Objective	How it works in practice
Stakeholder Engagement & Planning	Identify needs and set priorities with the community	We begin with Participatory Rural Appraisal to understand local needs, challenges and aspirations. Engagement happens directly with village heads, Panchayati raj institutions (PRI) members, and other community leaders, supported by clear communication channels for feedback. We also invest in capacity building so local stakeholders can co-create and participate in CSR projects. Regular meetings keep our plans aligned with evolving needs.
Program Implementation & Tracking	Deliver initiatives and monitor progress	CSR activities are executed through implementing partners who gather on-ground data and feedback on engagement via surveys, attendance records, and progress reports. Our CSR team conducts site visits, engages directly with stakeholders, and ensures grievances are addressed quickly, maintaining transparent and responsive communication.
Monitoring & Impact Evaluation	Measure results and refine programs	Each project has clear objectives and measurable indicators, supported by a baseline assessment. We track progress through field visits, periodic reviews, and internal reporting. Independent third-party impact assessments validate our results, helping us improve and ensuring accountability to community and stakeholders.

GRI Index

GRI Standard	Disclosure	Description	Section/Subsection Title	Page No.
General Disclosures				
GRI 2 - General disclosures	2-1	Organizational details	About us: Empowering the backbone of the nation	Annual Report, Page 4-5
	2-2	Entities included in the organization's sustainability reporting	Scope, Boundary, and Reporting Period	ESG Factbook, Page 1
	2-3	Reporting period, frequency and contact point	Scope, Boundary, and Reporting Period	ESG Factbook, Page 1
	2-5	External assurance	ESG Factbook	ESG Factbook, Page 84
	2-6	Activities, value chain and other business relationships	Value creation model, Stakeholder engagement, Innovating for sustained value creation Customer engagement activities	Annual Report, Page 30 – 31, 37, 48 - 53
	2-7	Employees	Our people Cultivating excellence by building a result-driven workforce	Annual Report, Page 54 - 57
	2-8	Workers who are not employees	Business Responsibility & Sustainability Report – Section A: General Disclosures	Annual Report, Page 99
	2-9	Governance structure and composition	Governance Leading with expertise and experience	Annual Report, Page 82-83
	2-10	Nomination and selection of the highest governance body	Directors' Report: Nomination and Remuneration Policy and Disclosure on Remuneration	Annual Report, Page 141
	2-11	Chair of the highest governance body	Leading with expertise and experience – Board of Directors	Annual Report, Page 83
	2-12	Role of the highest governance body in overseeing the management of impacts	ESG Governance Oversight	ESG Factbook, Page 7, 8
	2-13	Delegation of responsibility for managing impacts	ESG Governance Oversight	ESG Factbook, Page 7, 8
	2-14	Role of the highest governance body in sustainability reporting	ESG Governance Oversight	ESG Factbook, Page 7, 8
	2-15	Conflicts of interest	Business Responsibility & Sustainability Report	Annual Report, Page 112
	2-16	Communication of critical concerns	Reporting on Breaches	ESG Factbook, Page 19, 20
	2-17	Collective knowledge of the highest governance body	Leading with expertise and experience - Board expertise	Annual Report, Page 82

GRI Standard	Disclosure	Description	Section/Subsection Title	Page No.
	2-18	Evaluation of the performance of the highest governance body	Directors' Report: Performance Evaluation	Annual Report, Page 141
	2-19	Remuneration policies	Directors' Report: Nomination and Remuneration Policy and Disclosure on Remuneration	Annual Report, Page 141
	2-20	Process to determine remuneration	Directors' Report: Nomination and Remuneration Policy and Disclosure on Remuneration	Annual Report, Page 141
	2-21	Annual total compensation ratio	Management Ownership	ESG Factbook, Page 7
	2-22	Statement on sustainable development strategy	Nurturing advancement with responsibility, Sustainability at the core	Annual Report, Page 26, 58
	2-23	Policy commitments	Leading with expertise and experience – Our Key Policies	Annual Report, Page 81
	2-24	Embedding policy commitments	Leading with expertise and experience – Our Key Policies	Annual Report, Page 81
	2-25	Processes to remediate negative impacts	Leading with expertise and experience – Our Key Policies	Annual Report, Page 81
	2-26	Mechanisms for seeking advice and raising concerns	Leading with expertise and experience – Our Key policies: Human Rights	Annual Report, Page 81
	2-27	Compliance with laws and regulations	BRSR Principle 1	Annual Report, Page 109
	2-28	Membership associations	BRSR Principle 7	Annual Report, Page 132
	2-29	Approach to stakeholder engagement	Stakeholders engagement Fostering strong partnerships for shared success	Annual Report, Page 36 -39
	2-30	Collective bargaining agreements	BRSR Principle 5	Annual Report, Page 125
GRI 3: Material Topics	3-1	Process to determine material topics	ESG Factbook, Materiality	ESG Factbook, Page 08 to 14
	3-2	List of material topics	ESG Factbook, Materiality BRSR - Overview of the entity's material responsible business conduct issues	ESG Factbook, Page 08 to 14 Annual Report, Page 101-104
	3-3	Management of material topics	ESG Factbook, Materiality BRSR - Overview of the entity's material responsible business conduct issues	ESG Factbook, Page 08 to 14 Annual Report, Page 101-104

GRI Standard	Disclosure	Description	Section/Subsection Title	Page No.
GRI 201 - Economic performance	201-1	Direct economic value generated and distributed	Directors' Report – Financial Highlights Company Overview	Annual Report, Page 136
	201-2	Financial implications and other risks and opportunities due to climate change	Climate Risk Management Financial risk of Climate Change Financial Opportunities Arising from Climate Change	ESG Factbook, Page 42, 43
	201-3	Defined benefit plan obligations and other retirement plans	Notes to the consolidated financial statements - Note 32: Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits'	Annual Report, Page 274 - 276
GRI 203- Indirect Economic Impacts	203-2	Significant indirect economic impacts	Enabling change to advance together responsibly	Annual Report, Page 66-79
GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers	ESG Factbook KPI for Supplier Screening	ESG Factbook, Page 23, 24
GRI 205: Anti-Corruption	205-1	Operations assessed for risks related to corruption	Risk management	Annual Report, Page 110
	205-2	Communication and training about anti-corruption policies and procedures	BRSR Principle 1	Annual Report, Page 108
	205-3	Confirmed incidents of corruption and actions taken	BRSR Principle 1	Annual Report, Page 111
GRI 300 Environmental Standards Series				
GRI 301 - Materials	301-1	Materials used by Weight or Volume	Factbook Renewable Raw Materials	ESG Factbook, Page 51, 52
	301-2	Recycled Input materials used	Factbook Renewable Raw Materials	ESG Factbook, Page 51, 52
	301-3	Reclaimed products and their packaging materials	Factbook Renewable Raw Materials	ESG Factbook, Page 51, 52
GRI 302 - Energy	302-1	Energy consumption within the organization	BRSR Principle 6	Annual Report, Page 126
	302-2	Energy consumption outside of the organization	BRSR Principle 6	Annual Report, Page 126
	302-3	Energy intensity	BRSR Principle 6	Annual Report, Page 126
	302-4	Reduction of energy consumption	ESG Factbook: Energy Management Program	ESG Factbook, Page 31, 32
	303-1	Interactions with water as a shared resource	Sustainability at the core: Environment – Water Management	Annual Report, Page 64

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GRI 303 - Water and Effluents	303-2	Management of water Discharge-related impacts	Sustainability at the core: Environment – Water Management	Annual Report, Page 64
	303-3	Total water withdrawal by source	Sustainability at the core: Environment – Water Management BRSR: Principle 6	Annual Report, Page 64, 126
	303-4	Water discharge	Sustainability at the core: Environment – Water Management BRSR: Principle 6	Annual Report, Page 64, 127
	303-5	Water consumption	Sustainability at the core: Environment – Water Management BRSR: Principle 6	Annual Report, Page 64, 126
GRI 305 - Emissions	305-1	Direct (Scope 1) GHG emissions	Sustainability at the core: Environment – Reducing Emissions BRSR: Principle 6	Annual Report, Page 63,127
	305-2	Energy indirect (Scope 2) GHG emissions	Sustainability at the core: Environment – Reducing Emissions BRSR: Principle 6	Annual Report, Page 63,127
	305-3	Other indirect (Scope 3) GHG emissions)	Sustainability at the core: Environment – Reducing Emissions BRSR: Principle 6	Annual Report, Page 63,130
	305-4	GHG emissions intensity	Sustainability at the core: Environment – Reducing Emissions BRSR: Principle 6	Annual Report, Page 63, 127,128
	305-5	Reduction of GHG emissions	ESG Roadmap BRSR: Section B: Management and Process Disclosures	Annual Report, Page 40, 105
	305-6	Emissions of ozone-depleting substances (ODS)	ESG Factbook	ESG Factbook, Page 40
	305-7	Nitrogen Oxides (NOX), Sulphur Oxides (SOX), and other significant air emissions	BRSR: Principle 6	Annual Report, Page 127
GRI 306 - Waste	306-1	Waste generation and significant waste related impacts	Waste Management and Circularity BRSR: Principle 6	Annual Report, Page 65, 128-129
	306-2	Management of significant waste-related impact	Waste Management and Circularity BRSR: Principle 6	Annual Report, Page 65, 128-129
	306-3	Waste generated	Waste Management and Circularity BRSR: Principle 6	Annual Report, Page 65, 128-129
	306-4	Waste diverted from disposal	Directors' Report	Annual Report,

GRI Standard	Disclosure	Description	Section/Subsection Title	Page No.
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	306-5	Waste directed to disposal	BRSR: Principle 6	Annual Report, Page 128-129
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	KPIs for Supplier Screening	ESG Factbook, Page 23, 24
	308-2	Negative environmental impacts in the supply chain and actions taken	KPIs for Supplier Assessment and Development	ESG Factbook, Page 23, 24
GRI 401 Employment	401-1	New employee hires and employee turnover	Human Capital Management: Hiring	ESG Factbook, Page 63
	401-2	Benefits provided to full-time employees	Management Discussion and Analysis	Annual Report, Page 93
	401-3	Parental leave	BRSR: Principal 3	Annual Report, Page 115
GRI 403 - Occupational health and safety	403-1	Occupational health and safety management system	Section B: Management and Process Disclosures	Annual Report, Page 105
	403-2	Hazard identification, risk assessment, and incident investigation	BRSR: Section A – General Disclosures BRSR: Principal 3	Annual Report, Page 101, 117
	403-3	Occupational health and services	BRSR: Principal 3	Annual Report, Page 117-120
	403-4	Worker participation, consultation and communication on occupational health and safety	Our People: Industrial relations ESG factbook: Labor Practices Programs	Annual Report, Page 57 ESG factbook, Page 70
	403-5	Worker training on occupational health and safety	BRSR: Principle 1 BRSR: Principle 3	Annual Report, Page 109, 116, 119
	403-6	Promotion of worker health	BRSR: Principle 3	Annual Report, Page 118
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	BRSR: Section A General Disclosures	Annual Report, Page 101
	403-9	Work-related injuries	BRSR: Principle 3	Annual Report, page 118
GRI 404- Training and education	404-2	Programs for upgrading employee skills and transition assistance programs	Our People	Annual Report, page 56

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	403-3	Percentage of employees receiving regular performance and career development reviews	BRSR: Principle 3	Annual Report, page 117
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Our People Governance BRSR: Section A General Disclosures	Annual Report, page 57, 81-82, 103
	405-2	Ratio of Basic Salary and Remuneration of Women to Men	BRSR Principle 5	Annual Report, page 123
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	BRSR: Principle 5	Annual Report, page 124-125
GRI 412: Human Rights Assessment	412-2	Employee training on human rights policies and procedures	BRSR: Principle 5	Annual Report, page 123
GRI 413- Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	BRSR: Section A General Disclosures	Annual Report, page 104
	413-2	Operations with significant actual and potential negative impacts on local communities	BRSR: Section A General Disclosures	Annual Report, page 104
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	BRSR: Principle 9	Annual Report, Page 134

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SASB Indicator	Section/ Sub-Section	Page No.
RT-CH-110a.1. Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Sustainability at the core: Environment – Reducing Emissions BRSR: Principle 6	Annual Report, Page 63,127
RT-CH-110a.2. Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	ESG Roadmap BRSR: Section B: Management and Process Disclosures	Annual Report, Page 40, 105
RT-CH-120a.1. Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SOX, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	BRSR: Principle 6	Annual Report, Page 127
RT-CH-130a.1. (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	Sustainability at the core: Environment – Energy management	Annual Report, Page 63
RT-CH-140a.1. (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Sustainability at the core: Environment – Water management	Annual Report, Page 64
RT-CH-140a.2. Number of incidents of non-compliance associated with water quality permits, standards, and regulations	BRSR: Principle 1	Annual Report, Page 109,110
RT-CH-140a.3. Description of water management risks and discussion of strategies and practices to mitigate those risks	ESG Factbook Water Risk Management Programs	ESG Factbook, Page 37
RT-CH-150a.1. (1) Amount of hazardous waste generated; (2) percentage recycled	BRSR: Principle 6	Annual Report, Page 128, 129
RT-CH-210a.1. Discussion of engagement processes to manage risks and opportunities associated with community interests	Social: Enabling change to advance together responsibly	Annual Report, Page 67-79
RT-CH-320a.1. (1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	BRSR: Principle 3	Annual Report, Page 118

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RT-CH-320a.2. Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	BRSR: Section A General Disclosures BRSR: Principle 3	Annual Report, Page 101, 117
RT-CH-410a.1. Revenue from products designed for use-phase efficiency	ESG Factbook Sustainable Products	ESG Factbook, Page 52, 53
RT-CH-410b.2 Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human or environmental impact	BRSR: Section A General Disclosures	Annual Report, Page 102
RT-CH-530a.1. Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	BRSR: Section A General Disclosures	Annual Report, Page 101 to 104
RT-CH-540a.1. Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Safety Performance	ESG Factbook, Page 70, 71

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INDEPENDENT ASSURANCE STATEMENT

To,
To the Directors and Management,
Paradeep Phosphates Limited,
3rd Floor, No. 28, Union Street,
Off-Cubbon Road,
Bangalore– 560001

Paradeep Phosphates Limited (hereinafter referred to as "PPL") engaged TUV India Private Limited ("TUVI") to conduct an independent external assurance of the non-financial Environmental, Social, and Governance (ESG) indicators disclosed in PPL's Sustainability Report (hereinafter referred to as "the Report") for the reporting period April 1, 2024 to March 31, 2025. The Report has been prepared with reference to the Global Reporting Initiative (GRI) Standards 2021. The scope of the assurance engagement covered the ESG disclosures and performance data presented for the stated reporting period. TUVI performed a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information – which is specifically applicable to the assurance of non-financial and sustainability information.

Management's Responsibility

PPL has developed the Report content and is responsible for monitoring its ESG data and identifying material sustainability issues relevant to its operations. This includes the identification, establishment, and reporting of performance management systems, data governance, and quality control measures. The management of PPL is accountable for the accuracy and completeness of the ESG data, as well as the processes involved in collecting, analysing, and reporting the information disclosed through both web-based and printed formats. This responsibility extends to the maintenance and integrity of the company's website where such information may be presented. PPL's management is also responsible for preparing the ESG Report with reference to the applied criteria of the Global Reporting Initiative (GRI) Standards. It is incumbent upon PPL to ensure that the Report is free from any material misstatements, whether intentional or unintentional, thereby maintaining the trust and confidence of stakeholders in the disclosed information. Furthermore, PPL is responsible for ensuring the archiving and reproducibility of the disclosed ESG data, making it available to stakeholders upon request.

Scope and Boundary

The assurance engagement encompasses a review of the evidence (on a sample basis) for identified ESG indicators. The assurance engagement conducted by TÜV India Private Limited covered the following key activities:

1. Verification of Report Content and Material Topics
   Assessed the application of the Report's content in with reference to material topics identified through an applied materiality approach, and evaluated the quality of information disclosed, as guided by the principles outlined in the Global Reporting Initiative (GRI) Standards, over the defined reporting period.
2. Review of Governance Policies and Practices
   Examined key governance-related policies and practices referenced in the Report, including but not limited to the Code of Conduct, Corporate Social Responsibility (CSR) policy, Prevention of Sexual Harassment (POSH) policy, and the Whistle Blower mechanism, along with related initiatives and performance disclosures.
3. Review of GRI Standards Requirements
   Reviewed the non-financial disclosures presented in the Report for alignment with the applicable requirements of the GRI Standards.
4. Verification of Environmental and Social Data
   Verified the reliability of selected disclosures related to environmental and social topics, by sampling and testing supporting data and documentation.
5. Assessment of Specified Information for Stakeholder Relevance
   Evaluated the specified ESG information selected for assurance to ensure it reflects material concerns and is meaningful and relevant to the Report's intended stakeholders.

TUVI has verified the disclosures as per GRI Standard 2021 given in annexure 1.

The reporting boundaries for above disclosures under annexure 1 includes PPL Goa Plant at Zuarinagar, Goa - 403726, PPL Paradeep plant at Paradeep, Jagatsinghpur, Odisha – 754145 and corporate office at Bengaluru - 560001, Karnataka. PPL has reported 02 Nos. of plants and Corporate Office in India. Onsite verification along with the remote assessments were conducted at Paradeep Plant, Goa Plant and corporate office on 26th & 27th Sep 2025. The assurance activities were carried out together with a desk review of entire plants and offices as per reporting boundary.

Our Responsibility

The responsibility of TUVI under this assurance engagement is to perform independent limited assurance and to express a conclusion based on the procedures conducted. The engagement was carried out with reference to the agreed scope of

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work, specifically focused on selected non-financial Environmental, Social, and Governance (ESG) indicators. This engagement did not include an evaluation of the adequacy or effectiveness of PPL's overall sustainability strategy, governance, or management systems, nor an assessment of the sufficiency of the Report against the overarching principles of the GRI Standards or the ISAE 3000 (Revised) standard, beyond the elements explicitly covered within the defined scope. The ESG data was verified on a sample basis, and the responsibility for the accuracy, completeness, and authenticity of the information remains solely with PPL. The reporting organization is also accountable for the archiving and retention of all related data for a reasonable period to support transparency and traceability.

TUVI does not assume liability or co-responsibility for:

1. Any inaccuracies or erroneous data reported by PPL;
2. Any decisions made by individuals or entities based on this assurance statement.

This assurance is provided on the assumption that all data and information made available to TUVI by PPL were complete, accurate, and true to the best of PPL's knowledge.

Verification Methodology

TUVI adopted a risk-based approach, focusing on verification efforts on issues of high material relevance to PPL business and its stakeholders. During the assurance engagement, TUVI applied a risk-based approach, concentrating verification efforts on the Key Performance Indicators (KPIs) disclosed within the Report. The primary objective was to evaluate the reliability of the reported information and the effectiveness of the underlying data management systems, information flows, and internal controls.

As part of the engagement, TUVI conducted the following activities:

1. Review of Stakeholder Engagement and Materiality Process. TUVI reviewed the approach adopted by PPL for the stakeholder engagement and materiality determination process (based on the principle of materiality requirements of the GRI Standards). Assessed PPL's approach to stakeholder engagement and the process for identifying and prioritizing material ESG topics, ensuring alignment with established reporting frameworks and principles.
2. Verification of Disclosures and Internal Controls. Verified selected disclosures and assertions made in the Report, and evaluated the robustness and adequacy of the related data management systems, information flows, and internal control procedures.
3. Document Review and Data Assessment TUVI examined and reviewed the documents, data, and other information made available by PPL for the reported disclosures, including the disclosure on management approach and performance disclosures. Examined pertinent documentation, datasets, and other supporting evidence provided by PPL for all reported KPIs. This review was performed on a sample basis, focusing on non-financial information disclosures.
4. Stakeholder Interviews Engaged with key personnel, including data owners and decision-makers across relevant functions of PPL, during the onsite and remote verification phase to gather insights and corroborate information.
5. Assessment of ESG Policy Implementation Conducted sample-based evaluations of the implementation of ESG-related policies as described in the Report to verify adherence and effectiveness.
6. Verification of Data Generation and Management Processes Reviewed, on a sample basis, the procedures for generating, collecting, managing, and reporting both quantitative data and qualitative information included in the ESG disclosures for the reporting period.

The Report was evaluated against the following criteria: adherence to the principles of stakeholder inclusiveness, materiality, responsiveness, completeness, neutrality, relevance, sustainability context, accuracy, reliability, comparability, clarity, and timeliness, as prescribed in the GRI Standards 2021, and International Standard on Assurance Engagements (ISAE) 3000 (Revised).

Action Plan

The following improvement areas were identified and shared with Paradeep Phosphates Limited (PPL). These recommendations align with PPL management's existing objectives and sustainability initiatives. Notably, PPL has already recognized many of these areas, and the assurance team supports their continued focus to advance the organization's sustainability goals:

1. **SOP for appraising CSR projects:** PPL may consider further upgrading the existing Standard Operating Procedure (SOP) for Corporate Social Responsibility (CSR) projects to incorporate a structured mechanism for prioritizing projects by integrating the evaluation parameters and performance aspects prescribed under the SASB indicator RT-CH-210a.1,
2. **Controlled documents**: The policies may be maintained as controlled documents, with defined procedures for version control, approval, distribution, and periodic review,
3. **Internal Training**: Internal training programs on sustainability may be conducted to further enhance the knowledge and understanding of data owners,
4. **Smart data acquisition system:** PPL may further strengthen its internal data management framework by adopting a cloud-based data acquisition system. This would further facilitate periodic monitoring, improve data accuracy, and streamline performance reviews.
5. **Materiality determination:** PPL may conduct a double materiality assessment, incorporating stakeholder engagement in alignment with relevant global and national sector-specific standards, in accordance with the principles outlined under the Corporate Sustainability Reporting Directive (CSRD).

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Our Conclusion

In our opinion, and based on the scope of this assurance engagement, the ESG disclosures and related reference information provided by PPL offer a fair representation of the material topics and are aligned with the general content and quality requirements of the applicable Global Reporting Initiative (GRI) Standards. PPL has appropriately disclosed Key Performance Indicators (KPIs) and actions aimed at creating value over the short, medium, and long term. The selected KPIs disclosed by PPL are fairly represented, and the underlying data management processes reflect a commitment to transparency and integrity. TUVI did not perform assurance procedures on forward-looking statements, such as targets, forecasts, expectations, or ambitions presented in the Report. Consequently, no conclusions are drawn on such prospective information. This assurance statement has been prepared in accordance with the terms of our engagement and is limited to the scope and boundaries defined therein.

Disclosures Evaluation

TUVI is of the opinion that PPL's sustainability disclosures generally meet the requirements of the GRI Standards. The following reporting elements have been appropriately addressed:

- Universal Standards:
  1) GRI 1: Foundation 2021 – Requirements and principles for using the GRI Standards;
  2) GRI 2: General Disclosures 2021 – Information on PPL's organizational profile, strategy, ethics and integrity, governance, stakeholder engagement, and reporting practices;
  3) GRI 3: Material Topics 2021 – Information on PPL's identification and management of material topics.
- Topic-Specific Standards:
  1) GRI 300 Series (Environmental topics) and
  2) GRI 400 Series (Social topics) – These were applied to report the company's impacts on relevant environmental and social issues. TUVI finds that the material topics and associated Topic-specific Standards are appropriately identified and addressed in PPL's ESG disclosures.

Conclusion of Assurance Procedures: Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the information subject to this limited assurance engagement was not prepared, in all material respects, in accordance with the stated criteria.

Principles Observed in the Assurance Process

- **Independence**: TUVI conducted this engagement in compliance with the International Ethics Standards Board for Accountants (IESBA) Code, which adopts a threats and safeguards approach to independence. The assurance team was selected to avoid risks of self-interest, self-review, advocacy, familiarity, or intimidation, ensuring objectivity throughout the engagement.
- **Quality Control**: TUVI maintains a comprehensive system of quality control, in line with the International Standard on Quality Control (ISQC). The assurance team adhered to the IESBA Code's principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. All procedures were conducted in accordance with applicable ethical and professional standards.

Evaluation of the adherence to contemporary Principles

Stakeholder Inclusiveness: Stakeholder identification and engagement is carried out by PPL on a periodic basis to bring out key stakeholder concerns as material topics of significant stakeholders. In our view, the Report meets the requirements.

Sustainability Context: PPL established the relationship between ESG and organizational strategy within the Report, as well as the context in which disclosures are made. In our view, the Report meets the requirements with regards to the sustainability Context.

Materiality: The materiality determination process has been conducted and reviewed based on materiality and the requirements of the GRI Standards, considering involvement of internal and external stakeholders in upstream and downstream value chain in identifying the material issues to the PPL range of businesses. The Report fairly brings out the aspects, topics, and their respective boundaries of the diverse operations of PPL. In our view, the Report meets the requirements.

Responsiveness: TUVI believes that the responses to the material aspects are fairly articulated in the report, i.e., disclosures on PPL policies and management systems, including governance. In our view, the Report meets the requirements.

Impact: PPL communicates its sustainability performance through regular, transparent internal and external reporting throughout the year, aligned with GRI Standards 2021 as part of its policy framework encompassing environmental, social, ethical, and other policies. PPL reports on sustainability performance to the Board of Directors, who oversees and monitors the implementation and performance of objectives, as well as progress against goals and targets for addressing sustainability-related issues.

Completeness: The Report has fairly disclosed the selected non-financial KPIs, as per GRI Standards 2021. In our view, the Report meets the requirements.

Reporting Principles for defining report quality: The majority of the data and information were verified by TUVI's assurance team during the remote assessment and found to be fairly accurate. The disclosures related to ESG issues and performances are reported in a balanced manner and are clear in terms of content and presentation. In our view, the Report meets the requirements.

Reliability: The majority of the data and information were verified by TUVI's assurance team and found to be fairly accurate. Some inaccuracies in the data identified during the verification process were found to be attributable to transcription, interpretation, and aggregation errors, and these errors have been corrected. Therefore, in reference to the

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GRI Standards 2021. TUVI concludes that the ESG data and information presented in the Report are fairly reliable and acceptable. In our view, the Report meets the requirements.

Neutrality: The disclosures related to ESG issues and performance are reported in a neutral tone, in terms of content and presentation. In our view, the Report meets the requirements.

This assurance statement does not endorse any environmental and social claims (related to the product, manufacturing process, packaging, disposal of product etc.) as well as advertisements by the reporting organization. TUVI does not permit use of this statement for Greenwashing or misleading claims.

Our Assurance Team and Independence

TUVI is an independent and neutral third-party organization providing sustainability assurance services through a team of qualified environmental and social specialists. TUVI affirms its independence and impartiality in relation to this assurance engagement and confirms that no conflict of interest exists. During the reporting year, TUVI did not undertake any other engagements with PPL that could compromise the objectivity, independence, or impartiality of our findings, conclusions, or recommendations. TUVI was not involved in the preparation of any content or data presented in PPL's Report, with the sole exception of this independent assurance statement. Furthermore, TUVI maintains complete neutrality and impartiality with respect to all individuals interviewed during the course of the assurance process.

For and on behalf of TUV India Private Limited

Date: 08-10-2025
Place: Mumbai, India

Project Reference No: 8124245804

Revision:01

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Annexure 1

Topic	Indicator	GRI Disclosure
General Disclosures	Organizational details	2-1
	Entities included in the organization's sustainability reporting	2-2
	Reporting period, frequency and contact point	2-3
	Employees	2-7
	Workers who are not employees	2-8
	Governance structure and composition	2-9
	Nomination and selection of the highest governance body	2-10
	Chair of the highest governance body	2-11
	Role of the highest governance body in overseeing the management of impacts	2-12
	Delegation of responsibility for managing impacts	2-13
	Role of the highest governance body in sustainability reporting	2-14
	Evaluation of the performance of the highest governance body	2-18
	Remuneration policies	2-19
	Process to determine remuneration	2-20
	Annual total compensation ratio	2-21
	Statement on sustainable development strategy	2-22
	Policy commitments	2-23
	Embedding policy commitments	2-24
	Processes to remediate negative impacts	2-25
	Mechanisms for seeking advice and raising concerns	2-26
	Compliance with laws and regulations	2-27
	Membership associations	2-28
	Approach to stakeholder engagement	2-29
	Collective bargaining agreements	2-30
Material Topics	Process to determine material topics	3-1
	List of material topics	3-2
	Management of material topics	3-3
Materials	Materials used by Weight or Volume	301-1
	Recycled Input materials used	301-2
	Reclaimed products and their packaging materials	301-3
Procurement practices	Proportion of spending on local suppliers	204-1
Anti-corruption	Communication and training about anti-corruption policies and procedures	205-2
	Confirmed incidents of corruption and actions taken	205-3
Anti-competitive Behaviour	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	206-1
Energy	Energy consumption within the organization	302-1
	Energy intensity	302-3
	Reduction of energy consumption	302-4
Water and Effluents	Water withdrawal	303-3
	Water discharge	303-4
	Water consumption	303-5
Emissions	Direct (Scope 1) GHG emissions	305-1
	Energy indirect (Scope 2) GHG emissions	305-2
	Other indirect (Scope 3) GHG emissions	305-3
	GHG emissions intensity	305-4
	Reduction of GHG emissions	305-5
	Nitrogen Oxides (NOX), Sulphur Oxides (SOX), and other significant air emissions	305-7
Waste	Waste generated	306-3
	Waste diverted from disposal	306-4
	Waste directed to disposal	306-5
Supplier Environmental Assessment	Suppliers screened using environmental criteria	308-1
	Negative environmental impacts in the supply chain and actions taken	308-2
Employment	New employee hires and employee turnover	401-1
	Benefits provided to full-time employees that are not provided to temporary or part-time employees	401-2
	Parental leave	401-3
Labor/Management Relations	Minimum notice periods regarding operational changes	402-1
Occupational Health and Safety	Occupational health and safety management system	403-1
	Occupational health services	403-3
	Worker training on occupational health and safety	403-5
	Work-related injuries	403-9
Training and Education	Average hours of training per year per employee	404-1
	Programs for upgrading employee skills and transition assistance programs	404-2
	Percentage of employees receiving regular performance and career development reviews	404-3
Diversity and Equal Opportunity	Diversity of governance bodies and employees	405-1
	Ratio of Basic Salary and Remuneration of Women to Men	405-2
Non-discrimination	Incidents of discrimination and corrective actions taken	406-1
Child Labour	Operations and suppliers at significant risk for incidents of child labour	408-1
Forced or Compulsory Labor	Operations and suppliers at significant risk for incidents of forced or compulsory labour	409-1
Local communities	Operations with local community engagement, impact assessments, and development programs	413-1
Marketing and Labelling	Requirements for product and service information and labeling	417-1
Customer Privacy	Substantiated complaints concerning breaches of customer privacy and losses of customer data	418-1

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