FINOLEX INDUSTRIES LIMITED

Sustainability Report
2024-2025



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FINOLEX INDUSTRIES LIMITED

Sustainability Report
2024-2025

About the **Report**

At Finolex Industries Limited, we take pride in presenting our Fourth Annual Sustainability Report, a reflection of the values that have guided us for over four decades and continue to define our future. As we stand on the brink of our 44th year in the industry, we recognize that our journey is not just about growth, it is about responsibility.

As a responsible corporate, we understand our duty towards both the environment and society. Our ESG journey represents a conscious effort to make Finolex more resilient, sustainable, and nurturing. For us, sustainability goes beyond metrics, it is about listening, engaging, and responding. By continuously engaging with our internal and external stakeholders, we gain valuable insights into their perspectives, needs, and expectations. These inputs guide our decisions and shape strategies that create shared value and long-term trust.

This report captures both our achievements and our aspirations. It showcases how ESG principles are embedded into our strategy and culture, ensuring that we grow holistically while contributing to a more inclusive and sustainable global economy.

Reporting Standards and Frameworks

This report has been prepared with reference to globally recognized disclosure frameworks, ensuring that our sustainability reporting is transparent, accurate, comparable, and relevant to all stakeholders. This approach not only enhances the credibility of our disclosures but also reflects our commitment to adopting best-in-class sustainability practices. The frameworks we align with are as follows:

GRI Standards 2021	Business Responsibility & Sustainability Reporting (BRSR)	S&P Global Corporate Sustainability Assessment (CSA)
United Nations Sustainable Development Goals (SDGs)	UN Global Compact (UNGC) principle	World Economic Forum (WEF) ESG metrics

Reporting Period and Scope

This report covers the period from April 1, 2024, to March 31, 2025, and includes both financial and non-financial disclosures. The scope is limited to our operations within India, encompassing:

- Manufacturing units located at Ratnagiri, Urse, and Badhalwadi in Maharashtra, and Masar in Gujarat
- All branch offices and our corporate headquarters in Pune

This defined boundary ensures a consistent and comprehensive portrayal of our sustainability initiatives across all operational sites.

Data Revisions and Restatements

Following internal data consolidation, select environmental performance figures for FY 2023–24 have been revised. The revisions cover energy and energy intensity, water and water intensity, Scope 1 and Scope 2 emissions, and waste, reflecting our commitment to accurate and transparent reporting.

Statement of Responsibility

At Finolex Industries Limited, we remain committed to presenting our sustainability journey with honesty, transparency, and accountability. This report has been developed under the guidance of our Board of Directors and senior management, ensuring that it reflects both accuracy and balance. Through active engagement with our stakeholders, we have identified and addressed material issues that matter most, aligning our disclosures with their expectations.

Forward-Looking Information

In this report, we share our vision for the future statements that reflect our current expectations, strategies, and the direction we aspire to take. While these outlooks capture our intent and commitment, they are also shaped by uncertainties and external factors that may influence actual outcomes.

Stakeholder Engagement and Feedback

We value the insights and perspectives of our stakeholders and view your feedback as essential to strengthening our ESG initiatives. For queries, comments, or additional information regarding this report, please contact us at:
investors@finolexind.com

Your engagement helps shape our path toward a more sustainable and inclusive future

Message from the **Managing Director**



Udipt Agarwal
Managing Director

Dear Stakeholders,

I am proud to share Finolex Industries Limited's Fourth Sustainability Report for FY 2024–25, which reflects our ongoing efforts to integrate Environmental, Social, and Governance (ESG) principles into our business. Sustainability is at the heart of our value creation. Our PVC pipes and fittings are vital in agriculture, plumbing, and sanitation, strengthening infrastructure and improving everyday life. Responsible operations allow us to reduce our environmental footprint, enhance efficiency, and build a future-ready enterprise.

Equally important is our responsibility to society and the communities we serve. By engaging with our employees, customers, partners, and local communities, we gain insights that inform decisions and shape strategies that deliver shared value and long-term trust. Our ESG journey is more than targets and metrics; it is about listening, responding, and fostering relationships.

This report highlights both our accomplishments and our ambitions, illustrating a journey where growth aligns with responsibility, and ambition with accountability. It is a reflection of our commitment to creating enduring value for people, communities, and the planet.

Reflecting on our ESG Journey

We remain committed to sustainable practices across several key areas in FY 2024-25. Our renewable energy usage share increased from 3.2% in FY 2023-24 to 11.14% of total purchased electricity. In terms of water conservation, we harvested over 4,67,000 kiloliters of rainwater, an improvement from the 3,00,000 kiloliters collected last year. We recycled more than 3,11,000 kiloliters of effluent back into our processes, compared to 2,60,000 kiloliters in FY 2023-24, resulting in an over 35% reduction in freshwater consumption. Also, more than 31,000 tons of CO_{2e} emissions were avoided in FY 2024-25, up from 20,000 the previous year.

Our purpose extends beyond our business operations. Having completed 10 years of meaningful partnership with Mukul Madhav Foundation (MMF), our collaboration continues to be grounded in compassion, dignity, and inclusive development. Our CSR efforts, under the leadership of Mrs. Ritu Prakash Chhabria, Chairperson – CSR Committee and Managing Trustee – MMF, go beyond financial contributions. Finolex employees are actively engaged through site visits, project inaugurations, monitoring, and reporting. It is also worth noting that Mukul Madhav Foundation (MMF), contributes to all 17 United Nations Sustainable Development Goals (SDGs) through its ongoing community development work. This reflects the breadth of its efforts and the many ways in which it helps strengthen lives and create opportunities across different communities.

Impact Overview across Key Sectors in the last 10 years

Healthcare

Partnered with 100+ hospitals to upgrade infrastructure and enhance service delivery. Institutions such as Sassoon General Hospital, Symbiosis University Hospital, Rajiv Gandhi Hospital, and Sonawane Hospital in Pune have seen notable transformations.

Education

Established over 500 institutional scholarships across diverse fields, empowering students from underserved backgrounds to pursue professional careers.

Sanitation

Constructed 2,000+ household, community, and institutional toilets, including sanitation facilities in schools and public spaces. Promoted menstrual hygiene through eco-friendly, period-positive holiday homes.

Livelihood and Skilling

Supported over 7,000 women farmers through capacity building, legal aid, digital literacy, farm mechanisation, and access to sustainable livelihood opportunities.

Water and Environmental Conservation

Implemented 75+ water conservation projects, including borewell installations, construction of continuous contour trenches (CCTs), canal deepening and widening, and water cup initiatives to ensure water security.

Rural Development

Enhanced rural infrastructure by installing solar streetlights, a state-of-the-art agricultural testing laboratory, adopting villages, and creating improved access to water, sanitation, education, and livelihood programs.

Each project is built on a strong understanding of community realities, achieved through direct grassroots engagement without layers of hierarchy or distance. It is supported by continuous evaluation and follow-up in collaboration with trusted national, international, and local partners. This journey reflects the values instilled by our founder - service, humility, and respect for every individual. As we complete this decade of impact, we remain committed to extending hope to those in society who may feel deprived of it.

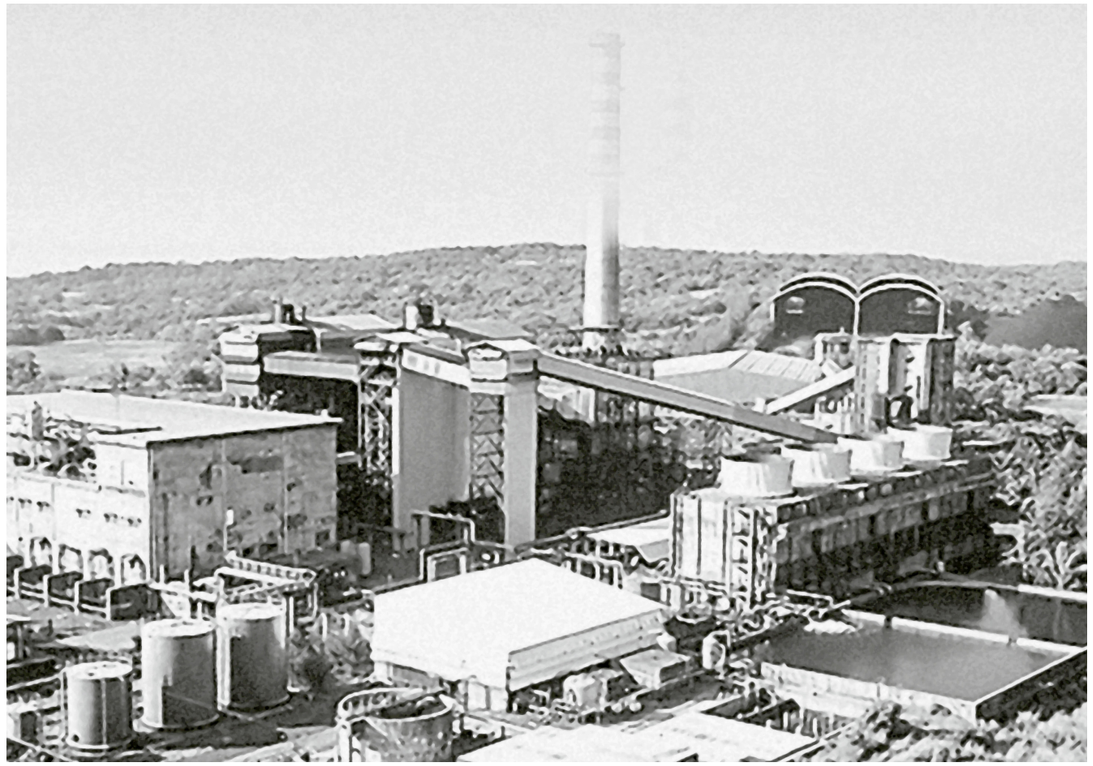
Our partnerships with customers, dealers, vendors, employees, policymakers, government institutions, banks, associates, and agencies drive progress. It empowers us to deliver lasting value. I take this moment to acknowledge and thank our board members for their strategic leadership that is fundamental to the Company's success. Together, we will continue to build a brighter, more sustainable future.

Looking Ahead

As we look to the future, our focus is to deepen ESG integration across our value chain. We will expand our contribution to a greener, more inclusive economy. We are scaling up renewable energy use, driving carbon reduction across operations, and innovating products aligned with India's clean energy and digital transformation goals. We also remain dedicated to enhancing employee well-being, diversity, and community engagement. I would like to extend my gratitude to our employees, customers, partners, investors, communities and board of directors for their continued trust and collaboration. The progress we have made is a testament to our collective commitment and resilience.

Warm Regards,
Udipt Agarwal
Managing Director

About the **Company**



For over four decades, Finolex Industries Limited (FIL) has played a pivotal role in shaping India's PVC pipes and fittings sector, emerging as a name synonymous with dependability, forward-thinking innovation, and uncompromising quality. Our journey, built over 44 years, reflects a deep-rooted mission to advance industry benchmarks while serving the essential needs of agriculture, plumbing, and sanitation across the nation.

At the heart of our sustained growth lies a culture of excellence, driven by principles of integrity, operational rigor, and continuous enhancement. This commitment transcends product excellence and is deeply embedded in our collaborations with dealers, suppliers, and partners, in our investment in people development, and in our socially conscious initiatives that aim to uplift communities through focused CSR efforts.

Quality remains a cornerstone of our operations. We exercise stringent control across the value chain, beginning with premium-grade raw materials and extending to in-house production of PVC resin, allowing us to maintain exceptional product standards.

Operating from our corporate headquarter in Pune, our manufacturing infrastructure includes four technologically advanced plants in Ratnagiri, Urse, Masar, and Badhalwadi facility. Notably, all our plants are certified under an Integrated Management System, covering:

- ISO 9001:2015 (Quality Management)
- ISO 14001:2015 (Environmental Management)
- ISO 45001:2018 (Occupational Health & Safety)

Additionally, we hold the prestigious Responsible Care® certification, making FIL the 77th company in India to earn this honor from the Indian Chemical Council.

Finolex Industries Limited is a leading player in India's PVC pipes and fittings market, operating as an independent, privately managed enterprise with no government ownership and listed on the stock exchange. Over the years, we have steadily strengthened our manufacturing capabilities, increasing our annual production capacity for pipes and fittings to 4,95,000 metric tons in FY 2024-25 from 4,70,000 metric tons in FY 2023-24. This growth is further supported by strong backward integration, with an in-house PVC resin production capacity of 2,72,000 metric tons per annum, reinforcing our scale, reliability, and competitive position in the industry.

Our Sustainability Vision

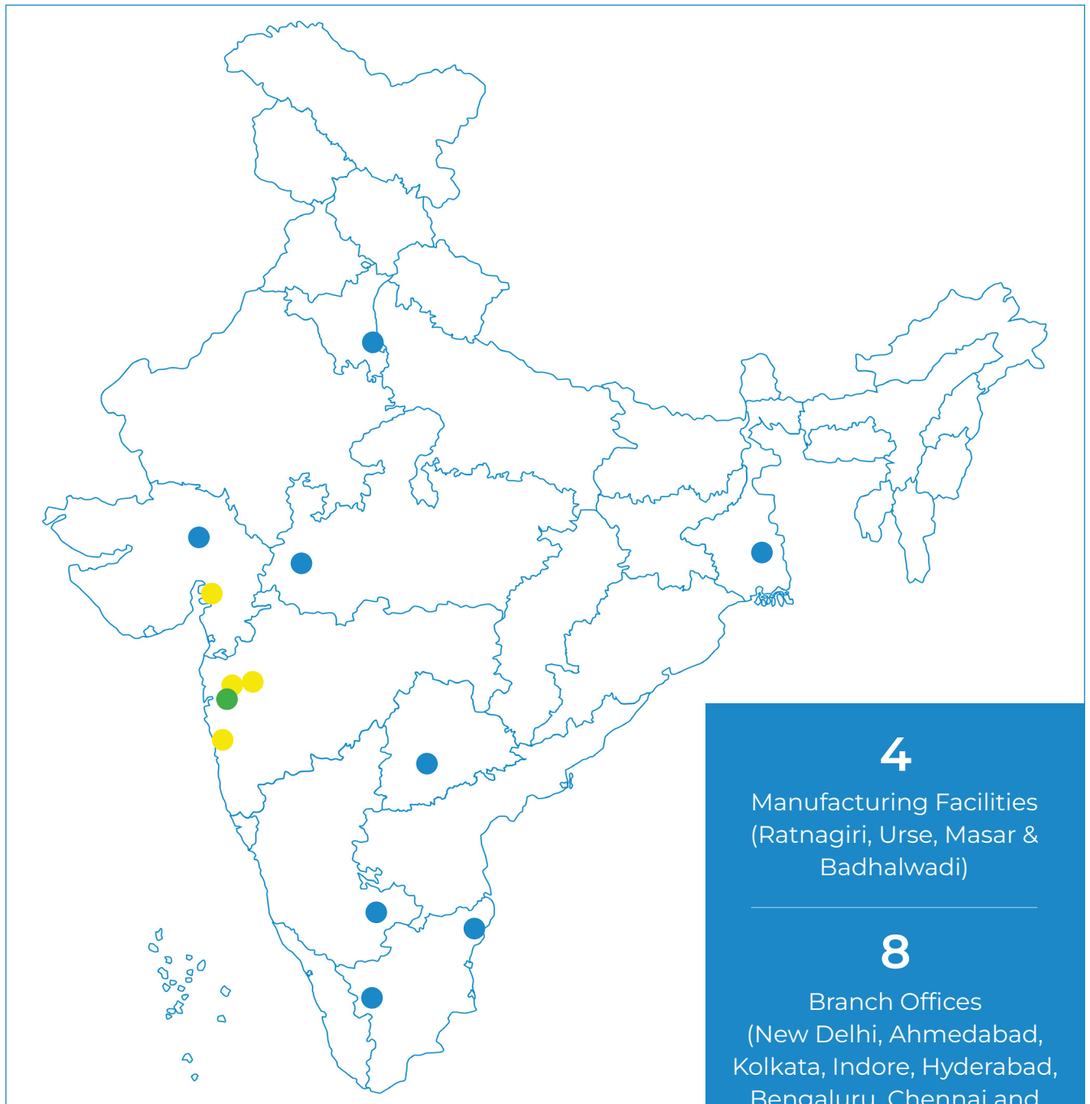
To deliver high-quality products and services while fostering transparent, fair stakeholder relationships and minimizing environmental impact.

We are committed to:

- Creating sustainable value across our operations and for all stakeholders
- Conducting business ethically and transparently by implementing best-in-class policies and practices
- Developing products through the responsible use of natural resources with minimal environmental impact
- Ensuring strict compliance with all applicable laws and regulations
- Promoting equal opportunity, investing in workforce development, and prohibiting any form of discrimination
- Anticipating ESG-related risks and implementing mitigation strategies to build long-term resilience

Our Geographical Footprint

Finolex Industries has a strong nationwide presence, with strategically located manufacturing units across India. Each facility is equipped with state-of-the-art technology and adheres to stringent quality standards, enabling us to serve diverse market segments effectively and ensure timely delivery across regions.



4
Manufacturing Facilities (Ratnagiri, Urse, Masar & Badhalwadi)

8
Branch Offices (New Delhi, Ahmedabad, Kolkata, Indore, Hyderabad, Bengaluru, Chennai and Coimbatore)

38,000+
Retailers

Our Products

Plumbing and Sanitation Pipes and Fittings



ASTM Pipes & Fittings



CPVC Pipes & Fittings



SWR Pipes & Fittings



Sewerage Pipes

Agricultural Pipes and Fittings



Agricultural PVC-U Pipes and Fittings



Column Pipes



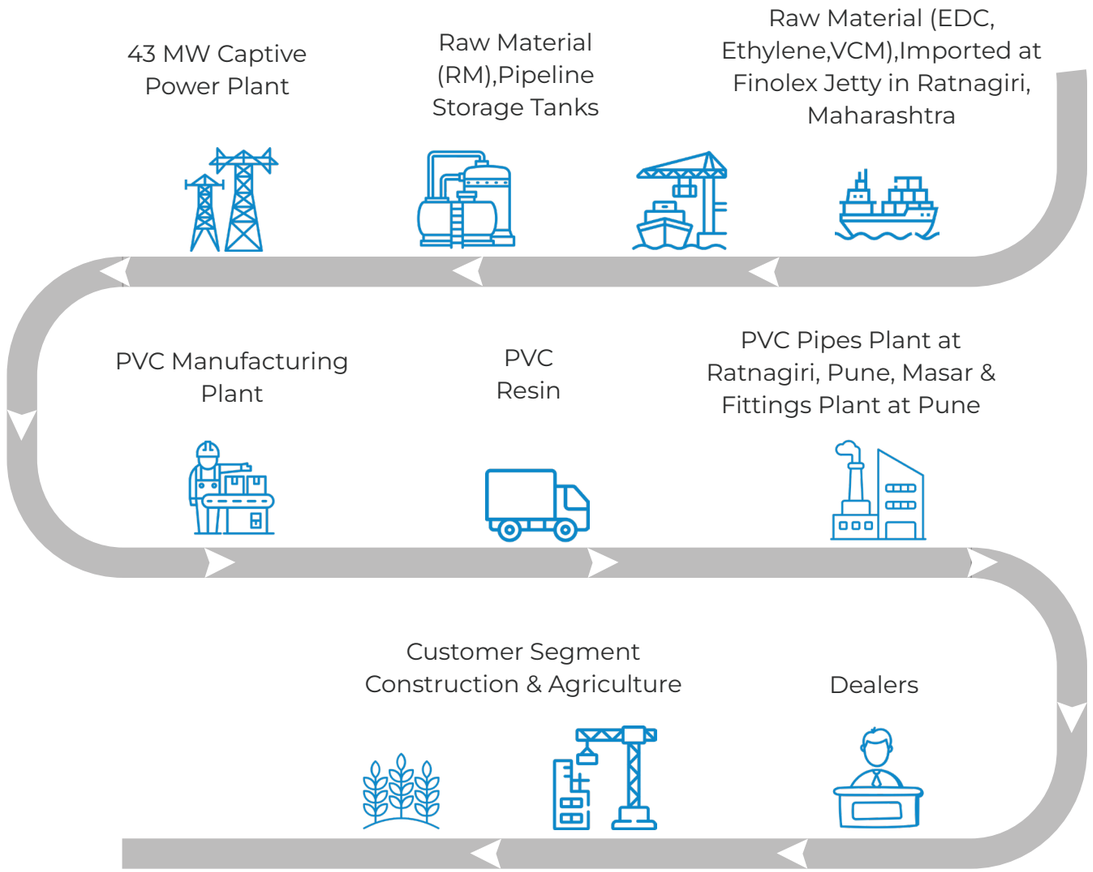
Casing Pipes



Solvent Cement, Primer and Lubricant

Our Business Process

Every product we create at Finolex tells a story of precision, care, and commitment. From our advanced manufacturing plants to a seamless integration of every step in the supply chain, we carefully oversee the entire production process. This meticulous approach allows us to deliver pipes and fittings that don't just meet expectations, they often surpass them. Guided by the highest standards, including the Bureau of Indian Standards (BIS) and the American Society for Testing and Materials (ASTM), each product reflects our promise of reliability, safety, and enduring quality. For us, every connection we create is a testament to the trust our customers place in us.



Partnerships

We are members of various industry confederations, chambers, and associations at both national and state levels. Our Management Teams actively contribute their expertise and insights in public policy discussions. We are committed to engaging in policy advocacy in a responsible and ethical manner.

S. No.	Name of the Trade and Industry Chambers/ Associations	Reach of Trade and Industry Chambers/Associations (State/ National/International)
1	Centre for Chemical Process Safety (CCPS)	International
2	Chemicals & Petrochemicals Manufacturers' Association (CPMA)	National
3	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
4	Indo American Chamber of Commerce	National
5	The Organization of Plastics Processors of India (OPPI)	National
6	Alkali Manufacturers Association of India (AMAI)	National
7	Indian Chemical Council (ICC)	National
8	Indian Vinyl Council	National
9	Maharashtra Economic Development Council (MEDC)	National

Awards and Accolades



Global Customer Engagement Awards 2025

We are honored to have received the Global Customer Engagement Award 2025 for Most Admired Social Message and Outstanding CSR Impact, recognizing our flagship initiative "Badhte Kadam." The award, presented at the 14th ACEF Global Customer Engagement Summit & Awards, reaffirms our commitment to driving meaningful social change and creating a lasting positive impact through purposeful engagement.



Marketing Campaign of the Year (Water & Wastewater Management)

We are honored to have received the "Marketing Campaign of the Year (Water & Wastewater Management)" award from Prestigious Brands of Asia for our campaign "Save Today for Better Tomorrow." Through this initiative, we sought to raise awareness on water conservation by creating an impactful short film and driving community-focused programs, supported by our CSR partner, the Mukul Madhav Foundation. This recognition reinforces our commitment to promoting sustainable practices and responsible water stewardship.

Great Place to Work®

Great Place to Work® certification for the 3rd consecutive year.

Responsible Care® Certification

Our company achieved Responsible Care® certification following a comprehensive recertification audit; implemented system-driven process improvements and upgraded data recording and monitoring systems, successfully embedded over the few years.

ISO Certifications

All our manufacturing facilities are certified under ISO 9001 for Quality Management, ISO 14001 for Environmental Management, and ISO 45001 for Occupational Health and Safety. These certifications ensure consistent product quality across operations while upholding the highest standards of safety and environmental responsibility. These certifications have been independently validated by accredited third-party auditors.

In FY 2024-25, we successfully implemented ISO 27001, the globally recognized standard for Information Security Management Systems (ISMS). This initiative strengthens our data protection framework by ensuring robust risk management, safeguarding sensitive information, and enhancing resilience against cyber threats. By adopting ISO 27001, we reaffirm our commitment to maintaining the highest standards of confidentiality, integrity, and availability of data across all operations.

These management systems support product quality, environmental responsibility, and employee safety while improving efficiency, reducing environmental impact, and reinforcing a culture of safety across our operations.

ISO 9001 (Quality Management Systems)
ISO 14001 (Environmental Management)
ISO 45001 (Occupational Health & Safety)
ISO 27001:2022 (Information Security Management System)

Stakeholder Engagement and **Materiality Assessment**

Stakeholder engagement and materiality assessment are essential components of a credible and forward-looking sustainability strategy. They ensure that our actions are not only aligned with business goals but also grounded in the priorities of those who are impacted by or have influence over our operations. By systematically understanding stakeholder perspectives and identifying issues that matter most, we are better equipped to make informed decisions, manage risks, and create long-term value.

In FY 2024–25, we carried out a comprehensive Stakeholder Engagement and Materiality Assessment in accordance with the GRI Standards 2021. This exercise enabled us to assess emerging expectations, align our priorities with stakeholder concerns, and sharpen our focus on the ESG topics that have the highest relevance and impact.

Our Approach to Stakeholder Engagement

At Finolex, we believe that strong, long-lasting relationships with our stakeholders are essential for sustainable growth. Guided by our Policy on Stakeholder Engagement and Inclusiveness, we maintain clear and transparent communication with customers, investors, shareholders, employees, communities, suppliers, media, regulators, and business partners. Our goal is not only to understand their perspectives but also to involve them in decision-making processes wherever relevant.

Our policy covers both our own operations and our supply chain, with a focus on local communities and the identification of affected and vulnerable groups. Engagement strategies include local stakeholders, supported by voluntary programs and grievance channels for communities. Oversight rests with the Board of Directors reflecting our commitment at the highest level.

To ensure engagement is meaningful, we follow a structured process of stakeholder identification and prioritization, anchored in the principles of inclusivity, materiality, and responsiveness. By mapping stakeholders based on their level of influence, interest, and impact, we are able to determine the most appropriate mode and frequency of interaction. This structured approach enables us to protect and balance diverse interests while aligning with our commitments to environmental stewardship, health, safety, and security.

In doing so, we place special emphasis on disadvantaged and marginalized groups, particularly in underdeveloped areas, ensuring their voices are heard and addressed. Our engagement practices embed transparency, cultural appropriateness, and fairness, ensuring that the value created by our business is shared equitably across all stakeholders. We also establish clear accountability by assigning adequate resources and responsibilities to drive effective engagement and build trust.

We engage stakeholders through a mix of digital platforms, consultations, in-person meetings, and feedback sessions. This two-way communication fosters trust and collaboration while allowing us to respond proactively to evolving expectations and emerging sustainability issues. By embedding inclusiveness into every interaction, we ensure that stakeholder insights directly shape our strategies and help us focus on the most material topics.

Embedding Insights into Strategy

At Finolex, we recognize that strong relationships with our local communities and stakeholders are essential to building trust and creating long-term value. We conduct regular community and stakeholder impact assessments to understand the potential effects of our operations and ensure that local concerns are addressed proactively. Clear communication channels and grievance-tracking mechanisms are in place, enabling stakeholders to reach us easily and transparently.

Our approach also includes meetings, surveys, and reviews to capture stakeholder perceptions and identify emerging concerns at an early stage. We believe engagement is not just about listening, it is about empowering. That is why we are working to build the capacity of local stakeholders, ensuring they are equipped to communicate effectively with us and participate meaningfully in discussions. Stakeholder engagement programs are embedded across all our local operations to maintain consistency and inclusivity.

Beyond feedback collection, we integrate stakeholder perspectives into our strategic planning, policy development, and sustainability reporting. Through collaborative workshops, focused discussions, and digital interactions, we maintain open, constructive dialogue that informs our materiality analysis and guides action in environmental, social, and governance areas. This continuous process, rooted in collaboration and respect, helps us strengthen trust and move forward together toward a more sustainable and inclusive future.

Stakeholder Group	Channels of communication	Frequency of engagement	Purpose and scope of engagement
Dealers/ Retailers/ Customer	• Dealers/ Retailers meet • Trainings • Field meetings • Telephonic conversations/Call centre • Help desk • Email interaction	Regularly on a need basis	• Easy access to products and services • Reliable supply of best-in-class products and services

Stakeholder Group	Channels of communication	Frequency of engagement	Purpose and scope of engagement
Investor/ Shareholder	• Investor presentation/ Analyst meet • Annual general meetings • Media releases • Financial results declaration • Annual reports, Sustainability reports, websites	Quarterly / Annually	• Information on Company's financial and non-financial performance • Transparent disclosures, good governance practices
Community	• CSR partnership with Mukul Madhav Foundation • Contribution towards various causes like education, healthcare, rural development, environment initiatives	• Social contribution / CSR activities • Community impact assessment surveys • Complaint and grievance mechanism	• Proactive involvement • Community development
Employees	• Employee engagement programs • Internal publications and circulars • Feedback and surveys • Performance updates • Learning and development programs	• Daily (Department wise internal interaction) • L&D programs, feedback, and survey conducted periodically • Half yearly / annually	• Health and safety • Opportunities for personal and professional growth • Learning and development • Work-life balance and career progression • Transparency and involvement in company's strategies
Suppliers/ Bankers	• Meetings • Conferences and workshops • Communication via telephone, email, etc.	Regularly on a need basis	• Long-term relationship • Quick response to queries • Services support and timely deliveries
Media	• Written communications • Interviews and meetings • Publications & announcements	Frequency of engagement is on a need basis	• Credible information on progress to stakeholders
Regulators	• Meetings • Representation through trade bodies • Workshops • Written communication	Frequency of engagement is on a need basis	• Compliance with rules and regulations • Timely reporting through various compliance-based forums

Stakeholder Feedback and Grievances

At Finolex, we believe that trust is built on transparency and open dialogue with our stakeholders. We actively engage with customers, employees, shareholders, and partners, welcoming their feedback as a vital input to strengthen our offerings and operations. Our grievance redressal mechanisms are designed to be fair, timely, and effective, ensuring that every concern is addressed with accountability and care.

In case a stakeholder has any queries or concerns or requires any clarifications relating to the Company, they may write to the Company at investors@finolexind.com. To promote an open, fair, and transparent process, complaints shall be satisfactorily resolved in a timely manner.

In FY 2024-25, we received and reviewed stakeholder grievances and feedback across various channels. Each case was resolved in accordance with our internal policies and regulatory requirements, reaffirming our commitment to continuous improvement and responsible business practices.

Materiality Assessment

At Finolex, we carry out regular materiality assessments to evaluate and prioritize ESG issues that shape long-term value creation. Conducted every 2 years, this process ensures that our strategy and disclosures remain aligned with evolving stakeholder expectations and the dynamic sustainability landscape, reinforcing our commitment to transparency and accountability.

In FY 2024–25, we enhanced our approach by adopting an impact-based materiality assessment aligned with the GRI 2021 Standards. This refined methodology allows us to evaluate the actual and potential positive or negative impacts of our business activities across environmental, social, and governance areas. To inform this process, we conducted a detailed desk review, sectoral analysis, stakeholder consultations, and peer benchmarking, enabling a more informed and balanced view of what is truly material.

Approach for Impact Materiality

We followed a structured four-step approach:



Impacts of Identification

We identified potential material issues relevant to the organization in consultation with stakeholders. For each issue, we assessed associated impacts, both actual and potential, positive or negative.



Assess the Significance of the Impacts

Each issue was rated through stakeholder questionnaires based on its significance to the organization and its stakeholders. Impacts were evaluated against criteria of severity and likelihood.



Prioritization of Impacts

A threshold was established to determine which topics are material. The issues were grouped into themes to identify relevant KPIs, following GRI guidance.



Disclosure of Results

We report on each prioritized material topic, outlining how the issue is managed. GRI indicators are used to disclose the impact of each issue in the context of our strategy, industry benchmarks, and stakeholder expectations.

The material topics identified in the previous reporting cycle were re-evaluated to reflect their ongoing relevance and impact on the economy, environment, society, and human rights. This reassessment also enabled us to incorporate new and emerging themes based on stakeholder feedback and sectoral developments.

As the sustainability landscape continues to evolve, we recognize the importance of regularly revisiting our materiality process. Our approach is grounded in stakeholder engagement and continuous improvement, ensuring that our sustainability strategy and reporting remain responsive, relevant, and impactful.

List of Material Topics



Environment

ESG Material Topic	Name of the Impact	Nature of Impact
Climate Change	Impact on employee productivity due to higher temperatures	Negative
	Impact on the environment due to operational GHG emissions	Negative
	Reduction of GHG emissions and air emissions	Positive
	Disruptions in operations due to climate events	Negative
Ecosystem and Biodiversity	Restoration of biodiversity and the ecosystem of designated/chosen areas	Positive
	Pollution of nearby air, land, and water bodies due to operations	Negative
	Loss of local biodiversity due to operations	Negative
Environment Management	Reduction/replacement of environmentally harmful materials	Positive
	Financial implications associated to environmental management	Negative
	Failure to comply with regulatory and environmental standards	Negative
Quality Management and Product Stewardship	Elimination of environmentally harmful products from production processes	Positive
	Improved environmental footprint of the product due to use of greener materials	Positive
	Fines and penalties resulting from non-compliance	Negative
Resource Management	Elimination of environmentally harmful products from production processes	Positive
	Improved environmental footprint of the product due to use of greener materials	Positive
	Fines and penalties resulting from non-compliance	Negative

Social

ESG Material Topic	Name of the Impact	Nature of Impact
Community Development	Enhanced brand reputation	Positive
	Enhanced quality of life due to access to education, healthcare, and other necessities	Positive
	Loss of reputation due to a lack of opportunities for local employment	Negative
Human Rights	Promotion of human rights among employees, workers, and supply chain	Positive
	Reputational damage due to negligence of human rights related violations	Negative
	Legal compliance issues ultimately leading to financial losses	Negative
Occupational Health and Safety	Reduction of work-related incidents	Positive
	Deeper trust due to higher employee safety, leading to higher retention rates	Positive
	Financial losses while compensating incidents	Negative
Sustainable Supply Chain	Higher Scope 3 emissions and supply chain footprint	Negative
	Support for responsible suppliers	Positive
	Disruption of supply due to ESG risks in the supply chain	Negative
	Human rights violations in supply chains	Negative
Talent Management	Enhanced employee capability and career progression	Positive
	Higher employee satisfaction score	Positive
	Lower return on investment due to reduced employee performance	Negative

Governance

ESG Material Topic	Name of the Impact	Nature of Impact
Corporate Governance	Good governance practices leading to fair business conduct	Positive
	Business growth led by strong and diverse leadership	Positive
	Adherence to regulatory compliance due to effective governance systems	Positive
	Loss of stakeholder and investor trust due to non-compliance of regulatory laws	Negative
Data Privacy and Security	Prevention of cyber theft through robust IT security practices	Positive
	Leakage of confidential information causing business loss	Negative
	Reputational loss of business as well as clients	Negative
Operating and Financial Performance	Increased business opportunity with growing financial performance	Positive
	Access to capital, competitive advantage, and preference among customers	Positive
Risk Management	Improved ESG performance due to integration of ESG risks in ERM	Positive
	Efficient functioning due to predictive risk assessments of operations	Positive
	Higher financial losses and unsustainable business growth	Negative
	Mismanagement of risks leading to disruption in business continuity	Negative

Management of Material Issues – Enterprise Value Creation

Material Issue	Climate Change	Ecosystem and Biodiversity	Corporate Governance
Business Case	Climate change poses both physical and transitional risks such as rising temperatures, erratic rainfall, and extreme weather events can disrupt raw material supply chains, affect manufacturing operations, and impact logistics and distribution networks.	Our operations may impact local ecosystems near our manufacturing sites, posing environmental and reputational risks affecting business continuity, stakeholder trust, and long-term sustainability if not managed responsibly.	Any lapse in governance or ethical conduct can weaken investor and customer confidence and erode stakeholder trust.
Business Impact (Risk/ Opportunity)	Risk	Risk	Risk
Business Strategies	We integrate natural capital considerations into our planning and operations, while reducing GHG emissions through process optimization, improved energy efficiency, and a gradual transition to cleaner energy sources. Alongside this, we work to lower water consumption, minimize waste, and increase material recycling, enabling consistent year-on-year reductions in energy use and emissions. To further strengthen our long-term resilience and guide future action, we also plan to undertake a climate risk assessment in the coming years.	We integrate biodiversity conservation into our business strategy through a comprehensive management program guided by our Biodiversity Policy and zero-deforestation commitment. To understand local ecosystems, we carry out floral and faunal surveys using systematic sampling and field tools, including targeted searches for rare species. These insights help us develop action plans that preserve habitats, ensure regulatory compliance, and enhance ecological balance while strengthening long-term enterprise value.	We uphold strong ethical standards through a robust governance framework that ensures transparency, accountability, and integrity across our operations. We strengthen governance practices through regular employee training on ethical conduct and maintain clear channels for reporting and addressing concerns. These measures help us protect stakeholder trust and sustain a culture rooted in responsible behavior.
Target & Goals	100% electric powered forklifts by 2030 at all the plants	Public commitment to no deforestation and a publicly available biodiversity policy by 2025	Maintain 95% adherence to the Employee Code of Conduct through documented acknowledgements and consistent training.

Management of Material Issues – External Stakeholders

Material Issues for External Stakeholders	Cause of Impact	External stakeholder(s)/ impact area(s) evaluated
Climate Change	Operations- more than 50% of business activity covered	Environment
Corporate Governance	Operations, Product/Services, Supply Chain- more than 50% of business activity covered	1. Consumers/end-users 2. External employees (e.g supply chain, contractors)

Targets

Focus Area	KPIs / Target	Key Actions / Initiatives
Reduce Carbon footprint	• At least 15% of Purchased Electrical Power Consumed to come from Renewable Sources by 2030 • 100% electric powered forklifts by 2030 at all the plants	• In process of transitioning
Water Conservation	• Make one site water neutral by 2030	• Assessment & review in progress
ESG Policy	• >95% coverage of ESG awareness / training sessions for eligible employees across the organization by 2027	Ongoing activity through • E-modules, • Classroom training • Toolbox talks • Specialized training • Induction training
Attract and nurture talent	• Maintain employee turnover rate consistently under 15%	Through • Employee engagement • Surveys • Grievance redressal through Dial HR initiative
Ensure data privacy and security	• 100% of employees to be trained on information security by 2027	• Ongoing activity through online module, virtual sessions
Code of conduct	• >95% compliance with the Employee Code of Conduct through written/ digital acknowledgment and regular training of eligible employees by 2027 • >95% Compliance of the third-party Code of Conduct through written/ digital acknowledgment by 2027	• Ongoing activity through online module, virtual sessions • Through written/digital acknowledgment

Building **Environmental Resilience**



Key Highlights

11.14%
renewable energy share of purchased electricity achieved in FY 2024-25 up from 3.2% last year

31,000+ MT CO_{2e}
carbon footprint reduced vs. 20,000 MT CO_{2e} last year

3,11,000+ cubic meter
effluent recycled back into processes

22,000 MT CO_{2e}
carbon sequestered through biomass

4,67,000+ cubic meter
rainwater harvested

Building **Environmental Resilience**

At Finolex, we approach environmental responsibility through consistent, measurable action. Our focus areas include energy efficiency, water and waste management, emissions control, biodiversity conservation, climate action, and product stewardship. We integrate sustainability into daily operations by investing in cleaner technologies and adopting innovative methods for resource efficiency and waste reduction, ensuring that our growth remains aligned with environmental well-being.

To make these efforts meaningful, we set clear and measurable objectives. We monitor performance in critical areas such as emissions, resource consumption, and waste generation, setting SMART goals that enhance accountability and transparency. Regular audits, incident analyses, and stakeholder feedback enable continuous improvement and ensure our actions remain effective and relevant.

Our Environmental Management System (EMS) provides the framework for compliance and performance monitoring, while our employees drive real change through training, awareness, and collaboration. Leadership plays a crucial role by reviewing progress regularly and ensuring environmental considerations are integrated into every strategic decision.

We view sustainability as an evolving process built on progress and learning. Through clear goals, empowered teams, and responsible leadership, we continue to advance toward a future where operational excellence and environmental protection go hand in hand.

Throughout FY 2024-25, Finolex ensured full compliance with all applicable environmental regulations, with zero fines, penalties, or non-compliance incidents.



Energy Management

At Finolex, energy management is a cornerstone of our sustainability strategy. We recognize that efficient use of energy not only reduces our environmental footprint but also enhances operational reliability and cost competitiveness. To achieve this, we integrate advanced technologies, continuous monitoring, and structured management systems across our operations.

Energy Profile	Unit	FY 2024-25	FY 2023-24
Total electricity consumption	GJ	40,00,396.13	43,46,730.58
Total energy from fuel	GJ	36,71,356.29	40,64,120.37
Total non-renewable energy consumption	GJ	39,08,662.29	43,20,693.58
Total renewable energy consumption	GJ	91,733.84	26,037
Amount of Reduction in energy consumption	GJ	1,03,395.90	1,10,751
Energy Intensity (Both direct and indirect energy i.e. fuel consumed and electricity purchased, is included)	GJ/Lakh Rupees	9.73	10.17

Key Energy Management Initiatives

At Finolex, we believe that true progress comes from using resources responsibly. Energy conservation is central to this approach, and we have woven efficiency into our technologies, processes, and everyday practices across all facilities.

Our strategy to reduce energy consumption and GHG emissions is built on key initiatives:

Energy Reduction Strategy		
1. Energy audits are conducted regularly to identify opportunities for improving performance.	2. Quantified targets established to ensure measurable and trackable savings.	3. Operational actions implemented across processes to optimize energy use.
4. Performance monitoring carried out continuously to evaluate progress and drive improvements.	5. Adoption of clean and green energy sources to lower our reliance on conventional fuels.	6. Employee training and awareness programs are designed to build responsibility and encourage energy-efficient practices.

Emission Management

At Finolex, we recognize climate change as one of the most pressing challenges of our time. We are committed to reducing our carbon footprint while enhancing resilience across our operations. Our structured approach focuses on optimizing production, improving energy efficiency, integrating renewable energy sources, and carefully managing natural resources.

Building on our commitment to sustainability, we have taken proactive steps to reduce greenhouse gas emissions and enhance operational efficiency. This includes engaging in long-term renewable power purchase agreements (PPAs) and installing rooftop solar systems across our facilities. In parallel, we continuously focus on improving energy efficiency, optimizing resource use while lowering emissions. These initiatives are integral to our vision of a low-carbon, resilient manufacturing ecosystem and demonstrate our ongoing dedication to responsible environmental stewardship.

Category of Scope Emissions	Unit	FY 2024-25	FY 2023-24
Scope 1	MT CO_{2e}	3,53,473.99	3,82,031.47
Scope 2	MT CO_{2e}	54,106.07	58,297.02
Scope 3	MT CO_{2e}	25,832.75	21,058.76
Total (Scope 1+Scope 2+ Scope 3)	MT CO_{2e}	4,33,412.81	4,61,387.25
Total GHG emission intensity (Scope 1 & Scope 2 emissions)	MT CO_{2e}/ Tons of production	0.72	0.81

Note: Emission factors have been sourced from the IPCC guidelines.

Scope 3 Emission Categories (MT CO_{2e})	FY 2024-25
Scope 3 - Employee Commute	25,827.78
Scope 3- Upstream Leased Assets	4.97
Total Scope 3 Emissions	25,832.75

Emission Management Initiatives

We implemented a series of energy- and emission-reduction initiatives to enhance operational efficiency and environmental performance. These include optimizing process parameters, upgrading to energy-efficient equipment, and strengthening monitoring systems to track and reduce our overall energy use and carbon footprint across facilities.

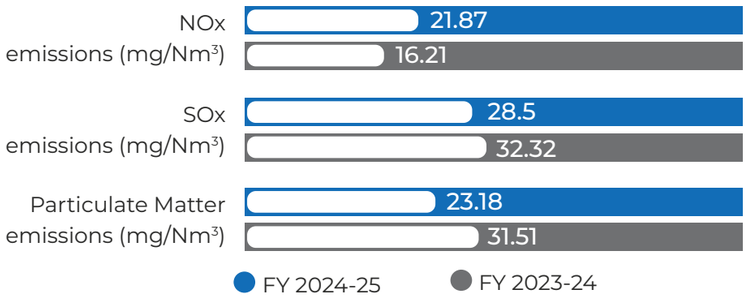
Project No.	Project Description	Energy Saving (GJ)	Reduction of CO_2 (MT CO_{2e})
1	Replacement of VCM CT pumps by new higher efficiency pumps (P9202 B & C with new pumps of capacity 2350 m^3/hrs & of 46 m head.)	4,137.50	406.60
2	Steam saving by heat integration in VCM Plant	58,964.00	5,660.50
3	Replacement of old K-4802F+K-7001 (GM90+K7001) system with new GM150 blower	1,292.40	127.00
4	Replacement of Centrifugal pump P5114B by multistage energy efficient pump	408.60	40.20
5	Power saving by Deaerator make up pump impeller trimming	1,272.30	125.00
6	Increasing the centrifuge inlet slurry temperature	34,316.20	3,294.40
7	Installation of Energy efficient Avalong mixer	43.20	9.80
8	Installation of Energy saving Transformer–2.5 MVA	186.60	42.60
9	Installation of cooling Tower Energy saving system resulted in 22KW/Day saving	28.90	6.60
10	Pump House Incoming water Tank filter pump motor modified from 5.5 KW to 0.75 KW which saving 32,850 Units Annually	1,183.90	269.90
11	Solar Street Lights are installed on periphery 5 numbers from Feb 25 Saving 25 Units/Day = 300 units/Annum	1.10	0.20
12	Cooling Tower water level sensor installed to reduce water wastage and Pump unit consumption, 30% saving achieved 1825 Units/ Annum	6.60	1.50
13	Express feeder installed and started from 15 March 2024 it resulted in very low power cuts from daily 2 power cuts to average monthly 2 power cuts. Reduced the Power loss (Reheating and Setup) 1.20L Units/Annum and Material Loss by 19.20 Tonne/Annum	432.0-0	98.50
14	Energy Saving through optimizing the compound conveying system root blower cycle time	1,122.60	110.30
	Total	**1,03,395.9**	**10,193.10**

Air Emission

At Finolex, safeguarding ambient air quality is integral to our sustainability strategy and our broader commitment to environmental stewardship. We recognize that emissions from manufacturing operations can contribute to climate change, impact ecosystems, and affect community health. Therefore, our approach to air emission management is guided by three key principles: Prevention, Monitoring, and Continuous Improvement.

At our Ratnagiri plant, we employ a Continuous Ambient Air Quality Monitoring System (CAAQMS) to track real-time air quality and maintain stringent control over emissions. Our approach is aligned with the National Ambient Air Quality Standards (NAAQS, 2009) and relevant regulatory frameworks, while also incorporating global best practices that guide our transition toward cleaner, low-carbon operations. Ambient air quality is monitored twice a week through 24-hour sampling, while our Ratnagiri plant uses a Continuous Ambient Air Quality Monitoring System (CAAQMS) to capture real-time data.

We do not manufacture, use, or release any ozone-depleting substances (ODS), ensuring full compliance with environmental regulations and global sustainability standards.



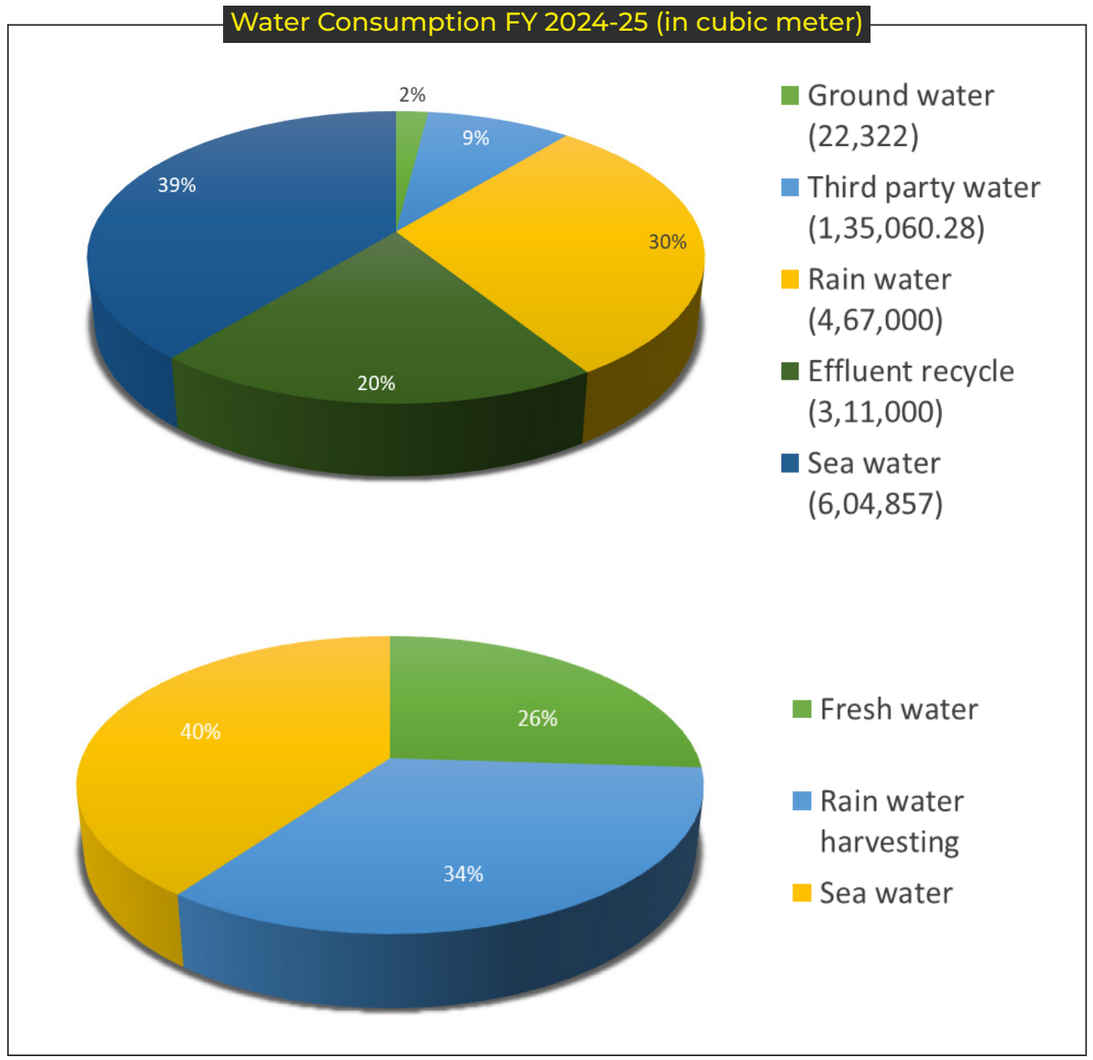
Note:There is an increase in NOx value due to the inclusion of CEMS monthly averages data

Water Management

We view water as a finite and shared resource essential to our operations, communities, and ecosystems. Our stewardship strategy is anchored in the principles of Reduce, Reuse, and Recycle, ensuring responsible and efficient use across all facilities. Guided by our Environmental Management System (EMS), we have set internal efficiency benchmarks and monitor water performance through the Water Utilization Ratio (WUR). Every withdrawal, consumption, and discharge point is tracked through calibrated flow meters to ensure compliance with both regulatory and internal standards. Efficiency measures such as closed-loop cooling systems, low-flow fixtures, and recycling through ETPs and STPs enable the reuse of treated water for landscaping and utilities. Rainwater harvesting, stormwater drains, and oil-water separators help manage runoff, recharge groundwater, and prevent contamination, while regular quality checks and environmental impact assessments maintain operational integrity and ecological balance.

Our Water Stewardship Strategy, integrated into our ESG framework and reviewed annually by senior leadership, focuses on long-term resilience and proactive risk management. We assess both dependency and impact risks, ranging from operational reliance on water to potential disruptions caused by scarcity or extreme weather, and factor future availability into our planning. Each department identifies and implements water-saving measures, making conservation a shared responsibility across our operations. Beyond our facilities, we collaborate with local authorities, suppliers, and contractors to promote responsible water use and manage construction runoff. Through awareness initiatives, we encourage consumers to adopt sustainable practices, while our contribution to national programs such as the Clean Ganga Fund reflects our commitment to community well-being and environmental conservation.

Water Consumption Profile (in cubic meter)	FY 2024-25	FY 2023-24
A. Water withdrawal (excluding saltwater)	25,98,429.28	2321911.3
B. Water discharge (excluding saltwater)	484064.27	531424.28
Total net fresh water consumption (A-B)	2114365.01	1790487.02



Integrated Water Resource Management

As part of our commitment to sustainable water stewardship, we have adopted a multi-source water strategy that ensures operational resilience while conserving natural resources:

- Rainwater Harvesting: We maintain reservoirs with a total capacity of 6,00,000 in cubic meter, capturing monsoon rainwater to reduce reliance on external sources.
- Dam Water Storage: Water is pumped from our dam and stored in the same reservoirs, ensuring availability during dry periods.
- Effluent Recycling: Our Effluent Recycling Plant treats and reuses approximately 1,000 cubic meter/day, resulting in an annual water savings of nearly 3,00,000 in cubic meter. This significantly reduces freshwater withdrawal and supports circular water use.
- Seawater Desalination: During water-scarce months, we operate a Seawater Desalination Plant to ensure an uninterrupted supply without burdening freshwater ecosystems.
- We have started using fresh water during the monsoon for the main cooling tower of the power plant, which normally uses seawater. This has resulted in a reduction of seawater consumption. This is due to higher cycles of concentration being achieved with fresh water than seawater.
- Alternately, at one site, groundwater is sourced as per CGWA approval, and at two other sites, third-party water is used.

This integrated approach reflects our proactive stance on water sustainability, aligning with UN SDG 6: Clean Water and Sanitation, and contributing to long-term water security for our operations and surrounding communities.



Identifying Water-Related Impacts at Finolex

At Finolex, we adopt a structured and proactive approach to identify water-related impacts across our operations, products, and value chain. This process is integrated into our Environmental Management System (EMS) and aligned with global standards such as GRI and ISO 14001. The process involves the following stages:

Scope of Assessment	Assessment Timeline	Tools and Methodologies	Integrate Findings into Operations
Our water assessments cover all operational sites, including manufacturing, utilities, and administrative areas, as well as high water-use activities in our supply chain. We evaluate potential impacts on local ecosystems and communities while considering every stage of our facility lifecycle—from design and construction to operation and decommissioning.	We conduct baseline water assessments at all sites during project initiation or commissioning, ensuring a strong foundation for ongoing water stewardship. Annual reviews help us track usage trends, regulatory changes, and environmental conditions, while real-time monitoring of key parameters such as flow rates, discharge quality, and groundwater levels supports efficient and compliant water management.	We conduct comprehensive water risk assessments using tools such as the WWF Water Risk Filter and WRI Aqueduct, supported by hydrological and hydrogeological studies to evaluate aquifer health and recharge potential. Detailed EIAs and water balance studies help us analyze usage patterns, identify inefficiencies, and enhance reuse. Additionally, GIS-based catchment mapping and stakeholder consultations enable us to understand shared water challenges and cumulative impacts.	We use assessment outcomes to guide operational planning, risk management, and sustainability strategy. These insights inform decisions on conservation technologies, discharge controls, and community engagement initiatives. Corrective actions and mitigation plans are tracked through our EMS and periodically reviewed by senior management.

Strategic Response to Water Stress

At Finolex, we recognize the need for heightened responsibility in water-stressed regions to ensure sustainable resource use and community well-being. We closely track Central Ground Water Authority (CGWA) updates to align our strategies with evolving local conditions. Our Masar plant, recently reclassified from semi-critical to critical, continues to responsibly source groundwater as per CGWA norms. To strengthen resilience, we are expanding recharge infrastructure and rainwater harvesting systems to achieve water neutrality at the Masar Plant by 2030.

22,322

Total water consumption from Masar Plant
with water stress- Groundwater (Cubic Meter)

Effluent Recycling and Water Reuse

At Finolex, every drop of water matters, and we strive to use it as efficiently as possible. Our commitment to water stewardship is reflected in the way we design and operate our manufacturing processes. At our facilities, a full-fledged Effluent Treatment Facility (ETF) ensures that water is treated and reused responsibly.

The Effluent Treatment Plant is designed to treat and recycle water effectively, supporting our sustainability goals; the table below outlines the systems used.



As part of our commitment to responsible water management, we continuously monitor key wastewater parameters, pH, BOD, COD, and TSS, to ensure compliance with Central and State Pollution Control Board standards. Advanced treatment systems are in place to reduce organic pollutant loads, maintaining COD levels well within prescribed norms.

Effluent Management	Unit	FY 2024-25	FY 2023-24	FY 2022-23	FY 2021-22
Direct Chemical Oxygen Demand	MT	22.14	22.73	26.14	29.62

Note: This data is from Ratnagiri only

In FY 2024–25, about 3,11,559 kiloliters i.e. 39% of treated effluent was recycled, with the remainder used for greenbelt irrigation. Around 4.84 lakh kiloliters, representing 61% of total effluent, was safely treated and released through our effluent treatment facilities. This closed-loop system reduces freshwater withdrawal, safeguards local water bodies, and strengthens the sustainability of our manufacturing processes.

Waste Management

At Finolex, our waste management philosophy is built on the principles of circular economy, resource efficiency, and regulatory compliance. We view waste not as a liability but as a potential resource that can be reused, recycled, or repurposed within and beyond our operations.

We are committed to minimizing waste generation by applying the 3R principles and avoiding hazardous substances in materials, while actively managing significant waste-related impacts. Finolex is focused on enhancing the circularity of its operations, ensuring that all plants operate within prescribed emission and waste limits. Across our facilities, waste is systematically segregated by category and stored in designated areas, reflecting our ongoing dedication to responsible resource management and sustainable operational practices.

Outlined below are the measures we take to manage waste effectively:

- Organic waste from canteens is converted into manure through an organic waste processor, while garden waste is crushed and either combined with canteen waste or used for mulching.
- Other non-hazardous waste is responsibly disposed of through MPCB approved third-party vendors
- Hazardous waste, including used oil, lead-acid batteries, and e-waste, is managed through parties authorized by the State Pollution Control Board.
- Biomedical waste is treated and disposed of via a common biomedical waste treatment facility.

We maintain robust systems to collect and monitor waste-related data, using manifests, internal records, and regulatory forms such as Form 3, ensuring transparency, compliance, and continuous improvement in our waste management practices.

Recognizing the importance of Extended Producer Responsibility (EPR), we are registered with the Central Pollution Control Board (CPCB) in accordance with the Plastic Waste Management Rules. Our packaging plastic recycling initiatives are fully aligned with EPR requirements, and we continue to strengthen recycling practices across our operations to reduce reliance on landfills. To reinforce this approach across the value chain, our Supplier Code of Conduct requires upstream partners to follow responsible waste management practices.

Waste Generation & Waste Disposal

17,567	16,210.94	106.3	107.9
FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Total Waste Generated (MT)		Total Waste Directed to Disposal (MT)	

Waste Diverted from Disposal

Waste Diverted from Disposal (MT)	FY 2024-25	FY 2023-24
Total waste recycled/ reused	17,461.09	16,470.9
Total waste disposed	**106.3**	**107.9**
Total waste disposed- Waste landfilled	48.6	65.8
Total waste disposed- Waste incinerated without energy recovery	11.9	16.16
Total waste disposed- Waste with unknown disposal method	45.8	25.94
Hazardous Waste		
Total hazardous waste recycled/ reused	5,577.16	6,414.68
Total hazardous waste disposed	**29.9**	**37.03**
Total hazardous waste disposed-Hazardous waste landfilled	18	20.94
Total hazardous Waste -Hazardous waste incinerated without energy recovery	11.9	16.09

Materials Management

Materials are at the heart of Finolex's manufacturing excellence. We recognize that responsible sourcing and usage of materials is critical to reducing our environmental footprint and ensuring sustainable production. While our operations depend on petrochemical-based composites such as CPVC and UPVC that are essential for applications in irrigation, plumbing, drainage, waste management, and gas distribution, we remain conscious of their ecological implications.

Our material selection is guided by the principles of resource efficiency, product durability, safety, and reduced environmental impact. The materials we use offer high strength, corrosion resistance, and long lifespans, which contribute to the overall sustainability of our products by minimizing replacements and resource use over time.

Material Usage

- Primary Materials: CPVC, UPVC, and other petrochemical derivatives
- Efficiency Focus: Optimized inventory and zero-scrap practices ensure minimal material wastage during production
- Circularity: Efforts are underway to explore recycling options for production waste and promote downstream recyclability

Product Stewardship

At Finolex, sustainability is integrated into every stage of our product lifecycle, from sourcing raw materials to end-of-life management. We are committed to minimizing our environmental footprint, enhancing operational efficiency, and ensuring product safety and reliability. All our products are 100% lead-free, having replaced hazardous stabilizers with non-toxic alternatives. We actively meet customer needs, perform rigorous testing, and ensure compliance with REACH regulations.

Our manufacturing facilities are designed for resource efficiency, with continuous monitoring of energy, water, and emissions to reduce consumption and waste. Regular audits strengthen our environmental management systems, driving consistent improvement. The lightweight design of our pipes and fittings helps lower fuel use, minimize packaging, and reduce the carbon footprint during transportation and handling.

All Finolex products are manufactured and tested in accordance with leading national and international standards, including IS 4985, IS 13592, IS 15778, IS 12818, IS 15328, ASTM D1785, and ASTM F441 for pipes, and IS 7834, IS 14735, ASTM D2846, ASTM D2467, ASTM F439, and ASTM F438 for fittings. Each product is durable, resource-efficient, and designed for long-term sustainability. Furthermore, all our products are 100% recyclable and reusable, reinforcing our commitment to circularity and a cleaner, more sustainable future.

Designed for Efficiency, Built for Reliability

At Finolex, every product is designed to deliver lasting efficiency and reliability, offering tangible benefits during its use phase to customers and consumers. The smooth inner walls minimize frictional losses, ensuring better flow and reducing energy requirements. Their lightweight design makes handling effortless, enabling faster installation and lowering costs. Beyond installation, the advantages continue through years of use: our products resist corrosion, prevent scaling, and require virtually no maintenance. This results in fewer repairs, reduced downtime, and significant savings for customers. In every way, Finolex products provide value, performance, and sustainability, turning every installation into a long-term benefit for both consumers and the environment.

Biodiversity: Conservation and Restoration

At Finolex, we understand that our operations can influence local ecosystems through plant construction, logistics, and industrial activity. To minimize these impacts, we have implemented biodiversity management strategies emphasizing prevention, early detection, and control of invasive species.

Our Biodiversity Policy integrates conservation principles into daily operations, guided by our vision of becoming Nature Positive. Reviewed annually, it provides a structured framework to minimize ecological impacts and strengthen ecosystem resilience across all our sites.

We take proactive steps to reduce pollution, prevent the introduction of invasive species, and conserve natural habitats. Within our factory premises, we have preserved and restored green areas, while roadside and buffer zone conservation initiatives protect ecologically valuable regions. Our operations do not affect any species listed on the IUCN Red List.

Biodiversity Commitment

At Finolex, we extend our commitment to biodiversity and forest conservation beyond our operations to include our suppliers and partners. We encourage all stakeholders to avoid activities near ecologically sensitive areas and to follow the mitigation hierarchy - prioritizing avoidance, minimization, restoration, and offsetting where necessary. Through biodiversity risk assessments and active stakeholder engagement, we promote shared accountability for ecosystem preservation.

Aligned with this vision, we have adopted a No Deforestation Policy, defining deforestation as the loss of forests due to illegal land conversion or practices causing severe and sustained degradation of forests and mangroves. We ensure all raw materials originate from legally compliant, responsibly managed sources. We regularly seek our suppliers' licenses and certifications as a check. Suppliers who fail to meet these expectations face appropriate corrective actions, including potential disengagement.

Endorsed by our Managing Director, this commitment reflects our dedication to responsible growth, sustainable resource management, and long-term protection of biodiversity and critical forest ecosystems.

Biodiversity Assessment

At Finolex, biodiversity management is a key aspect of our environmental stewardship. We conducted a comprehensive biodiversity assessment at our Ratnagiri plant, including the plant area and residential colony, to establish baseline data and calculate a biodiversity index. This assessment helps us identify and mitigate biodiversity-related risks within our operations.

Detailed floral and faunal surveys were carried out using random sampling, opportunistic records, and specialized tools such as lenses, cameras, and field guides like the Flora of Maharashtra. Rare and threatened species were also specifically surveyed to aid conservation efforts.

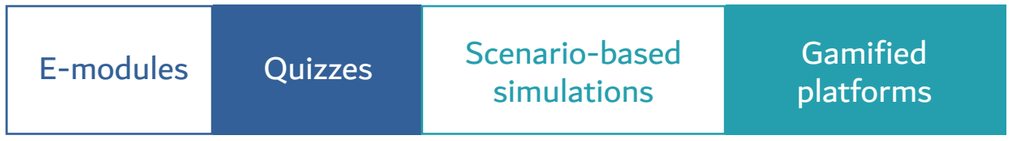
These assessments allow us to detect risks such as habitat loss or ecosystem degradation and implement strategies to minimize environmental impact, reinforcing our proactive approach to biodiversity protection across our operational footprint.

Employee Training and Engagement towards Environmental Performance

At Finolex, we recognize that effective environmental management goes beyond robust systems and policies, it relies on active engagement, awareness, and accountability across all stakeholders. To embed environmental responsibility into our operations, we have implemented comprehensive training and awareness initiatives that equip employees with the knowledge and tools to make sustainable decisions in their daily work.

All new employees undergo a detailed environmental induction covering our Integrated Management Policy, key impact areas, and individual responsibilities. Site-specific modules highlight local environmental risks and controls, ensuring that employees understand the particular challenges and practices relevant to their work environment. This induction sets the foundation for shared responsibility and consistent performance across the organization. Training is tailored to job roles, with specialized modules for operations, maintenance, logistics, and other critical functions. Employees in high-impact roles receive advanced instruction on pollution prevention, energy efficiency, waste management, and emergency response. Annual refresher courses keep teams up to date on regulatory changes, emerging technologies, and internal procedures, using case studies and lessons learned to reinforce practical understanding.

We complement formal programs with interactive learning tools such as:



Through regular on-the-job coaching and toolbox talks, we focus on key environmental practices such as spill prevention, waste segregation, and energy conservation. Complementing these efforts, we conduct awareness sessions on water efficiency management programs through our plant SOPs.

Through this integrated approach, we empower our employees to move from awareness to action, fostering a culture of proactive environmental stewardship and ensuring that sustainability becomes a shared value throughout Finolex.

Environmental Engagement

Awareness campaigns through various programs to encourage employees to adopt responsible practices, and circulation of EMS information bulletin on fortnightly basis

Environment week celebrations with various programs like Quiz, Essay, Speech competitions, tree plantation drive and awareness session by subject matter expert

Community clean-up events at Ratnagiri beach in collaboration with local government

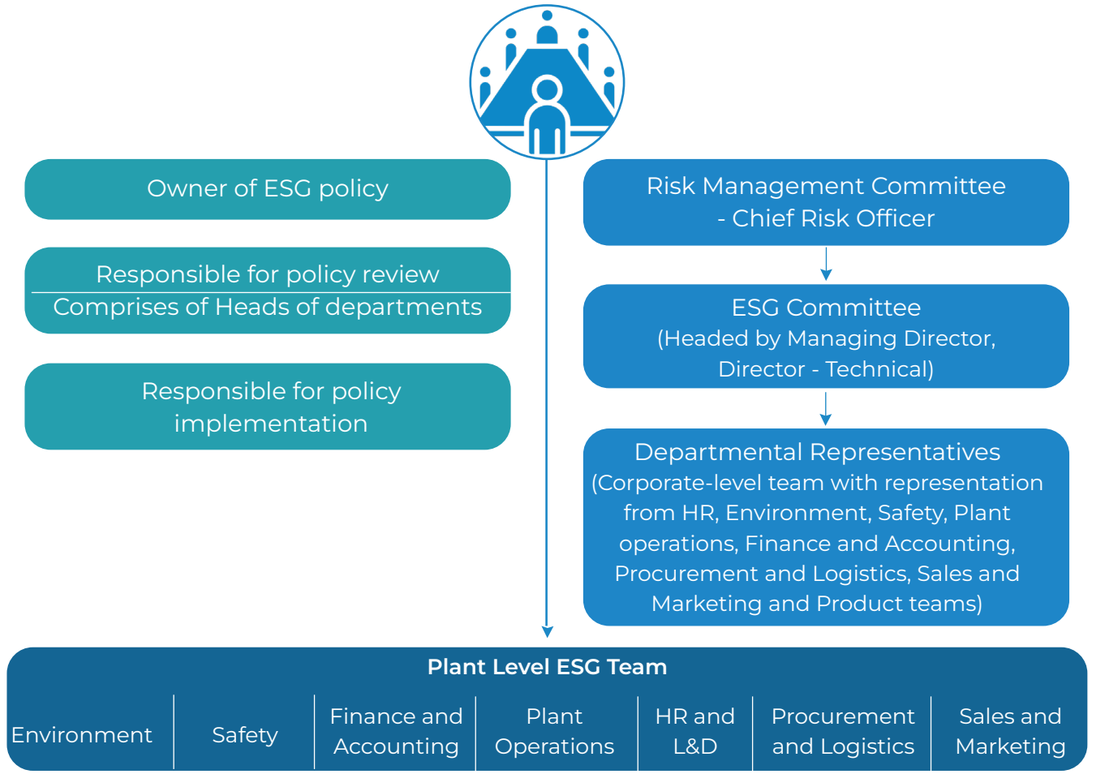
ESG Governance

Our ESG governance framework integrates environmental stewardship, social responsibility, and ethical oversight into the Company's strategic and operational decisions. Dedicated committees oversee ESG implementation to:



Board-level committees provide oversight of our ESG agenda through quarterly performance reviews and consolidated reporting to the Board, supporting informed decision-making across strategy and operations. We monitor and report ESG performance to promote accountability and integrate sustainability considerations into business planning. Continuous engagement with stakeholders ensures that material economic, environmental, and social feedback is elevated to the Board and considered in governance processes.

ESG Framework



ESG Policies

At Finolex, we have established a comprehensive set of policies and Standard Operating Procedures (SOPs) to uphold strong governance practices across the organization. These frameworks serve as guiding tools for our employees and stakeholders, promoting ethical conduct and enabling efficient, consistent decision-making. For more details, these policies are available on our website.

Tax Policy	Equal Opportunity Policy Statement
Anti-Bribery and Anti-Corruption Policy	Human Rights Policy
Anti-Money Laundering Policy	No-Deforestation Policy
Anti-Trust and Fair Competition Policy	Policy on Inclusive and Equitable Development
Code of Conduct for Directors and Senior Management and Code of Independent Directors	Policy on Stakeholders Engagement and Inclusiveness
Employee Code of Conduct	Integrated Management System Policy
Environmental, Social, and Governance (ESG) Policy	Supplier Code of Conduct
Whistleblower Policy	Risk Management Policy
	Information Security Policy



Strengthening our **Workforce and Society**

Key Highlights

Zero
Fatalities

100%
Employees Trained on ESG Aspects

40%
Positions Filled Internally

44%
Value Chain Partners Assessed on ESG Aspects

SDG Alignment

Strengthening our **Workforce and Society**

At Finolex, our people are at the heart of everything we do. We are committed to building a sustainable future founded on trust, inclusivity, and collective progress. Our workforce strategy is designed not only to support the professional aspirations of our employees but also to nurture their overall well-being, ensuring that they thrive both at work and beyond.

Through our “Finolex Parivaar” ethos, we cultivate a family-like environment where open communication, collaboration, and problem-solving are deeply ingrained in our culture. This spirit of togetherness enables our people to feel connected, valued, and empowered to contribute meaningfully to the company’s success as well as society at large.

Our Employee Value Proposition (EVP) reflects this commitment:

Customer and Co-worker Centricity We strive to be the best in the eyes of both our customers and our colleagues, building strong trust-based relationships	Work-Life Balance and Wellness We actively promote policies and programs that encourage a healthy balance, with employee wellness forming a core priority.	Growth and Opportunity From structured talent management to career progression pathways, we provide opportunities for continuous learning and advancement.
Equity, Diversity, and Inclusion We ensure that our workplace is fair, inclusive, and respectful of diverse perspectives, creating space for every voice to be heard.	Ethical Practices Guided by integrity, our HR policies uphold the highest standards of fairness and transparency	

We see our employees not just as part of an organization, but as members of a thriving community. By aligning our people practices with these priorities, we ensure that they feel motivated, supported, and inspired. We are committed to building a workplace where every individual can grow, contribute meaningfully, and take pride in being part of the Finolex family.

Building a Balanced Workforce

Workforce breakdown

Details of Workforce- Total Employee Count

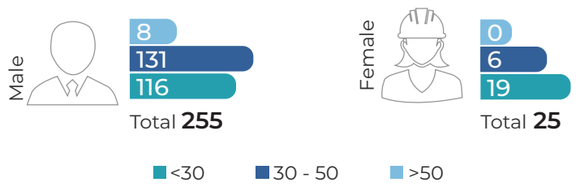
	FY 2024-25		FY 2023-24	
Workforce Category	Male (No.)	Female (No.)	Male (No.)	Female (No.)
Permanent Employees	1,245	58	1,270	43
Other than Permanent Employees	-	-	-	-
Total Employees	**1,245**	**58**	**1,270**	**43**
Permanent Workers	196	-	197	-
Other than Permanent Workers	2,791	117	2,784	108
Total Workers	**2,987**	**117**	**2,981**	**108**

Details of Workforce - Age-wise distribution (FY 2024-25)

	Permanent Employees		Permanent Workers	
Age groups	Male (No.)	Female (No.)	Male (No.)	Female (No.)
Less than 30 years old	201	24	41	0
30-50 years old	826	27	132	0
More than 50 years old	218	7	23	0
Total	**1,245**	**58**	**196**	**0**

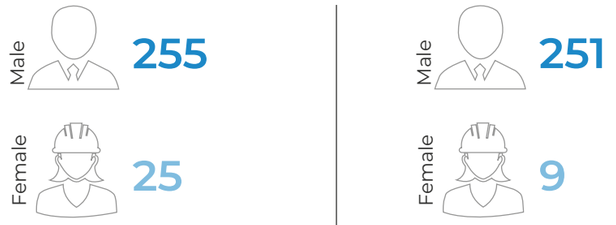
Representation in New Hiring

New Hires

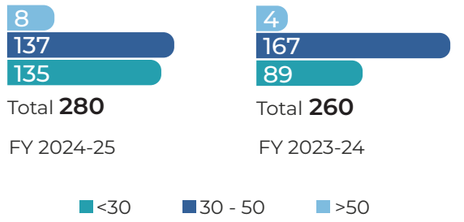


FY 2024-25

Details of New Hiring- By Gender



Details of New Hiring-By Age



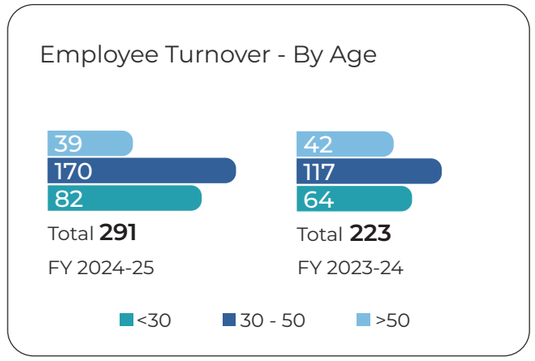
Details of New Hiring- Positions filled by internal candidates

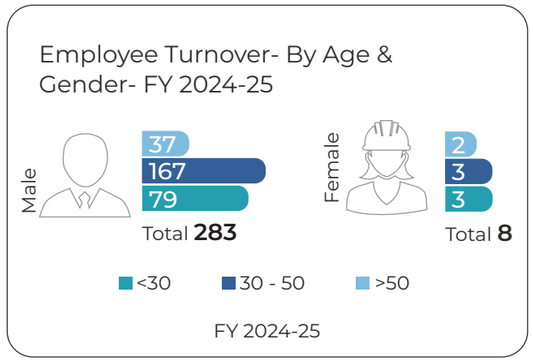


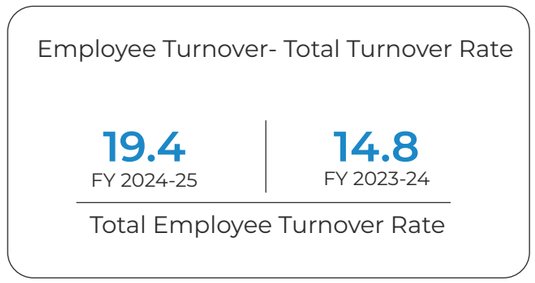
Workforce Stability Employee Turnover

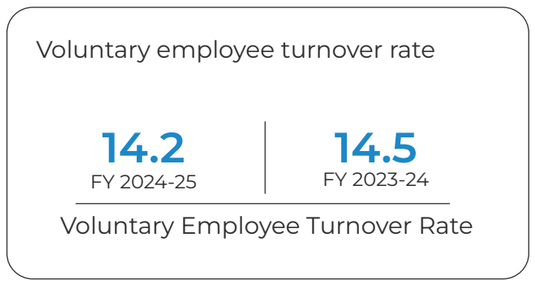
Employee Turnover- By Gender











Talent Attraction and Retention

At Finolex, we are committed to creating opportunities that empower individuals, nurture potential, and build tomorrow's leaders. We follow a merit-based approach to recruitment, with a strong emphasis on qualifications, skills, and potential. Through campus engagement at Tier 1 and Tier 2 institutions, we attract young talent and nurture them with structured learning programs designed to create a robust leadership pipeline for the future.

Our Equal Opportunity Policy applies to all job applicants and employees, ensuring a fair and inclusive work environment. As an equal opportunity employer, we provide employment without bias toward race, religion, color, sex (including pregnancy, sexual orientation, and gender identity), national origin, disability, age, genetic information, or any other category protected by law. We maintain a strict stance against verbal or physical harassment in any form.

To uphold these principles, we ensure that our recruitment and selection process is transparent and objective. Candidates are evaluated through HR screenings and interviews based on their qualifications, competencies, knowledge, leadership qualities, and overall potential, eliminating any scope for discrimination.

35,000

Average hiring cost per full-time employee (INR)
(FY 2024-25)

Diversity, Equity and Inclusion

At Finolex, inclusivity is a core part of how we operate and grow. We are committed to providing equal opportunities across all levels, ensuring that individuals of diverse genders, ages, and backgrounds can thrive. By maintaining balanced representation and valuing varied perspectives, we create a workplace that encourages collaboration and innovation. Our culture is grounded in respect, fairness, and support, strengthened by regular reviews to prevent discrimination, bullying, or harassment—ensuring every employee feels valued, respected, and empowered to reach their full potential.

Women Leading the Way at Badhalwadi

To empower our female employees, one shift at our new fittings plant in Badhalwadi is exclusively run by women, comprising the majority of the team. We are committed to equality and empowerment, providing parental leave as per company policy

Workforce Gender Representation (%) Across Different Levels

Indicators	FY 2024-25	FY 2023-24
Share of women in total workforce (as % of total workforce)	3.9%	3%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	4.5%	4%
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	4%	3%
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	16.7%	10%
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	2%	1%
Share of women in STEM-related positions (as % of total STEM positions)	0%	0%

Gender Pay Indicators

Employee Level	Average Male Salary(INR)	Average Female Salary(INR)	Female to Male Ratio
Executive level (base salary only)	6,59,710	5,41,400	0.82
Executive level (base salary + other cash incentives)	1,88,75,364	1,62,42,108	0.86
Management level (base salary only)	94,246	81,474	0.86
Management level (base salary + other cash incentives)	31,81,657	26,78,163	0.84
Non-management level (base salary only)	24,612	29,244	1.19

At Finolex, we uphold the principle of equal pay for equal work, ensuring that compensation is based solely on merit, skills, and performance. Our compensation framework is designed to foster fairness and transparency, with regular reviews conducted to maintain equity across roles and levels.

To strengthen trust and accountability, we undergo independent third-party verification of our pay equity and gender pay gap assessments. The findings of these reviews are disclosed on our corporate website, reflecting our commitment to transparency, fair employment practices, and the highest standards of compliance.

Workplace Accessibility

At Finolex, we believe a truly inclusive workplace is one where everyone can thrive. Our commitment to accessibility is reflected in workstations and infrastructure thoughtfully designed to meet the needs of differently-abled employees, in full alignment with the Rights of Persons with Disabilities Act, 2016. Every aspect of our workplace is geared toward creating a seamless and supportive experience.

To ensure our differently-abled employees reach their full potential, we have built a development strategy focused on targeted training, personalized growth pathways, and continuous support. Guided by our Equal Opportunities Policy and legal standards, we also provide medical assistance and other resources to strengthen inclusion across the organization.

In FY 2024-25, 2 differently-abled workers joined us, strengthening our diverse and inclusive workplace.

Employee Trainings

At Finolex, we are committed to fostering a workplace where diversity, equity, and inclusion are deeply embedded in our culture. To strengthen this commitment, our employees and workers undergo training on gender sensitivity, unconscious bias, cultural awareness, and disability inclusion. These programs are designed to cultivate empathy, break down stereotypes, and ensure equal opportunity, helping us create a respectful and supportive environment where every individual can thrive.





Employee Benefits

At Finolex, we are committed to building a workplace where every employee feels safe, valued, and supported. Our comprehensive policies and benefits framework extends beyond compliance, addressing the diverse needs of our workforce and promoting a healthy work-life balance.

We offer a wide range of long-term benefits, including group accident policy including personsal accident, medical coverage, disability benefits, parental leave, and retirement savings plans - ensuring security and care at every stage of employment. In addition, the Employees Stock Option Scheme (ESOP), approved by shareholders on April 3, 2001, provides eligible employees the opportunity to share in the company's success through equity participation, in line with SEBI regulations.



Parental Leaves

At Finolex, we recognize that parenthood is a profound life event, and we have placed great importance on supporting our employees through dedicated parental leave policies. Both maternity and paternity leave are provided to ensure that new mothers and fathers can devote time to their families without professional concerns. By extending this support to both genders, we promote equality and balance within the workplace. For us, parental leave is more than compliance, it is a reflection of our culture of care and inclusivity. We ensure that employees returning from leave have access to guidance, flexibility, and a supportive environment. This smooth transition back to work helps them re-engage confidently with their professional goals. Our approach fosters not only employee well-being but also long-term organizational strength. By standing beside our people at such critical moments, we nurture a sense of loyalty, belonging, and trust. In doing so, we build a workplace where family and career can grow together in harmony.

18-29 weeks
of paid parental leave for primary caregivers (exceeding legal requirements)

3 days
of paid parental leave for non-primary caregivers

Parental leave indicators	FY 2024-25			FY 2023-24		
	Male (No.)	Female (No.)	Total	Male (No.)	Female (No.)	Total
Total number of employees that were entitled to parental leave	64	2	66	68	0	68
Total number of employees that took parental leave	64	2	66	68	1	69
Total number of employees that returned to work in the reporting period after parental leave ended	64	2	66	68	1	69
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	64	2	66	63	1	64

Employee Engagement

At Finolex, our employee engagement approach is built on transparency, trust, and shared growth. Inspired by our Founder's philosophy of self-reliance, we have cultivated a culture where employees feel empowered, valued, and connected to a larger purpose, extending this spirit to our dealers, distributors, and customers as well. To strengthen this culture, we introduced the "Dial HR – Happy to Listen" platform, offering a safe space for feedback and concerns, reinforcing openness and inclusivity. Our leaders further drive engagement through continuous communication, ensuring every voice is heard and every employee remains motivated and aligned with the company's vision.

We have institutionalized a framework to recognize and promote positive employee behavior, including initiatives like the Annual Meet, Quarterly Regional Meets

TEAM BUILDING ACTIVITIES

- Monthly Fun Fridays
- Inter-Departmental Cricket Tournament



FAMILY DAYS AT PLANTS

- New Year Celebration
- Gokul Ashtami
- Haldi-Kumkum
- Diwali
- Holi
- Garba







CORPORATE CELEBRATIONS

- Dusshera Festival
- Ganapati Festival
- Women's Day
- Employee Birthday
- Christmas Celebration













Learning and Development

At Finolex, we believe every employee deserves equal opportunities to grow and realize their potential. Our inclusive learning framework covers technical, vocational, communication, and soft skills, empowering employees to stay agile and future-ready. Through internal and external training programs on industry trends, safety, compliance, and new technologies, we build both capability and confidence. By embedding continuous learning into our culture, we foster motivation, innovation, and resilience, driving sustainable excellence across the organization.

100%

Employees Trained on ESG Aspects

23.87

Average hours of training and development

559.97

Average amount spent per FTE on training and development (INR)

35,792

Total Training Hours

Category	Training / Program	Focus Area
Software & Analytics	• Fundamentals of Data Analytics • Basic & Advanced Excel • SAP Modules • Microsoft 365 • MWR Application FIORI	Strengthening digital skills and enabling data-driven decision-making
Technical & Process Excellence	• CHOP Training • Product Training • 3G System of Problem Solving • Total Productive Maintenance (TPM) • Achieving Sustainability through Green Chemistry • Gas Chromatography/ HPLC for polymer analysis • Managing Sales & Channel Distribution in India • OEE Training • Robotics Manufacturing Process Automation in Industry 4.0 • Why-Why- Why (Root Cause Analysis) • Basics, Innovations, and Latest Trends in Plastics Compounding	Enhancing operational efficiency, quality, and process improvement
Professional & Managerial Development	• Managing Change • Managing Customer Relationships • Self Management • Personal Branding • PACE_Manager's Session • Self Management • Leadership and Teamwork	Building leadership, fostering innovation, ensuring compliance, and holistic growth

Employee Development Program

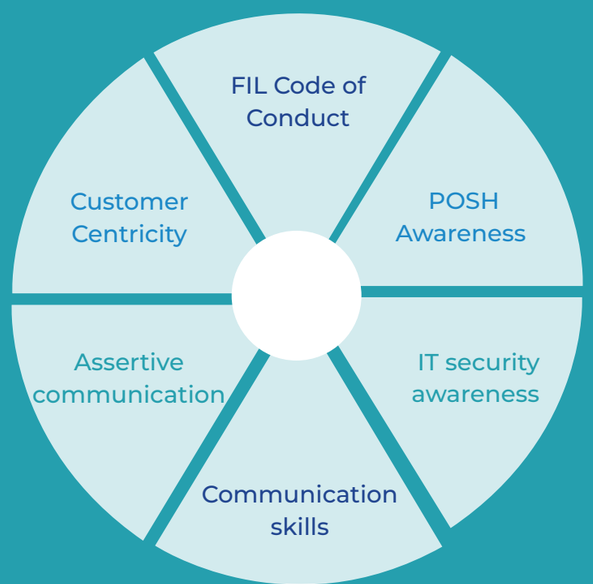
Building Operational Excellence through Total Productive Maintenance (TPM)

We conduct Total Productive Maintenance (TPM) training to enhance employees' technical capabilities and strengthen operational ownership across the organization. By building capability in preventive maintenance, reducing equipment downtime, and promoting continuous improvement, the program improves both workforce proficiency and overall productivity. As a company-wide initiative, TPM has significantly enhanced our manufacturing processes, with measurable business benefits already visible at our Ratnagiri unit

Parameters of Measurement	Units of Measurement	Improvement (%)
OEE	%	7.14%
Production	MT	1.86%
Total Defects	MT	-25.49%
Power consumption	KWh/kg	-6.06%

Finolex Pipes Academy

Our Finolex Pipes Academy serves as a dedicated platform for mandatory compliance learning, ensuring that employees remain up to date with required standards and apply them effectively in their roles. These programs provide a refresher on key topics, enabling employees to approach their responsibilities with greater clarity and awareness. The Academy also offers a broad range of self-paced courses that help individuals strengthen their capabilities and address development needs. Some examples of the programs we deliver include:



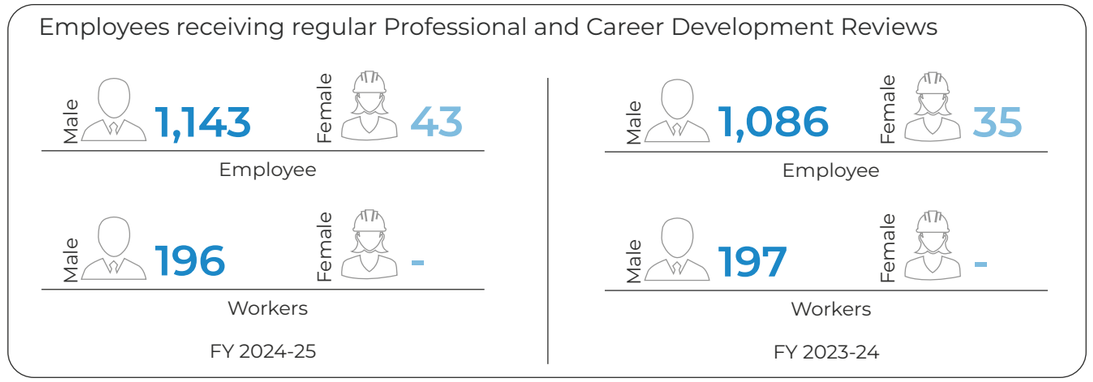
Other Employee Development Programs

Our programs strengthen our ability to stay competitive by equipping employees with current skills and enabling us to fill internal roles more efficiently. They also help us attract high-caliber talent by reinforcing our reputation as an employer that invests in learning and growth. These initiatives improve retention and engagement while building a skilled, adaptable, and innovative workforce. In addition, select interventions provide valuable external exposure and networking opportunities that broaden professional perspectives and support long-term development.

Name and Description of the program	No of participates
PGDBA Program from Symbiosis Centre of Distance Learning.	7
Strategic HR Business Partner Certification	2
Externally led Programs examples -	
1. Managing Sales & Channel Distribution in India	30
2. Robotics Manufacturing Process Automation in Industry 4.0	2
3. Basics, Innovations, and Latest Trends in Plastics Compounding	2

Performance Management

Our performance management system is anchored in meritocracy, transparency, and alignment with organizational goals. Annual performance appraisals and career development reviews are conducted for all employees and workers through our digital platform, ensuring clarity of expectations and fostering continuous growth. Each cycle begins with the setting of SMART goals and KPIs, integrating sustainability metrics across all staff levels. Incentives for mid- and senior-level employees are directly linked to the Company's sustainability achievements, reinforcing accountability and strategic alignment. The review process combines Management by Objectives (MBO), team-based assessments, and ongoing agile conversations held throughout the year to encourage continuous feedback and improvement. Employees receive regular performance insights through KPIs and internal dashboards, enabling progress tracking and informed development. Complementing this, our recognition programs celebrate employees who demonstrate exemplary environmental practices, reinforcing a culture of accountability, motivation, and continuous improvement across the organization.



Rewards and Recognition

At Finolex, we value the dedication and contributions of our people and ensure their efforts are acknowledged meaningfully. Our Rewards and Recognition programs celebrate employees who demonstrate exceptional performance, innovation, or alignment with company values. Recognition is offered through awards, appreciation platforms, and performance-linked incentives, fostering a culture of motivation and excellence. By celebrating achievements, we not only boost morale but also strengthen employee engagement across the organization.

Human Rights at the Core of Our Values

We view respect for human rights as a fundamental responsibility and a non-negotiable part of how we do business. Our approach is guided by our Human Rights Policy and Equal Opportunities Policy, which ensure that every individual associated with Finolex is treated with dignity, fairness, and respect. These commitments are aligned with internationally recognized human rights standards and are embedded in our culture across all operations.

Our human rights commitments extend to all employees, directors, and officers of Finolex and its associate companies. We also expect the same from everyone we do business with — including consultants, distributors, vendors, contractors, and other third parties — and we actively communicate our expectations to ensure compliance throughout the value chain.

Core Principles

We are committed to upholding:

- Prohibition of human trafficking, forced labor, and child labor
- Respect for freedom of association and the right to collective bargaining
- A safe and healthy workplace for all employees
- The right to privacy and protection of personal information
- Zero tolerance toward any form of discrimination

Beyond compliance, we continuously refine our practices, engage with suppliers, and build awareness within our workforce to ensure transparency, accountability, and ethical conduct at every level of operation.

Embedding human rights into our policies and supply chain practices strengthens stakeholder trust and helps us build a responsible, inclusive, and sustainable business.

Human rights assessment covering **100%** of our operations

Human rights assessment covering **58%** of our value chain

We have a company-wide human rights assessment process that applies across our operations and value chain. This framework allows us to identify, monitor, and address risks linked to our business activities in a structured and transparent manner.

In FY 2024-25, we conducted assessments across all our plants and offices under this process and found no significant concerns.

To strengthen our approach, we have established measures to both mitigate and remediate potential human rights impacts. Site-level mitigation plans are developed where required, ensuring that identified risks are addressed proactively and responsibly. All our plants and offices are covered under these mitigation plans, reinforcing consistent implementation and oversight across locations.

As part of our assessment, we also focus on groups that are more vulnerable to human rights challenges. These include our own employees and third-party workers, while also extending to women, children, migrant workers, indigenous people, and local communities. By prioritizing these groups, we reinforce our commitment to applying human rights principles consistently across our operations and supply chain.

Training on Human Rights



All our security personnel receive formal training on the organization's human rights policies and their practical application in daily operations. The training, conducted across all plants, covers key topics such as discipline and behavior, duties, documentation, and security parade. We have achieved 100% coverage of all security personnel under this program.

Freedom of Association and Collective Bargaining

We recognize that open dialogue and representation are essential to building a fair and inclusive workplace. In line with applicable labor laws and company policies, we respect and support the right of our employees to associate freely and to engage in collective bargaining as part of constructive employee relations.

Employees who are part of independent trade unions are represented through formal collective agreements. These agreements clearly outline notice periods, consultation mechanisms, and negotiation processes, ensuring clarity and accountability.

In cases of significant organizational or operational changes that may directly affect employees, we maintain an open and consultative approach. As part of our commitment to transparent communication, we provide a minimum notice period of 30 days to employees and their representatives. For those covered under collective bargaining agreements, the provisions for notice, dialogue, and negotiation are defined within those

agreements, further reinforcing our dedication to employee engagement and trust.

13%

of workforce represented by an independent trade union or covered by collective bargaining agreements



Prevention of Human Trafficking, Child Labor, and Forced Labor

We uphold a strict zero-tolerance policy against child labor, forced labor, and human trafficking. Our due diligence process spans all operations and supply chain locations, consistently showing no significant risks. To uphold this commitment, we enforce stringent supplier onboarding, conduct periodic audits, and run awareness programs to prevent exploitative practices. In FY 2024–25, comprehensive assessments across our facilities and suppliers confirmed no instances of child or forced labor, unsafe conditions for young workers, or rights violations—reinforcing our dedication to ethical and responsible business conduct.

Prevention of Sexual Harassment

We are committed to providing a workplace where every individual is treated with dignity and respect, and where harassment of any kind—physical, verbal, or psychological—is not tolerated. We maintain a strict zero-tolerance stance toward sexual and non-sexual harassment and any behavior that could create an intimidating, offensive, or hostile work environment, including unwelcome or unsolicited advances.

Our Prevention of Sexual Harassment (PoSH) Policy applies to all individuals associated with Finolex, including employees, trainees, apprentices, contract workers, vendors, and visitors at our facilities. To ensure effective implementation, we have established a dedicated Internal Complaints Committee, and all reported concerns are investigated promptly with strict safeguards to protect confidentiality and the safety of the complainant. We also conduct mandatory training to raise awareness and reinforce our zero-tolerance approach across the workforce.

During the reporting period, no cases of sexual harassment were reported, reflecting the effectiveness of our preventive measures and the culture of trust within our workplace.

Employee Satisfaction

At Finolex, we recognize that employee well-being is a critical driver of organizational performance. To capture authentic insights, we conduct regular, company-wide surveys that measure workplace satisfaction, engagement levels, and overall well-being. These surveys also serve as a direct channel for employees to share feedback with leadership, enabling us to act quickly on concerns raised.

The employee survey assesses four key dimensions - Job Satisfaction, Purpose, Happiness, and Stress. It covers areas such as professional growth, meaningful work, recognition, and well-being. The survey helps Finolex understand how employees perceive their development opportunities, engagement, workplace environment, and overall balance between work and personal life.

Indicators	FY 2024-25	FY 2023-24
% of employees who responded to the survey	92%	87%
Employee Net Promoter Score (eNPS)	75	77

Occupational Health & Safety

For Finolex, safeguarding people is not just a compliance requirement but a cornerstone of how we operate. Every individual connected with our business- employees, contractors, or those working under our supervision, is covered under our Integrated Management System (ISO 9001, 14001, 45001) policy, which is endorsed by Executive Management and applied consistently across all operations.

Our approach, strengthened by ISO 45001 certification, blends regulatory compliance with global best practices, including international standards, voluntary programs, and collective agreements. More importantly, we foster a culture of participation, where workers and their representatives are actively consulted and encouraged to contribute to building a safer workplace.

This culture is reinforced through clearly defined roles and responsibilities, regular training, and performance evaluations that hold all stakeholders accountable. We design prioritization and action plans and establish quantitative OHS performance targets to continually raise our safety standards. Incidents and unsafe conditions are closely monitored, with corrective actions taken promptly and procedures audited regularly to ensure learning and improvement.

Occupational Health and Safety is treated as a dynamic and continuously improving system, strengthened through collaboration and open dialogue with workers and their representatives. By setting clear priorities, developing actionable plans, and defining measurable performance targets, Finolex ensures that its OHS framework remains proactive, resilient, and closely aligned with the well-being of every individual contributing to its success.

The robustness of our OHS practices is further reinforced through regular internal inspections/ audits and independent external verification.









OHS Governance

To promote participation and transparency in safety management, we have established a Safety Committee comprising executive members and worker representatives, supported by equal joint management–worker committees that collaborate across functions to address safety priorities and meet quarterly basis. Led by the Committee Chairman, discussions and decisions are guided by our broader safety goals and organizational vision. As per the requirement, more safety committees are formed to give representation to frontline employees.

Each meeting serves as a forum for open dialogue, where members review safety initiatives, assess key activities, and track action plans. Observations and suggestions shared during these meetings drive continuous improvement, while outcomes and shared with stakeholders to ensure accountability and follow-through. These committees meet at defined intervals to maintain consistent oversight.

The following outlines the key responsibilities of the Safety Committee and joint committees in ensuring collaboration, oversight, and continuous improvement in workplace safety.

1. Support Health & Safety Goals Collaborate with management to achieve objectives outlined in the IMS Policy.	**2. Resolve Safety & Environmental Issues** Address health, safety, and environmental concerns and provide practical solutions.	**3. Lead by Example** Act as a safety role model within the department.	**4. Engage with Employees** Coordinate with staff to identify safety-related challenges they face.
5. Raise Issues in Review Meetings Present safety concerns during monthly departmental review meetings.	**6. Escalate Unresolved Matters** Bring unresolved safety issues from DRM to the Safety Committee.	**7. Ensure PSM Compliance** Monitor adherence to applicable Process Safety Management (PSM) elements and discuss deviations with element champions.	**8. Coordinate Safety Activities** Work with the department's plant safety coordinator to ensure compliance with safety protocols and address observations.
9. Promote Safety Awareness Actively participate in safety campaigns such as Safety week, Road Safety Week, Fire Service Week, and Chemical Disaster Prevention Safety Day.	**10. Lead Safety Training** Serve as a training faculty member and encourage participation in sessions on PSM, fire prevention, workplace safety, and personal safety.	**11. Facilitate External Training** Attend external safety programs and assist the HOD in nominating other employees for such training.	**12. Conduct Safety Surveys** Perform health and safety surveys and identify root causes of accidents.
13. Review Safety Reports Analyze reports from audits, risk assessments, emergency plans, and implement recommended actions.	**14. Participate in Investigations** Join investigation teams when required to assess incidents.	**15. Respond to Safety Complaints** Investigate complaints regarding imminent dangers and recommend corrective actions.	

Occupational Health and Safety Management System as part of IMS

At Finolex, we are committed to ensuring a safe and healthy workplace across all our plants and offices through our Integrated Management System (IMS) Policy aligned with ISO 9001 (Quality), ISO 14001 (Environment), and ISO 45001 (Occupational Health and Safety) standards. Regular audits and periodic system updates help us stay compliant with evolving legal requirements and industry best practices.

Our comprehensive Occupational Health and Safety Management System (OHSMS), integrated within the IMS, adheres to key regulatory frameworks such as the Factories Act, 1948; the Occupational Safety, Health and Working Conditions Code (OSH Code), 2020; and the Environment Protection Act, 1986. The system applies to all employees, contract workers, and visitors, covering functions including production, maintenance, logistics, administration, and support services across manufacturing units, workshops, warehouses, offices, etc.

Through structured processes for hazard identification, risk assessment, safety procedures, and continuous performance monitoring, we ensure the protection of all personnel, maintain full legal compliance, and drive continuous improvement in quality, environmental, and safety outcomes, reinforcing our commitment to operational excellence and employee well-being.

Our robust Process Safety Management (PSM) framework, comprising 11 elements and 27 procedures, guides how we manage workplace risks. It ensures structured risk assessments, hazard controls, and adherence to standard operating and maintenance procedures. It also focuses on equipment reliability and enforces safe work practices across critical activities, including material handling, transportation, lifting operations, and the use of personal protective equipment (PPE).

We prioritize and integrate action plans with quantified targets to address identified occupational health and safety risks, ensuring a systematic and proactive approach.

Managing Work-Related Hazards

At Finolex, we take a holistic approach to wellbeing, protecting our employees and workers from both work-related injuries and ill health. Our efforts begin with structured risk assessments, safety audits, medical surveillance, and open dialogue to proactively identify hazards.

Guided by the hierarchy of controls, we focus on eliminating or substituting hazards, strengthening engineering and administrative measures, and ensuring the use of proper protective equipment. Regular health check-ups, ergonomic assessments, awareness programs, and emergency drills further reinforce our commitment to safeguarding the workforce and promoting long-term wellbeing.

Hazard Identification, Risk Assessment and Incident Investigation

Our processes are continuously strengthened through internal audits, documentation reviews, and improvement initiatives, ensuring consistency and reliability. Risk and hazard assessments form the foundation of this approach, supported by prioritized action plans with quantified targets and robust emergency preparedness systems to ensure swift response in crisis situations.

To strengthen our safety culture, we follow the Process Safety Management (PSM) 2.0 framework to identify and assess hazards in both routine and non-routine operations. Given the complexity and risks involved, we apply advanced Process Hazard Analysis (PHA) techniques, such as:

Hazard and Operability (HAZOP) Study: Systematic examination of Piping and Instrumentation Diagrams (P&IDs) to identify hazards, potential failures, and recommendations	**Failure Modes and Effects Analysis (FMEA):** Applied to critical equipment and processes to identify failure modes, assess their effects, and design preventive controls.	**Fault Tree Analysis (FTA):** Used to analyze how systems can fail, prioritize corrective measures, and reduce risks.
What-if Method: Applied to critical equipment to evaluate potential failure modes and prevent hazardous situations.	**Job Safety Analysis (JSA)/ Task Risk Analysis:** Conducted for all high-risk and critical jobs.	**Hazard Identification and Risk Analysis (HIRA):** Maintained through a dedicated register for each critical activity.

Hazards are identified through a proactive and multi-faceted approach which includes:

Hazard Identification Process		
Regular inspections	Incident investigations	Employee feedback
Unsafe conditions reporting	Safety walk & audit	Management of Change (MOC) procedures

The results of our hazard identification and risk assessment processes are used to evaluate and continually improve our practices. By closely monitoring incident trends, audit findings, and performance metrics, we uncover gaps, recurring challenges, and opportunities to enhance our Occupational Health and Safety Management System (OHSMS). Guided by frameworks such as ISO 45001 and the Plan-Do-Check-Act (PDCA) cycle, we assess whether safety objectives are being met and if our controls are effective. The insights we gain drive corrective and preventive actions, updates to protocols, and refinements to training programs, creating a living feedback loop. This approach ensures our OHSMS evolves with our operations, remains fully compliant with regulations, and actively fosters a safer, healthier workplace for all.

At Finolex, we recognize that strong systems rely on skilled people. We ensure workforce

competency through defined qualification criteria covering education, training, and hands-on experience. From onboarding to role-specific and refresher training, employees are guided and regularly evaluated for performance. By combining expertise with robust process management, we uphold safety, compliance, and operational excellence across all functions.

Safety Incidents

At Finolex, we recognize that certain work-related hazards can pose risks to employee health and safety. In line with IS: 3786, which provides standardized methods for identifying, assessing, and recording occupational accidents and hazards, we take a structured and proactive approach to minimize such risks.

During the reporting period, one Lost Time Incident (LTI) was reported at our Badhalwadi fittings facility. The LTC occurred during a mold change operation, prompting a detailed investigation and corrective measures. These included reducing daily size changes, suspending mold changes during silent hours, ensuring proper rail alignment, and restricting rack access to authorized personnel. We also strengthened training through updated SOP videos and regular refresher sessions to reinforce safe work practices.

LTIFR for Employees & Contractors	FY 2024-25	FY 2023-24
Employees		
LTIFR (lost time injuries / 1 million hours worked)	0	0
% of employees	100	100
Contractors		
LTIFR (lost time injuries / 1 million hours worked)	0.19	0
% of operations	100	100

At Finolex, process safety is managed through globally recognized reporting elements that track predictive events and help prevent severe incidents. A Tier 1 Process Safety Event, the industry-wide benchmark for high-severity incidents, is a key indicator of our performance. Through robust systems, risk assessments, emergency preparedness, and training, we have built a strong culture of prevention. In FY 2024–25, and consistently for the last three financial years, Finolex recorded zero Tier 1 Process Safety Events across all operations, underscoring our commitment to safety and continuous improvement.

Health and Safety Trainings & Initiatives

We place strong emphasis on creating a culture where safety is second nature. To achieve this, we provide continuous OHS training to our employees, workers, and other stakeholders, enabling them to anticipate risks, prevent incidents, and integrate safe practices into their daily routines.To improve safety consciousness, we include various competitions like Chalta-bolta quiz, Interdepartmental Quiz competitions, extempore speech, learning from incidents. We also participate in CCPS program by presenting case studies.

Our occupational health and safety trainings focus on both awareness and preparedness. They are designed to help individuals not only prevent incidents but also respond effectively in case of an emergency. These trainings go beyond compliance; they aim to foster a mindset where every member of the workforce takes ownership of their own safety and that of their colleagues.

OHS Awareness Programs		
National Safety Week	Fire Services Week	Audits
Inspections	Mock Drills	First Aid Training
Chemical Disaster Prevention Day	Road Safety Week	Case Study Presentations

We ensure that all workers across our sites are equipped with the knowledge and awareness to navigate potential workplace risks safely. Through practical and scenario-based learning, they gain a clear understanding of how to manage hazardous situations effectively. The specific training programs provided in this regard are as follows.

OHS Training Programs		
Fire prevention	Material handling	Personal Protective equipment's
General SHE rules	Unsafe Condition Reporting (UCR) reporting and hazard identification during the Job	Self-Contained Breathing Apparatus (SCBA) set handling
WAH – Work at height safety	HIRA – Hazard identification and risk assessment	

Workers are trained and encouraged to promptly identify and report physical, chemical, biological, ergonomic, and psychosocial hazards, enabling potential risks to be addressed proactively. The steps for reporting hazards and hazardous situations are as follows:

Multiple Channels to Report Hazards		
Verbal reporting to supervisors	Written reports	Digital reporting systems
Anonymous suggestion boxes	Review Meetings	

Workers are fully empowered to report hazards or unsafe conditions without fear of retaliation. If they encounter a situation that poses a serious risk of injury or ill health, they have the right to stop work and step away to a safe area. Comprehensive training ensures they know how to act—pause work, move to safety, and immediately notify their supervisor. Our policies, reinforced by leadership commitment, guarantee that good-faith reporting will never result in punishment. Confidentiality is respected, and every concern is addressed promptly. This approach builds a culture of trust, transparency, and shared responsibility for safety.

Employee Health & Wellbeing

At Finolex, we believe that well-being goes beyond workplace safety—it encompasses the overall health and security of our employees and workef To support this, we have established medical centers and first aid facilities across our operations, ensuring immediate care when needed. All employees and workers are also covered under group mediclaim and accident insurance policies, providing comprehensive health protection and financial support.

We promote voluntary health and wellness programs that address non-work-related risks through preventive health check-ups, sports events, fitness sessions, and mental health awareness initiatives.

Wellness Programs		
Cancer Awareness	Kidney Ages	Nutrition, Health & Wellness
Pulmonology-Quality Sleep & Sleep Disorders	Wellness Session on Ergonomics	

These programs encourage employees to take proactive steps toward their well-being, contributing to a healthier and more resilient workforce.

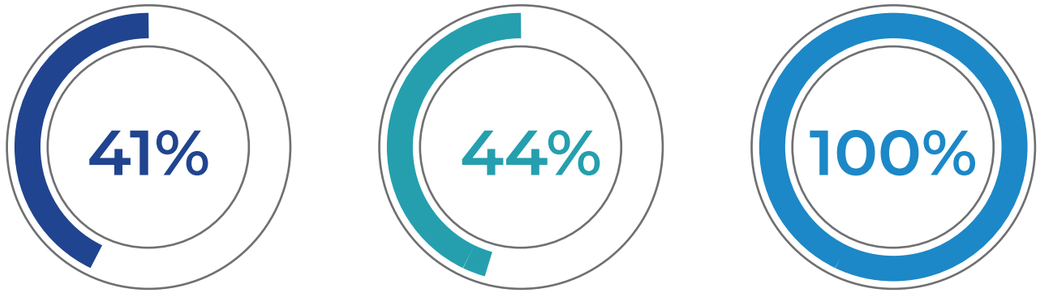
Through these initiatives, we aim to create a supportive environment that safeguards the health, safety, and overall well-being of our workforce.

202 Participant
Stress Management through Naturopathy

66 Participant
Stress Management

233 Participant
Digital Stress and addiction

Supply Chain Management



Procurement (by spend) Sourced from within India

Value Chain Partners Assessed on ESG Aspects

Employees Trained on ESG Aspects

At Finolex, supply chain management is central to our operations and sustainability vision. We believe that a responsible and resilient supply chain not only strengthens our business but also creates positive impacts on the environment and the communities we serve. Guided by our Supplier Code of Conduct, we uphold the highest standards of ethics, governance, and accountability across our network of suppliers. The Code emphasizes compliance with laws, zero tolerance for bribery and corruption, prohibition of child and forced labor, and a strong commitment to workplace safety, transparency, and environmental stewardship.

To embed sustainability at every stage, we focus on managing risks, enhancing transparency, and fostering collaboration with suppliers. Through sustainable sourcing, robust engagement, and comprehensive screening and assessment processes, we ensure that our supply chain remains efficient, ethical, and environmentally conscious. In doing so, we not only reduce our ecological footprint but also drive collective progress in line with our commitment to responsible growth.

Supplier Onboarding & Assessment

We engage with both international and national suppliers to ensure alignment with our environmental, health, safety, and human-rights standards from the outset. Suppliers are screened against defined environmental and social criteria and receive a sustainability induction during onboarding. Assessments are tailored by category, with sustainability report reviews for international suppliers and structured self-assessment questionnaires (SAQs) and targeted reviews for high-impact national suppliers. All contracts include strict compliance clauses, reinforcing our zero-tolerance approach to non-compliance across the value chain.

62%
of our supplier base has been assessed

Supplier Engagement Programs

At Finolex, we view our suppliers as partners in progress, integral to advancing our sustainability journey. By collaborating closely, we not only uncover opportunities for improvement but also foster innovation and build resilience across our supply chain. Every supplier is required to embrace our Supplier Code of Conduct as part of their contractual agreement, ensuring that ethics, governance, and environmental responsibility remain at the forefront of our operations. To strengthen accountability, we maintain a dedicated channel for reporting any concerns or violations, reinforcing transparency in all supplier interactions.

We engage with our suppliers through:



Supplier Screening KPIs	FY 2024-25
Total number of Tier-1 suppliers	82
Percentage of new suppliers that were screened using social criteria	10%
Total number of significant suppliers in Tier-1	14
% of total spend on significant suppliers in Tier-1	83%
Total number of significant suppliers in non Tier-1	0
Total number of significant suppliers (Tier-1 and non Tier-1)	14

In FY 2024-25, no significant risks were identified, confirming that our supply chain aligns with our stringent sustainability standards

Supply Chain Resilience

Supply chain resilience refers to an organization's ability to anticipate, adapt to, and recover from disruptions while maintaining continuous operations and service delivery. It ensures that external shocks, such as geopolitical instability, trade restrictions, or material shortages, do not compromise business continuity.

At Finolex, we view supply chain resilience as a strategic priority that safeguards both operational stability and customer trust. Given the chemical and pipe manufacturing industry's dependence on global sourcing for critical raw materials like PVC resin, stabilizers, and additives, we have adopted a forward-looking approach to minimize vulnerability. Traditionally reliant on suppliers from the Middle East, we are strategically expanding our network to include Western regions like the USA, Europe, and Southeast Asian nations that offer more stable and reliable trade conditions. This approach helps us reduce dependency on a single region, strengthen our operational resilience, and ensure a steady, uninterrupted flow of materials to support seamless manufacturing operations.

Customer Relationship Management

At Finolex, our commitment to customers extends far beyond delivering products—it is about building relationships grounded in trust, quality, and sustainability. Every step we take, from designing innovative products to providing seamless service, reflects our focus on meeting customer needs while minimizing environmental impact.

We integrate sustainability into our customer engagement through our CRM framework and cutting-edge R&D. This allows us to develop solutions that are both effective and environmentally responsible, while clear communication ensures our customers understand the positive impact of their choices.

Listening to our customers is central to our approach. Through surveys, emails, our toll-free helpline, and regular interactions, we gather feedback to refine product quality and service. This ongoing dialogue helps us anticipate evolving needs, address concerns promptly, and strengthen partnerships, ensuring that our offerings consistently exceed expectations and foster long-term loyalty.

Customer Satisfaction

At Finolex, we make it a priority to hear directly from our customers and understand what matters most to them. We measure satisfaction using relevant metrics and monitor our performance to ensure we are consistently meeting their expectations. Annual surveys capture insights across product quality, service efficiency, and overall customer experience, helping us fine-tune our operations and stay ahead of emerging trends.

The target for FY 2024-25 was 90%, reflecting our commitment to continuously enhance customer satisfaction. This ongoing cycle of listening, learning, and improving ensures that customer delight remains at the heart of everything we do.

Customer satisfaction indicator	FY 2024-25	FY 2023-24
% of satisfied customers/ tenants	94.02%	96%
% of Customers	69%	66%

Building Trust Through Transparency

At Finolex, we see transparency as more than just a principle, it's the foundation of the trust we share with our customers. Every step we take on our sustainability journey, from reducing our carbon footprint to conserving resources, is something we openly communicate. By sharing these efforts, we not only demonstrate accountability but also invite our customers to be part of our journey toward a greener, more sustainable future.

Our employees are the storytellers of this journey. Through ongoing training, they are empowered to share our sustainability initiatives with clarity and confidence, ensuring that every interaction, whether casual or formal, reinforces the message that sustainability is at the heart of everything we do.

We actively collaborate with our customers and stakeholders, promoting responsible product usage and raising awareness of sustainable practices, as highlighted in the table below.

For our water-intensive products and services, we guide our customers on responsible usage and disposal, while encouraging circular water practices like reuse and recycling in downstream applications.

Safe Products, Clear Labeling

At Finolex, we treat product safety and quality as an uncompromising priority. Guided by our Quality Policy, we are committed to delivering products with built-in quality that not only comply with statutory, regulatory, and QMS requirements but also go beyond them to safeguard customer trust. Clear quality objectives, aligned with our strategic direction, ensure that every aspect of our operations is accountable to this promise.

100%

of significant product and service categories for which health and safety impacts are assessed for improvement

To uphold the highest standards, we embed health and safety considerations at every stage of the product lifecycle-design, evaluation, and delivery. Regular reviews and continual improvements strengthen our systems, ensuring that our products remain reliable, safe, and aligned with the evolving needs of our customers.

In FY 2024–25, this commitment translated into strong results: zero product recalls due to safety concerns and zero incidents of non-compliance related to product health and safety impacts, labeling, or market communication. All product packaging also carries clear guidance on responsible usage, environmental and social parameters, and safe disposal, ensuring that every Finolex product contributes to the wellbeing of people and the planet.

Corporate Social Responsibility

At Finolex, we are driven by the vision of creating meaningful and enduring impact through collaboration that goes beyond boundaries.

This vision comes to life through our partnership with the Mukul Madhav Foundation (MMF), our dedicated CSR arm. Together, we work to foster growth that extends beyond economic progress- touching lives, strengthening communities, and empowering humanity at its core.

Partnership for Inclusive Growth

The Mukul Madhav Foundation (MMF), a registered charitable trust established in Pune in 1999, has been a force for positive change across India. Our partnership with MMF began in 2014, born from a shared vision to create meaningful, lasting progress. What started near our factories and communities soon expanded far beyond - reaching new regions, new challenges, and new opportunities to make a difference.

Now, with over a decade of collaboration and a footprint across 24 Indian states, our mission remains clear - to empower vulnerable and underserved communities to lead healthier, more dignified lives. Together, we focus on creating sustainable impact through education, healthcare, sanitation, environmental action, and social welfare.

At the core of everything we do are three guiding principles: dignity, inclusion, and self-reliance. These values define how we approach every project and every partnership. We start by listening - understanding what communities truly need before taking action. As Mrs. Ritu Prakash Chhabria, Managing Trustee and Co-founder of MMF and Director at Finolex Industries, often says, “We first listen to the beneficiaries — only then do we act.”

Turning Vision into Impact

At Finolex Industries, we see Corporate Social Responsibility as an extension of our purpose, not just a policy to fulfill. Through the Mukul Madhav Foundation (MMF), we turn this purpose into action by reaching people with empathy, respect, and a drive to create meaningful, lasting change.

Our partnership with MMF helps us deliver impact where it matters most- in communities that need it the most. Whether it’s strengthening healthcare systems in rural areas, improving access to clean water and sanitation, enhancing learning environments, providing youth with employable skills, or empowering women farmers, each initiative begins with understanding real community priorities.

By collaborating with trusted local partners, we focus on building stronger, more resilient communities that are grounded in dignity, opportunity, and self-reliance. Every project is a step toward a future where progress is shared by all.

Recognition That Reflects Real Impact

The recognition that matters most to us doesn’t always come in the form of awards or honors, but in the quiet, everyday moments that affirm our purpose - a parent placing their trust in us for their child’s therapy, a student expressing gratitude for a scholarship, or the relieved smile of a woman farmer free from debt. These moments define the true measure of our impact.

We remain sincerely thankful for the continued confidence placed in us by local government authorities and our network of on-ground partners across India. Their unwavering collaboration enables us to deliver meaningful initiatives and extend our reach to communities that need it most.

Shaping the Future with Purpose

Key Highlights FY25

24
Indian states and four Union Territories where we are active.

1,00,000+
Beneficiaries supported through public health initiatives.

17,765
Residents in Maharashtra and Gujarat benefited from water security projects.

10,763
Trees planted in Maharashtra and Gujarat.

2,463
Persons with disabilities supported with therapy, surgeries, and rehabilitation in Assam, Tamil Nadu, Maharashtra, Gujarat, Goa, Karnataka, Madhya Pradesh, Rajasthan, and Jharkhand

15,444
Olive Ridley turtle eggs protected in Ratnagiri, Maharashtra

16,360
Beneficiaries received monthly rations, diapers, and mid-day meals across Maharashtra, Gujarat, Karnataka, and Rajasthan

6,169
Farmers empowered through legal aid, seed donation, training, and entrepreneurial skills in Maharashtra, Gujarat, Odisha, and Tripura.

3,950
Students supported under the WASH (Water, Sanitation and Hygiene) initiative across Bihar, Rajasthan, Tamil Nadu, and Maharashtra

3
New Period Positive Holiday Homes constructed in the tribal area of Gadchiroli, Maharashtra, in continuation of the ongoing commitment to support menstruating women whose families have abandoned them. Now totaling 24, these homes offer monthly comfort, care, and a dignified stay, along with opportunities for skill development, ensuring a safe and supportive environment for women in need.

342
Artisans seeking sustainable livelihoods supported across India.

14,000
Individuals reached across six blocks in four districts of Bihar under the 'Child-Friendly Villages in Bihar' program. A child-friendly village creates a safe, supportive environment that promotes child protection, education, and community resilience.

Source:
United Nations, Mission Cerebral Palsy, Skills and Livelihoods Initiatives, Niti Aayog

Empowered People, Empowered Nation

The United Nations Sustainable Development Goals (UN SDGs), adopted in 2015, offer a shared global framework for tackling some of the world's most pressing challenges, from poverty and inequality to climate change and environmental stewardship. India has not only endorsed these goals but has integrated them into its national agenda, particularly through the CSR provisions of the Companies Act, 2013. At Finolex, we view this as both a responsibility and an opportunity to contribute meaningfully to global progress.

Through MMF, we ensure that our CSR initiatives are closely aligned with the UN SDGs, connecting national priorities with on-the-ground realities. In FY25, MMF's programs contributed to all 17 Sustainable Development Goals and addressed 15 of the 16 recognized CSR focus areas, reinforcing our commitment to holistic, inclusive, and sustainable development.



SDG 1: End poverty in all its forms everywhere



SDG 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture

In alignment with SDG 1 – No Poverty, SDG 2 – Zero Hunger, we are committed to addressing the interconnected challenges of hunger, poverty, and sustainable livelihoods. Through MMF, we focus on improving food security, promoting sustainable agriculture, and enabling communities to become self-reliant.

To advance this commitment, we have implemented a range of initiatives across India. These include livelihood and agricultural support programs for widows in Osmanabad, nutrition support for schoolchildren in Palghar, monthly grocery distributions across multiple states, and mid-day meal programs in urban and semi-urban areas. Together, these initiatives help combat hunger while strengthening community resilience and fostering long-term self-reliance.



Children from 10 Zilla Parishad schools in Mokhada, Palghar, Maharashtra, received daily soya milk to combat early-stage malnutrition and support their foundational health



Supply of monthly groceries to over 65 institutions across 5 states.

SDG 3: Ensure healthy lives and promote well-being for all at all ages

In alignment with SDG 3 – Ensure healthy lives and promote well-being for all at all ages, we are dedicated to improving access to quality healthcare across India. At Finolex, together with MMF, we are dedicated to expanding access to quality healthcare through strategic partnerships that emphasize prevention, early detection, and rehabilitation. Our efforts focus strongly on maternal and child health while ensuring that people in rural, tribal, and economically challenged urban communities receive the care and support they deserve.

Our initiatives span a wide spectrum—from health and nutrition interventions, cancer care, and maternal health to surgeries, dialysis support, and awareness programs. Partnering with hospitals, NGOs, and health experts, we deliver specialized care to underserved communities in both rural and urban regions.

Together, these programs represent our commitment to building a healthier, more resilient society, where healthcare access and well-being are a shared reality for all.




Health and nutrition interventions in Gadchiroli, Maharashtra, reached mothers, children, adolescents, and youth that promoted reproductive health awareness and positive behavioral change




SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

In alignment with SDG 4 – Quality Education, Finolex Industries and MMF are committed to advancing inclusive and equitable education through a range of focused initiatives. Our efforts include upgrading school infrastructure, supporting foundational learning in early grades, and enhancing teacher capacity across states. We provide scholarships and financial assistance to underprivileged students pursuing primary to professional education, while also introducing CET coaching to prepare youth for future opportunities. From improving classrooms and digital facilities to supporting agricultural, engineering, and medical students, our programs are designed to bridge educational gaps, strengthen learning environments, and nurture lifelong learning for all.





Students across India benefitted from enhanced school infrastructure, including new benches, solar panels, RO filters, toilets, computers, warm clothing, and learning materials



Solar panels installed at Mukul Madhav Vidyalaya, Ratnagiri, Maharashtra



Morning prayer assembly at Mukul Madhav Vidyalaya, Ratnagiri, Maharashtra

SDG 5: Achieve gender equality and empower all women and girls. This also addresses various aspects of gender equality, including discrimination, lack of access to resources and opportunities

In alignment with SDG 5 – Gender Equality, Finolex Industries and MMF promote gender equity by enhancing access to opportunities, safety, and dignity—especially for individuals from underprivileged and tribal communities.

Our initiatives span a wide range of impactful programs, including skill-building for women in agriculture; mental health and suicide prevention support; and rehabilitation for survivors of gender-based violence. We also conduct menstrual hygiene initiatives and provide bicycles to schoolgirls to improve mobility and reduce dropout rates.

Together, these efforts create pathways for individuals to achieve economic independence, social empowerment, and equal participation in community development.







Women farmers in Maharashtra, Uttar Pradesh, and Gujarat received training in sustainable agriculture and skill-building, nurturing self-reliance and improved rural livelihoods.

SDG 6: Ensure availability and sustainable management of water and sanitation for all

In alignment with SDG 6 – Clean Water and Sanitation, we focus on ensuring equitable access to safe drinking water, improved sanitation, and sustainable water management practices in water-stressed and marginalized regions. Through MMF, we have implemented the WASH (Water, Sanitation, and Hygiene) initiative in schools to enhance hygiene awareness and infrastructure, and have undertaken community water conservation projects such as pond desilting and dam restoration. These efforts not only improve access to clean water but also support agricultural sustainability and enhance the quality of life for local communities.



Students across five locations in India benefitted from WASH initiatives promoting safe water, sanitation, and hygiene through school infrastructure and partner support



Drinking water project by MMF



Construction of well and support of pipeline for water project in Latur for those affected by HIV



Desilting, cement nala bund construction, and dam restoration projects

SDG 7: Ensure access to affordable, reliable, sustainable, and modern energy for all

In alignment with SDG 7 – Affordable and Clean Energy, we advanced access to renewable energy through targeted solar initiatives. A 4 kW rooftop solar system installed at a student hostel in Gujarat provides clean power and long-term energy savings, while a solar-powered drinking water pump in a tribal region of Madhya Pradesh ensures reliable access to clean water. Together, these interventions promote sustainable energy use and improve quality of life in underserved communities.



Installation of solar rooftop (4kW) at Ram Kumar Hostel in Mobha, Gujarat.



A solar-powered pump was installed in Devrai, Madhya Pradesh, providing clean drinking water and promoting sustainable energy use in tribal communities

SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

In alignment with SDG 8 – Decent Work and Economic Growth, we are committed to fostering inclusive and sustainable economic opportunities for marginalized communities. Through MMF, we empower artisans, women, and youth by expanding their access to skill development and market opportunities. From organizing fairs such as the Yellow Ribbon and Virasat Kalagram to supporting vocational training in rural regions and partnering with FICCI FLO chapters across India, our initiatives promote entrepreneurship, skill development, and dignified employment, driving long-term economic resilience.



Artisans were given various platforms by MMF to showcase and sell their creations

SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation

In alignment with SDG 9 – Industry, Innovation and Infrastructure, we supported early-stage innovation by providing operational assistance to the SciTech Park in Pune, an incubator established by the Government of India and the University of Pune. This support enabled incubatees to develop scalable and sustainable technology solutions, strengthening local entrepreneurship and innovation.

SDG 10: Reduce inequality within and among countries

In alignment with SDG 10 – Reducing Inequalities, Finolex Industries and MMF promote social inclusion by supporting individuals with multiple disabilities through access to education, assistive tools, and employment opportunities. In collaboration with partners such as Sense International India and Cure International India Trust, the initiatives focus on rehabilitation, early intervention, and awareness programs across several states. These efforts have benefited over 3,300 individuals, including children with deaf blindness and clubfoot, fostering accessibility, inclusion, and equal opportunities for all.



Children with cerebral palsy benefitted from physiotherapy, speech therapy, and occupational therapy at nine rehabilitation centres under the Mission Cerebral Palsy initiative.



Participants at the 10th Sense Cyclothon in Ahmedabad, Gujarat to raise awareness on disability inclusion

SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable

In alignment with SDG 11 – Sustainable Cities and Communities, Finolex Industries and MMF take a proactive approach to disaster relief by swiftly mobilizing aid through trusted local partners and collaborating with local authorities. Their timely interventions, including the distribution of emergency relief materials, hygiene kits, and shelter supplies in Bajali (Assam) and Pune (Maharashtra), helped minimize immediate hardship and supported long-term recovery. Through these efforts, over 4,700 individuals received essential aid, strengthening community resilience and fostering safer, more sustainable settlements.



Disaster response initiative in Bajali, Assam and Pune, Maharashtra

SDG 12: Ensure sustainable consumption and production patterns

In alignment with SDG 12 – Responsible Consumption and Production, we advance resource-efficient practices through MMF initiatives such as installing LED streetlights in rural areas. These efforts reduce energy consumption and carbon emissions while promoting responsible resource use and environmentally conscious growth.



LED lights installed at LOLA village in Vadodara district, Gujarat

SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development

In alignment with SDG 14 – Life Below Water, Finolex Industries and MMF are dedicated to conserving marine ecosystems through community engagement and environmental stewardship. Key initiatives include beach and river cleaning drives in Maharashtra, turtle conservation in collaboration with the Ratnagiri Forest Department.



Students from Mukul Madhav Vidyalaya participated in Bhatye Beach Cleaning, Ratnagiri, Maharashtra



Olive Ridley Turtle project site

SDG 13: Take urgent action to combat climate change and its impacts

SDG 15: Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and biodiversity loss

In alignment with SDG 13 – Climate Action, SDG 15 – Life on Land, Finolex Industries and MMF are dedicated to conserving terrestrial ecosystems through large-scale tree plantation programs across Maharashtra, Rajasthan, and Gujarat. Additionally, animal welfare initiatives in Vadodara and Pune support sustainable livestock care. Together, these efforts foster biodiversity preservation, climate resilience, and long-term ecological balance.



Spouses of Finolex employees, along with the Finolex team in Ratnagiri, participated in a tree plantation drive



Finolex Industries' Senior Management team participated in Tree plantation and inauguration of water conservation project at Khadakwasla Dam, Pune Maharashtra



Cows supported with fodder and basic care in Maharashtra and Gujarat

SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

In alignment with SDG 16 – Peace, Justice and Strong Institutions, Finolex Industries and MMF are dedicated to protecting the rights and well-being of children and women through targeted grassroots programs. Key initiatives include the Child-Friendly Villages project in Bihar, which promotes child protection and education; outreach and rehabilitation of vulnerable children in Delhi and Ghaziabad; and empowerment programs for women and adolescent girls in Delhi's slum areas. These efforts collectively strengthen community resilience, safeguard vulnerable groups, and promote inclusive, safe, and just societies.

SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

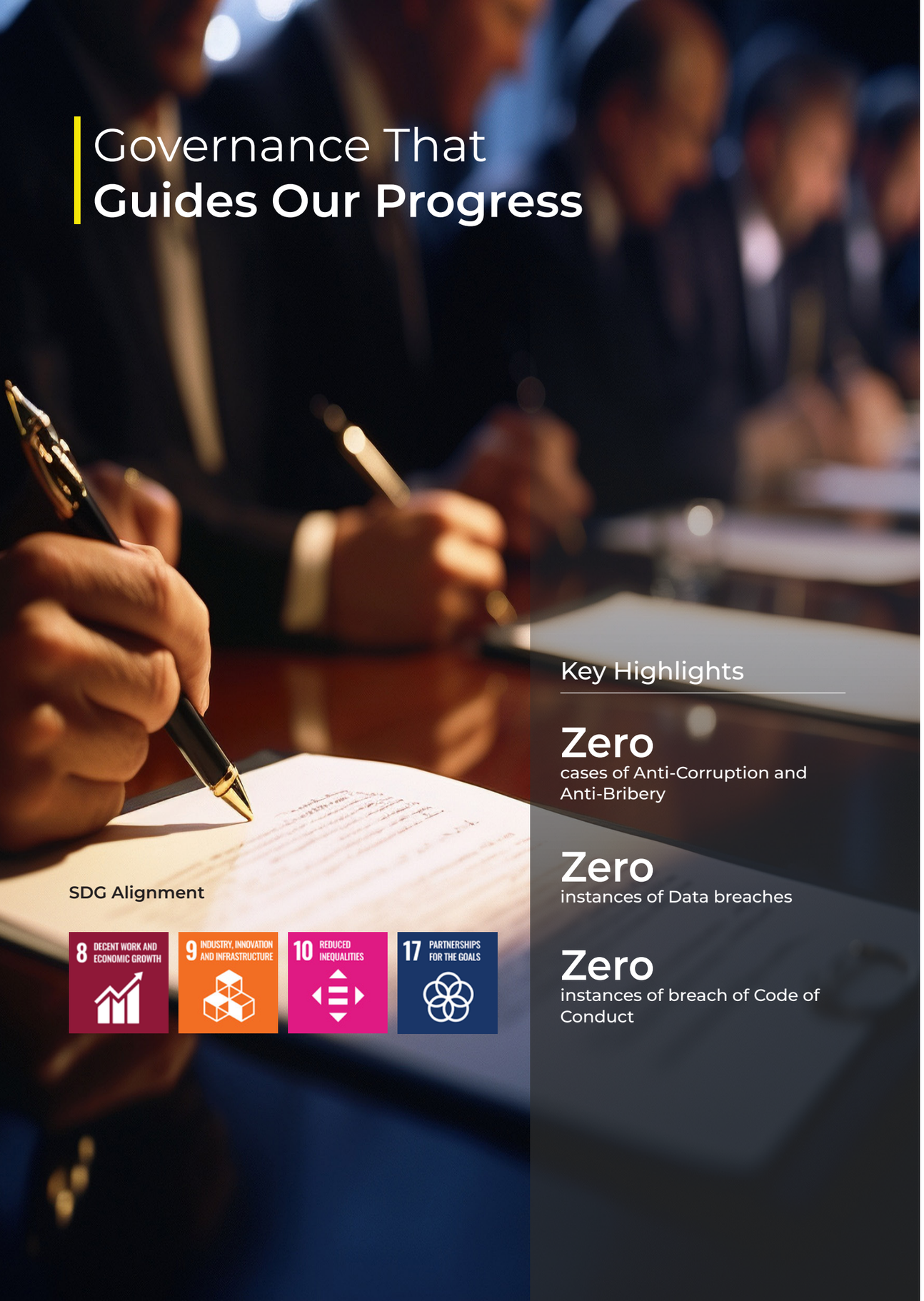
For over a decade, Finolex and MMF have fostered strong, long-standing partnerships with public institutions, NGOs, corporations, academic organizations, and international agencies to enhance the reach, sustainability, and effectiveness of their CSR initiatives.

Together, they collaborate with a diverse network of trusted grassroots partners across India to design and implement community-led programs aligned with the UN Sustainable Development Goals (SDGs). These initiatives focus on delivering lasting impact in areas such as healthcare, education, nutrition, skill development, and climate action, reaching both rural and urban communities.

Beyond local engagement, MMF also works in close partnership with government bodies, hospitals, educational institutions, and global organizations to deliver locally relevant, globally informed solutions. This integrated approach ensures access to advanced care, specialized interventions, and capacity building at the community level.

Through these enduring and trusted collaborations, Finolex and MMF continue to create inclusive, resilient, and transformative change, deeply rooted in the communities they serve.

For more information on our programs and impact, please refer to our Annual Report FY 2024–25.



Governance That **Guides Our Progress**

Key Highlights

Zero
cases of Anti-Corruption and Anti-Bribery

Zero
instances of Data breaches

Zero
instances of breach of Code of Conduct

SDG Alignment

Governance That **Guides Our Progress**

At Finolex, we are steadfast in our commitment to uphold the highest standards of corporate governance across all levels of the organization. Our governance practices are rooted in integrity, accountability, and transparency, ensuring that we not only create long-term value for our shareholders but also act in the best interest of all our stakeholders, including employees, customers, suppliers, and the broader community.

This balanced approach, integrating profitability with responsibility, is embedded in our ethical principles and guides every aspect of our operations. Our governance framework is reflected in our organizational structure, clearly defined processes, and robust reporting systems that promote transparency and informed decision-making.

We believe that ethical leadership and sound governance are critical to fostering stakeholder trust and sustaining long-term growth. By staying true to these principles, Finolex Industries is well-positioned to adapt to emerging challenges, leverage new opportunities, and drive sustainable success, fortifying the foundation for a resilient and future-ready business.

Our Corporate Governance Practices

• Adherence to fair and transparent corporate practices.	• Strategic governance and oversight executed by the Board of Directors.	• Balanced representation on the Board, encompassing Founders, Executive Members, Non-Executive Members, Independent Directors and Female Directors.
• Accountability measures for organizational performance.	• The Board's diligent evaluation of managerial effectiveness.	• Strict compliance with statutory regulations.

- Transparent and timely communication of financial statements and other relevant performances.

Meet the Board

At Finolex, the Board of Directors plays a pivotal role in shaping the company's strategic vision and ensuring effective governance. The Board comprises a balanced mix of Executive and Non-Executive Directors, including Independent Directors, and is constituted in accordance with Regulation 17 of the SEBI Listing Regulations, the Companies Act, 2013, and other applicable laws.

Our One-tier Board structure brings together a diverse group of individuals from varied professional backgrounds, promoting a wide spectrum of perspectives and insights. We are committed to board diversity and actively select directors from multiple sectors to enrich boardroom discussions and decision-making. Their combined expertise significantly contributes to the company's strategic and operational success.

The Board collectively demonstrates a range of essential skills and competencies, including:

- Deep domain expertise and professional experience across key sectors
- Proficiency in financial management
- Strong leadership and decision-making capabilities
- Sound understanding of governance frameworks and public policy
- Legal and administrative knowledge relevant to the company's operations

To strengthen our governance further, we follow a formal Board Diversity Policy that considers skills, qualifications, professional experience, and gender representation. We believe diversity is fundamental to driving effective oversight and sustainable leadership. The current Board has an average tenure of 5.8 years, reflecting stability and experience. Clear role distinction is maintained, with the Chairman serving in a executive capacity and the Managing Director is functioning as an Executive Director.

The Board upholds the highest standards of independence and integrity, guided by the Code of Conduct for Directors and Senior Management. In line with this, members consistently avoid situations that may give rise to actual or perceived conflicts of interest. This includes ensuring that neither Directors nor their immediate families derive improper personal benefits from their position, refraining from engagements with competitors, customers, or suppliers that could compromise objectivity, and declining gifts, favors, bribes, or any other form of improper advantage. By adhering to these principles, the Board ensures that personal or professional interests never interfere with its responsibilities, thereby strengthening corporate governance and safeguarding the best interests of the Company and its stakeholders.

Name of the Director	Category & Board Independence (Executive/ Non-executive director/ Independent director)	Board Attendance in FY 2025 (%)	No. of other Directorships held (Board mandates)***
Mr. Prakash P. Chhabria	Executive Chairman	100%	-
Mr. Saurabh Dhanorkar[3]	Managing Director	100%	-
Mr. Saumya Chakrabarti**	Director - Technical	100%	-
Mr. Aditya Sapru[1]	Independent Director	100%	2
Mr. Debabrata Sarkar[1]	Independent Director	100%	4
Mrs. Kanchan Chitale	Independent Director	100%	-
Mr. Munesh Khanna[1]	Independent Director	67%	5
Mr. Pradeep Udhas[2]	Independent Director	100%	2
Mr. Rajesh Rathi*	Independent Director	34%	1
Mr. Vijay Bhatt[1]	Independent Director	100%	2
Mrs. Ritu Prakash Chhabria	Non-Executive & Non-Independent Director	100%	-

[1]. Mr. Debabrata Sarkar, Mr. Aditya Sapru, Mr. Rajesh Rathi, Mr. Munesh Khanna and Mr. Vijay Bhatt were appointed as Independent Director of the Company w.e.f. September 19, 2024
[2]. Mr. Pradeep Udhas was appointed as Independent Director of the Company w.e.f. September 30, 2024
[3]. Mr. Saurabh Dhanorkar, Non-Executive Non-Independent Director, was appointed as Managing Director of the Company w.e.f. November 21, 2024
**Mr. Rajesh Rathi ceased to an Independent Director of the Company with effect from August 2, 2025.*
***Mr. Saumya Chakrabarti ceased to an Director-Technical w.e.f. August 31, 2025*
****Does not include private companies, foreign companies and companies established under Section 8 of the Companies Act, 2013*

Number of directorships in other listed entities for non-executive/independent directors restricted to - **7** as per SEBI (LODR) Regulations 2015

The Board includes **63.64%** Independent Directors, **27.27%** Executive Directors, and **9.09%** Non-Executive, Non-Independent Directors

ONE-TIER SYSTEM (companies with a board of directors)	Number of members
Executive directors	3
Independent directors	7
Other non-executive directors	1
Total board size	11

Board Diversity

2 Out of 11 Number of female directors

	FY 2024-25	
Age Levels of Board Members	Women %	Men %
Less than 30 years old	-	-
30-50 years old	-	-
More than 50 years old	2	9
Total	2	9

Board Committees

Our governance structure is reinforced by dedicated Board-level committees, each entrusted with overseeing key aspects of the Company's operations and strategic direction. Comprised of and led by members of the Board, these committees play a vital role in ensuring focused oversight, transparency, and alignment with Finolex Industries' vision and corporate governance principles. By conducting regular meetings and submitting comprehensive reports, they provide the Board with critical insights that support informed decision-making, effective risk management, and timely responses to emerging opportunities and stakeholder expectations.

Committees at Finolex

At Finolex, our Board-level committees serve as essential pillars of governance, driving transparency, accountability, and effective oversight across the organization. Comprising members of the Board of Directors, these committees guide strategic decision-making, monitor performance, and ensure adherence to regulatory and ethical standards. Each committee functions under a clearly defined charter, facilitating structured deliberation and informed governance.

Committees at Finolex		
Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee
Risk Management Committee		Corporate Social Responsibility Committee

For further details, please refer to the Corporate Governance Report of Annual Report FY 2024-25

Board Meetings

The Board convenes at regular intervals to review and decide on key aspects of the Company's business strategy and other operational matters. It ensures robust oversight through quarterly presentations and structured meetings.

During FY 2024-25, the following number of meetings were held:

Meetings	Number of Meetings
Board Meeting	9
Audit Committee	6
Nomination and Remuneration Committee	6
Stakeholders' Relationship Committee	4
Risk Management Committee	2
Corporate Social Responsibility Committee	4

Average Board meeting attendance for FY 2024-25 stood at 94.83%.
Minimum of attendance for all members required, at least 75%
(For further details, please refer to the Corporate Governance Report of Annual Report FY 2024-25)

Appointment, Evaluation, and Remuneration of the Board

In accordance with Section 178 of the Companies Act and Regulation 19 of the Listing Regulations, the Company has constituted a Nomination and Remuneration Committee (NRC). This committee oversees the appointment, performance evaluation, and remuneration of Directors and Key Managerial Personnel (KMP).

The Board, its committees, and individual directors undergo an annual performance review based on criteria set by the NRC. This includes the appraisal of all the Board members executive, non-executive, and independent across various committees and the Board as a whole.

The NRC policy outlines the parameters for assessing directors, such as management inputs, qualifications, independence, number of directorships, committee memberships, expertise, and overall contributions. As required under the Companies Act, 2013, and SEBI (LODR) Regulations, 2015, the Board also conducts a comprehensive annual self-assessment of its functioning, committee effectiveness, and director contributions. The performance of the Chairman and non-independent directors is evaluated separately by the independent directors.

NRC Responsibilities

- Define criteria for assessing director qualifications, independence, and positive attributes
- Oversee Board diversity and frame policies for appointment, removal, and remuneration of Directors and KMPs
- Review the performance of the Board, its committees, and independent directors
- Provide guidance on succession planning

Remuneration

Remuneration for Executive Directors, KMPs, and Senior Management is determined by the Board in consultation with the NRC. The policy covers both executive and non-executive directors and comprises a balanced structure of fixed and variable components. The objective is to align compensation with long-term value creation for stakeholders.

Training for the Board of Directors

The Company ensures that Board members and KMPs stay updated on legal, regulatory, and business matters through periodic training sessions. These sessions, conducted during quarterly Board/Committee meetings, cover a broad range of topics including:

Board Trainings		
Regulatory updates	Risk management	Health and safety
Business performance	ESG, HR, and CSR initiatives	Strategic planning and operations

New directors also undergo a formal induction program to understand their roles, the Company's operations, and the industry landscape. Factory visits are conducted to provide on-ground exposure to the Company's facilities.

100% of Directors, KMPs, and Employees are trained on the Code of Conduct.

Performance of the Board

At Finolex, we believe that effective governance begins with continuous reflection and evaluation. In accordance with the Companies Act, 2013 and SEBI LODR Regulations, 2015, the annual evaluation of the performance of the Board, its committees, and individual Directors was conducted for FY25. These evaluations ensure that the Board is effectively overseeing the company's economic, environmental, and social impacts. Conducted independently, the process assesses strategic decision-making, guidance on sustainability initiatives, risk management, and long-term value creation.

Insights from these evaluations are actively used to strengthen governance practices. Based on the outcomes, we may refine Board composition, adjust responsibilities, and enhance organizational processes to ensure alignment with our ESG objectives. This ongoing cycle of assessment and improvement reinforces accountability, sharpens strategic oversight, and ensures that the Board remains equipped to guide Finolex toward resilient and sustainable growth.

Fair and Transparent Compensation Governance

At Finolex, we maintain a strong governance framework to ensure fair, transparent, and performance-driven compensation across all levels. Regular reviews help us evaluate pay equity between leadership and employees, ensuring alignment with organizational performance and accountability. The Nomination and Remuneration Committee oversees compensation practices to uphold integrity and transparency. Through this system, we ensure that remuneration remains just, competitive, and consistent with our long-term goals.

2,40,00,000
MD's Annual Compensation (INR)

8,90,064
Median Employee Annual Compensation (INR)

26.96
MD's Annual to Employee Median Pay Ratio

Business Ethics

Ethical conduct forms the foundation of our corporate values and long-term success. At Finolex, we treat ethical behavior not just as a compliance requirement but as a key aspect of sustainable business practices. It reinforces trust among stakeholders and strengthens our reputation.

We have instituted a comprehensive Code of Conduct that clearly outlines expectations for ethical behavior and responsible business conduct. This Code applies to all employees—from senior leadership to entry-level staff and ensures strict adherence to laws, transparency, and professional integrity.

Key measures include:

- A zero-tolerance policy for unethical practices, including conflicts of interest and insider trading.
- Strong safeguards against discrimination, harassment, and bribery.
- A confidential and secure mechanism to report violations.
- Regular audits and monitoring to ensure compliance.

All violations are addressed decisively, and we maintain a workplace where ethical conduct is embedded across all operations. In FY 2024–25, we recorded zero instances of corruption or breaches of the Code of Conduct.

Grievance Redressal Mechanism

At Finolex, we believe that good governance begins with responsibility — to the law, to our people, and to the principles of fairness. We uphold strict adherence to legal standards, ensure the prompt payment of wages, and embrace equal opportunities for all. But governance, for us, is more than compliance; it is about creating a workplace where every voice feels heard. To support this commitment, we have established multiple channels for open dialogue, such as:

Ethics Helpline | HR Connect | Dial HR – Happy to Listen

These initiatives reflect our commitment to cultivating a culture of trust and care, giving employees a private space to share their thoughts, concerns, or suggestions. Each grievance is handled with sensitivity, reviewed either by our Human Resources team or, when required, by the Ethics Committee. Outcomes are resolved in line with workplace policies and communicated transparently to the concerned individuals.

Beyond these structured channels, we also host regular open house forums across our factory sites, ensuring that conversations flow freely and solutions are co-created. Through these practices, we strive to make every employee feel valued, respected, and empowered to contribute to our collective success.

Vigil Mechanism and Whistleblower Policy

At Finolex, we maintain a Whistleblower Policy that enables employees, directors, and stakeholders to confidentially report concerns related to unethical practices, fraud, or Code of Conduct violations through whistleblower@finolexind.com with full protection against retaliation. Concerns can be raised directly with the Chairman of the Audit Committee, even if initially submitted elsewhere, ensuring impartial review. Disclosures must be factual, written in English, Hindi, or the local language, and submitted in a sealed envelope marked “Protected Disclosure,” including the whistleblower’s details. Anonymous complaints are not accepted, and reports should generally be made within 30 days of awareness.

The Chairman leads investigations, sometimes with external experts, ensuring fairness and confidentiality for both the whistleblower and the subject. The process is fact-based, completed typically within 45 days, and both parties are kept informed of outcomes. The subject is expected to cooperate fully and may seek independent advice if needed.

Finolex strictly prohibits any form of victimization, harassment, or discrimination against whistleblowers. Confidentiality is maintained throughout, with all parties bound to protect sensitive information and evidence. Any breach of this confidentiality is subject to disciplinary action.

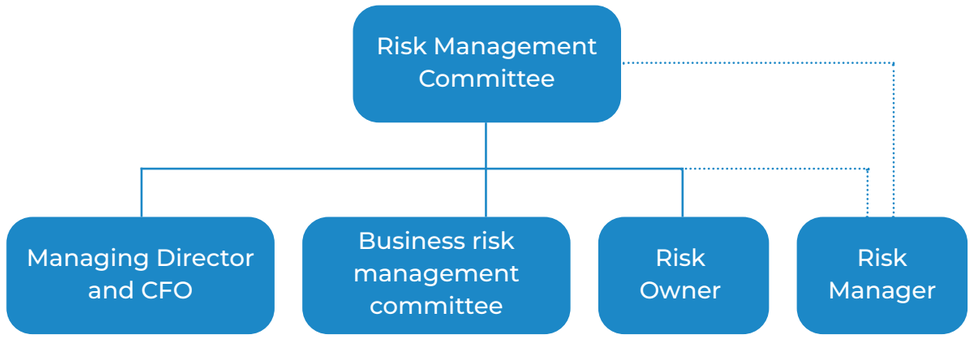
Through this policy, we reaffirm our commitment to ethical governance and empower our people to speak up, ensuring transparency, accountability, and integrity across all our operations.

Risk Management

At Finolex, risk management is a core component of our corporate governance framework and business strategy. We recognize that risks are inherent to all business operations and, as such, have adopted a proactive and structured approach to identify, assess, and mitigate potential risks. Our objective is to safeguard the company’s strategic goals and operational continuity while ensuring long-term stability and sustainable growth.

Our risk management practices go beyond financial considerations to include operational, strategic, regulatory, and reputational risks. By embedding a risk-aware culture throughout the organization, we ensure that risk considerations are integrated into decision-making at every level, enabling timely and informed choices across all functions.

Risk Governance Framework



At Finolex, we have established a comprehensive framework that enables us to identify, assess, and mitigate risks that may impact our operations, strategy, or long-term objectives. As outlined in our Risk Management Policy, risks are systematically evaluated through safety audits, event analyses, and continuous monitoring. This process helps us maintain a clear understanding of both internal and external risks, which are further categorized as controllable or uncontrollable to ensure focused and effective mitigation actions.

Our risk governance framework is supported by clearly defined roles that ensure accountability and proactive management at every level. The Risk Manager acts as the front-line employee who plays a central role in coordinating the overall risk management process, reporting key risks to the Business Risk Management Committee (BRMC), Risk Management Committees (RMCs), and leadership, while continuously strengthening our organizational risk management capabilities.

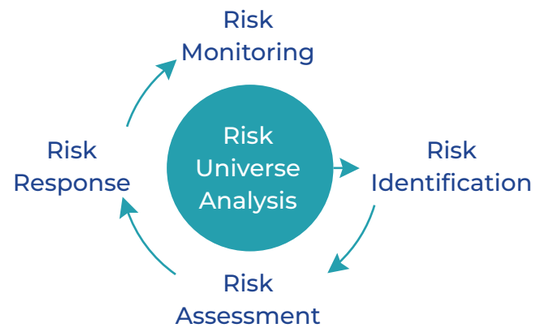
Risk Management and Compliance Oversight is maintained through dedicated roles and committees at the senior management level that establish control standards and monitor adherence to them. In this regard, each Risk Owner, typically a member of management, is accountable for managing risks within their respective business processes. They ensure that risks remain within approved thresholds, escalate significant incidents or changes in exposure, and maintain ongoing communication and monitoring to uphold compliance and operational integrity.

Overseeing this system, the Business Risk Management Committee, comprising functional heads, ensures that risks are systematically identified, analyzed, and mitigated. Meeting at least twice a year, the committee focuses on cultivating a robust control environment, engaging with key risk leaders, and aligning risk management strategies with Finolex's long-term objectives and commitment to sustainable growth.

To ensure objectivity and continuous improvement, an Independent Audit Unit functions within the organization to provide impartial assurance on the effectiveness of our risk management and compliance processes. This independent oversight strengthens governance, enhances accountability, and ensures that our risk management framework remains robust and adaptive to evolving business dynamics.

Risk Management Framework

We follow a structured process for identifying, prioritizing, and mitigating risks. This involves close collaboration with business units to assess threats and classify them as internal or external. Internal risks may include operational inefficiencies or compliance issues, while external risks range from economic downturns to supply chain disruptions. Risks are then prioritized based on impact and likelihood, with high-impact risks receiving the most focus. Tailored mitigation strategies, such as risk avoidance, reduction, transfer, and minimization, are developed, and each risk is assigned an owner to ensure continuous monitoring and regular reporting.



Climate Risk Management Framework

At Finolex, we understand that climate change is reshaping the way businesses operate and plan for the future. Recognizing this, we have built climate risk management into our broader enterprise risk governance framework, ensuring that environmental factors are considered in every major business decision. Alongside this, we also maintain a dedicated process focused exclusively on identifying and addressing climate-specific risks and opportunities. Through this approach, we evaluate a spectrum of potential impacts, ranging from evolving regulations and technological shifts to legal implications and market changes. Our assessments span across our own operations and upstream value chain, helping us strengthen our resilience, safeguard supply continuity, and transition steadily toward a low-carbon, climate-ready business model.

Risk Review

Risk reviews are a critical part of Finolex's Enterprise Risk Management framework, ensuring that risks are continuously monitored, reassessed, and addressed in line with the evolving business environment. These reviews strengthen organizational resilience and embed risk awareness into strategic decision-making.

Through this structured review process, Finolex ensures that risk management remains dynamic, forward-looking, and embedded across all levels of the organization.

Risk Exposure

At Finolex, we regularly review our risk exposure to ensure preparedness for events that may materially impact our business. These assessments are carried out at least twice a year, and more frequently if required, to reflect changing business conditions, external developments, and emerging threats.

By embedding frequent risk exposure assessments into our governance processes, Finolex ensures that risk management remains proactive, strategic, and a fundamental part of our operational mindset far beyond a compliance requirement.

Risk Culture

At Finolex, we recognize that fostering a strong risk culture is essential for embedding risk awareness into everyday decision-making and ensuring the long-term resilience of the organization. Effective risk and crisis management not only safeguards financial stability but also enhances adaptability in a dynamic business environment.

By embedding these practices into our wider operations, Finolex ensures that risk management is not treated as a compliance exercise, but as a core part of the company's mindset and culture.

Risk Management Process Audit

At Finolex, we recognize that the effectiveness of our risk management framework depends on regular, independent evaluations of the processes and tools used to identify, assess, monitor, and mitigate risks. We have conducted an internal audit of our risk management process within the last three years.

By conducting regular audits, Finolex ensures its risk management processes remain transparent, effective, and aligned with best practices, providing stakeholders with confidence in the company's ability to anticipate and respond to evolving risks.

Emerging Risk

As part of our proactive risk management framework, Finolex continuously monitors and evaluates emerging risks that could materially influence our operations, market positioning, and long-term sustainability. These risks, while still evolving, have the potential to disrupt business models and industry practices. By identifying them early, we strengthen our resilience, safeguard business continuity, and create opportunities for adaptive growth.

Description of Emerging Risk for Finolex	
Risk 1: Supply chain disruption arising from geopolitical tensions	**Risk 2:** Evolving climate patterns
Category: Geopolitical / Economic	**Category:** Environmental
Description: Finolex's backward integration involves its in-house manufacturing of PVC resin, the key raw material for its PVC pipes and fittings. Essential raw materials such as Ethylene, EDC, and VCM to produce PVC resin are traditionally sourced from the Middle East. With growing geopolitical tensions and evolving trade dynamics in the region, we recognize the importance of diversifying our sourcing base. To address this, we are strategically expanding our network to include Western regions like USA and Europe and South East Asian nations that offer more stable and reliable trade conditions. This approach helps us reduce dependency on a single region, strengthen our operational resilience, and ensure a steady, uninterrupted flow of materials to support seamless manufacturing operations.	**Description:** The proximity of our manufacturing facility to the seashore presents certain operational risks, particularly during extreme weather conditions. Cyclonic disturbances, heavy rainfall, or flooding can temporarily disrupt logistics and raw material supply chains. Such events may hinder the movement of goods, delay production schedules, and limit on-site operations. During severe weather, preventive shutdowns are sometimes initiated to ensure the safety of personnel and assets. These measures, while necessary, can affect overall business continuity until normal conditions are restored.
Impact: Such disruptions can lead to raw material shortages, production delays, and cost volatility, ultimately impacting operational efficiency, profitability, and customer delivery schedules.	**Impact:** Climate variability can cause production interruptions, asset damage, and increased maintenance costs. It may also influence demand patterns across agriculture, construction, and infrastructure sectors.
Mitigating Actions: We are enhancing supply chain resilience through supplier diversification, localization of sourcing, and maintaining strategic safety stocks. Continuous monitoring and digital tracking systems enable early risk identification and swift response to disruptions.	**Mitigating Actions:** We are integrating climate considerations into operational planning, investing in energy-efficient processes, and strengthening infrastructure resilience. Regular climate risk assessments guide our adaptation and emission-reduction strategies to ensure long-term stability.

Business Continuity Plan

At Finolex, safeguarding the interests of our stakeholders, customers, and employees requires a proactive approach to managing business continuity risks. Guided by our Enterprise Risk Management Policy, we have established a comprehensive Business Continuity framework that enables us to identify, monitor, and respond to potential disruptions while ensuring uninterrupted operations and reliable service delivery.

Key measures under this framework include:

- Business continuity and contingency planning – supported by detailed incident response procedures and an IT Continuity Policy. SAP plays a central role in this, ensuring uninterrupted access to critical data through real-time replication, secure backups, and high-availability architecture.
- Regular testing and drills – conducted across functions to strengthen operational resilience and validate the effectiveness of continuity measures.
- Oversight by the Risk Management Committee – ensuring strong governance of business continuity, disaster management, and cybersecurity to mitigate risks at the highest level.
- Integrated systems and processes – deployed to monitor, evaluate, and address risks effectively, enabling quick adaptation to emerging challenges.
- Proactive risk management – combining continuous investment in talent, technology, and governance standards with insights from third-party assessments to ensure readiness and resilience.

Cybersecurity

At Finolex, protecting information assets and digital infrastructure is not just a compliance requirement is central to how we build and maintain trust with our stakeholders. As industries transition further into digitization and data-driven operations, cybersecurity has emerged as a critical pillar of our risk management and business continuity framework. To support this, we have a comprehensive Information Security Policy in place that governs the protection, management, and responsible use of information across all operations.

Cybersecurity Policies and Awareness

We have established a comprehensive Information Security and Cybersecurity Policy, accessible to all employees, that governs acceptable IT usage, security protocols, escalation procedures, and disciplinary measures in case of non-compliance. Guided by our 'Privacy by Default' approach, data protection is embedded across every stage of the information lifecycle from collection and storage to access and responsible use.

All cybersecurity practices at Finolex are aligned with the Information Technology Act, 2000 (Section 43A) and the IT Rules on Sensitive Personal Information, ensuring full legal and regulatory compliance. Reflecting our vigilance and transparency, no substantiated complaints were recorded during FY 2024–25 concerning breaches of customer privacy or data loss.

Our commitment to global best practices is reinforced through the ISO 27001:2022 Certification for Information Security Management Systems (ISMS), a globally recognized benchmark for information protection.

Together, these measures reflect our belief that vigilance, structured processes, and continuous improvement are fundamental to maintaining stakeholder trust in today's digital ecosystem.

Cybersecurity Governance

- **Board Oversight:** The Board of Directors provides direct oversight of Finolex's cybersecurity strategy. Board members participate in cybersecurity reviews and serve on the committee responsible for cybersecurity oversight (Audit Committee / Risk Committee, as applicable).
- **Executive Accountability:** The Chief Information Officer (CIO) is responsible for developing and executing the cybersecurity strategy, policies, and controls. The CIO reports directly to Executive Management, ensuring alignment between IT security and business objectives.
- **Risk Management Committee Alignment:** Cybersecurity risks are reviewed as part of the Enterprise Risk Management (ERM) framework. The Risk Management Committee assesses IT risk policies, tests incident response readiness, and ensures alignment with disaster recovery and business continuity plans.

Employee Training and Awareness

Cybersecurity awareness is a core element of our employee engagement and compliance program.

- **Mandatory Training:** All new employees undergo cybersecurity induction sessions covering phishing, password protection, and data handling protocols.
- **Periodic Refreshers:** Ongoing refresher sessions are conducted to reinforce awareness of emerging threats and good cyber hygiene.
- **Awareness Campaigns:** Regular internal communications, cybersecurity posters, and quizzes foster a culture of proactive vigilance.
- **Phishing Simulations:** Simulated phishing exercises are periodically conducted to test preparedness and strengthen employee response mechanisms.
- **Escalation Process:** Employees are equipped with a clear escalation protocol to report suspicious activities directly to the IT helpdesk and CIO.

Proven negligence in safeguarding IT assets is treated as misconduct and may result in disciplinary action, reinforcing accountability and compliance.

Cybersecurity Process and Infrastructure

Finolex has deployed advanced technologies and systems to safeguard its digital environment and ensure business resilience:

Control Area / Initiative	Implementation
Endpoint Security & Threat Response	CrowdStrike MDR (Managed Detection & Response) is deployed across all endpoints, providing 24×7 threat hunting, real-time detection, and automated response to advanced threats.
Network & Perimeter Defense	FortiGate Next-Gen Firewall with IPS, Deep Packet Inspection, Geo-blocking, and Application Control safeguards the perimeter against external attacks.
Centralized Security Monitoring	IBM QRadar SIEM enables continuous monitoring of servers, endpoints, and network traffic for real-time anomaly detection.
Email & Collaboration Security	Migration from Gmail to Microsoft 365 enhances communication security through built-in DLP, encryption, and compliance capabilities.
Device & Application Management	Centralized endpoint management via Microsoft Intune ensures patch compliance, policy enforcement, and real-time monitoring of device security.
Restricted Access Controls	Multi-Factor Authentication (MFA), Role-Based Access Control (RBAC), and periodic access reviews protect business-critical systems.
Compliance & Governance	ISO 27001:2022 certification reinforced by periodic risk assessments, internal audits, and control reviews.
Continuous Audit & Improvement	Regular internal audits and risk assessments to identify gaps and strengthen ISMS maturity.
Security Awareness Sessions	Department-wise cybersecurity sessions were conducted to reinforce best practices and responsibility.
Awareness Posters & Campaigns	Organization-wide campaigns promoting responsible cyber behavior.
Phishing Simulations & Quizzes	Periodic exercises were conducted to evaluate awareness and improve vigilance.
Internal Security Assessment	Routine internal evaluations of implemented controls for adequacy and effectiveness.
Business Impact Analysis (BIA)	Conducted to identify critical business functions, interdependencies, and recovery priorities.

Cybersecurity Monitoring and Performance

We continuously monitor and record information security incidents to identify and mitigate risks proactively. In FY 2024-25, no cybersecurity breaches were recorded, and no clients, customers, or employees were impacted by security incidents.

Independent third-party vulnerability assessments are also conducted periodically to identify, classify, and mitigate potential IT system risks, ensuring early visibility and preventive measures.

Economic Performance

At Finolex, economic performance is the foundation of our long-term success, sustainability, and value creation. We recognize that financial strength enables us to invest in innovation, maintain operational resilience, and contribute meaningfully to stakeholders and communities.

Direct Economic Value Generated and Distributed

4,141.97
Economic Value Generated
Amount (INR Crore)

3,741.37
Total Operating Expenses
Amount (INR Crore)

222.28
Total employee related expenses (salary+benefits)
Amount (INR Crore)

400.61
Economic Value Retained
Amount (INR Crore)

2.80
Human Capital Return On Investment

Contributions & Expenditures

As part of our transparent disclosures, we report significant contributions and expenditures linked to organizations or entities whose role is to provide research, analytics, and business insights. We engage with external service providers and associations to strengthen knowledge, market intelligence, and advocacy efforts in alignment with our corporate objectives.

Vendor Name	Type of Organization	Total Amount Paid (INR)
Dow Jones Consulting India Pvt. Ltd.	Business Information & Risk Intelligence	12,89,256
Gulf Petrochemicals & Chemicals	Chemicals Industry	8,50,615
FICCI	Industry Chamber / Trade Association	7,00,000
Alkali Manufacturers Association	Industry Association	4,19,574
American Institute of Chemical Engineers	Professional Association	4,11,132
Contribution to other Groups		**66,09,360**
Grand Total		**98,68,805**

Political Contributions

In FY 2024–25, we contributed 10.25 INR crore to political parties in full compliance with applicable laws and disclosure requirements. These contributions were made transparently, reflecting our commitment to ethical governance and responsible corporate citizenship. We ensure that all political contributions are made without any intent to exert undue influence, maintaining integrity and fairness in our engagement with the democratic process.

Tax Strategy and Governance

At Finolex, our tax strategy is grounded in compliance, integrity, and long-term value creation. We ensure full adherence to applicable tax laws across all jurisdictions, making decisions based on sound legal interpretation and alignment with our business activities. Our approach focuses on minimizing tax risks, maintaining transparency, and ensuring that our tax contributions reflect the scale and structure of our operations. We uphold respectful, transparent relationships with tax authorities while addressing legitimate differences of interpretation when they arise.

Our board approved Tax Policy strengthens this commitment through fairness, accountability, and ethical governance. Closely aligned with our business and sustainability goals, it emphasizes compliance, responsible use of incentives, and the avoidance of aggressive tax practices. The taxes we pay directly support public expenditure and community development, contributing to the United Nations Sustainable Development Goal 8—promoting sustainable economic growth and decent work for all.

Tax Governance

A dedicated Tax Department oversees tax governance, developing and reviewing tax risk management guidelines, evaluating risks, and ensuring proactive compliance. Operating independently and in coordination with the Compliance Unit, the department ensures adherence to all regulations and principles outlined in the Tax Policy. Regular reviews, audits, and compliance checks across all locations reinforce this framework. The Board of Directors and the Audit Committee actively oversee these processes, ensuring alignment with our governance principles and sustainability objectives.

Transparent Tax Reporting and Stakeholder Engagement

We demonstrate transparency through comprehensive tax disclosures covering corporate income tax, GST, and other levies across all regions of operation. Our reporting follows applicable standards, providing stakeholders with clear insights into our effective tax rate, incentives used, and tax risk management practices. We also maintain open, cooperative communication with tax authorities and proactively engage with shareholders, employees, customers, and communities. By sharing our tax performance and contributions, we reaffirm our role as a responsible taxpayer committed to integrity, accountability, and sustainable growth.

Financial Assistance Received from the Government

Particulars	FY 2024-25 (INR Cr)
Tax Relief	-
Subsidies Received	8.50
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