# Climate Control Policy

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| **Reviewed By:** Akhilesh Singh, Deputy General Manager – EHS | **Approved By:** Jaikishan Venkat, Chief Strategy Officer (CSO) |

# Climate Control Policy

## 1. Purpose

Hindustan Platinum (HPPL – India, HPPR – Puerto Rico, HP DMCC – UAE) recognizes climate change as one of the most significant global challenges affecting ecosystems, economies, and communities.

This Climate Change Policy establishes the company's strategic approach to mitigating greenhouse gas (GHG) emissions, enhance energy efficiency, promote use of renewable energy, adapting to climate-related risks, and advancing aiming the transition toward a low-carbon, climate-resilient future.

The policy reinforces Hindustan Platinum's commitment to:

- The company aims to achieve Net Zero GHG emissions in its operations (Scope 1 and Scope 2) by FY 2045 and extend this achievement to its entire value chain (Scope 3) by FY 2050
- Aligning with the Paris Agreement to limit global temperature rise to 1.5°C;
- Supporting UN Sustainable Development Goals (SDGs) – particularly SDG 7 (Affordable and Clean Energy), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action);
- Adhering to Science Based Targets initiative (SBTi and Global Reporting Initiative (GRI 305) standards.

The policy provides direction to all business functions, reinforcing climate action as an integral component of Hindustan Platinum's business excellence, innovation, and sustainability strategy.

## 2. Scope

This policy applies to:

- All Hindustan Platinum entities and subsidiaries across India, Puerto Rico, and UAE;
- All manufacturing facilities, R&D, laboratories, and logistics operations;
- Suppliers, contractors, and third-party partners contributing to the company's value chain and carbon footprint.

It extends to upstream and downstream activities, including procurement, product design, packaging, logistics, and recycling, ensuring a full value-chain climate responsibility approach.

## 3. Climate Control Commitment FY 2050 – "Decarbonization with Purpose"

Hindustan Platinum envisions becoming a Net Zero Carbon Organization by FY 2050, anchored on science-based targets and transparent climate governance.

This commitment aligns with the company's ESG transformation journey through Project Harmony, SBTi commitments, and mission of "Rare Excellence in Sustainability" in assistant to strategic goal "People & Planet First".

| Time Horizon | Target Description | Baseline Year FY 2023–24 |
|---|---|---|
| **Near Term (FY 2034–35)** | 63% reduction in Scope 1 & 2 emissions; 37.5% reduction in Scope 3 emissions | 10,358 $tCO_2e$ (Scope 1 & 2); 22,949 $tCO_2e$ (Scope 3) |
| **Long Term (FY 2044–45)** | Achieve 100% reduction in Scope 1 & 2 emissions (Net Zero Operations) | 10,358 $tCO_2e$ |
| **Ultimate Goal (FY 2049–50)** | Achieve 100% reduction in Scope 3 emissions (Net Zero Value Chain) | 22,949 $tCO_2e$ |

## 4. Policy Objectives

1. **Mitigation:** Systematically reduce GHG emissions across all operations and value chains through renewable energy transition, energy efficiency, process optimization and carbon offsetting.
2. **Adaptation:** Strengthen resilience to climate-related physical (e.g., floods, heat stress) and transition (e.g., regulatory, market) risks.
3. **Circularity:** Embed circular economy principles in production, resource recovery, and waste management.
4. **Transparency:** Publicly disclose performance, risks, and opportunities in accordance with GRI and CDP.
5. **Collaboration:** Work with peers, academia, suppliers, and NGOs to foster low-carbon innovation and collective impact.

## 5. Global Alignment & Frameworks

Hindustan Platinum's Climate Change Policy is aligned with internationally recognized standards:

- **Paris Agreement (2015):** Limiting temperature rise to 1.5°C.
- **SBTi:** Validated science-based emission reduction targets.
- **GRI:** Structured reporting of emissions data.
- **ISO 14064:** Verified carbon accounting.
- **ISO 50001:** Energy management and efficiency.
- **UN Global Compact:** Commitment to responsible business conduct.

## 6. Guiding Principles

Hindustan Platinum's climate control practices are guided by the following principles:

1. **Leadership Commitment:** Accountability anchored at the Board and Executive levels.
2. **Integration:** Embed climate considerations in strategic planning, R&D, procurement, and capital allocation.
3. **Innovation:** Foster breakthrough technologies in low-carbon manufacturing, hydrogen catalysts, and circular metal recovery.
4. **Resilience:** Build operational and supply chain resilience to physical and transition risks.
5. **Collaboration:** Strengthen partnerships with governments, industry associations, and academia.
6. **Transparency:** Maintain clear, consistent, and externally assured disclosures of climate performance.

## 7. Governance & Accountability

A robust governance framework ensures that climate control is embedded into corporate decision-making:

| Governance Body | Responsibilities | Review Frequency |
|---|---|---|
| **Board Committee** | Approves GHG targets, oversees SBTi compliance, validates disclosures. | Quarterly |
| **Chief Strategy Officer (CSO)** | Integrates climate risks and opportunities in strategy and investments. | Quarterly |
| **Head of Sustainability** | Conducts GHG inventories, manages decarbonization projects, ensures GRI and other national standard aligned reporting. | Quarterly |
| **Plant EHS Teams** | Execute on-ground emission reduction projects, energy efficiency, and monitoring. | Monthly |
| **Procurement & Supply Chain** | Drive supplier engagement, sustainable sourcing, and disclosure programs. | Quarterly |
| **Employees & HR** | Promote awareness, green culture, and climate leadership programs. | Ongoing |

*Table 1 - Climate Control Governance*

**External Oversight:**

- Annual GHG verification under ISO 14064.
- External benchmarking through SBTi and CDP.

## 8. Climate Risk Assessment (TCFD-Aligned)

Hindustan Platinum adopts a structured climate risk management approach to evaluate physical, transition, and reputational risks associated with climate change

**a. Physical Risks**

- Flooding, droughts, and extreme weather events disrupting operations or logistics.
- Temperature rise affecting cooling systems and process stability.
- Water stress impacting production.

**b. Transition Risks**

- Carbon taxation and emission standards.
- Shifting customer and investor expectations toward low-carbon products.
- Technological obsolescence of non-sustainable processes.

**c. Reputational Risks**

- Stakeholder scrutiny of transparency and climate credibility.

**Mitigation Strategies:**

- Renewable microgrids and energy diversification.
- AI-driven predictive analytics for energy optimization.
- Strengthened infrastructure and emergency preparedness.
- Shadow carbon pricing integrated into project evaluation.

## 9. Decarbonization for Climate Action Strategy

1. **Energy Transition:**
   - Expand renewable portfolio (solar 3.75 MWp, wind 3.30 MWp).
   - Implement hybrid and captive renewable power purchase models.
2. **Process Optimization:**
   - ISO 50001 certification for energy efficiency.
   - Waste heat recovery and high-efficiency furnaces.
   - Electrification of operations and mobility.
3. **Circular Manufacturing:**
   - Promote recovery and reuse of platinum group metals.
   - Develop low-carbon catalysts and sustainable material innovation.
4. **Green Logistics & Supply Chain:**

- Electrify fleet and optimize freight routing.
- Introduce green packaging and low-carbon vendor selection.

5. **Offsetting & Nature-Based Solutions:**
   - Verified carbon offset projects.
   - Mangrove and afforestation programs under CSR and biodiversity strategy.
6. **Reduce GHG Emissions:**
   - Effective monitoring and controlling of Fugitive Emissions
   - Substitution of Fossil fuel with Low carbonaceous/ Green fuel.
7. **Risk and Mitigation Plan**
   - Scientific evaluation of risk associated with productivity
   - Develop and implement mitigation strategies to minimize and recover from potential climate-related impacts
8. **Regulatory Compliance**
   - Identifying, Evaluating and monitoring regulatory compliance
   - Reporting on climate performance.

## 10. Monitoring, Reporting & Disclosure

- **Digital ESG Platform:** Real-time data collection, automated GHG calculations, and validation.
- **Verification:** Annual ISO 14064 audits and SBTi verification.
- **Disclosure:** Annual ESG/Climate Report aligned with GRI and CDP.
- **Benchmarking:** Continuous external evaluation through EcoVadis.

## 11. Capacity Building & Employee Engagement

This policy will be reviewed annually or earlier if triggered by:

- Changes in national/international climate regulations or SBTi criteria;

- Material climate-related events (e.g., flooding, extreme weather);
- Expansion into new geographies or changes in ESG risk profile.

Review & Approval Workflow:

- Initiated by Chief Strategy Officer (CSO);
- Endorsed by Executive Committee (ExCom);
- Approved by Board Committee.

Hindustan Platinum is committed to continuous improvement through:

- AI-driven carbon forecasting;
- Scope 3 emission reduction innovation;
- Annual benchmarking with global peers.

### 11.1 Capacity Building for Suppliers and Customers

To strengthen collective action on climate change, Hindustan Platinum promotes capacity building and knowledge sharing across its value chain through the following initiatives:

1. **Awareness and Training Programs**
   Conduct periodic workshops, webinars, and awareness sessions for suppliers and customers on energy efficiency, GHG reduction practices, and sustainable operations.
2. **Collaborative Climate Action**
   Engage suppliers and customers in joint climate initiatives such as renewable energy adoption, waste minimization, and low-carbon product development to reduce overall value chain emissions.
3. **Sustainability Performance Support**
   Provide technical guidance and tools to suppliers and customers for measuring, reporting, and improving their carbon footprint in alignment with Hindustan Platinum's Net Zero roadmap.

## 12. Review & Updates

This policy will be reviewed annually by the Head of Sustainability and Chief Strategy Officer (CSO), updated based on new regulatory requirements, stakeholder feedback, and emerging technologies. Revisions are approved by the Executive Committee (ExCom) and endorsed by the Board.

## 13. Contact Information

For questions or further information, contact the EHS team at ehs@hp.co.in.

## APPENDIX A – Key Performance Indicators (KPIs)

The KPIs ensure comprehensive tracking of climate control performance, addressing environmental impact, and stakeholder engagement, focused on climate efficiency, quality, sustainability, and compliance.

| Emission Type | Target Term | Max Year | Annual Reduction % (YOY) | Annual Reduction ($tCO_2e$) | Cumulative Reduction % | Cumulative Reduction ($tCO_2e$) |
|---|---|---|---|---|---|---|
| Scope 1 & 2 | Near Term | 2034–35 | 5.73% | 593 $tCO_2e$ | 63% by 2034–35 | 6,525 $tCO_2e$ |
| | Long Term | 2044–45 | 3.7% | 383 $tCO_2e$ | 37% by 2044–45 | 10,358 $tCO_2e$ |
| Scope 3 | Near Term | 2034–35 | 3.41% | 782 $tCO_2e$ | 37.5% by 2034–35 | 8,606 $tCO_2e$ |
| | Long Term | 2049–50 | 4.17% | 956 $tCO_2e$ | 62.5% by 2049–50 | 22,949 $tCO_2e$ |

| Target | KPI | Review Frequency | Owner |
|---|---|---|---|
| **Climate Policy and Governance** | - Number of climate-related policies developed/updated<br>- % of departments with climate action plans<br>- Engagement score from climate governance reviews | Quarterly | Sustainability Lead / EHS Manager |
| **Decarbonization** | - % reduction in GHG emissions (scope 1, 2, 3)- Carbon intensity per unit of revenue/output- Number of decarbonization projects initiated | Quarterly | Chief Strategy Officer / Operations Director |
| **Energy Efficiency** | - Energy consumption per unit of production/revenue | Quarterly | Energy Manager |
| **Renewable Energy** | - % of total energy from renewable sources<br>- Capacity of installed renewable systems (kW/MW) | Monthly | Energy Manager |
| **Climate Risk Management** | - % of operations with climate risk assessments<br>- Number of risk mitigation strategies implemented<br>- Risk exposure score (updated annually) | Bi-annually | Sustainability Lead / EHS Manager |

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| **Resilience and Adaptation** | - Number of adaptation projects completed<br>- % of assets with resilience measures in place- Climate-related downtime reduction (hours/year) | Annually | Sustainability Lead / EHS Manager |
| **Awareness and Training** | - % of employees trained in climate-related programs- Training satisfaction score<br>- Number of climate training sessions held | Quarterly | HR / Learning & Development |
| **R&D and Innovation** | - R&D spend on climate innovations (% of total R&D budget)<br>- Number of pilot projects for climate tech-Patents or solutions developed with climate benefits | Bi-annually | R&D Department Head |
| **Engagement and Disclosure** | - Participation in climate disclosure frameworks (e.g., CDP, TCFD)<br>- Stakeholder engagement activities held<br>- ESG rating score change | Annually | Customer/Supplier Relations / ESG Reporting Lead |