

Environmental, Social and Governance (ESG) Policy



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Policy Statement

At Numaligarh Refinery Limited (NRL), we are committed to achieving the economic, ecological, and social responsibility objectives of sustainable development through our refinery operations, supply chain and community engagement.

The Company shall pursue responsible growth by:

- Minimising environmental impact and advancing decarbonisation,
- Strengthening social responsibility across employees and communities, and
- Upholding the highest standards of governance, transparency and ethical conduct.

NRL shall ensure transparent ESG disclosures, accountability to stakeholders, and alignment with applicable national regulations and globally recognised frameworks, including Business Responsibility and Sustainability Reporting (BRSR), National Guidelines on Responsible Business Conduct (NGRBC), and other relevant standards.

Scope of the Policy

This Policy applies to all operations, projects and activities of Numaligarh Refinery Limited (NRL) and extends to material¹ contractors, suppliers and other value chain partners, wherever applicable.

NRL shall communicate this Policy across all levels of the organisation and value chain, promote awareness through sessions and allocate appropriate financial, technological and human resources for effective implementation

NRL encourages all associated stakeholders to align with the principles of this Policy and support responsible environmental, social and governance practices across the value chain.

Guiding Principles

NRL is committed to integrating Environmental, Social and Governance (ESG) considerations into its strategy, operations and stakeholder engagement processes. The Company's guiding principles include:

- Embedding ESG principles across business plans and operations to enhance environment aspects in course of our operations as appropriate.
- Aspiring to go beyond compliance and other regulatory requirements to achieve Sustainability core of business goals/objectives.
- Demonstrate accountability to stakeholders through measurable performance and transparent disclosures
- Align with recognised national and international ESG frameworks and best practices

¹ Upstream and downstream partners accounting for 2 percent or more of purchases/sales.

- Integrate ESG risks and opportunities into the Enterprise Risk Management (ERM) framework
- Establish- measurable targets and monitor progress through defined key performance indicators (KPIs)
- Engaging all stakeholders to take Sustainable Development as a shared responsibility.
- Strengthening climate and environmental stewardship
- Enhancing employee wellbeing and community development

ESG Considerations

For the purpose of this Policy, ESG considerations encompass the following areas:

Environmental Responsibility

NRL shall promote environmental stewardship in alignment with the existing Health Safety and Environment policy through:

- **Climate Action:**
 - Measurement and management of greenhouse gas emissions
 - Implement decarbonisation programs to reduce NRL Scope 1 and Scope 2 emissions in line with the Net Zero 2038 target.
 - Progressive inclusion of value chain (Scope 3) emissions
- **Energy Management:**
 - Enhancing energy efficiency and reducing energy intensity
 - Increasing adoption of cleaner and renewable energy sources in alignment with established Energy Policy
- **Water and Waste Management:**
 - Reducing freshwater consumption and improving water reuse
 - Moving towards advanced wastewater treatment and reuse practices
 - Promoting circular economy principles including waste minimisation, reuse and recycling
- **Pollution Prevention and Biodiversity:**
 - Minimising air, water and soil pollution
 - Protecting biodiversity and managing ecological impacts in areas of operation
- **Sustainable Technology:**
 - Adoption of cleaner and efficient technologies across operations

Social Responsibility

NRL shall foster inclusive and responsible social practices by:

- **Occupational Health and Safety:**
Ensuring safe and healthy working conditions for employees and contractors in alignment with established Health, Safety and Environment (HSE) Policy
- **Human Capital Development:**
Promoting employee wellbeing, diversity, inclusion and continuous skill development, upholding the principles of NRL's equal opportunity policy and preventing discrimination in alignment with NRL's policy on Prevention of Sexual Harassment of Women at Workplace
- **Human Rights and Labour Practices:**
 - Upholding internationally recognised human rights principles (aligned with ILO/UNGC / UNGP and other relevant frameworks) as defined in NRL's Human Rights Policy
 - Prohibiting child labour, forced labour and discrimination
 - Promoting fair wages and ethical working conditions
- **Grievance Redressal:**
Maintaining accessible and transparent grievance mechanisms for employees, communities and stakeholders aligned to established Grievance Redressal Policies
- **Responsible Supply Chain:**
Integrating ESG considerations into supplier selection, evaluation and engagement following the guidance and principles defined in the Manual for Procurement of Work and Manual for Procurement of Goods
- **Community Development:**
Supporting inclusive growth through CSR initiatives aligned with national priorities and NRL's CSR Policy

Governance and Ethics

NRL shall strengthen governance through:

- **Board Oversight:**
Oversight of ESG strategy and performance through the Board and its Committees
- **Ethical Conduct:**
Upholding zero tolerance towards bribery, corruption and unethical practices following the guidelines mentioned in NRL's existing Code of Conduct and Ethics, Anti-Bribery Management System Policy and Whistleblower Policy

- **Risk Management:**
Integration of ESG risks into enterprise-wide risk management processes as per the established ERM framework
- **Transparency and Disclosure:**
Ensuring accurate, timely and consistent ESG disclosures aligned with regulatory and global frameworks
- **Data Governance and Cybersecurity:**
Protecting data privacy and ensuring robust information security systems aligned to established internal processes

Policy Linkages

This ESG Policy serves as an overarching framework and shall operate in alignment with NRL's existing policies and management systems, including but not limited to:

- Energy Policy
- Health, Safety and Environment (HSE) Policy
- Corporate Social Responsibility (CSR) Policy
- Equal Opportunity Policy
- Human Rights Policy
- Policy on Prevention of Sexual Harassment of Women at Workplace
- Anti-Bribery Management System Policy
- Whistleblower Policy
- Policy for Preservation of Documents
- Code of Conduct and Ethics
- Manual for Procurement of Works, Manual for Procurement of Goods
- Grievance Redressal Policy
- ERM Framework and other relevant operational policies

Together, these policies collectively support the Company's commitment to sustainable and responsible business practices.

Commitment

NRL commits to the following actions in furtherance of its ESG objectives:

- Promoting sustainable development concepts amongst employees, customers, stakeholders and others.
- Integrating sustainability considerations into strategic planning and business operations.
- Deploying efficient and clean technologies towards creating minimal impact on environment, wherever possible
- Adopting best practices for optimal usage of natural resources.
- Continuously monitoring and controlling operational activities to minimise carbon footprint.

- Endeavouring to provide a clean, healthy and safe working environment to the employees, neighbours, customers, consumers and stakeholders.
- Upholding fair labour practices, including respect for workers' rights, safe working conditions, optimal work hours, fair pay and opportunities for employee development.
- Maintaining a zero-tolerance approach towards discrimination, harassment (sexual and non-sexual), child labour, forced labour and unfair treatment, and promoting diversity, equity and equal opportunity in the workplace.
- Respecting and supporting human rights aligned to UNGC principle across the Company's operations and value chain.
- Supporting community development initiatives in areas surrounding operations.
- Conducting business with the highest standards of integrity, transparency and ethical behaviour, in line with the Company's Code of Conduct.
- Adopting a zero-tolerance approach to bribery, corruption and unethical practices, and ensuring compliance with all applicable laws and regulations.
- Implementing appropriate management systems to monitor progress against sustainability objectives.
- Ensuring the protection of data privacy and information security through responsible data management practices, safeguarding personal and sensitive information of employees, customers, business partners and other stakeholders, in compliance with applicable laws and internal policies.
- Maintaining transparency through periodic communication and disclosures on sustainability performance.

Implementation Mechanism

NRL shall adopt appropriate mechanisms to achieve its sustainability objectives and targets, including:

- Assigning clear roles and responsibilities at all levels and periodically review and recognize contribution to the sustainability objectives.
- Allocating adequate financial, technological and human resources.
- Periodically reviewing sustainability performance and taking corrective action where required.
- Encouraging active participation of internal and external stakeholders.
- Creating platforms and forums for dialogue, collaboration and knowledge sharing.

Monitoring and Review Mechanism

The CSR & S Committee of the Board shall oversee the implementation and effectiveness of this Policy.

- The CSR & S Committee shall meet at least once every quarter to review ESG-related matters, progress against sustainability objectives and emerging ESG risks and opportunities.

- The Committee shall consider internal and external stakeholder feedback, regulatory developments and industry best practices while evaluating ESG performance.
- The Committee may recommend updates to ESG-related policies, processes and management systems to ensure continuous improvement.
- Any ESG-related concerns, feedback or grievances raised by employees, communities, customers or other stakeholders shall be routed through appropriate internal mechanisms and escalated to the Director in-charge of the ESG Function for review and necessary action.
- Quarterly reports on ESG performance and implementation status shall be submitted to the Board for review and guidance.
- NRL shall:
 - Align disclosures with BRSR and other applicable frameworks
 - Strengthen data validation and internal controls (maker–checker–approver approach)
 - Progressively enhance assurance of ESG data

Validity and Review Mechanism

- This ESG Policy shall be reviewed in the event of significant changes in regulatory requirements or at least once every three (3) years, whichever is earlier.
- Any amendments or modifications to this Policy shall be approved by the Board of Directors based on the recommendation of the CSR&S Committee.