



HAPPY FORGINGS LIMITED

July 01, 2025

To,

BSE Ltd, Corporate Relationship Department, Phiroze Jeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code: 544057	National Stock Exchange of India Ltd. Listing Department, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai- 400 051 Symbol: HAPPYFORGE
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Dear Sir/Ma'am,

Sub: Submission of Business Responsibility and Sustainability Report for the Financial Year 2024-25.

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Business Responsibility and Sustainability Report for the Financial Year 2024-25 which also forms part of the Annual Report for the Financial Year 2024-25.

The Business Responsibility and Sustainability Report for FY 2024-25 is also being uploaded on the website of the Company at www.happyforgingsltd.com

Kindly take the above information on record.

FOR HAPPY FORGINGS LIMITED

BINDU GARG
Company Secretary &
Compliance Officer
Membership No.: F6997
BXXIX-2254/1, Kanganwal Road
P.O. Jugiana,
Ludhiana, Punjab, 141120

Regd Office :



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info@happyforgingsltd.com
www.happyforgingsltd.com



BXXIX-2254/1, Kanganwal Road,
P. O. Jugiana, Ludhiana, Punjab,
CIN L28910PB1979PLC004008

India – 141120

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L28910PB1979PLC004008
2.	Name of the Listed Entity	Happy Forgings Limited
3.	Year of incorporation	1979
4.	Registered office address	BXXIX-2254/1, Kanganwal Road, P.O. Jugiana, Ludhiana-141120
5.	Corporate address	Happy Forgings Ltd., H.B. No. 220, P.O. Rajgarh, Village Dugri, Ludhiana-141421
6.	E-mail	complianceofficer@happyforgingsltd.co.in
7.	Telephone	+0161 521 7162
8.	Website	www.happyforgingsltd.com
9.	Financial year for which reporting is being done	2024-25
10.	Name of the Stock Exchange(s) where shares are listed	Bombay Stock Exchange Limited (BSE) and National Stock Exchange Limited (NSE)
11.	Paid-up Capital	₹ 18.84 Cr.
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Megha Garg, +0161 521 7162 email ID: complianceofficer@happyforgingsltd.co.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone
14.	Name of assurance provider	Not assured
15.	Type of assurance obtained	Not applicable

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Metal & Metal Products	100%

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

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Steel Forgings Finished Machined Crankshafts	25910	92%

III. Operations

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

Location	Number of plants	Number of offices	Total
National	3	2*	3
International	-	-	-

*Offices are located within plant premises



Business Responsibility and Sustainability Report (Contd.)

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Pan India
International (No. of Countries)	10

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

18%

c. A brief on types of customers

HFL is the fourth largest engineering led manufacturer of complex and safety critical, heavy forged and high precision machined components in the country selling its products to domestic and international OEMs in commercial vehicles, farm equipment, off-highway, industrials (wind, oil & gas and railways) and passenger vehicles industry segments. More details on our products and their applications are available at: <https://happyforgingsltd.com/> under the products tab. The major customers of HFL are Tata Motors, JCB, Mahindra, Yanmar, Ashok Leyland, Escorts Kubota, American Axle & Manufacturing, Dana, Liebherr, IGW, Same Deutz Fahr, Hendrickson Holdings, Bonfiglioli and SML Isuzu.

IV. Employees

20. Details as at the end of Financial Year (2024-25)

a. Employees and workers (including differently abled)

2024-25						
S. No.	Particulars	Total (A)	Male No. (B)	Percentage % (B / A)	Female No. (C)	Percentage % (C / A)
EMPLOYEES						
1	Permanent (D)	631	605	95.9%	26	4.1%
2	Other than Permanent (E)	8	8	100.0%	0	0.0%
3	Total employees (D + E)	639	613	95.9%	26	4.1%
WORKERS						
4	Permanent (F)	2,540	2,540	100%	0	0.0%
5	Other than Permanent (G)	391	391	100%	0	0.0%
6	Total workers (F + G)	2,931	2,931	100%	0	0.0%

b. Differently abled Employees and workers

2024-25						
S. No.	Particulars	Total (A)	Male No. (B)	Percentage % (B / A)	Female No. (C)	Percentage % (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	0	0	-	0	-
2	Other than Permanent / Contractual / Third Party (E)	0	0	-	0	-
3	Total differently abled employees (D + E)	0	0	-	0	-
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	5	5	100%	0	0.0%
5	Other than Permanent / Contractual / Third Party (E)	0	0	-	0	-
6	Total differently abled workers (F+G)	5	5	100%	0	0.0%

21. Participation/Inclusion/Representation of women

Representative Stakeholder	Total (A)	No. and percentage of Females (B)	
		No. (B)	% (B / A)
Board of Directors	7	2	28.6%
Key Management Personnel	2	1	50.0%

22. Turnover rate for permanent employees and workers¹

	2024-25 (Turnover rate in current FY)			2023-24 (Turnover rate in previous FY)			2022-23 (Turnover rate in prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Turnover rate for Permanent Employees (%)	10.1%	9.1%	10.1%	16.3%	2.1%	18.4%	15.9%	1.1%	17.0%
Turnover rate for Permanent Workers (%)	26.0%	0.0%	26.0%	25.1%	0.0%	25.1%	32.1%	0.0%	32.1%

The turnover rate has been calculated by dividing the total number of permanent employees/workers who left the company by the average number of employees/workers in the company for FY 2024-25.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	HFL Technologies Private Limited	Subsidiary	100%	No

VI. CSR details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes, CSR is applicable to HFL as per Section 13 of the Companies Act, 2013. The Company, in line with their values and the legal mandate, embraces its responsibility to give back to society, fostering inclusive growth and sustainable development.

(ii) Turnover (in ₹) – ₹ 1,409 Cr.

(iii) Net worth (in ₹) – ₹ 1,850 Cr.

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	2024-25			2023-24		Remarks
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks (e.g., categorisation of grievances if available)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	
Communities	The Company has both formal and informal channels for addressing the grievances of all the communities. These are addressed by the top management and senior leadership teams.	NIL	NIL	NA	NIL	NA	NA



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Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	2024-25			2023-24		Remarks
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks (e.g., categorisation of grievances if available)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	
Investors and Shareholders	HFL has appointed M/s. MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) to discharge investor service functions and to handle all share related matters including transmission, transposition, nomination, dividend, change of name/address/ signature, registration of mandate/Power of Attorney, replacement/ split/ consolidation of share certificate/ demat/ remat of shares, issue of duplicate certificates, etc. https:// happyforgingsltd. com/investors/ investor-contacts/	5	0	NA	2,042	0	Investors' grievances were filed between 19th December, 2023 to 31st March, 2024 i.e. at the time of listing and post listing of the Company. All the complaints were resolved at the close of 2023-24
Employees and workers	Yes, HFL has instituted a robust grievance redressal mechanism ensuring the voice of the workforce is heard with dignity and their concerns addressed promptly.	740	0	NA	910	0	NA

Business Responsibility and Sustainability Report (Contd.)

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	2024-25			2023-24		Remarks
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks (e.g., categorisation of grievances if available)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	
Customers	Yes, HFL maintains a steadfast commitment to the customers and maintains a responsive customer-centric grievance system, dedicated to resolving issues with transparency. https://happyforgingsltd.com/contact-us/	NIL	NA	NA	NIL	NA	NA
Value Chain Partners (upstream & downstream)	Yes, HFL ensures a well-structured grievance redressal system to foster trust and ensure collaboration across the value chain. https://happyforgingsltd.com/contact-us/	NIL	NA	NA	NIL	NA	NA
Other (Please specify)	Yes, for all other stakeholders, HFL has facilitated an open and accessible grievance framework. https://happyforgingsltd.com/contact-us/	NIL	NA	NA	NIL	NA	NA






The turnover rate has been calculated by dividing the total number of permanent employees/workers who left the company by the average number of employees/workers in the company for 2024-25.






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26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy Management  	Opportunity	Energy management planning assists in setting up renewable energy targets.	<p>In order to better manage energy consumption in the organisation and work towards its ambition for energy efficiency, HFL has undertaken numerous initiatives that contribute to energy savings and reduced dependence on fossil fuels. In 2024-25, HFL has undertaken the installation of 1.7 Mega Watts solar rooftop power for its electricity needs taking total installed capacity to 6.5 Mega Watts. Additionally, halogen lights have been replaced with LED lights to ensure a reduction in electricity use. As a result, 1.2 Kilowatts are consumed as opposed to 1.5 Kilowatts per bulb.</p> <p>These initiatives align with SDG 7 (Affordable and Clean Energy) by promoting the use of renewable energy sources and enhancing energy efficiency. They also support SDG 13 (Climate Action) by reducing greenhouse gas emissions and mitigating the impact of climate change.</p>	<p>Positive</p> <p>(These initiatives help in achieving significant cost savings and reducing carbon emissions. These efforts enhance the organisation's reputation and environmental credentials, leading to more business.)</p>
2	Emissions Management   	Opportunity	Reducing GHG emissions offers distinct operational and energy supply opportunities.	<p>By replacing all oil-fired furnaces on forging lines with induction billet heaters, we eliminated the use of furnace oil. Additionally, we invested in advanced technology and invested in LPG based heat treatment facility in the new plant. We also installed a 6.5 MW solar power plant at our three manufacturing facilities and a 1,600 kVAR Hybrid APFC panel to improve the power factor, thereby reducing energy wastage. Furthermore, we redesigned the layout of compressors and controlled leakages, which enabled us to use only half the compressors, resulting in substantial electricity savings.</p>	<p>Positive</p> <p>(These efforts will reduce the operational costs through energy savings and fuel efficiency. These initiatives not only lower expenses but also enhance sustainability, making HFL more competitive and appealing to clients.)</p>

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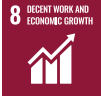
S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				<p>Temperature controllers were installed in the cooling towers of each manufacturing facility to further conserve electricity. We have also initiated work on Science Based Target Initiatives, aiming to achieve a 50% reduction in Scope 1 and 2 emissions by 2030, 100% recycling or reuse of effluent by 2025, and a 50% reduction in wood-based disposable packaging by 2030.</p> <p>These initiatives align with SDG 7 (Affordable and Clean Energy) by promoting the use of renewable energy sources and enhancing energy efficiency. They also support SDG 13 (Climate Action) by reducing greenhouse gas emissions and mitigating the impact of climate change. Additionally, our efforts contribute to SDG 12 (Responsible Consumption and Production) by improving resource efficiency and reducing waste.</p>	
3	<p>Climate Strategy & Governance</p>   	Opportunity	Opportunity to mitigate risks, enhance sustainability, and drive long-term value creation by aligning business practices with environmental goals	<p>HFL is developing comprehensive strategies to manage the multifaceted impacts of climate change, with a particular focus on enhancing the resilience of its infrastructure. Its commitment extends to establishing robust policies and frameworks that not only guide climate action but also ensure accountability and foster meaningful collaboration among all stakeholders. In addition, HFL is diligently conducting thorough climate change risk assessments for all its plant locations, enabling it to proactively address potential vulnerabilities and safeguard operations against future climate-related challenges. Through these concerted efforts, HFL aims to create a sustainable and resilient future for itself and the communities it serves.</p>	<p>Positive</p> <p>(Implementing climate impact strategies, such as improving infrastructure resilience and conducting risk assessments, can reduce future costs and disruptions. Establishing robust policies and fostering stakeholder collaboration enhances accountability and efficiency, leading to long-term financial stability and sustainability.)</p>



Business Responsibility and Sustainability Report (Contd.)


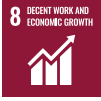
S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				<p>These initiatives align with SDG 13 (Climate Action) by addressing climate change impacts and enhancing resilience. They also support SDG 9 (Industry, Innovation, and Infrastructure) by developing robust infrastructure and policies. Additionally, the focus on stakeholder collaboration contributes to SDG 17 (Partnerships for the Goals), fostering meaningful partnerships for sustainable development.</p>	
4	<p>Waste Management & Product Stewardship</p>  	Opportunity	<p>Identifying Waste Management & Product Stewardship as key areas helps reduce environmental impact and compliance costs, while enhancing operational efficiency and brand reputation.</p>	<p>HFL has issued a Standard Operating Procedure (SOP) for adopting waste management practices, demonstrating its commitment to environmental stewardship. HFL has implemented the 3R process of 'Reduce, Recycle, and Reuse' to minimise its environmental impact. Additionally, HFL has increased the use of reusable packaging materials by identifying new suppliers and developing a comprehensive feasibility report. Through these initiatives, HFL continues to lead by example in promoting sustainable practices and reducing its ecological footprint. Further, the Company has installed a squeezing press to recover cutting oil from grinding residue enabling reuse of the oil in machining process thereby reducing hazardous waste generation.</p> <p>These initiatives align with SDG 12 (Responsible Consumption and Production) by promoting sustainable waste management practices and reducing environmental impact. They also support SDG 13 (Climate Action) by minimising waste-related emissions and enhancing resource efficiency.</p>	<p>Positive</p> <p>(Increasing the use of reusable packaging materials lowers procurement expenses and enhances sustainability. These measures present opportunities for clients to achieve cost savings and improve their environmental footprint.)</p>

Business Responsibility and Sustainability Report (Contd.)

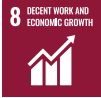

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	<p>Water Management</p>   	Opportunity	Identifying water management as a key area helps reduce operational costs and ensures sustainable resource use, mitigating risks and enhancing environmental stewardship.	<p>HFL has taken a significant step towards environmental sustainability by installing a Reverse Osmosis (RO) plant to recycle effluent from its Effluent Treatment Plant (ETP). This initiative underscores HFL's dedication to reducing its ecological footprint and promoting responsible water management practices. By implementing this advanced technology, HFL not only ensures the efficient reuse of water but also demonstrates its unwavering commitment to preserving natural resources and fostering a greener future for all.</p> <p>These initiatives align with SDG 6 (Clean Water and Sanitation) by promoting the efficient reuse of water and ensuring sustainable water management. They also support SDG 12 (Responsible Consumption and Production) by reducing waste and enhancing resource efficiency. Additionally, these efforts contribute to SDG 13 (Climate Action) by minimising the environmental impact and promoting sustainability.</p>	<p>Positive</p> <p>(These initiatives can lead to substantial cost savings by reducing water extraction and waste disposal expenses. This initiative enhances resource efficiency and sustainability, offering clients a financially beneficial and environmentally responsible solution.)</p>
6	<p>Labour Practices</p>  	Opportunity	Helps in ensuring fair treatment and compliance, reducing turnover and enhancing workforce stability and productivity.	HFL offers a comprehensive compensatory package for both employees and workers under various insurance schemes. These benefits include a Funeral Benefit under the Employee State Insurance (ESI), an Insurance (EDLI) Benefit under the Employees' Provident Fund (EPF), and a pension for immediate family members. Additionally, HFL provides a Gratuity Benefit, an Ex Gratia Benefit, and a Funeral Benefit under Labour Welfare. These measures reflect HFL's unwavering commitment to the well-being and security of its workforce, ensuring that they and their families are supported during challenging times.	<p>Positive</p> <p>(These measures reduce turnover costs and improve workforce stability, presenting a financial opportunity for clients to maintain a motivated and loyal workforce.)</p>



Business Responsibility and Sustainability Report (Contd.)



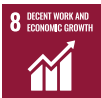
S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				These initiatives align with SDG 3 (Good Health and Well-being) by ensuring access to essential health services and financial support during critical times. They also support SDG 8 (Decent Work and Economic Growth) by promoting decent work conditions and providing social protection for employees and their families.	
7	Health & Safety  	Risk	It is crucial to prevent accidents, ensure compliance with regulations, and promote a safe working environment, which can enhance productivity and employee well-being.	<p>HFL is deeply committed to the well-being of its workforce, as evidenced by its comprehensive health and safety policy. This policy ensures a safe and healthy working environment for all employees. Additionally, HFL conducts annual health checkups for all its employees, demonstrating its proactive approach to maintaining their health and well-being. Through these initiatives, HFL not only prioritises the safety of its employees but also fosters a culture of care and responsibility within the organisation.</p> <p>These initiatives align with SDG 3 (Good Health and Well-being) by promoting a healthy working environment and ensuring regular health checkups for employees. They also support SDG 8 (Decent Work and Economic Growth) by ensuring safe and secure working conditions, which are essential for decent work and economic productivity.</p>	<p>Positive</p> <p>(These measures can reduce workplace accidents and health-related absences. This leads to lower insurance premiums and increased productivity, presenting a financial opportunity for clients to maintain a healthier and more efficient workforce.)</p>

Business Responsibility and Sustainability Report (Contd.)


S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Human Rights  	Risk	Human rights risks and opportunities is essential to uphold ethical standards, prevent abuses, and foster a fair and inclusive environment, which can enhance reputation and stakeholder trust.	<p>HFL is steadfast in its commitment to upholding human rights, as evidenced by its comprehensive human rights policy. Additionally, HFL has implemented a robust Grievance Redressal Policy that encompasses all employees and addresses a wide range of grievances, including those related to human rights issues. As part of this policy, designated HR personnel regularly visit the shop floor to engage with employees and workers, attentively noting their grievances and communicating them to the respective process owners for resolution. The Welfare Officer meticulously maintains a monthly Management Information System (MIS) report, which is reviewed by the Chief Human Resources Officer (CHRO) on a monthly basis, with the register also being signed by the CHRO. Through these diligent efforts, HFL ensures that the voices of its employees are heard, and their concerns are promptly addressed, fostering a supportive and respectful work environment.</p> <p>These initiatives align with SDG 8 (Decent Work and Economic Growth) by promoting fair labor practices and ensuring a safe and supportive work environment. They also support SDG 16 (Peace, Justice, and Strong Institutions) by upholding human rights and providing mechanisms for grievance redressal, ensuring accountability and justice within the organisation.</p>	<p>Positive (Initiatives like these can enhance employee satisfaction and trust. This leads to reduced turnover and absenteeism, lowering recruitment and training costs. Additionally, addressing grievances promptly improves workplace morale and productivity, presenting a financial opportunity for clients to maintain a stable and motivated workforce.)</p>



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S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Diversity & Inclusion   	Opportunity	Diversity and inclusion risks and opportunities is vital to create an equitable workplace, enhance innovation through varied perspectives, and improve employee satisfaction and retention.	<p>HFL is dedicated to fostering an inclusive and supportive work environment, as demonstrated by its comprehensive maternity leave and benefit policy, as well as its equal opportunity policy. These policies ensure that all employees are treated fairly and have access to the support they need. Additionally, HFL organises extensive training programs for its employees, covering crucial topics such as Environmental, Social, and Governance (ESG) principles, human rights, and the Prevention of Sexual Harassment (POSH). Through these initiatives, HFL not only promotes a culture of equality and respect but also empowers its employees with the knowledge and skills necessary to uphold these values in their daily work.</p> <p>These initiatives align with SDG 5 (Gender Equality) by ensuring fair treatment and support for all employees, particularly in terms of maternity leave and equal opportunities. They also support SDG 8 (Decent Work and Economic Growth) by promoting a safe, inclusive, and supportive work environment. Additionally, the training programs contribute to SDG 4 (Quality Education) by providing employees with essential knowledge and skills related to ESG principles, human rights, and POSH.</p>	<p>Positive</p> <p>(These initiatives help reduce turnover and recruitment costs, while promoting a diverse and knowledgeable workforce. This creates a financial opportunity for clients by fostering a supportive and inclusive work environment.)</p>

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S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10	Community Relations  	Opportunity	It is crucial to build trust, foster positive engagement, and ensure social license to operate, which can enhance local support and long-term sustainability.	<p>HFL is deeply committed to fostering open communication and addressing concerns from both the community and external stakeholders. Anyone from the community can easily register a complaint or grievance using the contact information provided on our website. For external stakeholders, HFL has established a comprehensive Stakeholder Management Policy, which outlines the process for registering complaints or grievances. This policy ensures that stakeholders can use the provided contact information and email addresses, available both in the policy document and on our website, to voice their concerns. Through these measures, HFL demonstrates its dedication to transparency, accountability, and maintaining strong, positive relationships with all its stakeholders.</p> <p>These initiatives align with SDG 16 (Peace, Justice, and Strong Institutions) by promoting transparent and accountable practices and ensuring that grievances are addressed effectively. They also support SDG 17 (Partnerships for the Goals) by fostering strong, positive relationships with the community and external stakeholders, encouraging collaboration and mutual trust.</p>	<p>Positive (Providing accessible channels for community and stakeholder grievances can enhance trust and transparency, reducing potential conflicts and associated costs. This proactive approach fosters positive relationships and improves our reputation, presenting a financial opportunity for clients to build stronger community and stakeholder engagement.)</p>



Business Responsibility and Sustainability Report (Contd.)





S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	ESG / Corporate Governance   	Opportunity	<p>It is essential to ensure ethical management, enhance transparency, and build investor confidence, which can drive long-term value and sustainability.</p>	<p>HFL has established an Environmental, Social, and Governance (ESG) council comprising six dedicated members from various departments, reflecting its commitment to sustainability and ethical practices. Although there is currently no specific budget allocated for ESG at the organisational level, each department has the flexibility to allocate a portion of their budget for ESG-related activities. Additionally, any expenditure that needs to be incurred at the central or organisational level is approved by senior management on a case-by-case basis. Through these efforts, HFL ensures that ESG considerations are integrated into its operations, fostering a culture of responsibility and sustainability across HFL.</p> <p>These initiatives align with SDG 12 (Responsible Consumption and Production) by promoting sustainable practices and resource efficiency across departments. They also support SDG 16 (Peace, Justice, and Strong Institutions) by establishing robust governance structures and ensuring accountability. Additionally, the collaborative approach to ESG aligns with SDG 17 (Partnerships for the Goals) by encouraging cross-departmental cooperation and stakeholder engagement.</p>	<p>Positive (This approach can lead to cost-effective ESG initiatives, presenting financial opportunities for clients through improved sustainability practices.)</p>

Business Responsibility and Sustainability Report (Contd.)



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12	Supply Chain Management   	Opportunity	Identifying supply chain management risks and opportunities is vital to ensure seamless operations, reduce vulnerabilities, and enhance adaptability, leading to cost efficiency and higher customer satisfaction.	<p>HFL has established a comprehensive Supplier Code of Conduct, underscoring its commitment to ethical and sustainable business practices throughout its supply chain. Starting from October 2024, HFL initiated raw material supplier assessments to ensure compliance with these standards. This proactive approach not only reinforces HFL's dedication to maintaining high ethical standards but also fosters strong, responsible partnerships with its suppliers, contributing to a more sustainable and accountable business ecosystem.</p> <p>These initiatives align with SDG 12 (Responsible Consumption and Production) by promoting sustainable practices and resource efficiency throughout the supply chain. They also support SDG 8 (Decent Work and Economic Growth) by ensuring fair labor practices and ethical standards among suppliers. Additionally, these efforts contribute to SDG 17 (Partnerships for the Goals) by fostering strong, responsible partnerships with suppliers and encouraging collaboration for sustainable development.</p>	<p>Positive</p> <p>(Implementing a supplier code of conduct and initiating supplier assessments can enhance supply chain transparency and efficiency. These measures help identify and mitigate risks, reduce compliance costs, and improve supplier performance.)</p>



Business Responsibility and Sustainability Report (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
13	Risk Management    	Risk	Recognising risks and opportunities in risk management is essential for proactively mitigating potential threats, improving decision-making processes, and bolstering organisational resilience, ensuring long-term stability and success.	HFL is dedicated to environmental stewardship through a series of proactive measures. HFL aims to reduce water consumption via process control and recycling, and minimise pollutant generation by adopting alternative fuels, oils, and technologies. Additionally, HFL is committed to reducing smoke emissions through the use of alternative fuels, oils, lubricants, and electricity. To ensure continuous improvement, HFL has established a procedure for performance monitoring and measurement, providing guidelines to evaluate and enhance its Environmental, Health, and Safety (EHS) performance. This procedure helps identify and prevent potential issues before they arise, aligning with HFL's EHS policy, objectives, and targets by controlling and minimising significant aspects, hazards, and risks. Furthermore, HFL has implemented a procedure for compliance obligations, other requirements, and evaluation of compliance. This procedure offers guidelines for identifying and understanding applicable legal, regulatory, and other EHS-related requirements, ensuring protection from hazards and risks associated with ongoing activities and products. Through these comprehensive efforts, HFL demonstrates its unwavering commitment to sustainability and responsible business practices. These initiatives align with SDG 6 (Clean Water and Sanitation) by promoting responsible water management and recycling practices. They also support SDG 12 (Responsible Consumption and Production)	Positive (Establishing procedures for performance monitoring and compliance ensures adherence to EHS standards, minimising risks and potential fines. These initiatives present financial opportunities for clients by enhancing operational efficiency and sustainability.)

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S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				<p>by minimising pollutant generation and enhancing resource efficiency. Additionally, the efforts to reduce smoke emissions and adopt alternative fuels contribute to SDG 13 (Climate Action) by mitigating environmental impact and promoting sustainability. The procedures for performance monitoring and compliance obligations align with SDG 9 (Industry, Innovation, and Infrastructure) by fostering innovation and ensuring robust environmental, health, and safety standards.</p>	
14	<p>Data Protection & Security</p>  	Opportunity	<p>Recognising data protection and security as a material topic is essential for mitigating reputational and regulatory risks, enhancing stakeholder trust, and ensuring operational resilience in an increasingly digital world. Prioritising secure and ethical data practices supports compliance with evolving legal frameworks, strengthens institutional accountability, and safeguards individual rights.</p>	<p>To ensure data protection & security, HFL has implemented robust data protection measures like deployment of multilayered security systems and applications across its network and is in the process of setting up a dedicated Security Operations Centre (SOC). HFL's Information Technology and Cyber Security Policy safeguards its data and infrastructure, with regular reviews conducted to adapt to evolving technologies. These proactive initiatives reflect HFL's commitment to responsible digital governance and align with the United Nations Sustainable Development Goals, particularly SDG 9 (Industry, Innovation and Infrastructure) and SDG 16 (Peace, Justice and Strong Institutions), by promoting resilient infrastructure and fostering secure, inclusive digital environments.</p>	<p>Positive (Monitoring data protection and security expenditures and aligning them with budget forecasts helps organisations manage costs effectively and allocate resources strategically. Ensuring compliance with data privacy regulations through robust cybersecurity frameworks minimises the risk of financial penalties and operational disruptions. This proactive approach not only safeguards sensitive information but also enhances financial resilience, offering businesses opportunities to strengthen trust, improve efficiency, and maintain a competitive edge in a data-driven economy.)</p>



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SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Description		This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.								
S No.	Disclosure Question	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	<ul style="list-style-type: none"> Whistle Blower Policy, Anti-Corruption Policy, Code of Conduct for PIT regulations 	<ul style="list-style-type: none"> Environment Policy 	<ul style="list-style-type: none"> Equal Opportunity Policy, Human Rights Policy 	<ul style="list-style-type: none"> Stakeholder Management Policy 	<ul style="list-style-type: none"> Human Rights Policy, Equal Opportunity Policy 	<ul style="list-style-type: none"> Environment Policy 	<ul style="list-style-type: none"> Policy of Responsible Advocacy 	<ul style="list-style-type: none"> CSR Policy 	<ul style="list-style-type: none"> IT and Cyber Security Policy,
		https://happyforgingsltd.com/corporate-governance/								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<p>HFL has obtained the following certifications reflecting their unwavering dedication to quality, safety and sustainability. These stand as a testament to their adherence to globally benchmarked standards.</p> <ul style="list-style-type: none"> IATF 16949:2016 for Manufacturing of Forged & Machined Components ISO 14001:2015 Environment Management System ISO 45001:2018 Occupational Health & Safety Management System ISO 9001:2015 Quality Management System ISO 14064 – Part 1 								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>HFL has laid down clear and forward-looking commitments across its operational and sustainability landscape.</p> <ul style="list-style-type: none"> 50% reduction in Scope 1 & Scope 2 emissions by 2030 100% recycling and reuse of wastewater by 2025 Reduction of wood based disposable packaging by 50% by 2030 Target to plant 10,000 trees by March 2025 20MW solar plant installation by 2028 Eliminate the use of LSFO (Low Sulphur Fuel Oil) by 2027 Discontinue the use of furnace oil by March 2025 								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<ul style="list-style-type: none"> Installed 1.7 MW rooftop solar power plant during FY 2025 Planted 10,000 trees (eucalyptus and poplar) during FY 2025 Discontinued use of Furnace Oil by replacing oil fired furnaces with induction billet heater 								

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PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Description		This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.								
S No.	Disclosure Question	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Governance, leadership, and oversight										
7	Statement by director responsible for the business responsibility report, high-lighting ESG related challenges, targets, and achievements	<p>We are at a crucial juncture in our organisation's growth, dedicated to implementing robust frameworks and procedures that transform our core values into tangible actions with measurable goals, demonstrating our commitment to delivering sustainable value to all stakeholders. To enhance our governance standards, we have prioritised diversity within our Board, ensuring a broad range of expertise, perspectives, and demographic representation to maintain transparency and accountability across our operations. We have established an ESG committee to develop a comprehensive strategy and execution plan, overseeing our progress against set targets and milestones.</p> <p>Mindful of our environmental impact, we have pledged to halve our Scope 1 and Scope 2 carbon emissions by 2030 and achieve 100% wastewater recycling by 2025. Our initiatives include increasing the proportion of renewable energy usage and implementing effective resource management practices such as rainwater harvesting and groundwater recharging. Additionally, we are committed to reducing wood-based disposable packaging by 50% by 2030, planting 10,000 trees by 2025, installing a 20MW solar plant by 2028, discontinuing the use of CBFS by 2027, and discontinuing the use of furnace oil by 2025.</p> <p>We strive to create a safe and supportive working environment for our employees, aiming to increase women's participation in our workforce and enhancing employee skills through expanded training and development programs. Additionally, we are boosting our investments in a wide range of CSR efforts focused on empowering vulnerable and marginalised sections of society. As a responsible organisation, we are committed to developing and adopting best practices in ESG, aspiring to become a leader in our sector.</p>								
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy / (ies).	<p>Board of Directors</p> <p>Ms. Megha Garg</p> <p>Whole Time Director (DIN – 07352042)</p>								
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, pro-vide details.	<p>Yes</p> <p>Ms. Megha Garg</p> <p>Whole Time Director</p>								

10 Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Performance against above policies and follow up action	The policies are assessed at required intervals by ESG core committee. The effective implementation is assessed, and requisite modification/ amendments are done with the approval of the Board.																
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	HFL is compliant with the statutory requirements relevant to the principles. HFL diligently upholds statutory requirements reflecting a commitment to lawful and ethical operations.																	



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	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11 Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Yes, policies on Quality, Health & Safety & Environment are subject to internal and external audits as a part of ISO Systems Certification. Other policies are periodically evaluated for their efficacy through the internal and external audit mechanism.								
12 If answer to question (1) under Policy and Management Processes is "No" i.e., not all Principles are covered by a policy, reasons to be stated:									
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or / human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURES

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	POSH	33.0%
Key Managerial Personnel	1	POSH	50.0%
Employees other than BoD and KMPs	57	Basic ESG Awareness, Communication Skills, HFL Code of Conduct (Human Rights, ABAC, Anti Money Laundering, Core Values, Ethics Policy, POSH, Human Slavery & Child Labour, Working rules), POSH, Safety, Environment Aspect & Impact, HIRA, Occupational Hazards & Use of PPEs, Supervisory Skills, Advanced Excel, Team Building & Motivation	46.6%
Workers	148	Basic ESG Awareness, EHS, Communication Skills, HFL Code of Conduct (Human Rights, ABAC, Anti Money Laundering, Core Values, Ethics Policy, POSH, Human Slavery & Child Labor, Working rules), Human Rights, POSH, Safety, Occupational Hazards & Use of PPEs, HIRA, Supervisory Skills, Advanced Excel Team Building & Motivation	52.9%

Business Responsibility and Sustainability Report (Contd.)

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Not applicable as no penalties or fines were observed by the Company				
Settlement	Not applicable as no settlements were faced by the Company				
Compounding fee	Not applicable as no compounding fees was levied for the Company				
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Not applicable as no penalties or fines were observed by the Company				
Punishment	Not applicable as no penalties or fines were observed by the Company				

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case details	Name of the regulatory / enforcement agencies / judicial institutions
Not applicable as no such cases were faced by the Company	

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

HFL has a robust anti-bribery and anti-corruption policy and is available in the public domain (<https://happyforgingsltd.com/corporate-governance/>). HFL practices zero-tolerance approach to bribery and corruption. It guides all the stakeholders to act professionally, fairly and with utmost integrity. The scope of the policy covers all employees and all third parties of HFL. As per the policy, third party means any individuals or organisation who has business dealings with HFL.

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

	2024-25 (Current Financial Year)	2023-24 (Previous Financial Year)
Directors	No disciplinary action was taken by any law enforcement agency against any of HFL's Director, KMP, employees or workers for charges of bribery or corruption.	No disciplinary action was taken by any law enforcement agency against any of HFL's Director, KMP, employees or workers for charges of bribery or corruption.
KMPs		
Employees		
Workers		

6. **Details of complaints regarding conflict of interest:**

	2024-25 (Current Financial Year)		2023-24 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the directors	No complaints about conflict of interest in the reporting period.		No complaints about conflict of interest in the reporting period.	
Number of complaints received in relation to issues of conflict of interest of the KMPs				



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7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Regulatory Action	2024-25 (Current Financial Year)				
	Incident description	Number	Incident type	Corrective action	Attachment of MOM
	Not Applicable				
Regulatory Action	2023-24 (Previous Financial Year)				
	Incident description	Number	Incident type	Corrective action	Attachment of MOM
	Not applicable				

8. Number of days of accounts payables (Accounts payable * 365) / Cost of goods / Services procured) in the following format.

	2024-25 (Current Financial Year)	2023-24 (Previous Financial Year)
Number of days of accounts payables	25	27

9. Open-ness of business

Provide details of concentration of purchase and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format;

Parameter	Metrics	2024-25 (Current financial Year)	2023-24 (Previous financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	15.3%	NA
	b. Number of trading houses where purchase is made from	475	NA
	c. Purchase from top 10 trading houses as % of total purchase from trading houses	38.8%	NA
Concentration of Sales	a. Sales to dealers / distribution as % of total sales	0.3%	NA
	b. Number of dealers / distributions to whom sales are made	4	NA
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	100%	NA
Share of RPTs in	a. Purchases (Purchases with related parties / total purchases)	0.0%	0.0%
	b. Sales (Sales to related parties / total sales)	0.0%	0.0%
	c. Loans & Advances (Loans & Advances given to related parties / total loans & advances)	0.2%	1.0%
	d. (Investments in related parties / total investments made)	0.1%	100.0%

LEADERSHIP INDICATORS

1. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If yes, provide details of the same.

Yes, HFL has processes to avoid and manage conflicts of interest involving Board members. These processes are managed through the Company's Code of Conduct for Directors & Senior Management as well as the terms outlined in the directors' appointment letters.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	2024-25	2023-24	Details of improvements in environmental and social impacts
R&D	0%	0%	
Capex	2.3%	0.35%	1 Induction Billet Heater wherein the Company shifted from the use of furnace oil to electric furnaces. 2 Scrap Bricketing Press unit – The Company invested in this to extract cutting oil from waste which can then be reused in the process thereby reducing waste generation 3 Scrap Bundling Machines – This significantly reduced the volume of scrap generated and made it easier to manage our footprint on natural resources. 4 Robotic crankshaft washing machine - Reduced human intervention thereby reducing the risk of injuries and ensuring health and safety of our workforce. 5 Filter press unit aided in reduction of Sludge 6 Battery operated forklift instead of fossil-fuels. 7 Oil skimming machine used to extract oil from wastewater which is then transferred to recycler

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

In FY 2025, all raw material suppliers of HFL were in possession of EMS and OHS&MS certificates and had valid licenses and consent to operate.

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

100% of raw materials

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Given that the product is directly supplied to Original Equipment Manufacturers (OEMs), HFL has limited opportunities to reclaim it at the end of its life cycle. Nevertheless, HFL has implemented a comprehensive waste management Standard Operating Procedure (SOP) to ensure the safe handling of recyclable packaging, e-waste, and hazardous waste. This SOPs include detailed guidelines for waste classification, handling procedures, storage requirements, and disposal methods, ensuring that all waste is managed safely and in compliance with regulatory standards. To facilitate the responsible disposal of such waste, HFL has established agreements with authorised recyclers and diligently files annual returns with the appropriate statutory bodies. These agreements ensure that all recyclable and hazardous waste is processed by certified facilities, minimising environmental impact and promoting sustainability.

Our operational ethos is guided by the principles of the 3 Rs—Reduce, Reuse, and Recycle. We actively practice reusing and recycling wherever feasible to minimise our impact on the local environment and drive operational cost savings. For instance, we have significantly reduced the use of single-use packaging by transitioning to reusable materials and have implemented stringent e-waste management protocols to ensure safe disposal and recycling of electronic components. These initiatives align with SDG 12 (Responsible Consumption and Production) by promoting sustainable waste management practices and enhancing resource efficiency. They also support SDG 11 (Sustainable Cities and Communities) by ensuring proper waste disposal and reducing the environmental impact of urban waste. Additionally, our efforts contribute to SDG 13 (Climate Action) by minimising waste-related emissions and fostering a culture of sustainability.



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4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No. Extended Producer Responsibility (EPR) is not applicable to HFL. The nature of the Company's operations does not fall within the scope of EPR obligations as defined under the regulations.

LEADERSHIP INDICATORS

1. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	2024-25 Current Financial Year	2023-24 Previous Financial Year
Treated water	10%	15%

2. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	2024-25 Current Financial Year			2023-24 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not applicable as all packaging is provided to our customers who further consume the packaging material. Therefore, ascertaining the end-of-life use does not fall under our operations.					
E-waste						
Discarded containers						
Waste & residues containing oil						
MS scrap/ scale/ bur						

3. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Since the product is directly supplied to the OEMs, HFL has limited scope for reclaiming it at the end of its life cycle.	

PRINCIPLE 3:

Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	605	605	100.0%	605	100.0%	-	-	-	-	-	-
Female	26	26	100.0%	26	100.0%	26	100.0%	-	-	-	-
Total	631	631	100.0%	631	100.0%	26	4.1%	-	-	-	-
Other than Permanent Employees											
Male	8	8	100.0%	8	100.0%	-	-	-	-	-	-
Female	0	0	-	0	-	0	-	-	-	-	-
Total	8	8	100.0%	8	100.0%	0	0.0%	-	-	-	-

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

Category	% of workers covered by										
	Total (A)	Health insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	2,540	2,540	100.0%	2,540	100.0%	-	-	-	-	-	-
Female	0	0	-	0	-	0	-	-	-	-	-
Total	2,540	2,540	100.0%	2,540	100.0%	0	0.0%	-	-	-	-
Other than Permanent workers											
Male	391	391	100.0%	391	100.0%	-	-	-	-	-	-
Female	0	0	-	0	-	0	-	-	-	-	-
Total	391	391	100.0%	391	100.0%	0	0.0%	-	-	-	-

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format.

	2024-25 Current Financial Year	2023-24 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the Company	0.25%	0.13%

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

Benefits	2024-25			2023-24		
	No. of employees covered as a % of total employees*	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	99.6%	100.0%	Yes	99.0%	100.0%	Yes
Gratuity	100.0%	100.0%	Yes	100.0%	100.0%	Yes
ESI	14.4%	91.9%	Yes	19.0%	94.6%	Yes

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, HFL's premises and offices are accessible to differently abled employees and workers, in compliance with the Rights of Persons with Disabilities Act, 2016. Our office and factory units include accessibility features such as ramps, lifts, and handrails in stairwells to ensure seamless mobility for differently abled individuals. Additionally, we offer transportation facilities to ease the commute for all employees. Any future requirements will be promptly addressed.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

HFL ensures equal opportunities for all our employees and all qualified job applicants. We adhere to a strict non-discrimination policy and cultivate an inclusive workplace that promotes diversity and equal opportunity. We are committed to ensuring a work environment free from discrimination against persons with disabilities. In line with the Rights of Persons with Disabilities Act, 2016, we are committed to maintaining a discrimination-free work environment for persons with disabilities. We provide necessary facilities and arrangements to help them perform their duties effectively. Medical assistance is available as needed, and a Grievance Officer ensures the required provisions are in place. We ensure that no one is denied opportunities based on disability and protect employees from any form of coercion, intimidation, or retaliation for filing complaints or aiding investigations under the Act. The policy is available on the HFL's Website at the following link: <https://happyforgingsltd.com/corporate-governance/> (Equal Opportunity Employer Policy)



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5. Return to work² and Retention rates³ of permanent employees and workers that took parental leave.

During the reporting period, no permanent employees or workers availed parental leave.

Sl. No.	Particulars	Permanent Employees			Permanent Workers		
		Male	Female	Total	Male	Female	Total
1	Returned to work rate	-	-	-	-	-	-
2	Retention rate	-	-	-	-	-	-

²The entity shall use the following formulas to calculate return to work rate, for each category of employee (male / female / others): (Total number of employees that did return to work after parental leave in the reporting period * 100)/ (Total number of employees due to return to work after taking parental leave in the reporting period) = Return to work rate

³Retention rate determines who returned to work after parental leave ended and were still employed 12 months later. It shall be calculated using the following formula:

(Total number of employees retained 12 months after returning to work following a period of parental leave * 100)/

(Total number of employees returning from parental leave in the prior reporting period)

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)	Details of mechanism
Permanent Workers	Yes	<p>HFL has established a Grievance Policy to provide employees with a platform to voice their employment-related concerns. This policy ensures that grievances are addressed promptly, fairly, and impartially by a Grievance Committee, in accordance with other policies of HFL.</p> <p>We have a comprehensive Grievance Redressal Policy that addresses all types of employee grievances, including those related to human rights issues. Designated HR personnel visit the shop floor to meet with employees and workers, document their grievances, and communicate them to the respective process owners for resolution. The Welfare Officer maintains a monthly MIS, which is reviewed by the CHRO, who also signs the register on a monthly basis.</p> <p>To further enhance the effectiveness of our grievance redressal process, we have implemented a multi-tiered approach that includes regular training for HR personnel on conflict resolution and human rights. This ensures that our team is well-equipped to handle a wide range of issues with sensitivity and professionalism. Additionally, we have established anonymous reporting channels to encourage employees to voice their concerns without fear of retaliation.</p>
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

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

Not Applicable, since there is no registered trade union under the Industrial Disputes Act 1947.

Category	2024-25			2023-24		
	Total employees / workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	0	0	-	0	0	-
Male	0	0	-	0	0	-
Female	0	0	-	0	0	-
Total Permanent Workers	0	0	-	0	0	-
Male	0	0	-	0	0	-
Female	0	0	-	0	0	-

8. Details of training given to employees and workers

Category	2024-25					2023-24				
	Total (A)	On Health and Safety Measures		On Skills upgradation		Total (D)	On Health and Safety Measures		On Skills upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	605	208	34.4%	419	69.3%	506	134	26.5%	395	78.1%
Female	26	7	26.9%	21	80.8%	17	1	5.9%	12	70.6%
Total	631	215	34.1%	440	69.7%	523	135	25.8%	407	77.8%
Workers										
Male	2,540	669	26.3%	2,236	88.0%	2,494	855	34.3%	2,094	84%
Female	0	0	-	0	-	0	0	-	0	-
Total	2,540	669	26.3%	2,236	88.0%	2,494	855	34.3%	2,094	84%

9. Details of performance and career development reviews of employees and workers

	2024-25			2023-24		
	Total (A)	No. (B)	% (B/A)	Total (A)	No. (B)	% (B/A)
Employees						
Male	605	313	51.7%	506	93	18.4%
Female	26	7	26.9%	12	2	11.8%
Total	631	320	50.7%	523	95	18.2%
Workers						
Male	2,540	70	2.8%	2,494	49	1.7%
Female	0	0	-	0	0	-
Total	2,540	70	2.8%	2,494	49	1.7%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, HFL has successfully implemented the Health and Safety Management System (ISO 45001:2018) across 100% of its operations and sites. This system outlines the requirements for an occupational health and safety (OH&S) management system and provides comprehensive guidance to ensure the creation of safe and healthy workplaces. By preventing work-related injuries and illnesses and proactively enhancing OH&S performance, HFL demonstrates its unwavering commitment to employee well-being.



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ISO 45001:2018 plays a crucial role in establishing, maintaining, and implementing an effective OH&S management system. It aims to improve occupational health and safety, eliminate hazards, and minimise OH&S risks, including system deficiencies. Additionally, it helps HFL seize OH&S opportunities and address any non-conformities associated with its activities, thereby fostering a culture of safety and continuous improvement.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

In alignment with ISO standards ISO 14001:2015 and ISO 45001:2018, HFL consistently implements measures to enhance employee well-being and healthcare. A robust hazard identification and risk management system has been established to ensure continuous improvement in occupational health and safety. Hazard Identification Risk Assessment is conducted regularly at all levels through a meticulous six-step process, overseen by a highly skilled process owner or a qualified safety coordinator who is thoroughly knowledgeable about all activities and safety standards. Through these diligent efforts, HFL demonstrates its unwavering commitment to maintaining a safe and healthy workplace.

1. Pre-assessment preparations.
2. Pre-assessment meeting with HSE Leaders.
3. Conducting interviews.
4. Walk-around tour/Quantification of hazards.
5. Evaluation of Hazard/Person/Severity factors.
6. Post evaluation activity.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, we have implemented a process for reporting work-related hazards in accordance with the ISO 45001:2018 Occupational Health & Safety Management System. We encourage all employees and workers to actively engage in maintaining a safe work environment. They participate in identifying hazards and reporting unsafe conditions or behaviors. Additionally, they are empowered to implement control measures to prevent and mitigate risks or withdraw from hazardous situations if necessary, including stopping unsafe activities. Employees receive regular training on hazard identification and reporting. We set proactive EHS objectives, reports on progress, provides necessary PPE, and ensures its use. Additionally, it integrates ergonomic policies and collaborates with various sectors to support EHS regulations and research.

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

Yes, periodic health checkups and preventive health checkups are arranged from time to time other than the mandatory requirement of The Factories Act 1948. We also have tie-ups with leading hospitals nearby which can be accessed by the employees and their family members in case of off-site emergencies.

11. Details of safety related incidents, in the following format:

Safety incident/ numbers	Categories	2024-25	2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.37	0.55
Total recordable work-related injuries	Employees	0	0
	Workers	5	5
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

HFL ensures a safe and healthy workplace by complying with ISO 45001 standards and performing regular Hazard Identification and Risk Assessment (HIRA) evaluations. Additionally, we have implemented several measures such as daily safety talks, comprehensive training, a work permit system, regular safety audits, safety committee meetings, mock drills, near-miss reporting, 5S audits, and regular health checkups to ensure a safe and productive environment which are detailed below;

1. **Daily Safety Talks:** HFL conducts daily safety talks with employees and workers to reinforce safety protocols and awareness. These talks cover various safety topics, including the proper use of personal protective equipment (PPE), emergency procedures, and safe work practices. By engaging employees in regular safety discussions, HFL fosters a culture of safety and vigilance.
2. **Safety Training and Job-Specific Training:** HFL provides comprehensive safety training and job-specific training to equip employees with the necessary skills and knowledge for their roles. This includes training on hazard recognition, safe operating procedures, and emergency response. By ensuring that employees are well-trained, HFL minimises the risk of accidents and injuries.
3. **Work Permit System:** HFL has implemented a work permit system to control and monitor high-risk activities. This system requires employees to obtain permits before performing tasks such as hot work, confined space entry, and electrical work. The work permit system ensures that all necessary precautions are taken to mitigate risks associated with high-risk activities.
4. **Regular Safety Audits:** HFL conducts regular safety audits to identify and rectify potential hazards. These audits involve thorough inspections of the workplace, equipment, and processes to ensure compliance with safety standards. By proactively identifying and addressing hazards, HFL maintains a safe working environment.
5. **Safety Committee Meetings:** HFL holds safety committee meetings to discuss and address safety concerns. These meetings provide a platform for employees to voice their safety-related issues and for management to share updates on safety initiatives. The safety committee plays a crucial role in promoting continuous improvement in safety practices.
6. **HIRA:** HFL takes necessary measures based on HIRA and Aspects and Impacts Assessment. This involves systematically identifying potential hazards, assessing their risks, and implementing control measures to mitigate them. HIRA ensures that all significant hazards are effectively managed.
7. **Mock Drills:** HFL performs mock drills to prepare employees for emergency situations. These drills simulate various emergency scenarios, such as fire, chemical spills, and natural disasters, to test the effectiveness of emergency response plans. Mock drills help employees become familiar with emergency procedures and improve their readiness to respond to real emergencies.
8. **Near-Miss Incident Reporting:** HFL identifies and addresses near-miss incidents to prevent future accidents. Employees are encouraged to report near-miss incidents, which are then investigated to determine their causes and implement corrective actions. By addressing near-misses, HFL proactively prevents potential accidents.
9. **5S Audit Compliance:** HFL maintains compliance with the 5S audit to ensure a clean and organised workplace. The 5S methodology (Sort, Set in order, Shine, Standardise, Sustain) promotes workplace organisation, cleanliness, and efficiency. Regular 5S audits help HFL maintain a safe and productive work environment.
10. **Regular Health Checkups:** HFL conducts regular health checkups for employees and workers to monitor their well-being. These checkups include medical examinations, health screenings, and wellness programs. By prioritising employee health, HFL ensures a healthy and productive workforce.



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

	2024-25			2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	No complaints were made by any employee or worker regarding the working conditions and health & safety.	0	0	No complaints were made by any employee or worker regarding the working conditions and health & safety.
Health & Safety	0	0		0	0	

14. Assessments for the year.

	2024-25	
	No. of plants and office assesses (by entity or statutory authorities or third parties)	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	3	100.0%
Working Conditions	3	100.0%

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

HFL has established a comprehensive corrective and preventive action procedure to address any anticipated impacts or issues. HFL is deeply committed to the well-being of its workforce. While no major incidents were reported, the Company continues to be proactive in its efforts to ensure proper safety protocols are followed.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, a compensatory package is available for both Employees & Workers under various insurances. Compensatory Benefits are:

- Funeral benefit under ESI
- Insurance (EDLI) benefit under EPF
- Pension to immediate family members
- Gratuity benefit
- Ex Gratia benefit & funeral benefit under labour welfare

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

HFL maintains regular communication with contractual labor providers on matters such as PF, ESI, GST, and wages. All agreements with labor service providers are thoroughly detailed to ensure compliance with statutory norms. The Supplier Code of Conduct is in place and all supply chain partners must adhere to it in order to support business responsibility principles and ideals of transparency and accountability.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been/ are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Total no. of affected employees/ workers	2024-25	2023-24
Employees	0	0
Workers	0	0

No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

	2024-25	2023-24
Employees	0	0
Workers	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, we hire employees and workers under Retainership Agreements. Any employee or worker possessing critical or highly specialised skills is retained on a retainership basis, adhering to all rules and regulations, with mutual understanding and agreement as per the Exit Policy (Retirement Case). There is also a provision for renewal. Furthermore, all employees, regardless of their tenure, are offered capacity-building and skill-upgradation training sessions. These initiatives not only enhance their skills but also improve their employability in the event of termination.

5. Details on assessment of value chain partners:

	Total No. of value chain partners	No. of value chain partners that were assessed	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices Working conditions	HFL plans to undertake the assessment for its value chain partners from FY 2025-26		

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

HFL plans to undertake the assessment for its value chain partners from FY 2025-26.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

HFL values stakeholder engagement to understand their needs, minimise risks, and build trust. Our stakeholders include employees, investors, customers, suppliers & service providers, government & regulatory authorities and communities. Key stakeholders are identified based on their material impact or influence on our activities. We actively engage with all stakeholders to understand and address their needs and feedback, continuously adapting its business operations and processes to align with these insights.

Our comprehensive Stakeholder Management Policy is accessible on our website.

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

Stakeholder group	Vulnerable/ Marginalised Group	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagements
Employees	No	<ul style="list-style-type: none"> Workshops Employee Surveys 	Periodically	Provide employees with a safe working environment, enhancing their skills through training and providing opportunities for professional growth. Soliciting employee feedback and resolving their issues to ensure their well-being and providing an enabling environment.
Investors	No	<ul style="list-style-type: none"> Annual report Investor presentations Corporate website Quarterly & Annual results 	Periodically	Protect and increase shareholder value and focus on sustainable growth and profitability.



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Stakeholder group	Vulnerable/ Marginalised Group	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagements
Customers	No	<ul style="list-style-type: none"> Personal Visits Digital communications Plant visits 	Periodically	To ensure that we are consistently able to deliver high-quality products meeting customer's specifications and timelines to establish ourselves as a trustworthy supplier/business partner for safety critical components.
Suppliers & Service providers	No	<ul style="list-style-type: none"> Email Communications Supplier & Vendor meet Policies Official communication letters 	Periodically	To establish and maintain mutually beneficial relationships that support the efficient and effective operation of the business. Collaborating with suppliers and service providers to ensure timely delivery of quality goods and service.
Government and Regulatory Bodies	No	<ul style="list-style-type: none"> Officials communication channels Regulatory audits/ inspections Environmental compliance Policy intervention Good governance 	Periodically	Adhere to the regulatory framework and ensure compliances. Liaise with Govt. authorities for Govt. schemes and incentives.
Communities	No	<ul style="list-style-type: none"> CSR initiatives and community outreach efforts by our implementation partners 	Periodically	To enable sustainable and equitable development of society at large by focusing on the needs of vulnerable and marginalised sections of the society.

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

HFL established an ESG Committee of the Board in the reporting period, which is tasked with focusing on HFL's ESG initiatives. This committee is required to inform and update the Board of Directors about ESG initiatives, targets, projects and the progress made thereof. The committee is responsible for engaging with stakeholders and developing procedures for consultations and interactions with stakeholders and updating the Board on key issues on a periodic basis.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

HFL is committed to enhancing our sustainability efforts by engaging with stakeholders to identify and manage environmental and social topics. By incorporating stakeholder inputs, we aim to develop more effective policies and activities that address key issues, fostering stronger community relationships and promoting sustainable growth.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

HFL through its diverse CSR projects, is dedicated to achieving positive outcomes for vulnerable and marginalised communities, ensuring equitable development. HFL's CSR initiatives primarily focus on:

- a) Enhancing healthcare facilities by installing diagnostic machines and medical equipment to provide affordable healthcare access and donating vehicles to Police for administration of emergency health support/response services.
- b) Adopting a government school and investing in its physical infrastructure to create a conducive learning environment for underprivileged students.

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- c) Providing financial support to educational and vocational training institutes for differently-abled children and underprivileged girls.
- d) Maintaining public parks and increasing green cover.
- e) Various other initiatives aimed at animal welfare, supporting defense forces, and caring for senior citizens. (Other initiatives focusing on animal welfare, creation and maintenance of facilities for defense forces and providing care for senior citizens).

PRINCIPLE 5: Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	2024-25			2023-24		
	Total (A)	No. employees / workers covered (B)	% (B / A)	Total (C)	No. employees / workers covered (D)	% (D / C)
Employees						
Permanent	631	92	14.6%	523	69	13.2%
Other than permanent	8	0	0.0%	6	0	0.0%
Total Employees	639	92	14.4%	529	69	13.0%
Workers						
Permanent	2,540	633	24.9%	2,494	113	4.5%
Other than permanent	391	248	63.4%	151	28	18.5%
Total Workers	2,931	881	30.1%	2,645	141	5.3%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	2024-25					2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No.(C)	% (C / A)		No. (E)	% (E/D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	605	0	0.0%	605	100.0%	506	0	0.0%	506	100.0%
Female	26	0	0.0%	26	100.0%	17	0	0.0%	17	100.0%
Other than Permanent										
Male	8	0	0.0%	8	100.0%	6	0	0.0%	6	100.0%
Female	0	0	-	0	-	0	0	-	0	-
Workers										
Permanent										
Male	2,540	77	3.0%	2,463	97.0%	2,494	147	5.9%	2,347	94.1%
Female	0	0	-	0	-	0	0	-	0	-
Other than Permanent										
Male	391	336	85.9%	55	14.1%	151	148	98.0%	3	2%
Female	0	0	-	0	-	0	0	-	0	-



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3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration/ wages

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	2	31,25,996 p.m.	1	6,06,428 p.m.
Key Managerial Personnel	1	4,10,479 p.m.	1	2,56,355 p.m.
Employees other than BoD and KMP	602	29,527 p.m.	24	23,446 p.m.
Workers	2,540	14,000 p.m.	0	N/A

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	2024-25	2023-24
Gross wages paid to females as % of total wages – (B/A)	1.2%	1.7%

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

Yes, the Chief Human Resources Officer (CHRO) is the designated focal point responsible for addressing human rights impacts or issues caused or contributed to by the business. The CHRO leads our Human Rights Committee, which includes representatives from various departments to ensure a comprehensive approach to human rights. This committee is tasked with monitoring, addressing, and mitigating human rights risks across our operations and supply chains. We regularly review and update our policies to reflect best practices and stakeholder feedback.

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

HFL has a comprehensive Grievance Redressal Policy that addresses all types of employee grievances, including those related to human rights issues. Designated HR personnel regularly visit the shop floor to engage with employees and workers, documenting their grievances. These grievances are then communicated to the respective process owners for resolution. The Welfare Officer maintains a monthly Management Information System (MIS) report, which is reviewed by the CHRO on a monthly basis. The CHRO also signs off on the register to ensure accountability and follow-up.

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

	2024-25			2023-24		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labor	0	0	-	0	0	-
Forced Labor/Involuntary Labor	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	2024-25 Current Financial Year	2023-24 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/workers	0	0
Complaints on POSH upheld	0	0

Business Responsibility and Sustainability Report (Contd.)

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

HFL has implemented a "Prevention of Sexual Harassment at Workplace (POSH) Policy." We have established an Internal Complaint Committee (ICC) in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Under the POSH Policy, the ICC is obligated to ensure the confidentiality of the complainant's identity. We are committed to handling matters of sexual harassment with the utmost sensitivity and confidentiality throughout the redressal process. Additionally, regular awareness sessions are conducted for employees and workers.

There are certain other policies pertaining to Whistle Blowing, Equal Opportunities etc. These contain provisions to ensure anonymity and prevent any consequences for the complainant in the future.

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

Yes, HFL's human rights requirements are an integral part of our business agreements and contracts. Our Supplier Code of Conduct mandates adherence to the highest ethical standards, including human rights and compliance with labor laws. These requirements ensure that all our business dealings uphold these essential principles.

10. Assessment for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100%
Forced/involuntary labor	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	0%

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

No risks/concerned were identified during the assessment hence, not applicable.

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Nil

2. Details of the scope and coverage of any Human rights due diligence conducted.

Human rights due diligence assessments have been conducted as part of our ISO 45001 audit. This process ensures that our operations and supply chain adhere to the highest ethical standards, including compliance with human rights and labor laws. The audit covers all aspects of our business to identify and mitigate potential human rights risks.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, HFL's office and factory units are accessible to differently abled visitors, in compliance with the Rights of Persons with Disabilities Act, 2016. Our premises include accessibility features such as ramps, lifts, and handrails in stairwells to ensure seamless mobility for differently abled individuals. These measures demonstrate our commitment to creating an inclusive environment for all visitors.

4. Details on assessment of value chain partners:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual harassment	HFL plans to undertake assessment for its value chain partners from FY 2025-26.
Discrimination at workplace	
Child labor	
Forced/involuntary labor	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable as HFL has planned to undertake the assessment of value chain partners in the FY 2025-26.



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PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Units	2024-25	2023-24
From renewable sources			
Total electricity consumption (A) (Solar)	GJ	17,852	11,078
Total fuel consumption (B)	GJ	0	0
Energy consumption through other sources (C)	GJ	0	0
Total energy consumed from renewable sources (A+B+C)	GJ	17,852	11,078
From non-renewable sources			
Total electricity consumption (D)	GJ	4,24,803	4,11,707
Total fuel consumption (E)	GJ	1,19,043	1,34,764
Energy consumption through other sources (F)	GJ	0	0
Total energy consumed from non-renewable sources (D+E+F)	GJ	5,43,846	5,46,471
Total energy consumed (A+B+C+D+E+F)	GJ	5,61,699	5,57,549
Energy intensity per rupee of turnover (Total energy consumption / revenue in Crore rupees)		3.99 GJ/Lakh Rupees	4.10 GJ/Lakh Rupees
Energy intensity per rupee of turnover adjusted for Purchasing Power (Total energy consumed / Revenue from operations adjusted for PPP ⁴)		-	-
Energy intensity in terms of physical output		6.8 GJ/MT	7.0 GJ/ MT
Energy intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been undertaken.

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

Not Applicable

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

Parameter	Units	2024-25	2023-24
Water withdrawal by source (in kiloliters)			
(i) Surface water	KL	0	0
(ii) Groundwater	KL	2,60,263	2,27,605
(iii) Third party water	KL	0	0
(iv) Seawater / desalinated water	KL	0	0
(v) Others	KL	0	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	KL	2,60,263	2,27,605
Total volume of water consumption (in kiloliters)	KL	2,60,263	2,27,605
Water intensity per rupee of turnover (Water consumed / revenue in Crore rupees)		1.59KL/Lakh Rupees	1.68KL/Lakh Rupees
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)		-	-
Water intensity in terms of physical output		3.1KL / MT	2.8KL / MT

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been undertaken.

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4. Provide the following details related to water discharged: (BRSR Core Attribute 2: Water footprint)

Parameter	2024-25 Current Financial Year	2023-24 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	-
- With treatment – please specify level of treatment	36,156 Secondary and Tertiary Treatment Level	24,015 Secondary and Tertiary Treatment Level
Total water discharged (in kiloliters)	36,156	24,015

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No independent assessment/ evaluation/assurance has been undertaken.

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

Water conservation and management are key ESG priorities for HFL. To minimise water consumption, we have established comprehensive systems and protocols. By closely monitoring water usage across various applications, we implement recycling and reuse initiatives wherever possible. We have installed Sewage Treatment Plant and Effluent Treatment Plant at its manufacturing facilities. Furthermore, we have strategically invested in rainwater harvesting to replenish groundwater in accordance with MIDC guidelines.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	2024-25	2023-24
NOx	mg/Nm ³	28.6	N.A.
SOx	mg/Nm ³	13.1	8.7
Particulate matter (PM)	mg/Nm ³	63.3	51.0
Persistent organic pollutants (POP)	mg/Nm ³	0.0	0.0
Volatile organic compounds (VOC)	mg/Nm ³	0.0	0.0
Hazardous air pollutants (HAP)	mg/Nm ³	0.0	0.0
Others – please specify	mg/Nm ³	0.0	0.0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No independent assessment/ evaluation/assurance has been undertaken.



Business Responsibility and Sustainability Report (Contd.)

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	2024-25	2023-24
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	8,771	8,318
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	96,761	93,778
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and scope 2 GHG emissions / Revenue from operations)		0.75MT/Lakh Rupees	0.75MT/Lakh Rupees
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		-	-
Total Scope 1 and Scope 2 emission intensity in terms of physical output		1.28tCO ₂ e/MT	1.27tCO ₂ e/MT
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No independent assessment/ evaluation/assurance has been undertaken.

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

By replacing all oil-fired furnaces on forging lines with electric heating systems, we significantly reduced the use of furnace oil. Additionally, we redesigned our heat treatment facility by switching from low sulfur fuel oil to LPG lines. We also installed a 5 MW solar power plant at our three manufacturing facilities and a 1,600 kVAR Hybrid APFC panel to improve the power factor, thereby reducing energy wastage. Furthermore, we redesigned the layout of compressors and controlled leakages, which enabled us to use only half the compressors, resulting in substantial electricity savings.

9. Provide details related to waste management by the entity, in the following format:

Parameter	2024-25	2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)	0	0
Bio-medical waste (C)	0.06	0.05
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	19.9	6.55
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	27,322	27,248
Total (A+B+C+D+E+F+G+H)	27,342	27,255
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.19 MT/Lakh Rupees	0.20 MT/Lakh Rupees
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	-	-
Waste intensity in terms of physical output	0.33	0.34
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-

Business Responsibility and Sustainability Report (Contd.)

Parameter	2024-25	2023-24
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycle	0	0
(ii) Re-used	0	0
(iii) 2Other recovery operations	0	0
Total	0	0
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No independent assessment/ evaluation/assurance has been undertaken.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

HFL prioritises waste management by integrating the 3R (Reduce, Reuse, Recycle) principles into its decision-making processes, aligning with SDG 12 (Responsible Consumption and Production). By leveraging the solid waste management hierarchy, we encourage its teams to innovate and divert waste effectively, contributing to SDG 11 (Sustainable Cities and Communities) by reducing the environmental impact of urban waste. HFL is committed to reducing both hazardous and non-hazardous waste at its manufacturing sites, which supports SDG 13 (Climate Action) by minimising waste-related emissions.

Throughout the year, we have implemented measures such as recycling waste oil through alternative disposal pathways to reduce hazardous waste, thereby promoting SDG 12.4 (responsible management of chemicals and waste). Additionally, HFL has focused on recycling ETP sludge to minimise landfill disposal, further supporting SDG 12.5 (substantially reduce waste generation through prevention, reduction, recycling, and reuse). These initiatives not only demonstrate our commitment to sustainability but also drive operational cost savings and foster a culture of environmental responsibility.

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

In all areas of its activities, HFL is dedicated to regulatory Environmental compliance and ethical conduct. Since we operate in industrial areas/estates, its influence on biodiversity is very modest.

S.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	NA	NA	NA

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

In all areas of its operations, HFL is in compliance with the regulatory and environmental laws.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA	NA	NA	NA	NA	NA



Business Responsibility and Sustainability Report (Contd.)

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

HFL is in compliance with all applicable environmental laws.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Details of fines / penalties / action	Corrective action taken, if any
Not applicable					

LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area:
- (ii) Nature of operations:
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	Units	2024-25	2023-24
Water withdrawal by source (in kiloliters)			
(i) Surface water	KL	Not applicable, as we do not have any operations in areas of water stress.	Not applicable, as we do not have any operations in areas of water stress.
(ii) Groundwater	KL		
(iii) Third party water	KL		
(iv) Seawater / desalinated water	KL		
(v) Others	KL		
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	KL		
Total volume of water consumption (in kiloliters)	KL		
Turnover			
Water intensity per rupee of turnover (Water consumed /turnover)	KL/₹		
Water intensity (optional) – the relevant metric may be selected by the entity			
Water discharge by destination and level of treatment (in kilolitres)			
(i) Into Surface water	KL	Not applicable, as we do not have any operations in areas of water stress.	Not applicable, as we do not have any operations in areas of water stress.
- No treatment	KL		
- With treatment – please specify level of treatment	KL		
(ii) Into Groundwater	KL		
- No treatment	KL		
- With treatment – please specify level of treatment	KL		
iii) Into Seawater	KL		
- No treatment	KL		
- With treatment – please specify level of treatment	KL		
iv) Sent to third-parties	KL		
- No treatment	KL		
- With treatment – please specify level of treatment	KL		
(v) Others	KL		
- No treatment	KL		
- With treatment – please specify level of treatment	KL		
Total water discharged (in kilolitres)	KL		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Business Responsibility and Sustainability Report (Contd.)

2. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

HFL is committed to maintaining regulatory environmental compliance and upholding ethical conduct across all its operations. Given that we operate within industrial areas and estates, its impact on biodiversity remains minimal.

3. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

No

4. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, HFL recognises the importance of business continuity in its business and has put in place policies to ensure mission-critical operations continue in the event of an interruption. HFL has a well-articulated Business Continuity and Disaster Management Plan in place, designed to ensure resilience in the face of unforeseen disruptions. The plan safeguards both operations and stakeholder interests with foresight and diligence.

5. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard**

To be undertaken in 2025-26.

6. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

NA

PRINCIPLE 7:

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a. **Number of affiliations with trade and industry chambers/ associations.**

HFL is affiliated to 4 trade and industry chambers/ associations.

- b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)	Remarks (if any)
1	Confederation of Indian Industries (CII)	National	
2	Association of Indian Forging Industry (AIFI)	National	
3	Ludhiana Management Association (LMA)	State	
4	Entrepreneurs' Organisation	Global	

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
There were no incidents of anti-competitive behavior involving the Company during the reporting period		

LEADERSHIP INDICATORS

1. **Details of public policy positions advocated by the entity:**

S. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board	Web Link, if available
HFL puts forward a number of suggestions both directly and through trade bodies with respect to the industry					



Business Responsibility and Sustainability Report (Contd.)

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**ESSENTIAL INDICATORS**

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain. (Yes / No)	Relevant Web link
Not applicable					

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

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
HFL does not have ongoing Rehabilitation and Resettlement (R&R) during the reporting period.						

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

HFL's CSR team has implemented a community feedback mechanism for all its CSR projects. We hold meetings with community members and conduct periodic interactions to understand their concerns and gather feedback. Individuals or groups can voice their grievances during the annual feedback exercise or whenever necessary. Communication channels include verbal discussions, emails, phone calls, and meetings. The CSR Team promptly addresses and resolves grievances as they arise. All grievances are taken seriously, and there is a transparent process for communicating resolutions both externally and internally to key stakeholders. The policy for grievance redressal has been duly approved by the Board. The complaints can directly be sent to the Email IDs and the contact numbers provided on HFL's website. The web link for contact details for registering any complaints is as follows: www.happyforgingsltd.com/contact-us/

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

	2024-25	2023-24
Directly sourced from MSMEs/ small producers	-	-
Directly from within India	100%	100%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost (BRSR core attribute 7: Enabling Inclusive Development)**

Location	2024-25	2023-24
Rural	42.6%	34.5%
Semi-urban	0.0%	0.0%
Urban	0.0%	0.0%
Metropolitan	57.4%	65.5%

Place to be categorised as per RBI Classification System - rural / semi-urban / urban / metropolitan): Data for 2023-24 has been restated as computation has changed from original domicile to place of employment.

LEADERSHIP INDICATORS

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Not applicable	

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No	State	Aspirational District	Amount spent (in ₹)
No project was undertaken in aspirational districts in 2024-25			

Business Responsibility and Sustainability Report (Contd.)

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

No

- (b) From which marginalised /vulnerable groups do you procure?

Not Applicable

- (c) What percentage of total procurement (by value) does it constitute?

Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not applicable

S. No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

Not applicable

Name of authority	Brief of the Case	Corrective action taken
Not applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	Total no. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Environment (Maintenance of park and planting of trees)	Community at large	NA
2	Environment (Bio compost machines for decomposition of leftover food)	Community at large	NA
3	Environment (Solar power panels installed at mega kitchen)	Community at large	100%
4	Livelihood generation (Indian Red cross society)	Community at large	100%
5	Education (Ludhiana Educational Society)	80 students	100%
6	Education (Noble Foundation for underprivileged children)	192 students	100%
7	Education (Vocational Rehabilitation center for blind)	93 visually impaired children	100%
8	Healthcare (Mahindra Bolero)	Community at large	NA
9	Skill enhancement and education (Ek jot viklang bachon ka school)	350 handicapped people	100%
10	Education (Women Next Door)	252 students	100%
11	Healthcare (Color doppler machine at Shri Nav Durga Charitable Hospital)	364 patients	100%
12	Healthcare (OT at Civil Hospital, Ludhiana)	Community at large	100%
13	Education (Lock stitch machines at polytechnic college)	Students enrolled in a Fashion designing course at polytechnic college, Ludhiana	100%
14	Healthcare (Dialysis machines at Helpful NGO)	Under installation	Mostly vulnerable and marginalised



Business Responsibility and Sustainability Report (Contd.)

S. No.	CSR Project	Total no. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
15	Healthcare (Saarathi Welfare Society)	445 patients	Mostly vulnerable and marginalised
16	Healthcare (Sat Parkash & Smt. Kanta Jain Charitable Trust)	Under construction	NA
17	Animal Welfare (Dhyan Foundation)	Community at large	NA
18	Animal Welfare (Krishan Balram Gaushala)	Community at large	NA
19	Education (Vocational college under Bal Vikas Trust)	Under construction	100%
20	Education (Construction of Govt. school in village Umedpur)	Under construction	100%

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

ESSENTIAL INDICATORS

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

To effectively address and respond to consumer complaints and feedback, HFL has implemented a comprehensive Stakeholder Management Policy. External stakeholders can register their complaints or grievances using the contact information and email address provided in the policy or available on our website. For more details on how to register complaints, grievances, or feedback, please visit: <https://happyforgingsltd.com/contact-us/>.

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product	HFL manufactures and supplies forged and machined steel components to OEMs and Tier-1 suppliers, who integrate these into final products such as vehicles or machinery. Since HFL's components are not end-use consumer goods, it is not practicable to label them with information on environmental or social parameters, safe usage, or disposal.
Safe and responsible usage	
Recycling and/or safe disposal	

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

	2024-25			2023-24		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

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

	Number	Reasons for recall
Voluntary recalls	0	Not applicable
Forced recalls	0	Not applicable

Business Responsibility and Sustainability Report (Contd.)

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

A cyber security policy has been established to provide support, management direction, and documentation on how information security is managed across HFL. This policy outlines the necessary measures to ensure the secure and reliable flow of information both internally and externally.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

Nil

b. Percentage of data breaches involving personally identifiable information of customers

Nil

c. Impact, if any, of the data breaches

NA

LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

All information can be found on the Company's website: <https://happyforgingsltd.com/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

We provide our products to OEMs, who then integrate and assemble them into final products for consumers. Therefore, we do not have the means to directly inform and educate end users about the safe and responsible use of these products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

HFL does not offer any essential services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey regarding consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes. Our products feature information such as the manufacturer name, heat code, process number, dispatch number, and part number. We regularly gather customer feedback, and some customers also evaluate our performance based on various parameters using their internal scoring systems.