



June 30, 2026

To,

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

**Sub: Submission of Business Responsibility and Sustainability Report for the Financial Year 2025-26.**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Business Responsibility and Sustainability Report for the Financial Year 2025-26 which also forms part of the Annual Report for the Financial Year 2025-26.

The Business Responsibility and Sustainability Report for the FY 2025-26 is also being uploaded on the website of the Company at [www.happyforgingsltd.com](http://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 :



+91 161 251 0421  
+91 161 251 0422



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 Ltd.
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	2025-26
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	₹ 18.87 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 assessment or assurance provider	Not assured
15.	Type of assessment or 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

#### 19. Markets served by the entity:

##### a. Number of locations

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



**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)**

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

15% contribution of direct exports to total sales from finished goods and services.

**c. A brief on types of customers**

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

**IV. Employees**

**20. Details as at the end of Financial Year (2025-26)**

**a. Employees and workers (including differently abled)**

2025-26						
S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	Percentage% (B / A)	No. (C)	Percentage% (C / A)
<b>EMPLOYEES</b>						
1	Permanent (D)	700	674	96.3%	26	3.7%
2	Other than Permanent (E)	14	14	100.0%	0	0.0%
<b>3</b>	<b>Total employees (D + E)</b>	<b>714</b>	<b>688</b>	<b>96.4 %</b>	<b>26</b>	<b>3.6%</b>
<b>WORKERS</b>						
4	Permanent (F)	2,812	2,811	100.0%	1	0.0%
5	Other than Permanent (G)	408	408	100.0%	0	0.0%
<b>6</b>	<b>Total workers (F + G)</b>	<b>3,220</b>	<b>3,219</b>	<b>99.9%</b>	<b>1</b>	<b>0.0%</b>

**b. Differently abled Employees and workers**

2025-26						
S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	Percentage% (B / A)	No. (C)	Percentage% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1	Permanent (D)	0	0	-	0	-
2	Other than Permanent (E)	0	0	-	0	-
<b>3</b>	<b>Total differently abled employees (D + E)</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4	Permanent (F)	5	5	100.0%	0	0.0%
5	Other than Permanent (G)	0	0	-	0	-
<b>6</b>	<b>Total differently abled workers (F+G)</b>	<b>5</b>	<b>5</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>

**21. Participation/Inclusion/Representation of women**

Representative Stakeholder	Total (A)	No. and percentage of Females	
		No. (C)	Percentage% (C / A)
Board of Directors	6	2	33.3%
Key Management Personnel	2	1	50.0%

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

22. Turnover rate for permanent employees and workers<sup>1</sup>

	2025-26 (Turnover rate in current FY)			2024-25 (Turnover rate in previous FY)			2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8.8%	3.8%	8.6%	10.1%	9.1%	10.1%	16.6%	37.5%	18.2%
Permanent Workers	28.1%	-	28.1%	26.0%	-	26.0%	25.1%	-	25.1%

<sup>1</sup>Turnover rate is calculated using average headcount of the respective category during the financial year.

## 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 Pvt. Ltd.	Subsidiary	100%	No

## VI. CSR details

## 24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013:

Yes

(ii) Turnover – ₹ 1,546 Cr.

(iii) Net worth – ₹ 2,128 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) (If yes, then provide web-link for the grievance redressal policy)	2025-26			2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, 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	NIL	NA
Investors (other than shareholders)	NA	NA	NA	NA	NA	NA	NA



BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)











Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for the grievance redressal policy)	2025-26			2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	HFL has appointed M/s. MUFG Intime India Pvt. Ltd. to discharge investor service functions and to handle all share related matters. For further assistance, investors may contact: <a href="https://happyforgingsltd.com/investor-contacts/">https://happyforgingsltd.com/investor-contacts/</a>	1	0	NA	5	0	NA
Employees and workers	HFL has a robust grievance redressal mechanism to address workforce concerns promptly and with dignity	705	0	NA	740	0	NA
Customers	HFL is committed to customers and maintains a transparent, responsive grievance system. <a href="https://happyforgingsltd.com/contact-us/">https://happyforgingsltd.com/contact-us/</a>	NIL	NIL	NA	NIL	NIL	NA
Value Chain Partners (upstream & downstream)	HFL has a structured grievance redressal system to foster trust and collaboration across the value chain. <a href="https://happyforgingsltd.com/contact-us/">https://happyforgingsltd.com/contact-us/</a>	NIL	NIL	NA	NIL	NIL	NA
Others	For all other stakeholders, HFL has facilitated an open and accessible grievance framework. <a href="https://happyforgingsltd.com/contact-us/">https://happyforgingsltd.com/contact-us/</a>	NIL	NIL	NA	NIL	NIL	NA

Note: Our Grievance Redressal Policy is accessible on our website at [https://happyforgingsltd.com/corporate-governance/> 2. Corporate Governance Policies and Documents > Grievance Redressal Policy](https://happyforgingsltd.com/corporate-governance/>2.CorporateGovernancePoliciesandDocuments>GrievanceRedressalPolicy)

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)







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.	HFL continues to strengthen its energy management practices through operational optimisation, process improvements, deployment of energy-efficient technologies, automation initiatives, and continuous monitoring of energy consumption and is also focusing on improving equipment efficiency and enhancing resource utilisation to reduce overall energy intensity.	<b>Positive</b> Improved energy efficiency leads to lower operating costs, enhanced productivity, and better resource utilisation, while strengthening operational resilience and sustainability performance.
2.	Emissions Management   	Opportunity	Reducing GHG emissions drives energy efficiency, cost optimisation, and cleaner energy adoption.	HFL is focused on reducing emissions through adoption of cleaner technologies, increased use of renewable energy, process optimisation, and initiatives aimed at improving overall environmental performance and reducing carbon intensity across operations. The Company has also undertaken long-term sustainability initiatives aligned with its climate and environmental objectives.	<b>Positive</b> Reduced emissions and cleaner energy adoption help lower energy and fuel costs, improve operational efficiency, strengthen environmental credentials, and enhance competitiveness through sustainable operations.
3.	Climate Strategy & Governance   	Opportunity	Aligning business strategy with climate goals enhances resilience, risk management, and long-term value creation.	HFL is strengthening its climate strategy through structured policies, including a dedicated climate policy, robust governance frameworks, and plant-level climate risk assessments to identify and mitigate vulnerabilities. The Company remains focused on enhancing infrastructure resilience and enabling proactive responses to climate-related risks, supported by strong stakeholder collaboration, clear accountability mechanisms, and continuous monitoring initiatives.	<b>Positive</b> Reduced exposure to climate-related disruptions and costs, improved operational stability, and strengthened long-term sustainability and value creation.
4.	Health & Safety  	Risk	Critical to prevent workplace incidents, ensure regulatory compliance, and protect employee well-being.	Implemented comprehensive health & safety policy and protocols; conduct annual health check-ups for all employees to enable early detection and prevention.	<b>Positive</b> Reduced accidents and absenteeism, lower insurance and compliance costs, and improved productivity.



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.	Supply Chain Management   	Opportunity	Strengthening supply chain practices enhances resilience, reduces risks, and improves efficiency and customer satisfaction.	Implemented a Supplier Code of Conduct and initiated raw material supplier assessments to ensure compliance with ethical and sustainability standards.	<b>Positive</b> Improved supply chain transparency and performance, reduced compliance and disruption risks, and enhanced operational efficiency.
6.	Labour Practices  	Opportunity	Strong labour practices enhance compliance, workforce stability, and productivity.	HFL provides comprehensive employee benefits including ESI (funeral benefit), EPF (EDLI insurance), pension support for families, gratuity, and ex-gratia benefits, ensuring financial security and social protection for employees and their dependents.	<b>Positive</b> Reduced attrition and hiring costs, improved employee retention, and higher productivity.
7.	Human Rights  	Risk	Essential to uphold ethical standards, prevent violations, and maintain stakeholder trust.	HFL has implemented a comprehensive Human Rights Policy and grievance redressal mechanism; regular shop-floor engagement by HR; structured MIS reporting and monthly CHRO review to ensure timely resolution and accountability.	<b>Positive</b> Improved employee trust and morale, reduced attrition and absenteeism, and enhanced productivity and reputation.
8.	Risk Management    	Risk	Effective risk management is critical to mitigate operational, environmental, and compliance risks and ensure long-term resilience.	Implemented EHS policies and procedures for risk identification, performance monitoring, and regulatory compliance; adopted resource-efficient processes including water recycling and use of alternative fuels to minimise emissions and pollutants.	<b>Positive</b> Reduced regulatory and operational risks, lower potential penalties, improved efficiency, and enhanced long-term sustainability.

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)
9.	Community Relations  	Opportunity	Strong community engagement builds trust, supports social license to operate, and enhances long-term sustainability.	Established accessible grievance mechanisms via website and contact channels; implemented a Stakeholder Management Policy to ensure transparent, structured, and timely resolution of community and stakeholder concerns.	<b>Positive</b> Reduced conflict-related risks and costs, improved stakeholder trust, and strengthened reputation and long-term business continuity.
10.	Water Management   	Opportunity	Effective water management reduces costs, ensures resource sustainability, and strengthens environmental stewardship.	Installed a Reverse Osmosis (RO) plant to recycle treated effluent from its Effluent Treatment Plant (ETP). The initiative enables efficient water reuse, reduces dependence on freshwater resources, and minimises environmental impact.	<b>Positive</b> Lower water procurement and disposal costs, improved resource efficiency, and enhanced sustainability performance.
11.	Waste Management & Product Stewardship  	Opportunity	Improving waste management and product stewardship reduces environmental impact, compliance costs, and enhances efficiency and reputation.	Implemented SOPs for waste management and the 3R approach (Reduce, Reuse, Recycle); increased use of reusable packaging through supplier development; and adopted process improvement initiatives to enhance resource recovery and reuse, thereby reducing hazardous waste generation.	<b>Positive</b> Lower material and disposal costs, improved resource efficiency, and enhanced sustainability performance and customer value.
12.	Data Protection & Security  	Opportunity	Strong data security enhances trust, ensures regulatory compliance, and supports operational resilience.	Implemented multi-layered cybersecurity systems; established IT & Cyber Security Policy with periodic reviews; Has set up a Security Operations Centre (SOC) for continuous monitoring.	<b>Positive</b> Reduced risk of data breaches and regulatory penalties, improved business continuity, and enhanced stakeholder trust and digital resilience.



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.	ESG / Corporate Governance   	Opportunity	Strong ESG governance enhances transparency, ethical management, and investor confidence, driving long-term value.	Established an ESG Council with cross-functional representation; integrated ESG into departmental budgets and decision-making, with central approvals for key initiatives.	<b>Positive</b> Improved governance and investor trust, cost-effective ESG implementation, and strengthened long-term sustainability and value creation.
14.	Diversity & Inclusion   	Opportunity	Promotes an equitable workplace, enhances innovation, and improves employee engagement and retention.	Implemented equal opportunity and maternity benefit policies; conducted employee training on ESG, human rights, and POSH to build awareness and inclusive workplace practices.	<b>Positive</b> Improved retention and productivity, reduced hiring costs, and a more diverse and engaged workforce.

**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 Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>										
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

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

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 Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	c. Web Link of the Policies, if available	<ul style="list-style-type: none"> <li>Whistle Blower Policy</li> <li>Anti-bribery and Anti-Money laundering Policy</li> <li>Code of Fair Disclosure of UPSI</li> </ul>	<ul style="list-style-type: none"> <li>Environment Policy</li> </ul>	<ul style="list-style-type: none"> <li>Equal Opportunity Policy</li> <li>Human Rights Policy</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder Management Policy</li> </ul>	<ul style="list-style-type: none"> <li>Human Rights Policy</li> <li>Equal Opportunity Policy</li> </ul>	<ul style="list-style-type: none"> <li>Environment Policy</li> </ul>	<ul style="list-style-type: none"> <li>Responsible Advocacy Policy</li> </ul>	<ul style="list-style-type: none"> <li>CSR Policy</li> </ul>	<ul style="list-style-type: none"> <li>Information Technology and Cyber Security Policy</li> </ul>
		<a href="https://happyforgingsltd.com/corporate-governance/">https://happyforgingsltd.com/corporate-governance/</a>								
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"> <li>IATF 16949:2016 for Manufacturing of Forged &amp; Machined Components</li> <li>ISO 14001:2015 Environment Management System</li> <li>ISO 45001:2018 Occupational Health &amp; Safety Management System</li> <li>ISO 9001:2015 Quality Management System</li> <li>EN 9100:2018 for the manufacture of forged and machined components, meeting global aerospace quality benchmarks.</li> <li>ISO 14064 – 1:2018 Compliance with requirements of GHG protocol</li> </ul>								
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"> <li>Reduce Scope 1 and Scope 2 GHG emissions by 50% by 2030</li> <li>Achieve 100% Zero Liquid Discharge (ZLD) across all manufacturing sites</li> <li>Reduce freshwater consumption by 35% by 2031–32</li> <li>Install 20 MW of solar power capacity by 2028</li> <li>Reduce non-hazardous waste generation by 30%</li> <li>Reduce Lost Time Injury Frequency Rate (LTIFR) by 50% by 2030</li> </ul>								
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"> <li>Solar Project – Commenced Installation of Captive Solar Plant of 20 MW capacity</li> <li>Achieved 100% ZLD across sites</li> <li>Initiated assesment of 5 out of 10 raw material suppliers in 2025-26</li> <li>~7% YoY reduction in Scope 1 &amp; 2 emissions</li> <li>Achieved a 14%, 6%, and 4% reduction in Scope 1 &amp; 2 emissions intensity, water intensity, and energy intensity, respectively, per unit of physical output</li> </ul>								



BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

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 Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Governance, leadership, and oversight</b>										
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements	<p>Statement by Director of ESG:</p> <p>“As we continue our journey as a listed organisation, we are strengthening the integration of Environmental, Social and Governance (ESG) principles into our strategy and operations. During the year, we formalised our ESG roadmap with clear priorities and governance structures to guide execution.</p> <p>Our focus is now on institutionalising ESG practices by strengthening systems, policies, and processes to ensure consistent implementation and accountability. As a key partner to global OEMs, we remain committed to meeting evolving regulatory and customer expectations through high standards of compliance and responsible business conduct.</p> <p>On the environmental front, we are advancing initiatives to improve resource efficiency, increase the use of cleaner energy, and reduce emissions and waste. These efforts are being undertaken alongside a significant capex cycle, with new capacities under ramp-up. The progress achieved reflects this transition phase, with further gains expected as utilisation stabilises.</p> <p>We continue to foster a safe and inclusive workplace, invest in employee development, and strengthen governance oversight.</p> <p>Our endeavour remains to embed ESG as a core pillar of sustainable growth and long-term value creation.”</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, provide 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.																			
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.																			

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

## 12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	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

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

## 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	0	0	0
Key Managerial Personnel	1	Sustainability	50.0%
Employees other than BoD and KMPs	83	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, Cyber Security & Data Security	91.0%
Workers	99	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	98.6%



**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):**

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

- 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.**

<b>Case details</b>	<b>Name of the regulatory / enforcement agencies / judicial institutions</b>
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-money laundering 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 individual 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:**

	<b>2025-26</b>	<b>2024-25</b>
Directors	N/A	N/A
KMPs		
Employees		
Workers		

- 6. Details of complaints with regard to conflict of interest:**

	<b>2025-26</b>		<b>2024-25</b>	
	<b>Number</b>	<b>Remarks</b>	<b>Number</b>	<b>Remarks</b>
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				

- 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.**

Not applicable.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

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

	2025-26	2024-25
Number of days of accounts payables	25.0	25.4

**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	2025-26	2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	10.3%	15.3%
	b. Number of trading houses where purchase is made from	348	475
	c. Purchase from top 10 trading houses as % of total purchase from trading houses	40.9%	38.8%
Concentration of Sales	a. Sales to dealers / distribution as % of total sales	2.2%	0.3%
	b. Number of dealers / distributions to whom sales are made	49	4
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	94.2%	100%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.00%	0.05%
	b. Sales (Sales to related parties / Total Sales)	0.01%	0.01%
	c. Loans & Advances (Loans & Advances given to related parties / Total loans & advances)	0.00%	0.23%
	d. (Investments in related parties / Total investments made)	0.38%	0.13%

**LEADERSHIP INDICATORS****1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year**

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
5	Overview of ESG	4.7%

**2. 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.**

	2025-26	2024-25	Details of improvements in environmental and social impacts
R&D	0.0%	0.0%	Not Applicable
Capex	0.1%	2.3%	<ol style="list-style-type: none"> <li>Installed a Sigma Air Manager (SAM) system to optimise compressed air network management and enhance energy efficiency.</li> <li>Procured two lithium-ion battery-operated forklifts to support cleaner and more energy-efficient material handling operations.</li> </ol>

**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)**

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

Yes. In 2025-26, all raw material suppliers held valid EMS and OHSMS certifications, along with the requisite licenses and consents to operate. Additionally, sustainable sourcing is governed through the Company's Supplier Code of Conduct, adherence to which is a condition of engagement for all suppliers.

**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 HFL's products are supplied directly to OEMs and are integrated into larger assemblies, the Company has limited control over product reclamation at end-of-life. However, HFL ensures responsible waste management within its operational boundary through a robust and compliant framework.

HFL has established comprehensive Standard Operating Procedures (SOPs) for the safe handling, segregation, storage, transportation, and disposal of various waste streams, including:

- (a) Plastics (including packaging): Transition towards reusable and returnable packaging systems, with residual plastic waste segregated and routed to authorised recyclers.
- (b) E-waste: Collection, secure storage, and disposal through authorised e-waste recyclers in compliance with applicable regulations.
- (c) Hazardous waste: Identification, labelling, and handling as per statutory norms, with disposal through certified Treatment, Storage and Disposal Facilities.
- (d) Other waste: Scrap metal is recycled through approved channels, while other non-hazardous waste is managed through authorised vendors.

To ensure compliance and traceability, HFL has formal agreements with authorised recyclers and regularly files statutory returns with relevant authorities.

The Company's waste management approach is guided by the principles of Reduce, Reuse, and Recycle, with a focus on minimising waste generation at source, increasing reuse of packaging materials, and maximising recycling of scrap and other waste streams. These practices not only reduce environmental impact but also enhance resource efficiency.

**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 do not fall within the scope of EPR obligations as defined under the regulations.

**LEADERSHIP INDICATORS**

**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

No, the Company has not undertaken any formal Life Cycle Assessment (LCA) for its products as of 2025-26. Company may consider conducting such assessments in a phased manner in the future.

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same**

Not applicable.

**3. 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	
	2025-26	2024-25
Treated water	11.5%	10.0%

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

4. 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:

	2025-26			2024-25		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste						
Hazardous waste	Not applicable; as all packaging is provided to our customers for their consumption, ascertaining end-of-life disposal falls outside our operational scope.					
Discarded containers						
Waste & residues containing oil						
MS scrap/ scale/ bur						

5. 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)
<b>Permanent Employees</b>											
Male	674	674	100.0%	674	100.0%	0	0.0%	-	-	-	-
Female	26	26	100.0%	26	100.0%	26	100.0%	-	-	-	-
<b>Total</b>	<b>700</b>	<b>700</b>	<b>100.0%</b>	<b>700</b>	<b>100.0%</b>	<b>26</b>	<b>3.7%</b>	-	-	-	-
<b>Other than Permanent Employees</b>											
Male	14	14	100.0%	14	100.0%	0	0.0%	-	-	-	-
Female	0	0	-	0	-	0	-	-	-	-	-
<b>Total</b>	<b>14</b>	<b>14</b>	<b>100.0%</b>	<b>14</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	-	-	-	-

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

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)
<b>Permanent workers</b>											
Male	2,811	2,811	100.0%	2,811	100.0%	-	-	-	-	-	-
Female	1	1	100.0%	1	100.0%	1	100.0%	-	-	-	-
<b>Total</b>	<b>2,812</b>	<b>2,812</b>	<b>100.0%</b>	<b>2,812</b>	<b>100.0%</b>	<b>1</b>	<b>0.0%</b>	-	-	-	-
<b>Other than Permanent workers</b>											
Male	408	408	100.0%	408	100.0%	N/A	-	-	-	-	-
Female	0	0	-	0	-	0	-	-	-	-	-
<b>Total</b>	<b>408</b>	<b>408</b>	<b>100.0%</b>	<b>408</b>	<b>100.0%</b>	<b>N/A</b>	-	-	-	-	-



**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)**

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

	2025-26	2024-25
Cost incurred on well-being measures as a % of total revenue of the Company	0.23%	0.25%

**2. Details of retirement benefits, for Current Fiscal Year and Previous Fiscal Year.**

	2025-26			2024-25		
	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/NA)	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/NA)
PF	100.0%	100.0%	Yes	99.6%	100.0%	Yes
Gratuity	100.0%	100.0%	Yes	100.0%	100.0%	Yes
ESI	46.1%	98.6%	Yes	14.4%	91.9%	Yes
Others – please specify	-	-	-	-	-	-

**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 line with the Rights of Persons with Disabilities Act, 2016. The Company's office and manufacturing facilities are equipped with features such as ramps, lifts, and handrails to support ease of mobility. Transportation facilities are also provided to facilitate convenient commuting for employees. HFL remains committed to addressing any additional accessibility requirements, as needed.

**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 is committed to providing equal opportunities to all employees and qualified job applicants. The Company follows a strict non-discrimination policy and fosters an inclusive workplace that promotes diversity and equal opportunity. In line with the Rights of Persons with Disabilities Act, 2016, HFL is committed to maintaining a work environment free from discrimination against persons with disabilities. Necessary support, facilities, and reasonable arrangements are provided to enable employees with disabilities to effectively perform their roles. Medical assistance is made available whenever required, and a designated Grievance Officer ensures implementation of the relevant provisions under the Act. HFL also ensures that no individual is denied opportunities on the basis of disability and safeguards employees against coercion, intimidation, or retaliation for raising complaints or supporting investigations under the Act. The Equal Opportunity Employer Policy is available on the Company's website at the following link: <https://happyforgingsltd.com/corporate-governance/Equal-Opportunity-Employer-Policy>

**5. Return to work and Retention rates 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	-	-	-	-	-	-

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

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	HFL has established a Grievance Redressal Policy to provide employees with a formal platform to raise employment-related concerns. The policy ensures that grievances are addressed promptly, fairly, and impartially by the Grievance Committee, in line with the Company's policies and procedures.  The Company has a structured grievance redressal mechanism covering all employee concerns, including human rights-related matters. Designated HR personnel regularly interact with employees and workers on the shop floor, document grievances, and coordinate with the respective process owners for timely resolution. The Welfare Officer maintains a monthly MIS, which is reviewed by the CHRO along with periodic monitoring of grievance records.  To strengthen the effectiveness of the process, HFL conducts regular sensitisation and training programmes for HR personnel on conflict resolution and workplace conduct. The Company also provides anonymous reporting channels to encourage employees to raise concerns without fear of retaliation.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

7. Membership of employees and workers 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.

	2025-26			2024-25		
	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)
<b>Total Permanent Employees</b>	<b>700</b>	<b>0</b>	<b>0.0%</b>	<b>631</b>	<b>0</b>	<b>0.0%</b>
Male	674	0	0.0%	605	0	0.0%
Female	26	0	0.0%	26	0	0.0%
<b>Total Permanent Workers</b>	<b>2,812</b>	<b>0</b>	<b>0.0%</b>	<b>2,540</b>	<b>0</b>	<b>0.0%</b>
Male	2,811	0	0.0%	2,540	0	0.0%
Female	1	0	0.0%	0	0	-

8. Details of training given to employees and workers

	2025-26					2024-25				
	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)
<b>Employees</b>										
Male	674	462	68.5%	435	64.5%	605	208	34.4%	419	69.3%
Female	26	16	61.5%	20	76.9%	26	7	26.9%	21	80.8%
<b>Total</b>	<b>700</b>	<b>478</b>	<b>68.2%</b>	<b>455</b>	<b>65%</b>	<b>631</b>	<b>215</b>	<b>34.1%</b>	<b>440</b>	<b>69.7%</b>
<b>Workers</b>										
Male	2,811	2,338	83.2%	1,960	69.7%	2,540	669	26.3%	2,236	88.0%
Female	1	0	0%	1	100%	0	0	-	0	-
<b>Total</b>	<b>2,812</b>	<b>2,338</b>	<b>83.2%</b>	<b>1,961</b>	<b>69.7%</b>	<b>2,540</b>	<b>669</b>	<b>26.3%</b>	<b>2,236</b>	<b>88.0%</b>



**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)**

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

	2025-26			2024-25		
	Total (A)	No. (B)	% (B/A)	Total (A)	No. (B)	% (B/A)
<b>Employees</b>						
Male	674	310	46.0%	605	313	51.7%
Female	26	9	34.6%	26	7	26.9%
<b>Total</b>	<b>700</b>	<b>319</b>	<b>45.6%</b>	<b>631</b>	<b>320</b>	<b>50.7%</b>
<b>Workers</b>						
Male	2,811	121	4.3%	2,540	70	2.8%
Female	1	0	0.0%	0	0	-
<b>Total</b>	<b>2,812</b>	<b>121</b>	<b>4.3%</b>	<b>2,540</b>	<b>70</b>	<b>2.8%</b>

**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 implemented the Health and Safety Management System (ISO 45001:2018) across all its operations and manufacturing sites. The system defines the framework and requirements for an effective occupational health and safety (OH&S) management system and provides guidance for creating safe and healthy workplaces. By focusing on the prevention of work-related injuries and illnesses and continuously improving OH&S performance, HFL reinforces its commitment to employee well-being and workplace safety.

ISO 45001:2018 supports the establishment, implementation, and continual improvement of the Company's OH&S management practices. It helps identify hazards, minimise OH&S risks, and address system gaps and non-conformities associated with business activities. The framework also enables HFL to strengthen its safety culture and drive continuous improvement across operations.

**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 line with ISO 14001:2015 and ISO 45001:2018 standards, HFL continues to implement measures aimed at enhancing employee well-being, occupational health, and workplace safety. The Company has established a robust hazard identification and risk management framework to drive continuous improvement in health and safety performance. Hazard Identification and Risk Assessment (HIRA) exercises are conducted regularly across all operational levels through a structured six-step process, supervised by trained process owners or qualified safety coordinators with thorough knowledge of operational activities and safety requirements. These initiatives reflect HFL's continued commitment to maintaining a safe and healthy work environment.

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, HFL has established a process for reporting work-related hazards in line with the ISO 45001:2018 Occupational Health & Safety Management System. Employees and workers are encouraged to actively contribute towards maintaining a safe workplace by identifying hazards and reporting unsafe conditions, practices, or behaviours. They are also empowered to adopt preventive measures and withdraw from hazardous situations, including stopping unsafe activities whenever required. The Company conducts regular training and awareness programmes on hazard identification and reporting mechanisms. HFL also sets proactive EHS objectives, monitors progress against safety targets, provides appropriate personal protective equipment (PPE), and promotes its effective usage. In addition, ergonomic practices are integrated into workplace operations, and the Company continues to collaborate across functions to strengthen EHS compliance, awareness, and continuous improvement initiatives.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

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

Yes, HFL arranges periodic and preventive health check-ups for employees beyond the requirements prescribed under the Factories Act, 1948. The Company also has tie-ups with nearby reputed hospitals to provide timely medical support in case of off-site emergencies.

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

Safety incident/ numbers	Category*	2025-26	2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.6	0.4
Total recordable work-related injuries	Employees	0	0
	Workers	8	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

\*Including the contract workforce

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

HFL is committed to maintaining a safe and healthy workplace through compliance with ISO 45001 standards and regular Hazard Identification and Risk Assessment (HIRA) evaluations. The Company has implemented various initiatives including daily safety interactions, structured training programmes, permit-based work systems, safety audits, mock drills, near-miss reporting, 5S audits, and periodic health check-ups to strengthen workplace safety and operational efficiency. Key initiatives are outlined below:

- Daily Safety Talks:** Regular safety talks are conducted with employees and workers to reinforce awareness regarding PPE usage, safe work practices, and emergency response procedures, thereby promoting a strong safety culture.
- Safety and Job-Specific Training:** Employees undergo regular safety and role-based training programmes covering hazard identification, safe operating procedures, and emergency preparedness to minimise workplace risks.
- Work Permit System:** A permit-to-work system is followed for high-risk activities such as hot work, confined space entry, and electrical jobs to ensure necessary safety precautions are implemented before execution.
- Regular Safety Audits:** Routine safety audits and inspections are conducted across facilities and processes to identify potential hazards and ensure compliance with applicable safety standards and practices.
- Safety Committee Meetings:** Safety committee meetings are organised regularly to review safety performance, discuss workplace concerns, and encourage employee participation in safety improvement initiatives.
- HIRA:** HFL undertakes HIRA and Aspect & Impact Assessments to systematically identify hazards, evaluate risks, and implement suitable mitigation measures across operations.
- Mock Drills:** Mock drills are conducted periodically to evaluate emergency response readiness for scenarios such as fire incidents, chemical spills, and other emergencies.
- Near-Miss Incident Reporting:** Employees are encouraged to report near-miss incidents, which are analysed to identify root causes and implement corrective and preventive actions to avoid recurrence.
- 5S Audit Compliance:** Regular 5S audits are carried out to maintain workplace organisation, cleanliness, and operational discipline, contributing to a safer and more efficient work environment.
- Regular Health Checkups:** HFL conducts regular health check-ups and wellness initiatives for employees and workers to monitor occupational health and promote overall well-being.
- Reward & Recognition:** HFL recognises and rewards employees and workers for exemplary safety practices, active participation in safety trainings, and contributions towards workplace safety initiatives to promote a strong safety culture.



**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)**

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

	2025-26			2024-25		
	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.**

	2025-26
	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

**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 structured corrective and preventive action framework to address identified as well as potential risks and impacts. The Company remains strongly committed to the health, safety, and well-being of its workforce. Although no major incidents were reported during the year, HFL continues to proactively strengthen safety practices, ensure adherence to established safety protocols across its operations, and enhance its safety monitoring mechanisms, including conducting external safety audits for two manufacturing units through certified auditors.

**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 engagement with contractual labour providers on statutory compliance matters such as PF, ESI, GST, and wages. Agreements executed with labour service providers clearly define compliance requirements and responsibilities to ensure adherence to applicable laws and regulations. The Company has also implemented a Supplier Code of Conduct, which is required to be followed by all supply chain partners to promote responsible business practices, transparency, and accountability across the value chain.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

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**

	2025-26	2024-25
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**

	2025-26	2024-25
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, HFL engages certain employees and workers under Retainership Agreements, particularly individuals possessing critical or specialised skills. Such arrangements are governed by applicable rules, regulations, and mutually agreed terms in line with the Company's Exit Policy (Retirement Cases), with provision for periodic renewal wherever applicable. In addition, HFL provides capacity-building and skill enhancement programmes to employees across all levels and tenures. These initiatives help strengthen professional capabilities and enhance long-term employability.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	4.7%
Working conditions	

Note: Assessment program commenced towards the end of 2025-26; assessments of the remaining raw material suppliers are planned for 2026-27.

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.

The supplier assessments were initiated towards the end of 2025-26 and the responses received are currently under review. As of the reporting date, no significant risks or concerns requiring corrective action had been identified. The Company will evaluate the assessment outcomes during 2026-27 and, where necessary, engage with suppliers to implement appropriate corrective and improvement measures.

**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.



**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)**

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

<b>Stakeholder group</b>	<b>Whether identified as Vulnerable/ Marginalised Group</b>	<b>Channels of communication</b>	<b>Frequency of engagement</b>	<b>Purpose and scope of engagement including key topics and concerns raised during such engagements</b>
Employees	No	<ul style="list-style-type: none"> <li>Workshops</li> <li>Employee Surveys</li> </ul>	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"> <li>Annual report</li> <li>Investor presentations</li> <li>Corporate website</li> <li>Quarterly &amp; Annual results</li> </ul>	Periodically	Protect and increase shareholder value and focus on sustainable growth and profitability.
Customers	No	<ul style="list-style-type: none"> <li>Personal Visits</li> <li>Digital communications</li> <li>Plant visits</li> </ul>	Periodically	To ensure that we are consistently able to deliver high-quality products that meet 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"> <li>Email Communications</li> <li>Supplier &amp; Vendor meet</li> <li>Policies</li> <li>Official communication</li> <li>letters</li> </ul>	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"> <li>Official communication channels</li> <li>Regulatory audits/ inspections</li> <li>Environmental compliance</li> <li>Policy intervention</li> <li>Good governance</li> </ul>	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"> <li>CSR initiatives and community outreach efforts by our implementation partners</li> </ul>	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 has constituted an ESG Committee to oversee and guide the Company's ESG initiatives and priorities. The Committee is responsible for apprising the Board of Directors on ESG-related targets, projects, initiatives, and the progress achieved against them. The Committee also oversees stakeholder engagement processes, including the development of mechanisms for stakeholder consultations and interactions, and periodically updates the Board on key ESG matters and emerging issues.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

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 initiatives, is committed to creating positive outcomes for vulnerable and marginalised communities and promoting inclusive development. HFL's CSR initiatives primarily focus on:

- Enhancing healthcare facilities by installing diagnostic machines and medical equipment to improve access to affordable healthcare.
- Adopting government schools and investing in their physical infrastructure to create a conducive learning environment for underprivileged students.
- Providing financial support to educational and vocational training institutes for differently abled children and underprivileged girls.
- Undertaking various other initiatives aimed at the maintenance of public parks, animal welfare, and the welfare of 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	2025-26			2024-25		
	Total (A)	No. employees / workers covered (B)	% (B / A)	Total (C)	No. employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	700	304	43.4%	631	92	14.6%
Other than permanent	14	2	14.3%	8	0	0.0%
<b>Total Employees</b>	<b>714</b>	<b>306</b>	<b>42.7%</b>	<b>639</b>	<b>92</b>	<b>14.4%</b>
<b>Workers</b>						
Permanent	2,812	1,731	61.6%	2,540	633	24.9%
Other than permanent	408	319	78.2%	391	248	63.4%
<b>Total Workers</b>	<b>3,220</b>	<b>2,050</b>	<b>63.7%</b>	<b>2,931</b>	<b>881</b>	<b>30.1%</b>

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

	2025-26					2024-25				
	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)
<b>Employees</b>										
<b>Permanent</b>										
Male	674	0	0.0%	674	100.0%	605	0	0.0%	605	100.0%
Female	26	0	0.0%	26	100.0%	26	0	0.0%	26	100.0%



BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

	2025-26					2024-25				
	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)
<b>Other than Permanent</b>										
Male	14	0	0.0%	14	100.0%	8	0	0.0%	8	100.0%
Female	0	-	-	-	-	0	0	-	0	-
<b>Workers</b>										
<b>Permanent</b>										
Male	2,811	99	3.5%	2712	96.5%	2,540	77	3.0%	2,463	97.0%
Female	1	0	0.0%	1	100.0%	0	0	-	0	-
<b>Other than Permanent</b>										
Male	408	366	89.7%	42	10.3%	391	336	85.9%	55	14.1%
Female	0	-	-	-	-	0	0	-	0	-

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

a. Median remuneration/ wages

Particulars	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	4,33,853 p.m.	1	2,75,156 p.m.
Employees other than BoD and KMP	671	31,320 p.m.	24	26,978 p.m.
Workers	2,811	14,990 p.m.	1	12,170 p.m.

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

	2025-26	2024-25
Gross wages paid to females as % of total wages	1.2%	1.2%

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) serves as the designated focal point responsible for addressing human rights impacts or issues caused or contributed to by the business. The CHRO heads the Human Rights Committee, comprising representatives from various departments to ensure a holistic approach towards human rights matters. The committee is responsible for monitoring, addressing, and mitigating human rights risks across operations and the supply chain. HFL also periodically reviews and updates its policies in line with evolving best practices and stakeholder feedback.

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

HFL has established a comprehensive Grievance Redressal Policy to address all categories of employee grievances, including those relating to human rights issues. Designated HR personnel regularly visit the shop floor to interact with employees and workers and record their grievances. These grievances are subsequently communicated to the respective process owners for timely resolution. The Welfare Officer maintains a monthly Management Information System (MIS) report, which is reviewed by the CHRO on a regular basis. The CHRO also signs off on the grievance register to ensure appropriate accountability and follow-up actions.

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

	2025-26			2024-25		
	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	-

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

	2025-26			2024-25		
	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
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:**

	2025-26	2024-25
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%	0.0%
Complaints on POSH upheld	0	0

**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" and constituted 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 required to maintain strict confidentiality of the complainant's identity. HFL remains committed to addressing matters related to sexual harassment with utmost sensitivity and confidentiality throughout the redressal process. In addition, regular awareness and sensitisation sessions are conducted for employees and workers.

HFL also has policies relating to Whistle Blowing, Equal Opportunity and related matters, which contain provisions aimed at protecting the identity of complainants and preventing any adverse consequences or retaliatory actions against them in the future.

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

Yes, HFL's human rights requirements form an integral part of its business agreements and contracts. The Supplier Code of Conduct requires adherence to the highest ethical standards, including respect for human rights and compliance with applicable labour laws. These requirements help ensure that all business relationships and transactions are carried out in alignment with these fundamental principles.

**10. Assessment for the year**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100.0%
Forced/involuntary labor	100.0%
Sexual harassment	100.0%
Discrimination at workplace	100.0%
Wages	100.0%
Others – please specify	-

**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

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

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

Human rights due diligence assessments are conducted as part of HFL's ISO 45001 audit process. This assessment framework helps ensure that the Company's operations and supply chain adhere to high ethical standards, including compliance with applicable human rights and labour laws. The audit process covers key aspects of the business to identify, assess, 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 offices and manufacturing facilities are accessible to differently abled visitors in accordance with the requirements of the Rights of Persons with Disabilities Act, 2016. The premises are equipped with accessibility features such as ramps, lifts, and handrails in stairwells to facilitate ease of movement for differently abled individuals. These initiatives reflect HFL's commitment towards fostering an inclusive and accessible environment for all visitors.

### 4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	4.7%
Discrimination at workplace	
Child labor	
Forced/involuntary labor	
Wages	

Note: Assessment program commenced towards the end of 2025-26; assessments of the remaining raw material suppliers are planned for 2026-27

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

The supplier assessments were initiated towards the end of 2025-26 and the responses received are currently under review. As of the reporting date, no significant risks or concerns requiring corrective action had been identified. The Company will evaluate the assessment outcomes during 2026-27 and, where necessary, engage with suppliers to implement appropriate corrective and improvement measures.

## 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	2025-26	2024-25
<b>From renewable sources</b>			
Total electricity consumption (A) (Solar)	GJ	23,763	17,852
Total fuel consumption (B)	GJ	0	0
Energy consumption through other sources (C)	GJ	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>GJ</b>	<b>23,763</b>	<b>17,852</b>
<b>From non-renewable sources</b>			
Total electricity consumption (D)	GJ	4,51,561	4,24,803
Total fuel consumption (E)	GJ	1,08,108	1,19,043
Energy consumption through other sources (F)	GJ	0	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>GJ</b>	<b>5,59,669</b>	<b>5,43,846</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>GJ</b>	<b>5,83,432</b>	<b>5,61,699</b>
Energy intensity per rupee of turnover (Total energy consumption / Revenue from operations)		3.8 GJ/Lakh Rupees	4.0 GJ/Lakh Rupees

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

Parameter	Units	2025-26	2024-25
Energy intensity per rupee of turnover adjusted for Purchasing Power (Total energy consumed / Revenue from operations adjusted for PPP)		-	-
Energy intensity in terms of physical output		9.4 GJ/MT	9.8 GJ/MT <sup>1</sup>
Energy intensity (optional) – the relevant metric may be selected by the entity		-	-

<sup>1</sup>2024-25 intensity ratio has been restated to align with the current year's methodology based on net volume of final output.

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.

Yes. Data verification was conducted by Intertek in accordance with ISO 14064-1.

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	2025-26	2024-25
<b>Water withdrawal by source (in kiloliters)</b>			
(i) Surface water	KL	0	0
(ii) Groundwater	KL	2,64,918	2,60,263
(iii) Third party water	KL	0	0
(iv) Seawater / desalinated water	KL	0	0
(v) Others	KL	0	0
<b>Total volume of water withdrawal (in kiloliters) (i+ii+iii+iv+v)</b>	<b>KL</b>	<b>2,64,918</b>	<b>2,60,263</b>
<b>Total volume of water consumption (in kiloliters)</b>	<b>KL</b>	<b>2,64,918</b>	<b>2,60,263</b>
Water intensity per rupee of turnover (Water consumed/revenue from operations)		1.71 KL/Lakh Rupees	1.85 KL/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		4.3 KL / MT	4.5 KL / MT <sup>1</sup>
Water intensity (optional) - the relevant metric may be selected by the entity			

<sup>1</sup>2024-25 intensity ratio has been restated to align with the current year's methodology based on net volume of final output.

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.

4. **Provide the following details related to water discharged:**

Parameter	2025-26	2024-25
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(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



**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)**

Parameter	2025-26	2024-25
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	50,982 Secondary and Tertiary Treatment Level	36,156 Secondary and Tertiary Treatment Level
Total water discharged (in kiloliters)	50,982	36,156

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 continue to remain key ESG priorities for HFL. To minimise water consumption, the Company has implemented comprehensive systems and protocols across its operations. By closely monitoring water usage across various applications, HFL undertakes recycling and reuse initiatives wherever feasible. The Company has installed Sewage Treatment Plants (STPs) and Effluent Treatment Plants (ETPs) at its manufacturing facilities. In addition, HFL has made strategic investments in rainwater harvesting systems to support groundwater replenishment in line with applicable MIDC guidelines.

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

Parameter	Please specify unit	2025-26	2024-25
NOx	mg/Nm <sup>3</sup>	54.4	28.6
SOx	mg/Nm <sup>3</sup>	23.5	13.1
Particulate matter (PM)	mg/Nm <sup>3</sup>	87.7	63.3
Persistent organic pollutants (POP)	mg/Nm <sup>3</sup>	0.0	0.0
Volatile organic compounds (VOC)	mg/Nm <sup>3</sup>	0.0	0.0
Hazardous air pollutants (HAP)	mg/Nm <sup>3</sup>	0.0	0.0
Others – please specify	mg/Nm <sup>3</sup>	-	-

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.

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

Parameter	Please specify unit	2025-26	2024-25
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	9,209	8,771
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	89,057	96,761
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and scope 2 GHG emissions / Revenue from operations)		0.64 MT/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		1.58 tCO <sub>2</sub> e/MT	1.84 tCO <sub>2</sub> e/MT <sup>1</sup>
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

<sup>1</sup>2024-25 intensity ratio has been restated to align with the current year's methodology based on net volume of final output.

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.)

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

Yes. The Company is installing a 20 MW captive solar power plant to increase renewable energy usage and has planted over 13,500 trees to support carbon sequestration.

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

Parameter	2025-26	2024-25
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	0	0
E-waste (B)	0.28	0
Bio-medical waste (C)	0.015	0.06
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)	20.7	19.9
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	30,236	27,322
<b>Total (A+B+C+D+E+F+G+H)</b>	<b>30,257</b>	<b>27,342</b>
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.2 MT/Lakh Rupees	0.2 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	0.5	0.5 <sup>1</sup>
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-

<sup>1</sup>2024-25 intensity ratio has been restated to align with the current year's methodology based on net volume of final output.

**For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)**

Category of waste	2025-26	2024-25
(i) Recycle	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

Category of waste	2025-26	2024-25
(i) Incineration	4.2	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
<b>Total</b>	<b>4.2</b>	<b>0</b>

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 effective waste management by integrating the 3R principles (Reduce, Reuse and Recycle) into its operational and decision-making processes, in alignment with SDG 12 (Responsible Consumption and Production). By following the waste management hierarchy, the Company encourages teams to identify innovative ways to minimise and divert waste, thereby also supporting SDG 11 (Sustainable Cities and Communities) through reduction in environmental impact arising from waste generation. HFL remains committed to reducing both hazardous and non-hazardous waste across its manufacturing facilities, contributing towards SDG 13 (Climate Action) by minimising waste-related emissions.

During the year, HFL continued to undertake initiatives such as recycling waste oil through authorised alternative disposal channels to reduce hazardous waste generation, in line with SDG 12.4 relating to environmentally sound management of chemicals and waste. The Company also focused on recycling ETP sludge to minimise landfill disposal, thereby supporting



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

SDG 12.5 on waste reduction through prevention, recycling, and reuse. These initiatives reflect HFL's continued commitment towards sustainable operations, while also enabling operational efficiencies and promoting 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			Not applicable

**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
Not applicable					

**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	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:

- Name of the area:
- Nature of operations:
- Water withdrawal, consumption and discharge in the following format:

Parameter	Units	2025-26	2024-25
<b>Water withdrawal by source (in kiloliters)</b>			
(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		
<b>Total volume of water withdrawal (in kiloliters) (i+ii +iii+iv+v)</b>	KL		
<b>Total volume of water consumption (in kiloliters)</b>	KL		
Turnover			
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	KL/₹		
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	GJ		

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

Parameter	Units	2025-26	2024-25
<b>Water discharge by destination and level of treatment (in kilolitres)</b>			
(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		
<b>Total water discharged (in kilolitres)</b>	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.

**2. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	2025-26	2024-25
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	N/A	N/A
Total Scope 3 emissions per rupee of turnover		N/A	N/A
Total Scope 3 emission intensity (optional)– the relevant metric may be selected by the entity		N/A	N/A

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.

The Company plans to conduct assessment and verification of scope 3 emissions in 2026-27

**3. 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.

**4. 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:**

S. No.	Initiative Undertaken	Details of the initiative (Web-link, if any, may be provided along- with summary)	Outcome of the initiative
-	-	-	-

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

Yes, HFL recognises the importance of ensuring business continuity and has established policies and procedures to support the continuation of mission-critical operations during unforeseen disruptions. The Company has a well-defined Business Continuity and Disaster Management Plan aimed at strengthening organisational resilience and preparedness. The framework is designed to safeguard operations, employees, assets, and stakeholder interests through structured response mechanisms, risk mitigation measures, and recovery protocols, thereby enabling continuity of key business functions with appropriate foresight and diligence.



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

**6. 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.**

The Company's Supplier Code of Conduct sets expectations relating to environmental responsibility and regulatory compliance. Supplier sustainability assessments commenced in 2025-26 and are planned to be completed for all identified raw material suppliers in 2026-27. Appropriate mitigation measures will be undertaken based on the assessment outcomes, wherever required.

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

4.7%

**8. How many Green Credits have been generated or procured:****a. By the listed entity:**

HFL doesn't generate / procure any green credits.

**b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners.**

Not Applicable

**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 5 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	
5.	Chamber of Industrial & Commercial Undertakings (CICU)	State	

**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 is 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 Fiscal Year (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 established a community feedback mechanism for all CSR initiatives undertaken by the Company. Meetings and periodic interactions are conducted with community members to understand concerns and obtain feedback. Individuals or groups may raise grievances during the annual feedback exercise or at any other time, as required. Communication channels include verbal interactions, emails, phone calls, and meetings. The CSR Team addresses and resolves grievances in a timely manner. All grievances are treated with due seriousness, and a transparent process is followed for communicating resolutions internally and externally to relevant stakeholders. The grievance redressal policy has been duly approved by the Board. Complaints may also be submitted through the email IDs and contact numbers available on HFL's website: [www.happyforgingsltd.com/contact-us/](http://www.happyforgingsltd.com/contact-us/)

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

Parameter	2025-26	2024-25
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

Location	2025-26	2024-25
Rural	47.5%	42.6%
Semi-urban	0.0%	0.0%
Urban	0.0%	0.0%
Metropolitan	52.5%	57.4%

Place to be categorised as per RBI Classification System - rural / semi-urban / urban / metropolitan)

## 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	



**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)**

**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 2025-26			

**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	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.	Education (Vocational College under Bal Vikas Trust )	200 students	100%
3.	Education (Construction of Government School, Village Umaidpur, Ludhiana)	300 students	100%
4.	Education (Ludhiana Educational Society)	84 students	100%
5.	Education (Noble Foundation for underprivileged children)	150 students	100%
6.	Education (Vocational Rehabilitation center for blind)	85 visually impaired children	100%
7.	Promotion of paralympic sports (Deaf Cricket Federation)	217 hearing impaired people	100%
8.	Support to handicapped students (Ek jot Viklang Bachon Ka School)	80 handicapped people	100%
9.	Animal Welfare (Krishan Balram Gaushala Trust and world Sankirtan Tour trust)	Animal welfare	100%
10.	Promotion and development of traditional arts and handicraft (Saras Mela)	Community at large	100%
11.	Education (Sacred Heart Convent School Alumni Association)	Community at large	NA
12.	Disaster Management (Rangla Punjab)	Community at large	100%
13.	Healthcare (Dialysis machines at Helpful NGO, installed in 2024-25 but became operational in 2025-26	9,000 dialysis were done in 2025-26	Mostly vulnerable and marginalised

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

## 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 receive and address consumer complaints and feedback, HFL has implemented a comprehensive Stakeholder Management Policy. External stakeholders may register complaints, grievances, or feedback through the contact details and email addresses specified in the policy and made available on the Company's website. Further details regarding the process for submitting complaints, grievances, or feedback are available at: <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 further integrate these components into final products such as vehicles and machinery. As HFL's products are not end-use consumer goods, it is not feasible to provide product-level labelling relating to environmental or social parameters, safe usage, or disposal practices.
Safe and responsible usage	
Recycling and/or safe disposal	

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

	2025-26			2024-25		
	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

## 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



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

**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.