

# Business Responsibility and Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### Details of the listed entity:

| S. No. | Question   | Responses   |
|--------|--|---|
| 1.     | Corporate Identity Number (CIN) of the Entity  | L64200HP1987PLC007466   |
| 2.     | Name of the Listed Entity  | HFCL Limited  |
| 3.     | Year of Incorporation  | 11/05/1987  |
| 4.     | Registered Office Address  | 8, Electronics Complex, Chambaghat, Solan, Himachal Pradesh-173213  |
| 5.     | Corporate Address  | 8, Commercial Complex, Masjid Moth, Greater Kailash II, New Delhi-110048  |
| 6.     | E-mail   | <a href="mailto:secretarial@hfcl.com">secretarial@hfcl.com</a>  |
| 7.     | Telephone  | +91-11-35209400   |
| 8.     | Website  | <a href="http://www.hfcl.com">www.hfcl.com</a>  |
| 9.     | Financial Year for which report is being done  | 1st April, 2022 – 31st March, 2023  |
| 10.    | Name of the Stock Exchange(s) where shares are listed  | <ul style="list-style-type: none"> <li>National Stock Exchange of India Limited</li> <li>BSE Limited</li> </ul>       |
| 11.    | Paid-up Capital (₹)  | 137,77,58,321   |
| 12.    | Name and contact details (telephone, email) of the person who may be contacted in case of queries on the BRSR report | Mr. Manoj Baid<br>Email: <a href="mailto:secretarial@hfcl.com">secretarial@hfcl.com</a><br>Telephone: +91-11-35209400 |
| 13.    | Reporting Boundary (Standalone or Consolidated basis)  | Standalone  |

### Products and Services:

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

| S. No. | Description of Main Activity  | Description of Business Activity   | %Turnover of the entity |
|--------|-------------------------------|--|-------------------------|
| 1.     | Telecom Products              | Manufacturing of optical fiber, optical fiber cables and telecom & networking products | 46%                     |
| 2.     | Turnkey Contract and Services | Engineering, Procurement and Construction  | 54%                     |

#### 15. Product/ Services sold by the entity (accounting for 90% of the entity's turnover):

| S. No.       | Product/ Service               | NIC Code | % of total turnover contributed |
|--------------|--------------------------------|----------|---------------------------------|
| 1.           | Optical Fiber Cables           | 27310    | 40%                             |
| 2.           | Turnkey Contracts and Services | 42202    | 54%                             |
| <b>Total</b> |                                |          | <b>94%</b>                      |

**Operations:****16. Number of locations where plants and/or operations/ offices of the entity are situated:**

| Location      | Number of Plants | Number of Offices | Total |
|---------------|------------------|-------------------|-------|
| National      | 3                | 80                | 83    |
| International | 0                | 6                 | 6     |

**17. Markets Served by the Entity:****a. Number of Locations:**

| Location                            | Number   |
|-------------------------------------|--|
| National<br>(No. of States)         | Pan India  |
| International<br>(No. of Countries) | HFCL exports to over 45 countries across Germany, France, Denmark, Ireland, Austria, Finland, Italy, United Kingdom (UK), Portugal, Spain, USA, Canada, Mexico, Argentina, South Africa, Turkey, Dubai and more. |

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

During FY23, exports contributed 17.79% to the total turnover of the Company.

**c. A Brief on types of customers?**

HFCL is a leading technology company specialised in creating digital networks for Telcos, enterprises and Governments. Our customer segment comprises Telecom Operators, Internet Service Providers, Public Sector Undertakings, State Government Undertakings, System Integrators, Railways, Defense Services, Smart Cities and many more.

**Employees:****18. Details as at the end of Financial Year 2022- 23:****a. Employees and Workers**

|                              |                                | Employees (including differently abled) |              |                  |            |                  |
|------------------------------|--------------------------------|---|--------------|------------------|------------|------------------|
| S. No.                       | Particulars                    | Total (A)                               | Male         |                  | Female     |                  |
|                              |                                |   | Number (B)   | Percentage (B/A) | Number (B) | Percentage (B/A) |
| 1.                           | Permanent Employees            | 1,925                                   | 1,799        | 93%              | 126        | 7%               |
| 2.                           | Other than Permanent Employees | 484                                     | 472          | 98%              | 12         | 2%               |
| <b>Total Employees (1+2)</b> |                                | <b>2,409</b>                            | <b>2,271</b> | <b>94%</b>       | <b>138</b> | <b>6%</b>        |

**Note:**

- Permanent Employees- L5 and above On Roll employees
- Other than Permanent Employees – Trainee (BE & Graduate) engineers under various government scheme such as NAPS, NATS and off-roll employees on third-party rolls

|                            |                              | Workers (including differently abled) |            |                  |            |                  |
|----------------------------|------------------------------|---------------------------------------|------------|------------------|------------|------------------|
| S. No.                     | Particulars                  | Total (A)                             | Male       |                  | Female     |                  |
|                            |                              |                                       | Number (B) | Percentage (B/A) | Number (B) | Percentage (B/A) |
| 1.                         | Permanent Workers            | 183                                   | 156        | 85%              | 27         | 15%              |
| 2.                         | Other than Permanent Workers | 882                                   | 838        | 95%              | 44         | 5%               |
| <b>Total Workers (1+2)</b> |                              | <b>1,065</b>                          | <b>994</b> | <b>93%</b>       | <b>71</b>  | <b>7%</b>        |

**Note:**

- Permanent Workers - L6 and L7, On Roll employees
- Other than Permanent Workers- Trainee (Diploma & ITI) engineers under various government schemes such as NAPS, NATS and off-roll employees on third-party rolls.

## b. Differently abled Employees and Workers

| Differently Abled Employees  |                                |           |            |                  |            |                  |
|------------------------------|--------------------------------|-----------|------------|------------------|------------|------------------|
| S. No.                       | Particulars                    | Total (A) | Male       |                  | Female     |                  |
|                              |                                |           | Number (B) | Percentage (B/A) | Number (B) | Percentage (B/A) |
| 1.                           | Permanent Employees            |           |            |                  |            |                  |
| 2.                           | Other than Permanent Employees |           |            |                  |            |                  |
| <b>Total Employees (1+2)</b> |                                |           |            |                  |            |                  |

Currently the Company does not have any differently abled employee.

| Differently Abled Workers  |                              |           |            |                  |            |                  |
|----------------------------|------------------------------|-----------|------------|------------------|------------|------------------|
| S. No.                     | Particulars                  | Total (A) | Male       |                  | Female     |                  |
|                            |                              |           | Number (B) | Percentage (B/A) | Number (B) | Percentage (B/A) |
| 1.                         | Permanent Workers            |           |            |                  |            |                  |
| 2.                         | Other than Permanent Workers |           |            |                  |            |                  |
| <b>Total Workers (1+2)</b> |                              |           |            |                  |            |                  |

Currently the Company does not have any differently abled worker.

## 19. Participation/ Inclusion/ Representation of Women

|                          | Total (A) | Number of Female (B) | Percentage (B/A) |
|--------------------------|-----------|----------------------|------------------|
| Board of Directors       | 7         | 1                    | 14%              |
| Key Management Personnel | 2         | 0                    | 0                |

## 20. Turnover rate for permanent employees and workers:

|                     | FY23  |        |       | FY22  |        |       | FY21  |        |       |
|---------------------|-------|--------|-------|-------|--------|-------|-------|--------|-------|
|                     | Male  | Female | Total | Male  | Female | Total | Male  | Female | Total |
| Permanent Employees | 17.0% | 0.6%   | 17.6% | 15.3% | 0.2%   | 15.5% | 11.0% | 1.0%   | 12.0% |
| Permanent Workers   | 22.0% | 0.4%   | 22.4% | 10.8% | 0.2%   | 11.0% | 16.0% | 1.0%   | 17.0% |

## Holding, Subsidiary and Associate Companies (including joint ventures):

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

| S. No. | Name of the holding/ subsidiary/ associate company/ joint venture | Indicate whether holding/ subsidiary/ associate company/ joint venture | % of shares held by listed entity | Does the entity indicated at Column A, participate in the Business Responsibility initiatives of the entity (Yes/ No) |
|--------|---|--|-----------------------------------|---|
| 1      | HTL Limited   | Subsidiary   | 74%                               | No  |
| 2      | Raddef Private Limited  | Subsidiary   | 90%                               | No  |
| 3      | Moneta Finance Private Limited                                    | Subsidiary   | 100%                              | No  |
| 4      | HFCL Advance Systems Private Limited*                             | Subsidiary   | 100%                              | No  |
| 5      | Polixel Security Systems Private Limited                          | Subsidiary   | 100%                              | No  |
| 6      | Dragonwave HFCL India Private Limited                             | Subsidiary   | 100%                              | No  |
| 7      | HFCL Technologies Private Limited                                 | Subsidiary   | 100%                              | No  |
| 8      | HFCL B.V.   | Subsidiary   | 100%                              | No  |
| 9      | HFCL Inc.   | Subsidiary   | 100%                              | No  |
| 10     | Nimpaa Telecommunications Private Limited                         | Associate  | 50%                               | No  |
| 11     | BigCat Wireless Private Limited                                   | Associate  | 40.79%                            | No  |

\*HFCL Limited holds 90% shareholding directly and balance 10% held through Polixel Security Systems Private Limited, a wholly owned subsidiary of HFCL Limited

## CSR Details:

22.

|  |                               |
|--|-------------------------------|
| (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013 (Yes/No) | Yes                           |
| (ii) Turnover (in ₹)   | Standalone – ₹4,395.68 crores |
| (iii) Net Worth (in ₹)   | Standalone - ₹2,993.02 crores |

## Transparency and Disclosures Compliances:

## 23. Complaints/ Grievances on any of the principles (1-9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder Group       | Grievance Redressal Mechanism in place (Y/N) (Provide web-link of policy)   | Current Financial Year 2022- 23 |   |                         | Previous Financial Year 2021- 22 |   |                         |
|-------------------------|---|---------------------------------|---|-------------------------|----------------------------------|---|-------------------------|
|                         |   | Number of complaints filed      | Number of complaints pending at close of year | Remarks                 | Number of complaints filed       | Number of complaints pending at close of year | Remarks                 |
| Communities             | Yes.<br>In the respective Memorandum of Understanding (MoU) with the CSR Project Partner, the responsibility for addressing community grievances lies with the CSR Project Partners, who effectively manage the complaints, if any, as per the laid-down guidelines in a consultative manner.   | 0                               | 0   | No complaints           | 0                                | 0   | No complaints           |
| Investors  Shareholders | Yes.<br>The Company has 'Whistleblower Policy' in place available at: <a href="https://www.hfcl.com/wp-content/uploads/2020/01/HFCL-Whistle-Blower-Policy_Revised1.pdf">https://www.hfcl.com/wp-content/uploads/2020/01/HFCL-Whistle-Blower-Policy_Revised1.pdf</a><br>Mechanism for Grievance Redressal:<br>The Company has a grievance redressal mechanism for receiving complaints from different stakeholders, including investors and shareholders.<br>During the year, the Company has attended the investor's grievances/ correspondence within a period of 15 days from the date of receipt of the same except in cases which were constrained by disputes and legal impediments. | 40                              | 0   | All complaints resolved | 40                               | 0   | All complaints resolved |

| Stakeholder Group             | Grievance Redressal Mechanism in place (Y/N)<br>(Provide web-link of policy)  | Current Financial Year 2022- 23 |   |                    | Previous Financial Year 2021- 22 |   |               |
|-------------------------------|---|---------------------------------|---|--------------------|----------------------------------|---|---------------|
|                               |   | Number of complaints filed      | Number of complaints pending at close of year | Remarks            | Number of complaints filed       | Number of complaints pending at close of year | Remarks       |
| Employees and Workers         | Yes.<br>Employee and extended workforce grievances are addressed in a timely and effective manner through our grievance redressal mechanism, which is available at all our plants/offices. The Company's whistleblower policy is the overarching policy for addressing any form of grievance from all stakeholder groups, including employees, workers, contractual workers and labourers. The Company has 'Whistleblower Policy' in place available at:<br><a href="https://www.hfcl.com/wpcontent/uploads/2020/01/HFCL-Whistle-Blower-Policy_ Revised1.pdf">https://www.hfcl.com/wpcontent/uploads/2020/01/HFCL-Whistle-Blower-Policy_ Revised1.pdf</a>   | 1                               | 0   | Complaint resolved | 0                                | 0   | No complaints |
| Contract Laborer's            |   | 0                               | 0   | No complaints      | 0                                | 0   | No complaints |
| Value Chain partners          | Yes.<br>In the OFC Business Unit (BU), complaints are logged with their respective account managers. These issues receive immediate attention and are resolved within 24-hours.<br><br>For the Communication BU, our aim is to address these concerns within a predefined time frame, specifically within a maximum of 12 hours. If, for any reason, the matter remains unresolved, an escalation matrix is in place involving a third level. This ensures that the matter is resolved at that level within 48 hours.<br><br>Complaints may be lodged at: <a href="mailto:iosupport@hfcl.com">iosupport@hfcl.com</a><br>Toll-Free Number:<br>+91 8792701100<br>SPOC email: <a href="mailto:naresh.gupta@hfcl.com">naresh.gupta@hfcl.com</a> | 1                               | 0   | Complaint resolved | 0                                | 0   | No complaints |
| Implementation Partner (NGOs) | Yes.<br>Each MoU with our CSR Project partner explicitly outlines the mechanism for raising, addressing, and resolving grievances/ issues with partners and communities.  | 0                               | 0   | No complaints      | 0                                | 0   | No complaints |

## 24. 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 | Rationale for identifying the risk/opportunity  | In case of Risk, approach to adapt or mitigate   | Financial Implications of the risk or the opportunity |
|--------|---------------------------|--------------------------------------|---|--|---|
| 1.     | Climate Change            | Risk                                 | ESG disclosures bring clarity to the Company's climate risk exposure, detailing strategies in place to manage and adapt to these challenges, encompassing supply chain breakdowns, operational hazards and asset management complexities due to extreme weather events. These risks can amplify costs, while transition risks may undercut market value and investor faith amid regulatory transformations. | As a company of high standards, we prioritise our strategies and actions that align with mitigating climate change related risks and anchoring for sustainable development.                                  | Negative  |
| 2.     | Waste Management          | Opportunity                          | Waste management includes generation, disposal and the associated impacts. The company focus on reducing the amount of waste it generates by implementing waste minimisation at the source. This involves practices such as reducing packaging, optimising processes and promoting reusable products, i.e., adopting the principle of circularity measures within business operations.                      | -  | Positive  |
| 3.     | Health and Safety         | Risk                                 | Safeguarding our stakeholders i.e., employees, customers and other business partners from various risks and hazardous environments. Creating a safe and healthy workplace for all.  | The company ensures to maintain a safe, hazard-free and healthy work environment for its employees and workers by adhering to healthy standards, norms, regular safety training and risk awareness sessions. | Negative  |
| 4.     | Diversity and Inclusion   | Opportunity                          | Creating an environment where people from various socio-economic backgrounds, cultures, identities and perspectives are welcomed, respected and empowered. Consideration of diversity and inclusion are key social aspects of our Company's commitment to fostering a fair and equitable workplace and society.   | -  | Positive  |

| S. No. | Material Issue Identified               | Indicate whether Risk or Opportunity | Rationale for identifying the risk/ opportunity   | In case of Risk, approach to adapt or mitigate   | Financial Implications of the risk or the opportunity |
|--------|---|--------------------------------------|---|--|---|
| 5.     | Employee Growth, Development and Skills | Opportunity                          | The Company efforts to provide opportunities for employees to enhance their skills, knowledge, and capabilities through training, education, and professional development programs. By focusing on employee growth and development, a critical social aspect, we contribute to our Company's commitment i.e., enhance workforce's well-being and advancement. | -  | Positive  |
| 6.     | Innovation Management                   | Opportunity                          | The Company focuses on creating a conducive environment, strengthening investment in Research & Development (R&D), innovation of products, services, and solutions for enhanced customer service and satisfaction & value addition for other relevant stakeholders.   | -  | Positive  |
| 7.     | Data Security and Privacy               | Risk                                 | The protection of sensitive and confidential information, as well as the rights of individuals to control how their personal data is collected, used and shared. Data security and privacy are important aspects that reflect our Company's commitment to safeguarding sensitive information and respecting individuals' rights.                              | Implementing measures and processes designed to secure, protect and safeguard information at all levels. The Company strictly only collects relevant information intended for business purpose in a secured manner. The Company has IT management system, policies and framework to govern and oversee data security practices within the Company. In addition, regular checks on regulatory compliances, necessary updates in the existing policy and framework and risk awareness sessions are undertaken. | Negative  |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes out in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions  | P1   | P2  | P3  | P4  | P5  | P6  | P7  | P8  | P9  |
|---|--|-----|-----|-----|-----|-----|-----|-----|-----|
| <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)   | Yes  | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No)*   | Yes  | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| c. Web Link of the policies, if available   | <a href="https://www.hfcl.com/company-facts">https://www.hfcl.com/company-facts</a>  |     |     |     |     |     |     |     |     |
| 2. Whether the entity has translated the policy into procedures? (Yes/No)   | Yes  | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No)   | At HFCL, the appropriate policies are triggered down value chain partners as deemed to make resource efficiency and drive community development.   |     |     |     |     |     |     |     |     |
| 4. Name of the national and international codes/ certifications/labels/standards (eg, Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (eg, SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.  | <ul style="list-style-type: none"> <li>• ISO 9001:2015 - Quality Management System</li> <li>• TL9000:2016 - Quality Management System (Telecom Industry Specific)</li> <li>• ISO 10002:2018 - Quality management - Customer Satisfaction</li> <li>• ISO 14001:2015 - Environmental Management System</li> <li>• ISO 45001:2018 - Occupational Health and Safety Management System</li> <li>• ISO 27001:2013 - Information Security Management System (ISMS)</li> <li>• ISO 27701:2019 - Privacy Information Management System (PIMS)</li> <li>• ISO/IEC 20000-1:2018 - Service Management System (SMS)</li> <li>• ISO/IEC 17025:2017 - General Requirements for the Competence of Testing &amp; Calibration Laboratories</li> <li>• ISO 22301: 2019 – Business Continuity Management System</li> </ul> |     |     |     |     |     |     |     |     |
| 5. Specific commitments, goals and targets set by the entity with defined timelines if any.   | <p>HFCL is committed to sustainable business practices and social development initiatives. We have business specific goals and commitments as illustrated below:</p> <ul style="list-style-type: none"> <li>• At our Hyderabad operation, we are committed to achieve the goal of zero waste to landfills by the end of the year 2024.</li> <li>• At our Goa operations, our commitment is to: <ul style="list-style-type: none"> <li>– Achieve 40% renewable energy transition for a cleaner &amp; greener environment by 2025.</li> <li>– Reduce power consumption by upgrading technology in machineries resulting in saving of 5 lakh units of electricity on a yearly basis by 2024.</li> </ul> </li> </ul>   |     |     |     |     |     |     |     |     |
| 6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.   | The Company institutionalises processes and initiatives to drive resource efficiency, human capital well-being and community development. The performance of the Company on its environmental, social and governance parameter is covered in this BRSR Report.   |     |     |     |     |     |     |     |     |
| <b>Governance, leadership and oversight</b>   |  |     |     |     |     |     |     |     |     |
| 7. Statement by the director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) – Please refer to the Managing Director's Statement and ESG Approach Section in the HFCL's Annual Report 2022-23. |  |     |     |     |     |     |     |     |     |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)  | The Board of Directors of the Company oversee the implementation and oversight of the business responsibility policies.  |     |     |     |     |     |     |     |     |



| Disclosure Questions   | P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--|---|----|----|----|----|----|----|----|----|
| 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. The Board of Directors of the Company has constituted ESG Committee comprising of following members:</p> <ul style="list-style-type: none"> <li>i. Mr. Surendra Singh Sirohi (Independent Director) – Chairman</li> <li>ii. Mr. Mahendra Nahata (Managing Director) – Member</li> <li>iii. Mr. Arvind Kharabanda (Non-Executive Director) – Member</li> <li>iv. Mr. Vijay Raj Jain (Chief Financial Officer) – Member</li> <li>v. Mr. Sanjay Vithalrao Jorapur (President - HR)- Member</li> <li>vi. Mr. Shubhas Mondal (Senior Vice President)- Member</li> <li>vii. Mr. Rajesh Tatia (Vice-President – Goa Plant)- Member</li> <li>viii. Mr. Vivek Agrawal (Vice-President – Hyderabad Plant) – Member</li> </ul> <p>Mr. Manoj Baid, President and Company Secretary acts as a Secretary to the Committee</p> |    |    |    |    |    |    |    |    |

\*The policies are reviewed and approved by Board of Directors of the Company or Company's Head of Departments and signed off by MD, as deemed appropriate.

#### 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) |    |    |    |    |    |    |    |    |
|--|---|----|----|----|----|----|----|----|----|---|----|----|----|----|----|----|----|----|
|  | P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action  | The Policies of the Company are reviewed periodically or on a need basis by business/ department heads, and/or the Board of Directors.      |    |    |    |    |    |    |    |    |   |    |    |    |    |    |    |    |    |
| Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances | The Company is fully compliant with the applicable laws and regulations, which are reviewed on a quarterly basis by the Board of Directors. |    |    |    |    |    |    |    |    |   |    |    |    |    |    |    |    |    |

#### 11. Has the entity conducted independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If "Yes," provide name of the agency.

| Questions   | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|----|----|----|----|----|----|----|----|----|
| The entity does not consider the principles material to its business (Yes/No)   | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| The entity does not have the financial or human and technical resources available for the task (Yes/No)                         | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| It is planned to be done in the next financial year (Yes/No)  | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Any Other Reason (please specify)   | NA | NA | NA | NA | NA | NA | NA | NA | NA |

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Entity demonstrates their performance in integrating the Principles and Core Elements with key processes and decisions.

### 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 programmes on any of the principles during the financial year 2022- 23:

| Segment                         | Total number of training and awareness programs held | Topics/ Principles covered under training and its impact  | % of persons in respective category covered by the awareness programmes |
|---------------------------------|--|---|---|
| Board of Directors              | 4  | i. Revision of Related Party Transactions Policy in terms of amendment in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.<br>ii. Standardising the Penalties for Violations Under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.<br>iii. Discussion on Annual Operating Plan & Budgets for FY23.<br>iv. Updates on the ongoing business activities by the Managing Director, including expansion of Optical Fiber and Optical Fiber Cable Manufacturing Facility.<br>v. Updates on non-compliances with applicable regulatory, statutory, or listing requirements.<br>vi. Update on the ongoing business activities by the Managing Director including <ul style="list-style-type: none"> <li>• Launch of new product: World's first Open-source Wi-Fi 7 Access Points, 5G-8T8R Macro Radio Unit and 5G Lab-as-a-Service.</li> <li>• Focus on R&amp;D capabilities and to increase exports.</li> </ul> vii. Revision of Category of Designated Persons under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. | 100%<br>100%  |
| Key Managerial Personnel (KMPs) | 3  | i. Overview of Major areas of Practice and New Opportunities for Practicing Company Secretaries.<br>ii. Essentials of Practice, Peer Review, Quality Review and Disciplinary mechanism.<br>iii. Critical Issues in Oppression and Mismanagement & Practical Aspects in Private Placement and Preferential Issue.  | 50%   |
| Employees other than BoD        | 185  | Business Impact Analysis and Risk Assessment, Change Management, Leadership Competency Model, Future Women Leader Program, ISO 9001:2015, Lead Auditor Certification, Lean Six Sigma - Green Belt Certification, Tech For All - Know-Hows of 5G, Professional Life Hacks - Developing Employee Attitude, Root cause Analysis and the 8D corrective action Process, Head waste & Ink Jet Printing, ISO 22301 Internal Auditor Training, DEI and POSH Awareness, Safety Awareness, ISO 14001 Awareness Training, POSH Act (The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013), CMMI 2.0 Framework Overview, IMS, World Heart Day, Sales & Marketing of OFC, EHS Induction, Environmental Testing, Industrial & Fire Safety Awareness, Business Continuity Management System, ISO 22301:2012, 5G & Optical Fiber Cable, Evolution of WiFi.   | 29%   |
| Workers                         |  |   | 8%  |

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 based on materiality as specified in Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as discussed on the entity's website)

| Monetary        |   |               |               |                                    |
|-----------------|---|---------------|---------------|------------------------------------|
| NGRBC Principle | Name of the Regulatory/ enforcement agencies/ judicial institutions | Amount (in ₹) | Brief of Case | Has an appeal preferred? (yes/ No) |
| Penalty/ Fine   |   | Nil           |               |                                    |
| Compounding Fee |   | Nil           |               |                                    |

| Non-Monetary    |   |               |               |                                    |
|-----------------|---|---------------|---------------|------------------------------------|
| NGRBC Principle | Name of the Regulatory/ enforcement agencies/ judicial institutions | Amount (in ₹) | Brief of Case | Has an appeal preferred? (yes/ No) |
| Imprisonment    |   | Nil           |               |                                    |
| Punishment      |   |               |               |                                    |

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

| Case Details   | Name of the regulatory/ enforcement agencies/ judicial institutions |
|----------------|---|
| Not Applicable |   |

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

Yes.

The Company, with the objective to prevent and detect bribery and all forms of corruption and conduct its business activities with honesty, integrity and the highest possible ethical standards, enforces its anti-bribery and anti-corruption policy across all its operational geographies, including affiliates and subsidiaries of HFCL. The policy applies to all individuals globally, including directors, senior executives, officers, employees (whether permanent, fixed term or temporary), consultants, contractors, trainees, seconded staff, casual workers, volunteers, interns, agents, or any other person associated with the Company. Further, every person to whom this Policy applies may raise their concerns about any bribery issue or suspicion of malpractice at the earliest possible stage.

The Policy of the Company is available at: [https://www.hfcl.com/wp-content/uploads/2023/06/HFCL-Anti-Bribery\\_and\\_Anti-Corruption\\_Policy.pdf](https://www.hfcl.com/wp-content/uploads/2023/06/HFCL-Anti-Bribery_and_Anti-Corruption_Policy.pdf)

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

|                                 | Current Financial Year 2022- 23 | Previous Financial Year 2021- 22 |
|---------------------------------|---------------------------------|----------------------------------|
| Directors                       | Nil                             | Nil                              |
| Key Managerial Personnel (KMPs) | Nil                             | Nil                              |
| Employees                       | Nil                             | Nil                              |
| Workers                         | Nil                             | Nil                              |

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

|  | Current Financial Year 2022- 23 |        | Previous Financial Year 2021- 22 |        |
|--|---------------------------------|--------|----------------------------------|--------|
|  | Number                          | Remark | Number                           | Remark |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil                             | -      | Nil                              | -      |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs      | Nil                             | -      | Nil                              | -      |

## 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.

The Company ensures compliance with applicable regulations and laws. During the reporting period, no case of non-compliance related to corruption and conflict of interest was found, therefore no corrective action was required to be undertaken.

## Leadership Indicators

### 1. Awareness programmes conducted for the value chain partners on any of the principles during the financial year 2022- 23:

| Total number of awareness programmes held | Topics/ Principles covered under the training   | % of value chain partners covered (by value of business done with such partners) under the awareness programmes  |
|---|---|--|
| 1   | Training provided on diverse topics encompassing Ariba 'Procure to pay module', Digitalisation of sourcing process like RFP, RFQ, Reverse auction, Invoice processing and supplier life cycle management. | Four hundred Vendors trained through online mode, balance on case-to-case basis.<br>33% active vendors out of total 1,200 vendors participated and trained through the program.<br>Remaining are trained on case-to-case basis as part of HFCL's defined compliance practices. |

**Note:** To ensure ethical, transparent and accountable parameters, HFCL has partnered with SAP and utilise their core ERP modules and Ariba modules with an intent to make the 'Procure to pay processes' efficient and seamless to vendor partners.

### 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.

The Company has implemented principles to address conflict of interest in its Code of Business Conduct and Ethics for the members of the Board of Directors ("Code"). In addition, the Company has well-structured internal policies and processes outlining various safeguards and measures to manage related conflict of interests. The Code may be accessed on the Company's website at <https://www.hfcl.com>

The key principles of the Code illustrated below:

- Whole-time Directors are prohibited from engaging in any activities that could impede their performance or responsibilities to the Company, or that conflict with or detrimental to the Company. They are not allowed to simultaneously accept employment with suppliers, customers, or competitors of the Company, nor participate in any activities that support a competitor's position.
- Prior approval from the Company's Audit Committee is required for Directors who wish to accept assignments with companies or agencies that compete with the Company. Directors should avoid conducting business on behalf of the Company with any relative or with a business in which a relative holds a significant role. In unavoidable situations, they must seek the approval of the audit committee, in accordance with applicable laws.
- Directors are encouraged to minimise conducting business with relatives or businesses in which relatives hold significant roles. However, if it becomes necessary to engage in related party transactions, Directors must comply with the provisions outlined in Section 188 of the Companies Act, 2013 and any applicable SEBI Regulations.

- Directors must not personally exploit opportunities that arise using corporate property, information, or their position unless they fully disclose such opportunities in writing to the Company's Board of Directors and receive approval from the Board to pursue them.

These provisions are in place to ensure transparency, integrity and the avoidance of conflicts of interest within the Company and among its Board of Directors.

## 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 environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

| Particulars | Current Financial Year 2022- 23 | Previous Financial Year 2021-22 | Details of improvements in environmental and social impacts   |
|-------------|---------------------------------|---------------------------------|---|
| R&D         | 100%                            | 100%                            | Design and Development of 5G RAN products - Environmental and Social Impacts- Enabling the sustainable and efficient agriculture, supporting remote working and Smart Cities initiatives, innovations on smart homes that improve security and smart lighting saves power, investment in healthcare services and infrastructure to enable medical and healthcare services in remote areas, including online consultation facility. Further the Company makes consistent efforts to modernise its plants periodically and has invested in its capital expenditure. |
| CAPEX       | 100%                            | 100%                            |   |

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

#### If "Yes," what percentage of inputs were sourced sustainability?

Yes. HFCL has a sustainable procurement process in place and as part of the vendor registration process, environmental, social, and governance compliances are mandatory requirement and through thorough checks and balances, they are onboarded by the Company. During the onboarding, it is mandatory for vendors/ suppliers to provide requisite compliance evidence and an undertaking stating adherence to 'ethical and sustainable business practices', including human rights and existing environmental and social standards or certification such as quality management certificates ascertained under ISO, OHSAS, or other applicable ones. Further, the Company ensures that solder paste (containing lead) is only sourced from ISO 14001:2015 certified supplier.

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
- d. other waste

| Details of improvements in environmental and social impacts |   |
|---|---|
| Plastics (including packaging)                              | The plastic packaging material used for supply of Optical Fiber reclaimed from the customers of HFCL, which then re-used until their lifetime and at end of its usable life, re-cycled through the authorised recycler.                 |
| E-waste   | HFCL has developed a standardised e-Waste management system and strictly follows the e-Waste Management Rules 2022. As a part of e-Waste recycling, HFCL always dispose e-Waste by safely handing over to the approved e-Waste Vendors. |
| Hazardous waste   | Not Applicable  |
| Other Waste   | The paper packaging material used for supply of Optical Fiber reclaimed from the customers of HFCL, which re-used until their lifetime and at end of its usable life, disposed through the authorised recycler/ scrap vendor.           |

**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 Board?
- If "Not," provide steps taken to address the same.

**Not Applicable**

**Leadership Indicators**

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

| NIC Code | Name of product/ service | % of Total Turnover contributed | Boundary for which the Life cycle perspective/ assessment conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) If "Yes," provide web-link |
|----------|--------------------------|---------------------------------|---|---|---|
|----------|--------------------------|---------------------------------|---|---|---|

At present, no formal Life Cycle Assessment (LCA) conducted by the Company. However, at Hyderabad plant, product assessment of optical fiber undertaken covering the cradle-to-gate concept.

**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.**

| Name of Product/ Service   | Description of the risk/ concern | Action Taken |
|--|----------------------------------|--------------|
| Not applicable, since no formal LCA conducted during the reporting period. |                                  |              |

**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 |                                 |
|---|--|---------------------------------|
|   | Current Financial Year 2022-23                       | Previous Financial Year 2021-22 |
| Bobbins                                     | 4.95%  | 4.44%                           |
| PP box                                      | 0.39%  | 0%                              |
| Paper Corrugated Box                        | 0.16%  | 0%                              |
| <b>Overall (Total of above three items)</b> | <b>5.51%</b>   | <b>4.44%</b>                    |

**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:**

|                                | Current Financial Year 2022- 23 |          |                 | Previous Financial Year 2021- 22 |          |                 |
|--------------------------------|---------------------------------|----------|-----------------|----------------------------------|----------|-----------------|
|                                | Re-Used                         | Recycled | Safely Disposed | Re-Used                          | Recycled | Safely Disposed |
| Plastics (including packaging) | 210                             | 36       | 0               | 143                              | 36       | 0               |
| E-Waste                        | 0                               | 0        | 0               | 0                                | 0        | 0               |
| Hazardous Waste                | 0                               | 0        | 0               | 0                                | 0        | 0               |
| Other Waste                    | 59                              | 0        | 0               | 0                                | 0        | 0               |

**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 % total products sold in respective category |
|---------------------------|--|
| Not applicable            |  |

**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                              | Total<br>(A) | Health Insurance |             | Accident Insurance |             | Maternity Benefits |           | Paternity Benefits |            | Day Care Facilities |            |
|---------------------------------------|--------------|------------------|-------------|--------------------|-------------|--------------------|-----------|--------------------|------------|---------------------|------------|
|                                       |              | Number<br>(B)    | % (B/A)     | Number<br>(C)      | % (C/A)     | Number<br>(D)      | % (D/A)   | Number<br>(E)      | % (E/A)    | Number<br>(F)       | % (F/A)    |
| <b>PERMANENT EMPLOYEES</b>            |              |                  |             |                    |             |                    |           |                    |            |                     |            |
| Male                                  | 1,799        | 1,799            | 100%        | 1,799              | 100%        | 0                  | 0%        | 1,799              | 100%       | 208                 | 12%        |
| Female                                | 126          | 126              | 100%        | 126                | 100%        | 126                | 100%      | 0                  | 0%         | 18                  | 14%        |
| <b>Total</b>                          | <b>1,925</b> | <b>1,925</b>     | <b>100%</b> | <b>1,925</b>       | <b>100%</b> | <b>126</b>         | <b>7%</b> | <b>1,799</b>       | <b>93%</b> | <b>226</b>          | <b>12%</b> |
| <b>OTHER THAN PERMANENT EMPLOYEES</b> |              |                  |             |                    |             |                    |           |                    |            |                     |            |
| Male                                  | 472          | 472              | 100%        | 472                | 100%        | 0                  | 0%        | 472                | 100%       | 19                  | 4%         |
| Female                                | 12           | 12               | 100%        | 12                 | 100%        | 12                 | 100%      | 0                  | 0%         | 1                   | 8%         |
| <b>Total</b>                          | <b>484</b>   | <b>484</b>       | <b>100%</b> | <b>484</b>         | <b>100%</b> | <b>12</b>          | <b>2%</b> | <b>472</b>         | <b>98%</b> | <b>20</b>           | <b>4%</b>  |

**b. Details of measures for the well-being of Workers:**

| Category                           | Total<br>(A) | Health Insurance |             | Accident Insurance |             | Maternity Benefits |            | Paternity Benefits |            | Day Care Facilities |            |
|------------------------------------|--------------|------------------|-------------|--------------------|-------------|--------------------|------------|--------------------|------------|---------------------|------------|
|                                    |              | Number<br>(B)    | % (B/A)     | Number<br>(C)      | % (C/A)     | Number<br>(D)      | % (D/A)    | Number<br>(E)      | % (E/A)    | Number<br>(F)       | % (F/A)    |
| <b>PERMANENT WORKER</b>            |              |                  |             |                    |             |                    |            |                    |            |                     |            |
| Male                               | 156          | 156              | 100%        | 156                | 100%        | 0                  | 0%         | 156                | 100%       | 16                  | 10%        |
| Female                             | 27           | 27               | 100%        | 27                 | 100%        | 27                 | 100%       | 0                  | 0%         | 0                   | 0%         |
| <b>Total</b>                       | <b>183</b>   | <b>183</b>       | <b>100%</b> | <b>183</b>         | <b>100%</b> | <b>27</b>          | <b>15%</b> | <b>156</b>         | <b>85%</b> | <b>16</b>           | <b>9%</b>  |
| <b>OTHER THAN PERMANENT WORKER</b> |              |                  |             |                    |             |                    |            |                    |            |                     |            |
| Male                               | 838          | 838              | 100%        | 838                | 100%        | 0                  | 0%         | 838                | 100%       | 499                 | 60%        |
| Female                             | 44           | 44               | 100%        | 44                 | 100%        | 44                 | 100%       | 0                  | 0%         | 29                  | 66%        |
| <b>Total</b>                       | <b>882</b>   | <b>882</b>       | <b>100%</b> | <b>882</b>         | <b>100%</b> | <b>44</b>          | <b>5%</b>  | <b>838</b>         | <b>95%</b> | <b>528</b>          | <b>60%</b> |

**2. Details of retirement benefits, for Current FY23 and Previous FY22**

| Benefits | Current Financial Year 2022- 23                  |  |   | Previous Financial Year 2021- 22                 |  |   |
|----------|--|--|---|--|--|---|
|          | No. of employees covered as % of total employees | No. of workers covered as % of total workers | Deducted and deposited with the authority (Yes/ No/ NA) | No. of employees covered as % of total employees | No. of workers covered as % of total workers | Deducted and deposited with the authority (Yes/ No/ NA) |
| PF       | 100%   | 100%   | Yes   | 100%   | 100%   | Yes   |
| Gratuity | 100%   | 100%   | Yes   | 100%   | 100%   | Yes   |
| ESI      | 2%   | 26%  | Yes   | 2%   | 32%  | Yes   |

### 3. Accessibility of Workplaces

#### Are the premises/ offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

If "Not," then whether any steps are being taken by the entity in this regard.

Currently the Company does not have any differently abled employee. However, at HFCL, its few offices and the manufacturing plants provided with ramps to enable easy accessibility for differently abled individuals. HFCL is in the process of making all the other premises accessible for differently abled employees, workers and visitors by providing adequate facilities in the coming times.

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

HFCL believes in equal opportunity for all and ensures to provide an environment of equality and respect and no discrimination is made against any individual based on their gender, age, disability, ethnicity, sexual orientation, family status, religious beliefs, and abilities. The Company has also formulated a policy on Diversity, Equity and Inclusion which governs the provision of equal opportunity to all our employees.

### 5. Return to work and Retention rates of permanent employees and workers that took parental leave for FY23.

| Gender       | Permanent Employees |                | Permanent Workers   |                |
|--------------|---------------------|----------------|---------------------|----------------|
|              | Return to Work Rate | Retention Rate | Return to Work Rate | Retention Rate |
| Male         | 100%                | 100%           | 100%                | 100%           |
| Female       | 100%                | 100%           | 100%                | 100%           |
| <b>Total</b> | <b>100%</b>         | <b>100%</b>    | <b>100%</b>         | <b>100%</b>    |

### 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If "Yes," give details of the mechanism in brief:

|                                |  |
|--------------------------------|--|
| Permanent Workers              | <p>At HFCL, transparency and open-door communication between its employees and management is maintained at all the levels. We have taken necessary actions to provide a safe and conducive work environment to all our employees and workers. There is a grievance redressal mechanism in place by which employees can raise the grievance in writing with their immediate supervisor or department head or HR business partner. The concerned person who received such grievance is required to give a personal hearing and resolve the grievance at their level. In case the grievance is not satisfactorily addressed, the employee can escalate/ appeal the matter to the higher management (Plant Head, Function/ Business Head or MD).</p> <p>The Company has appointed a Vigilance Officer under the Whistle Blower Policy to whom all the employees, workers can report their complaints. The investigation performed by the Vigilance Officer is reported to the Audit Committee who further has a role in taking final decision. The Company has also formulated a Policy on Prevention of Sexual Harassment at Workplace for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace and Internal Complaints Committees have also been set up at each workplace to redress any such complaints received in a timely manner.</p> |
| Other than Permanent Workers   |  |
| Permanent Employees            |  |
| Other than Permanent Employees |  |



## 7. Membership of employees and workers in Association(s) or Unions recognised by the listed entity:

| Category                         | Current Financial Year 2022- 23                    |   |                      | Previous Financial Year 2021- 22                   |   |                      |
|----------------------------------|--|---|----------------------|--|---|----------------------|
|                                  | Total employees/workers in respective category (A) | No. of employees/workers in respective category, who are part of Association(s) or Unions (B) | Percentage (%) (B/A) | Total employees/workers in respective category (A) | No. of employees/workers in respective category, who are part of Association(s) or Unions (B) | Percentage (%) (B/A) |
| <b>Total Permanent Employees</b> | 1,925  | 1   | 0.1%                 | 1,923  | 1   | 0.1%                 |
| - Male                           | 1,799  | 1   | 0.1%                 | 1,801  | 1   | 0.1%                 |
| - Female                         | 126  | 0   | 0.0%                 | 122  | 0   | 0.0%                 |
| <b>Total Permanent Workers</b>   | 183  | 41  | 22%                  | 177  | 41  | 23%                  |
| - Male                           | 156  | 18  | 12%                  | 151  | 18  | 12%                  |
| - Female                         | 27   | 23  | 85%                  | 26   | 23  | 88%                  |

## 8. (a). Details of training given to employees and workers on "Health and Safety Measures"

| Category         | Current Financial Year 2022- 23 |            |                      | Previous Financial Year 2021- 22 |            |                      |
|------------------|---------------------------------|------------|----------------------|----------------------------------|------------|----------------------|
|                  | Total (A)                       | Number (B) | Percentage (%) (B/A) | Total (C)                        | Number (D) | Percentage (%) (D/C) |
| <b>EMPLOYEES</b> |                                 |            |                      |                                  |            |                      |
| Male             | 2,271                           | 713        | 31%                  | 2,288                            | 550        | 24%                  |
| Female           | 138                             | 86         | 62%                  | 129                              | 72         | 56%                  |
| <b>Total</b>     | <b>2,409</b>                    | <b>799</b> | <b>33%</b>           | <b>2,417</b>                     | <b>622</b> | <b>26%</b>           |
| <b>WORKERS</b>   |                                 |            |                      |                                  |            |                      |
| Male             | 994                             | 777        | 78%                  | 943                              | 606        | 64%                  |
| Female           | 71                              | 31         | 44%                  | 68                               | 36         | 53%                  |
| <b>Total</b>     | <b>1,065</b>                    | <b>808</b> | <b>76%</b>           | <b>1,011</b>                     | <b>642</b> | <b>64%</b>           |

## (b). Details of training given to employees and workers on "Skill Upgradation"

| Category         | Current Financial Year 2022- 23 |              |                      | Previous Financial Year 2021- 22 |              |                      |
|------------------|---------------------------------|--------------|----------------------|----------------------------------|--------------|----------------------|
|                  | Total (A)                       | Number (B)   | Percentage (%) (B/A) | Total (C)                        | Number (D)   | Percentage (%) (D/C) |
| <b>EMPLOYEES</b> |                                 |              |                      |                                  |              |                      |
| Male             | 2,271                           | 1,161        | 51%                  | 2,288                            | 1,117        | 49%                  |
| Female           | 138                             | 138          | 100%                 | 129                              | 114          | 88%                  |
| <b>Total</b>     | <b>2,409</b>                    | <b>1,299</b> | <b>54%</b>           | <b>2,417</b>                     | <b>1,231</b> | <b>51%</b>           |
| <b>WORKERS</b>   |                                 |              |                      |                                  |              |                      |
| Male             | 994                             | 803          | 81%                  | 943                              | 714          | 76%                  |
| Female           | 71                              | 9            | 13%                  | 68                               | 10           | 15%                  |
| <b>Total</b>     | <b>1,065</b>                    | <b>812</b>   | <b>76%</b>           | <b>1,011</b>                     | <b>724</b>   | <b>72%</b>           |

### 9. Details of Performance and Career Development reviews of employees and workers:

| Category         | Current Financial Year 2022- 23 |               |                         | Previous Financial Year 2021- 22 |               |                         |
|------------------|---------------------------------|---------------|-------------------------|----------------------------------|---------------|-------------------------|
|                  | Total<br>(A)                    | Number<br>(B) | Percentage<br>(%) (B/A) | Total<br>(C)                     | Number<br>(D) | Percentage<br>(%) (D/C) |
| <b>EMPLOYEES</b> |                                 |               |                         |                                  |               |                         |
| Male             | 2,271                           | 1,949         | 86%                     | 2,288                            | 1,862         | 81%                     |
| Female           | 138                             | 117           | 85%                     | 129                              | 116           | 90%                     |
| <b>Total</b>     | <b>2,409</b>                    | <b>2,066</b>  | <b>86%</b>              | <b>2,417</b>                     | <b>1,978</b>  | <b>82%</b>              |
| <b>WORKERS</b>   |                                 |               |                         |                                  |               |                         |
| Male             | 994                             | 737           | 74%                     | 943                              | 664           | 70%                     |
| Female           | 71                              | 54            | 76%                     | 68                               | 54            | 79%                     |
| <b>Total</b>     | <b>1,065</b>                    | <b>791</b>    | <b>74%</b>              | <b>1,011</b>                     | <b>718</b>    | <b>71%</b>              |

### 10. Health and Safety Management System:

- a. Whether an occupational health and safety management system has implemented by the entity? (Yes/No)  
If "Yes," then coverage of the system.
- At HFCL Limited, our aim is to prevent work-related injuries, illnesses, continuously enhance safety performance and promoting ZETO (Zero tolerance) to the safety hazard. HFCL Limited has implemented an Environmental Occupational Health & Safety Management System in compliance with ISO 14001:2015 & ISO 45001:2018, under which we have embraced a structured approach by integrating essential business activities and applying principles and processes to ensure safe and healthy workplaces across all departments/ processes.
- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis of the entity?
- The Company has adopted the framework and developed a system of participative and consultative approach with concerned stakeholders, including employees, associates and contract workers to identify the work-related hazards. A brief of other processes and procedures implemented to identify work-related hazard are given below:
- Safety Audits:** Periodic Internal / External audits are conducted which evaluates all locations in the plant premises to identify potential hazards and non-compliance issues.
  - Hazard Identification and Risk Assessment (HIRA):** HIRA is an initiative-taking and systematic process being used to identify and evaluate potential hazards and the associated risks for all processes at all the location of HFCL.
  - Daily Site Rounds:** This activity is conducted and involves visual inspection, monitoring usage of personal protection equipment, inspecting emergency equipment, ensuring machine safety and verifying compliance with safety procedures to maintain a safe working environment and prevent accidents.
  - Work Permit System:** All high-risk activities are controlled by assessing hazards, getting permits and monitoring compliance to ensure that the work is carried out safely and as per the established procedure.
  - Safety Committee meetings:** Regular safety committee meetings are held to discuss the work-related safety hazards and mitigation measures that needs adoption.
  - Reward, recognition & feedback:**  
We have launched customised programs aimed at enhancing employee participation and maintaining a constant sense of hazard awareness among workforce in the field of Occupational Health and Safety (OHS). Our efforts to acknowledge and reward employees help nurture a culture where feedback, ideas and creative perspectives are actively sought. This not only encourages an ongoing habit of pinpointing hazards but also supports a lasting process of assessing risks.

|   |   |
|---|---|
| c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/No) | Yes<br>HFCL provides easy reporting structure to their employees and workers to report work-related hazard. We encourage our employees and workers to directly report the safety related incidents to their managers or supervisors. At the safety committee meetings, the incident cases undergo review to produce the proposed initiatives and improvements for well-being of the employees. In addition to this an Incident Investigation and Reporting System is established at HFCL to document all the incidents. We have also introduced employee interaction and awareness programs for our workforce to aware them on the processes involved in reducing the safety risks. |
| d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)             | Yes<br>All the employees and workers have access to non-occupational and medical health care services. We have tied up with the nearby nursing home/ Hospitals on discounted prices for HFCL employees and workers. HFCL organises free medical checkups for employees and workers from time to time.   |

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

| Safety Incidents/ Number  | Category  | Current Financial Year 2022- 23 | Previous Financial Year 2021- 22 |
|---|-----------|---------------------------------|----------------------------------|
| <b>Lost Time Injury Frequency Rate (LTIFR)</b><br>(per one million-person hours worked) | Employees | Nil                             | Nil                              |
|   | Workers   | Nil                             | Nil                              |
| <b>Total recordable work-related injuries</b>   | Employees | Nil                             | Nil                              |
|   | Workers   | Nil                             | Nil                              |
| <b>Number of fatalities</b>   | Employees | Nil                             | Nil                              |
|   | Workers   | Nil                             | Nil                              |
| <b>High consequence work-related injury or ill-health</b><br>(excluding fatalities)     | Employees | Nil                             | Nil                              |
|   | Workers   | Nil                             | Nil                              |

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

We ensure that the Environment, Health and Safety (“EHS”) standards followed at HFCL are ahead of the applicable regulations, legislation and standards and benchmarked against the best international practices across the globe. We have adopted best practices and procedures across our operations to strengthen our safety processes. HFCL will continue to undertake efforts for creating a safe and conducive environment for our workforce with the help of following steps:

- Implementation of Occupational Health & safety Management System & policy along with mandated safety induction & trainings
- Safety Committee meetings
- Mock drills to evaluate emergency preparedness periodically
- Daily Safety walks
- Rewards & recognitions in identifying the Hazards
- Safety Audits to identify the gaps
- Installation and maintenance of fire-fighting and fire protection system
- Provision of Personal protective equipment (PPEs)
- Work permit Systems
- Incident and accident investigation and corrective actions
- Employee participation and consultation in safety activities
- Periodic medical checkups

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

|                    | Current Financial Year 2022- 23 |                                   |  | Previous Financial Year 2021- 22 |                                   |        |
|--------------------|---------------------------------|-----------------------------------|--|----------------------------------|-----------------------------------|--------|
|                    | Filed                           | Pending Resolution at end of year | Remark   | Filed                            | Pending Resolution at end of year | Remark |
| Working Conditions | Nil                             | Nil                               | The Company has not received any complaint from its employees or workers. However, we have received (11) suggestions for improvements from workers | Nil                              | Nil                               | NA     |
| Health and Safety  | Nil                             | Nil                               |  | Nil                              | Nil                               | NA     |

**14. Assessment for the Year (2022- 23):**

|                             | % of plants and offices that assessed (By entity or statutory authorities or third party) |
|-----------------------------|---|
| Health and Safety Practices | 100%  |
| Working Conditions          | 100%  |

Note- The Company is ISO certified and undergo regular safety audits and assessments

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

For HFCL, safety of the workforce is of utmost importance and to ensure the same, safety audits and assessments through external agencies conducted at a regular interval. During the safety assessment of the HFCL, no significant concerns arose during the reporting period. However, OFI (Opportunities for Improvements) identified during the assessments were taken seriously and addressed immediately. In addition to this, all identified gaps observed through near misses, are addressed through Corrective and preventive action (CAPA) along with periodical reviews to check the effectiveness of measures undertaken.

**Leadership Indicators****1. Does the entity extend any life insurance or compensatory package in the event of death of (A). Employees; and (B). Workers (Yes/No). Provide detail.**

Yes, HFCL extend the life insurance to all their employees and workers through Group Term Life Insurance policy ("GTLI") covering accidental death, disability, critical illness and family benefits.

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

At HFCL, to ensure that our service providers are following ethical business practices and are compliant with all the necessary requirements, we verify their financial history and compliance history, which involves reviewing their financial statements, conducting background checks and seeking references. Further, all the mandatory requirements like Workmen Compensation policy, Insurance as part of purchase order/work order in agreed terms and conditions regularly assessed. Further, we ensure that

the service providers at all our plants across India provides monthly compliances regarding statutory dues of employees towards income tax, provident fund, professional tax, ESIC etc.

3. **Provide the number of employees/ workers having suffered high consequence work-related injury/ ill-health/ fatalities (as reported in Qs. 11 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 Number of affected employees/ workers |      | No. of employees/ workers that rehabilitated or whose family member have placed in suitable employment |      |
|-----------|---|------|--|------|
|           | FY23  | FY22 | FY23   | FY22 |
| Employees |   |      |  |      |
| Workers   |   |      |  |      |

Not Applicable

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)**

At present, there is no transition assistance program available at HFCL, however, the Company supports their employees through their employment journey by providing them with relevant skills, trainings and knowledge.

5. **Details on assessment of value chain partners (FY23):**

| % of value chain partners (by value of business done with such partners) that were assessed |  |
|---|--|
| Health and Safety Practices   | At HFCL, we have an exhaustive Supplier Code of Conduct which defines for the suppliers' concerns/ issues related to Environment, Occupational Health & Safety, Child Labour, Business Ethics, Fair Employment |
| Working Conditions  | Conditions, Elimination of Discrimination etc.   |

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.**

We have appointed a representative to supervise the health and safety practices at the site and no significant concerns were identified in the past two years. The process governed by the Standard Operating Procedures formulated specifically considering the health and safety aspects. We ensure that no activities performed under inefficient lighting and hostile weather conditions.

#### **Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders**

##### **Essential Indicators**

1. **Describe the process for identifying key stakeholder groups of the entity.**

At HFCL, stakeholders play an integral role in our journey and we understand the need to gauge feedback from them to achieve a sustainable growth for our Company. Through the process of stakeholder engagement, we have identified key internal and external stakeholder group for our business. The process involves analyzing the impact of each stakeholder group on our business and vice versa and then prioritising each stakeholder group to understand their concerns and expectations. We ensure regular interaction with our stakeholder groups to strengthen our relationship to create a shared value. The key identified stakeholder groups of HFCL are Employees, Workers, Suppliers, Customers, Investors, Shareholders, NGOs, Communities and others.

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

| Stakeholder Group                                  | Identified as Vulnerable or Marginalised Group (Yes/No) | Channels of Communication  | Frequency of engagement | Purpose and scope of engagement including key topics and concerns raised during each engagement  |
|--|---|--|-------------------------|--|
| Employee   | No  | Website, Emails, In-person meetings, Newsletters, Town halls, Employee surveys   | Regular                 | Outlook on various business, expectations and thoughts of employees, Employee engagement, human resource development, skill training, career development, safety training, ESG and CSR initiatives   |
| Workers  | No  | Website, Emails, In-person meetings, Newsletters, Town halls, Employee surveys   | Regular                 | Outlook on various business, expectations and thoughts of employees, Employee engagement, human resource development, skill training, career development, safety training, ESG and CSR initiatives   |
| Suppliers  | No  | Website, Emails, In-person meetings, Newsletters, Supplier survey  | Regular                 | Compliance with laws, regulations, published standards and environmental practices, Product related issues, new initiatives undertaken for the suppliers   |
| Customers (Distributors, Wholesalers, & Retailers) | No  | Website, Newsletters, Partner Portal, Customer Service Portal, Emails, SMS   | Regular                 | Educational, Updates about new offerings, Product related issues (quality, packaging and delivery)   |
| Communities  | Yes   | Our means of communication involve collaborating with our CSR Project Partners and actively engaging with local stakeholders and community leaders in the areas where our CSR Projects are implemented. Furthermore, we consistently gather their feedback, including their expectations, aspirations, needs, complaints and suggestions, through site visits, phone conversations and various awareness sessions. | Regular                 | <p>Our objective in engaging with the community is to gain a comprehensive understanding of the concerns and gaps in our CSR projects, as well as to gather feedback on their expectations, aspirations, needs, complaints and suggestions.</p> <p>Throughout our engagement processes, we have encountered various topics and concerns raised by community stakeholders. Some common key issues include insufficient time allocation for service delivery to address all beneficiaries, demand of additional services in the project, the distant location of the service site from beneficiaries' homes and individual grievances against the project's operational team.</p> <p>We collect and compile this feedback, requests, complaints and information to direct the respective project partners to address each individual complaint, understand every suggestion and strive to implement corrective measures. Additionally, we aim to adjust the project's operations in accordance with the feedback received from the specific community and their needs and aspirations.</p> |

| Stakeholder Group      | Identified as Vulnerable or Marginalised Group (Yes/No) | Channels of Communication  | Frequency of engagement | Purpose and scope of engagement including key topics and concerns raised during each engagement  |
|------------------------|---|--|-------------------------|--|
| NGOs                   | No  | The specific communication channel and method clearly specified in the corresponding MoUs with each project partner. The communication channels typically encompass email, telephone discussions, video conferences and periodic meetings as needed. | Continuous              | These channels are utilised to address any issues or concerns, evaluate project operations and offer feedback and suggestions for maximising the use of available resources to serve the greatest number of beneficiaries.                           |
| Investor/ Shareholders | No  | Investor meetings, conference calls, emails, press releases, newsletters, stock exchange announcements, websites, annual reports and annual general meetings   | Regular                 | Update on the business and financial performance, Company's strategy and growth levers, potential opportunities and risks, our ESG goals/ actions and material events which may have a positive or negative impact on the performance of the Company |

### 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.**

At HFCL, stakeholders' consultation is given consideration at business level decisions and strategy making. The Company continuously engages with relevant stakeholders through its representatives and regularly seeks feedback, which is then through departments/ plants/ unit heads gets communicated to various Board level committees and to the Board for their consideration and appropriate action, as deemed fit.

**2. Whether stakeholder consultation is used to support the identification and management of environmental and social topic? (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.**

No

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

With a deep commitment to empower the marginalised/ vulnerable communities and foster an inclusive socio-economic impact, HFCL has a range of Corporate Social Responsibility (CSR) initiatives, which implemented through registered society, the HFCL Social Services Society (HSSS). At the heart of HFCL's mission are two core themes- healthcare and education. Under Healthcare, HFCL is working to provide both preventive and curative healthcare, including doorstep preventive health care facilities and financial support for critical illnesses. Under the education program, the focus is on promoting access to elementary and higher education. HFCL also creates digital infrastructure and hi-tech e-learning solutions in government schools in rural areas for this purpose.

The Company is constantly seeking out new opportunities to make a positive difference in the lives of those it serves, collaborating with non-profit organisations, charitable trusts and educational institutions to implement its CSR projects and programs. HFCL's flagship CSR initiative, the Mobile Medical Unit Project, aims to provide preventative healthcare to underserved communities in India. The Company has partnered with HelpAge India and Wockhardt Foundation to implement groundbreaking initiatives in various states and have reached remote rural areas, benefiting thousands of disadvantaged households.

**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               | Current Financial Year 2022- 23 |            |                      | Previous Financial Year 2021- 22 |            |                      |
|------------------------|---------------------------------|------------|----------------------|----------------------------------|------------|----------------------|
|                        | Total (A)                       | Number (B) | Percentage (%) (B/A) | Total (C)                        | Number (D) | Percentage (%) (D/C) |
| <b>EMPLOYEES</b>       |                                 |            |                      |                                  |            |                      |
| Permanent              | 1,925                           | 396        | 21%                  | 1,923                            | 304        | 16%                  |
| Other than permanent   | 484                             | 12         | 2%                   | 494                              | 3          | 1%                   |
| <b>Total Employees</b> | <b>2,409</b>                    | <b>408</b> | <b>17%</b>           | <b>2,417</b>                     | <b>307</b> | <b>13%</b>           |
| <b>WORKERS</b>         |                                 |            |                      |                                  |            |                      |
| Permanent              | 183                             | 63         | 34%                  | 177                              | 54         | 31%                  |
| Other than permanent   | 882                             | 544        | 62%                  | 834                              | 495        | 59%                  |
| <b>Total Workers</b>   | <b>1,065</b>                    | <b>607</b> | <b>57%</b>           | <b>1,011</b>                     | <b>549</b> | <b>54%</b>           |

Note: Training provided on various topics such as Diversity, Equity, and Inclusion (DE&I) awareness, POSH Act and Women Right Awareness.

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

| Category                    | Current Financial Year 2022- 23 |                       |         |                        |         | Previous Financial Year 2021- 22 |                       |         |                        |         |
|-----------------------------|---------------------------------|-----------------------|---------|------------------------|---------|----------------------------------|-----------------------|---------|------------------------|---------|
|                             | Total (A)                       | Equal to Minimum Wage |         | More than Minimum Wage |         | Total (D)                        | Equal to Minimum Wage |         | More than Minimum Wage |         |
|                             |                                 | Number (B)            | % (B/A) | Number (C)             | % (C/A) |                                  | Number (E)            | % (E/D) | Number (F)             | % (F/D) |
| <b>EMPLOYEES</b>            |                                 |                       |         |                        |         |                                  |                       |         |                        |         |
| <b>Permanent</b>            | 1925                            | 11                    | 0.6%    | 1914                   | 99.4%   | 1923                             | 20                    | 1.0%    | 1903                   | 99.0%   |
| - Male                      | 1799                            | 8                     | 0.4%    | 1791                   | 99.6%   | 1801                             | 16                    | 0.9%    | 1785                   | 99.1%   |
| - Female                    | 126                             | 3                     | 2.4%    | 123                    | 97.6%   | 122                              | 4                     | 3.3%    | 118                    | 96.7%   |
| <b>Other than Permanent</b> | 484                             | 29                    | 6.0%    | 455                    | 94.0%   | 494                              | 21                    | 4.3%    | 473                    | 95.7%   |
| - Male                      | 472                             | 23                    | 4.9%    | 449                    | 95.1%   | 487                              | 19                    | 3.9%    | 468                    | 96.1%   |
| - Female                    | 12                              | 6                     | 50.0%   | 6                      | 50.0%   | 7                                | 2                     | 28.6%   | 5                      | 71.4%   |
| <b>WORKERS</b>              |                                 |                       |         |                        |         |                                  |                       |         |                        |         |
| <b>Permanent</b>            | 183                             | 12                    | 6.6%    | 171                    | 93.4%   | 177                              | 26                    | 14.7%   | 151                    | 85.3%   |
| - Male                      | 156                             | 8                     | 5.1%    | 148                    | 94.9%   | 151                              | 23                    | 15.2%   | 128                    | 84.8%   |
| - Female                    | 27                              | 4                     | 14.8%   | 23                     | 85.2%   | 26                               | 3                     | 11.5%   | 23                     | 88.5%   |
| <b>Other than Permanent</b> | 882                             | 629                   | 71.3%   | 253                    | 28.7%   | 834                              | 594                   | 71.2%   | 240                    | 28.8%   |
| - Male                      | 838                             | 588                   | 70.2%   | 250                    | 29.8%   | 792                              | 556                   | 70.2%   | 236                    | 29.8%   |
| - Female                    | 44                              | 41                    | 93.2%   | 3                      | 6.8%    | 42                               | 38                    | 90.5%   | 4                      | 9.5%    |



### 3. Details of remuneration/ salary/ wages, in the following format for FY23:

|                                  | Male   |  | Female |  |
|----------------------------------|--------|--|--------|--|
|                                  | Number | Median salary/ wage of respective category | Number | Median salary/ wage of respective category |
| Board of Directors (BoD)*        | 5      | 9,75,000**                                 | 1      | 8,50,000*                                  |
| Key Managerial Personnel***      | 3      | 3,996,6832                                 | 0      | NA   |
| Employees other than BoD and KMP | 2,268  | 7,05,178                                   | 138    | 9,00,000                                   |
| Workers                          | 994    | 2,43,384                                   | 71     | 2,08,164                                   |

\*Excluding Managing Director who has been included in Key Managerial Personnel category.

\*\*The payment of sitting fees only made to non-executive directors of the Company including independent directors for attending the meetings of the Board and its various Committees, during the year under review, have been considered.

\*\*\* Key Managerial personnel comprises of Mr. Mahendra Nahata, Managing Director, Mr. Vijay Raj Jain, Chief Financial Officer and Mr. Manoj Baid, President & Company Secretary.

Note: Only considered permanent employees and workers on rolls

### 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)

The Board of Directors of the Company has formulated a Whistle-Blower Policy through which it envisages to encourage the Directors and employees of the Company to report to the appropriate authorities any unethical behaviour, improper, illegal, or questionable acts, deeds, actual or suspected frauds or violation of the Company's Codes of Conduct for the Directors and the Senior Management Personnel. Vigil Mechanism of the Company enables stakeholders, including employee(s) and their representative bodies, to freely communicate their concerns about illegal or unethical practices to the management. In addition, the Company has also constituted Internal Complaint Committee (ICC) at each workplace in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to address the concerns related to sexual harassment.

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

HFCL has policies like Code of Conduct, Whistle Blower Policy, Grievance Redressal Policy and POSH policy to ensure sound implementation of processes and procedures with respect to human rights and applicable labor regulations. All the grievances related to employees and workers are reported to the Vigilance officer appointed by the Company. The Vigilance Officer carefully investigate the case and report it to the Audit Committee. The Audit Committee analyze the investigation conducted and take a final decision on the case. Throughout the investigation it ensures that the case dealt with confidentiality and transparency.

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

|                             | Current Financial Year 2022- 23 |                                   |  | Previous Financial Year 2021- 22 |                                   |        |
|-----------------------------|---------------------------------|-----------------------------------|--|----------------------------------|-----------------------------------|--------|
|                             | Filed during the year           | Pending resolution at end of year | Remark   | Filed during the year            | Pending resolution at end of year | Remark |
| Sexual Harassment           | 1                               | Nil                               | The ICC has held its various meetings to investigate the case and provided equal opportunities to both the Complainant and Accused to present their matter before the ICC. Subsequently, the complaint was withdrawn by the Complainant and hence ICC closed the matter. | Nil                              | Nil                               | -      |
| Discrimination at workplace | Nil                             | Nil                               | -  | Nil                              | Nil                               | -      |
| Child Labour                | Nil                             | Nil                               | -  | Nil                              | Nil                               | -      |

|                                   | Current Financial Year 2022- 23 |                                   |        | Previous Financial Year 2021- 22 |                                   |        |
|-----------------------------------|---------------------------------|-----------------------------------|--------|----------------------------------|-----------------------------------|--------|
|                                   | Filed during the year           | Pending resolution at end of year | Remark | Filed during the year            | Pending resolution at end of year | Remark |
| Forced Labour/ Involuntary Labour | Nil                             | Nil                               | -      | Nil                              | Nil                               | -      |
| Wages                             | Nil                             | Nil                               | -      | Nil                              | Nil                               | -      |
| Other human rights related issues | Nil                             | Nil                               | -      | Nil                              | Nil                               | -      |

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

The Company ensures that the representatives of the Internal Complaint Committee have expertise and the experience of dealing with similar cases and make sure that the Principle of Natural Justice is followed across all the cases. In addition, as part of our whistle blower policy, we provide additional protection to the complainant to prevent them from any kind of retaliation which can adversely impact their employment in the organisation. The identity of the whistle blower and complainant is kept confidential to the extent possible to avoid any adverse impact.

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

Yes, HFCL ensures that all the agreements and contracts with any party include clauses on the enforcement of the relevant labor laws. HFCL service contracts include certification and compliance requirement from the vendor.

**9. Assessment for the FY23:**

| % of plants and offices that were assessed (by entity or statutory authorities or third parties) |     |
|--|-----|
| Child Labour   | Nil |
| Forced/ Involuntary Labour   | Nil |
| Sexual harassment  | Nil |
| Discrimination at workplace  | Nil |
| Wages  | Nil |
| Others- please specify   | Nil |

**10. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Qs. 9, above.**

Not Applicable since no assessment conducted.

**Leadership Indicators**

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

At HFCL, we ensure adherence to ethical standards of business. The corporate governance policies, processes and guidelines are reviewed to ensure compliance with laws and adopt best practices.

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

No human rights due diligence conducted by the Company during the FY23.

**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?**

The Company has provided ramps and elevators at few offices and manufacturing plant at Hyderabad for the easy accessibility of differently abled employees and visitors. However, HFCL is in process of improving the accessibility for the differently abled employees and visitors at other plants/ locations across India as well.

**4. Details on assessment of Value Chain Partners:**

| % of value chain partners (by value of business done with such partners) that were assessed: |     |
|--|-----|
| Child Labour   | Nil |
| Forced/ Involuntary Labour   | Nil |
| Sexual harassment  | Nil |
| Discrimination at workplace  | Nil |
| Wages  | Nil |
| Others- please specify   | Nil |

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

Not Applicable

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

**Essential Indicators**

**1. Details of total energy consumption (in GJ) and energy intensity, in the following format:**

| Parameter   | Current Financial Year 2022- 23 | Previous Financial Year 2021- 22 |
|---|---------------------------------|----------------------------------|
| Total Energy Consumption (A)  | 134,331                         | 112,543                          |
| Total Fuel Consumption (B)  | 4,929                           | 7,420                            |
| Energy consumption through Other Sources (C)  | 0.00                            | 0.00                             |
| <b>Total Energy Consumption (A+B+C)</b>   | <b>139,260</b>                  | <b>119,963</b>                   |
| <b>Energy intensity per rupee of turnover</b><br>(Total energy consumption/turnover in rupees crores) | <b>0.0000032</b>                | <b>0.0000028</b>                 |

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes," name the external agency. No

**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? (Yes/No)**

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 as none of our sites come under PAT Scheme as Designated Consumers.

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

| Parameter  | Current Financial Year 2022- 23 | Previous Financial Year 2021- 22 |
|--|---------------------------------|----------------------------------|
| <b>WATER WITHDRAWAL BY SOURCE (IN KILOLITERS)</b>                            |                                 |                                  |
| (i). Surface Water   | 0                               | 0                                |
| (ii). Groundwater  | 8,256                           | 8,880                            |
| (iii). Third Party Water   | 25,200                          | 24,337                           |
| (iv). Seawater/ Desalinated water  | 0                               | 0                                |
| (v). Others (Tanker, third-party water, and rainwater harvesting)            | 35,701                          | 34,118                           |
| Total Volume of water withdrawal (in KL) (i + ii + iii + iv + v)             | 69,157                          | 67,335                           |
| Total volume of water consumption (in KL)                                    | 69,157                          | 67,335                           |
| Water intensity per rupee of turnover (Water consumed/ turnover (Rs crores)) | 0.0000016                       | 0.0000016                        |

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes," name the external agency. No

4. Has the entity implemented a mechanism for Zero Liquid Discharge (ZLD)? If "Yes," provide details of its coverage and implementation.

Yes, we have implemented Zero Liquid Discharge mechanism at all our manufacturing plants. To avoid any discharge of the untreated water outside the premises, we have installed appropriate number of Sewage Treatment Plants at all the locations. The treated water is then used in gardening as well as in washrooms.

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

| Parameter                          | Please specify unit | Current Financial Year 2022- 23 | Previous Financial Year 2021- 22 |
|------------------------------------|---------------------|---------------------------------|----------------------------------|
| NOx                                | Tonnes/year         | 0.19                            | 0.27                             |
| SOx                                | Tonnes/year         | 1.83                            | 1.81                             |
| Particulate Matter (PM)            | Tonnes/year         | 0.05                            | 0.06                             |
| Persistent organic pollutant (POP) |                     |                                 |                                  |
| Volatile organic compounds (VOC)   |                     | Not applicable                  |                                  |
| Hazardous air pollutant (HAP)      |                     |                                 |                                  |

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes," name the external agency. No

6. Please provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:

| Parameter   | Please specify unit                         | Current Financial Year 2022- 23 | Previous Financial Year 2021- 22 |
|---|---|---------------------------------|----------------------------------|
| 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 | 539                             | 533                              |
| 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 | 23,295                          | 27,489                           |
| <b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>  |   | <b>0.00000054</b>               | <b>0.00000064</b>                |

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes," name the external agency. No

7. Does the entity have any project related to reducing Greenhouse gas emissions?

If "Yes," then provide details.

HFCL is committed to the protection of the environment and mitigate the impact of its operations on environment by implementing initiative-taking energy efficiency programs and technologies. Over the last few years, we have emphasised on use of latest, efficient and environment friendly technologies and processes in the production, packaging/storage and transportation of products to reduce our Carbon footprints.

**Illustration of the energy efficient initiatives undertaken by HFCL: -**

- Our office building for Optical Fiber Plant developed with Double Layer Glass Facade to conserve energy due to less requirement of light and cooling requirements.
- Entire utility equipment is monitored and controlled through Smart BMS (Building Management System) to have real time monitoring of critical parameters and optimum use of energy.
- All air handling units are designed with high efficiency DIDW fans with VFD drive instead of Belt drive and are operated with closed loop system with field control system to optimise energy consumption.
- All motors in the facility equipped with soft starters instead of the conventional switch gear starters for energy conservation and reduction of electrical spikes.
- All plant lightings designed with LED luminaires to save energy.
- High efficiency UPS installed with 96% efficiency.
- All centrifugal chillers equipped with VFD drive, ATC to maintain desired approach, thereby conserve electrical energy.
- All chilled and process water pumps are equipped with VFD drive to optimise Energy consumption.
- Humidifiers designed with high efficiency Humifog system to conserve electrical energy.
- Cable Plant designed with provision of sufficient natural air & light to reduce the Cooling & illumination requirements.
- Cross Air Ventilation & Turbo Ventilators installed wherever applicable.
- 02-Inch Rockwool Insulation is provided to prevent heat, inside the Roof.
- New motors are above IE3 energy efficient therefore electricity consumption reduction in comparison to standard motors.
- HVAC system is of environment friendly R407C refrigerant gas.
- 40% reduction in fuel- diesel consumption by optimising forklift operations in the year 2021-22 at Goa facility.

**Other Energy efficient products/solutions as illustrated below:**

- Developed new-generation wireless point-to-point and point-to-multipoint connectivity solutions with improved energy efficiency while delivering higher capacity.
- Developing new generation 5G wireless radio products with energy efficiency features. These products include indoor small cell base stations and O-RAN compliant outdoor Macro Radio and mmWave FWA CPE products.
- The energy efficient 5G products operating in n78 band with 1) integrated base station architecture, and 2) O-RAN compliant disaggregated architecture.
- Outdoor mmWave CPE products support SA and NSA mode of operations and offer energy saving features like discontinuous transmission and reception (DRX).
- The research team is working on developing energy efficient waveforms that could potentially be part of 6G technology standards.

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

| Parameter  | Current Financial<br>Year 2022- 23 | Previous Financial<br>Year 2021- 22 |
|--|------------------------------------|-------------------------------------|
| <b>TOTAL WASTE GENERATED (IN METRIC TONNES)</b>                  |                                    |                                     |
| Plastic Waste (A)  | 351                                | 385                                 |
| E-Waste (B)  | 0.14                               | 0.11                                |
| Bio-medical Waste (C)  | 0                                  | 0                                   |
| Construction and Demolition Waste (C&D) (D)                      | 223                                | 1,112                               |
| Battery Waste (E)  | 0                                  | 10                                  |
| Radioactive Waste (F)  | 0                                  | 0                                   |
| Other Hazardous Waste generated (G) (Please specify, if any)     | 83                                 | 98                                  |
| Other Non-Hazardous Waste generated (H) (Please specify, if any) | 1,181                              | 808                                 |
| <b>Total Waste Generated (A+B+C+D+E+F+G+H)</b>                   | <b>1,838.14</b>                    | <b>2,413.11</b>                     |

| Parameter | Current Financial<br>Year 2022- 23 | Previous Financial<br>Year 2021- 22 |
|-----------|------------------------------------|-------------------------------------|
|-----------|------------------------------------|-------------------------------------|

**FOR EACH CATEGORY OF WASTE GENERATED, TOTAL WASTE RECOVERED THROUGH RECYCLING, RE-USING OR OTHER RECOVERY OPERATIONS (IN METRIC TONNES)**

| Category Waste Name:             |            |            |
|----------------------------------|------------|------------|
| (i). Recycled                    | 770        | 822        |
| (ii). Re-used                    | 0          | 0          |
| (iii). Other recovery operations | 0          | 0          |
| <b>Total</b>                     | <b>770</b> | <b>822</b> |

**FOR EACH CATEGORY OF WASTE GENERATED, TOTAL WASTE DISPOSED BY NATURE OF DISPOSAL METHOD (IN METRIC TONNES)**

| Category Waste Name:             |              |              |
|----------------------------------|--------------|--------------|
| (i). Incineration                | 77           | 96           |
| (ii). Landfilling                | 229          | 1,114        |
| (iii). Other disposal operations | 763          | 383          |
| <b>Total</b>                     | <b>1,069</b> | <b>1,593</b> |

Note: Following hazardous waste generated at our plants.

- Goa manufacturing plant- Used oil, discarded containers, contaminated cotton rags, waste residue containing oil, spent solvent.
- Solan manufacturing plant- Solder Dross
- Hyderabad Manufacturing Plant- Used oil, spent resin, oil soaked cotton waste, chemical cans, soft graphite felt, Isopropanol, MEK, Acetone, IBC coating cans, HFS.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes," name the external agency. No

**9. 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.**

In alignment with our commitment to zero waste to landfills by the year end 2024, a comprehensive waste management plan is in place at all the locations of HFCL. We ensure that each type of waste generated categorised and segregated at the source level. The hazardous waste generated is collected, transported and disposed through a CPCB authorised vendor as per the regulations whereas the non-hazardous waste is either reused/ recycled within the operations (wherever possible) or processed through an appropriate mechanism by the authorised vendors. In addition, we ensure that all the raw materials used to manufacture Optical Fiber and Optical Fiber Cables are Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) compliant. HFCL has upgraded its RoHS compliance in line with the latest directives 2015/863 (EU) RoHS that adds four additional restricted substances to the existing list and do not contain substances which are identified in the "candidate List of substances of very High concern" published by ECHA on 07/01/2023. Furthermore, HFCL promotes the manufacturing of modern designs with reduced level of jelly or no jelly and replacing it with the use of dry water blocking materials and switched to 90% of designs with dry core construction. These dry tube/dry core designs help in reduction in use of petroleum products.

**10. 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:**

| S. No. | Location of operations/ offices | Type of operations | Whether the conditions of environmental approval/ clearance are being complied with? (Yes/No)<br>If "No," the reasons thereof and corrective action taken, if any. |
|--------|---------------------------------|--------------------|--|
|--------|---------------------------------|--------------------|--|

Not applicable as none of our sites are in ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year 2022- 23:

| Name and brief of the project | EIA Notification No. | Date | Whether conducted by independent agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant Web-link |
|-------------------------------|----------------------|------|--|--|-------------------|
| None                          |                      |      |  |  |                   |

12. 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 (Yes/ No).

If "Not," provide details of all such non-compliances, in the following format:

| S. No. | Specify the law/ regulation/ guidelines which is not compliant | Provide details of the non-compliance | Any fines/ penalties/ action taken by regulatory agencies such as pollution control board or by courts | Corrective action taken if any |
|--------|--|---------------------------------------|--|--------------------------------|
|--------|--|---------------------------------------|--|--------------------------------|

The Company's existing operations and offices comply with all the applicable environmental regulation of the Country and operate in accordance with the conditions provided in CTO by the Central and State Pollution Control Boards. Furthermore, no cases of non-compliance reported by the authorities.

### Leadership Indicators

1. Provide breakup of the total energy consumed (in GJ) from Renewable Energy and Non-Renewable sources, in the following format:

| Parameter   | Current Financial Year 2022- 23 | Previous Financial Year 2021- 22 |
|---|---------------------------------|----------------------------------|
| <b>FROM RENEWABLE SOURCES (IN GJ)</b>                           |                                 |                                  |
| Total electricity consumption (A)                               | 0                               | 0                                |
| Total fuel consumption (B)                                      | 0                               | 0                                |
| Energy consumption through other sources (C)                    | 0                               | 0                                |
| <b>Total energy consumed from renewable sources (A+B+C)</b>     | <b>0</b>                        | <b>0</b>                         |
| <b>FROM NON-RENEWABLE SOURCES (IN GJ)</b>                       |                                 |                                  |
| Total electricity consumption (D)                               | 134,331                         | 112,543                          |
| Total fuel consumption (E)                                      | 4,929                           | 7,420                            |
| Energy consumption through other sources (F)                    | 0                               | 0                                |
| <b>Total energy consumed from non-renewable sources (D+E+F)</b> | <b>139,260</b>                  | <b>119,963</b>                   |

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes," name the external agency. No

## 2. Provide the following details related to water discharge:

| Parameter  | Current Financial Year 2022- 23 | Previous Financial Year 2021- 22 |
|--|---------------------------------|----------------------------------|
| <b>WATER DISCHARGE BY DESTINATION AND LEVEL OF TREATMENT (IN KILOLITRES)</b> |                                 |                                  |
| <b>(i). To Surface Water</b>   |                                 |                                  |
| - No treatment   |                                 |                                  |
| - With treatment- please specify level of treatment                          |                                 |                                  |
| <b>(ii). To Ground Water</b>   |                                 |                                  |
| - No treatment   |                                 |                                  |
| - With treatment- please specify level of treatment                          |                                 |                                  |
| <b>(iii). To Seawater</b>  |                                 |                                  |
| - No treatment   |                                 |                                  |
| - With treatment- please specify level of treatment                          |                                 |                                  |
| <b>(iv). Sent to Third Parties</b>   |                                 |                                  |
| - No treatment   |                                 |                                  |
| - With treatment- please specify level of treatment                          |                                 |                                  |
| <b>(v). Others</b>   |                                 |                                  |
| - No treatment   |                                 |                                  |
| - With treatment- please specify level of treatment                          |                                 |                                  |
| <b>Total water discharged (In kiloliters)</b>                                |                                 |                                  |

We have implemented Zero Liquid Discharge (ZLD) at all our manufacturing plants by establishing Sewage Treatment Plants which employs preliminary, primary, secondary and tertiary processes to remove contaminants. It also includes sludge treatment to meet microbial standards, ensuring effective purification of the wastewater. The treated water then used for gardening and in washrooms.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes," name the external agency. No

## 3. Water withdrawal, consumption and discharge in areas of 'Water Stress' (in kilo liters):

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

- i. Name of area- Not Applicable as none of our sites are in water stress area
- ii. Nature of operations- Not Applicable
- iii. Water withdrawal, consumption and discharge in the following format:

| Parameter  | Current Financial Year 2022- 23 | Previous Financial Year 2021- 22 |
|--|---------------------------------|----------------------------------|
| <b>WATER WITHDRAWAL BY SOURCE (IN KILOLITRES)</b>                                    |                                 |                                  |
| (i). Surface Water   | NA                              | NA                               |
| (ii). Ground Water   | NA                              | NA                               |
| (iii). Third Party Water   | NA                              | NA                               |
| (iv). Seawater/ Desalinated Water  | NA                              | NA                               |
| (v). Others  | NA                              | NA                               |
| <b>Total volume of water withdrawal (in KL)</b>                                      | <b>NA</b>                       | <b>NA</b>                        |
| <b>Total volume of water consumption (in KL)</b>                                     | <b>NA</b>                       | <b>NA</b>                        |
| <b>Water intensity per rupee of turnover</b> (Water consumed/ turnover)              | NA                              | NA                               |
| <b>Water intensity</b> (optional)- the relevant metric may be selected by the entity | NA                              | NA                               |



| Parameter  | Current Financial<br>Year 2022- 23 | Previous Financial<br>Year 2021- 22 |
|--|------------------------------------|-------------------------------------|
| <b>WATER DISCHARGE BY DESTINATION AND LEVEL OF TREATMENT (IN KILOLITRES)</b> |                                    |                                     |
| <b>(i). To Surface Water</b>   | NA                                 | NA                                  |
| - No treatment   | NA                                 | NA                                  |
| - With treatment- please specify level of treatment                          | NA                                 | NA                                  |
| <b>(ii). To Ground Water</b>   | NA                                 | NA                                  |
| - No treatment   | NA                                 | NA                                  |
| - With treatment- please specify level of treatment                          | NA                                 | NA                                  |
| <b>(iii). Sent to Third Party Water</b>                                      | NA                                 | NA                                  |
| - No treatment   | NA                                 | NA                                  |
| - With treatment- please specify level of treatment                          | NA                                 | NA                                  |
| <b>(iv). Into Seawater</b>   | NA                                 | NA                                  |
| - No treatment   | NA                                 | NA                                  |
| - With treatment- please specify level of treatment                          | NA                                 | NA                                  |
| <b>(v). Others</b>   | NA                                 | NA                                  |
| - No treatment   | NA                                 | NA                                  |
| - With treatment- please specify level of treatment                          | NA                                 | NA                                  |

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes," name the external agency. No

4. Please provide details of total Scope 3 emissions and its intensity, in the following format:

| Parameter  | Please specify unit                         | Current Financial<br>Year 2022- 23  | Previous Financial<br>Year 2021- 22 |
|--|---|---|-------------------------------------|
| <b>Total Scope 3 Emissions</b> (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 | Presently, the Company is not estimating scope 3 emissions. However, we intend to estimate the same in the near future. |                                     |
| <b>Total Scope 3 emissions per rupee of turnover</b>   |   |   |                                     |
| <b>Total Scope 3 emission intensity</b> (optional)- the relevant metric may be selected by the entity  |   |   |                                     |

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes," name the external agency. No

5. With respect to the ecologically sensitive areas reported in Qs. 10 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.

Not Applicable

6. 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                        |
|--------|------------------------|--|--|
| 1.     | Zero Waste to Landfill | Initiatives undertaken to divert waste disposal from landfilling to alternate/sustainable disposal methods.  | Waste diverted from landfilling to AFR/Recycling |
| 2.     | Water Management       | <ul style="list-style-type: none"> <li>STP with capacity of 30 KLD and 35 KLD at Goa and Hyderabad locations respectively to recycle wastewater and reuse the recycled water within the premises.</li> <li>Storm Drains for Rainwater Harvesting and 8 Ground Water Recharge Pits connected with Storm drains to ensure water conservation initiatives.</li> </ul> | Improved water conservation                      |

| S. No. | Initiative undertaken                               | Details of the initiative (Web-link, if any, may be provided along with summary)   | Outcome of the Initiative  |
|--------|---|--|--|
| 3.     | Energy Management                                   | <ul style="list-style-type: none"> <li>Installation of Smart BMS to optimise use of energy use and AHUs equipped with high efficiency DIDW fans with VFD drive to drive energy optimisation.</li> <li>Installation of Soft Starters for all motors used in the facility, adoption of LEF luminaires to conserve energy and installation of high-efficient (96% efficient) UPS to promote energy efficiency.</li> </ul> | Energy Saving and conservation   |
| 4.     | Plastic Reduction                                   | Developed Nex Gen products that aids in reducing and minimising use of plastic materials (PBT & HDPE) in line with Company's commitment towards no plastic usage in operations and packaging.  | Reduction in use of PBT 54% & HDPE 25% for Cable manufacturing   |
| 5.     | SIGMA AIR MANAGER 4.0.-for all compressor and dryer | The control of the compressed air station is optimised for maximum efficiency. The SIGMA AIR MANAGER 4.0 introduces a new level of adaptive, efficient and networked compressed air management.  | This advanced system coordinates the operation of multiple compressors, dryers and filters with exceptional efficiency, providing unprecedented control and performance. |

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

The Company is certified for ISO 22301: 2019 for Goa Plant and has established business continuity, disaster recovery plans, & emergency management plans. HFCL has formulated detailed Standard Operating Procedures for effective business continuity management system and disaster management action plan. To ensure these plans are robust and effective, HFCL plans training and awareness sessions periodically. Regular testing also conducted to check their efficiency and further improvement.

**8. 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.**

Not available

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

Nil

**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.

7

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

| S. No. | Name the trade and industry chambers/ associations                   | Reach of trade and industry chambers/ associations (State/ National) |
|--------|--|--|
| 1.     | O-RAN Alliance   | International  |
| 2.     | The Associated Chambers of Commerce and Industry of India (ASSOCHAM) | National   |
| 3.     | Federation of Indian Chamber of Commerce and Industry (FICCI)        | National   |
| 4.     | Confederation of Indian Industry (CII)                               | National   |
| 5.     | Telecom Equipment Manufacturers Association of India                 | National   |
| 6.     | Telecom Equipment and Services Export Promotion Council              | National   |
| 7.     | Goa Chamber of Commerce & Industry and Verna Industrial Association  | 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 |
|-------------------|-------------------|-------------------------|
| Not Applicable    |                   |                         |

**Leadership Indicators**

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

| S. No. | Public policy advocated | Method resorted for such advocacy | Whether information available in public domain (Yes/No) | Frequency of Review by Board | Web Link, if available |
|--------|-------------------------|-----------------------------------|---|------------------------------|------------------------|
|--------|-------------------------|-----------------------------------|---|------------------------------|------------------------|

The Company through industry associations and forums drives a positive change in the policy advocacy for the betterment of the sector and for the societal benefit. One such instance is, HFCL's association with O-RAN alliance, a global community of mobile network operators, vendors and research and academic institutions in the radio access network industry working together to build much more intelligent, open, virtualised and fully interoperable mobile networks. HFCL aims to integrate and validate its 5G products and solutions with other members and contributors to the O-RAN alliance.

**Principle 8: Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) projects undertaken by the entity based on applicable laws, in the current financial year 2022- 23:

| Name and brief detail 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 the project for which R&R is ongoing | State | District | No. of project affected families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (in ₹) |
|--------|--|-------|----------|---|--------------------------|---------------------------------------|
|--------|--|-------|----------|---|--------------------------|---------------------------------------|

Not Applicable

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

As per the Memorandum of Understanding (MoU), the responsibility of addressing community concerns falls upon our CSR Project partners. They manage these matters in accordance with their own specific guidelines, ensuring that grievances are promptly addressed. To facilitate this process, we have designated Social Protection Officers and Project Coordinators for each project. Their role is to ensure smooth project operations and align them with the expected outcomes outlined in the MoU.

We also actively engage with the local community leaders and directly communicate with the community to receive their grievances, complaints and suggestions. We understand the importance of hearing directly from the serving community. As soon as we receive such feedback, we promptly address these concerns and forward them to the Project partners for swift action and resolution.

Post grievance resolution, the Project partner informs us in a comprehensive manner about the specific mode of redressal and the corrective measures taken to prevent similar service delivery lapses in the future.

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

|   | Current Financial Year 2022- 23 | Previous Financial Year 2021- 22 |
|---|---------------------------------|----------------------------------|
| Directly sourced from MSMEs/ Small producers                        | 27.97%                          | 25.78%                           |
| Sourced directly from within the district and neighboring districts | 3.60%                           | 4.52%                            |

#### Leadership Indicators

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

| Details of negative social impact identified | Corrective action taken |
|--|-------------------------|
|--|-------------------------|

Not Applicable

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

| S. No. | State | Aspirational District | Amount Spent (in ₹) |
|--------|-------|-----------------------|---------------------|
|--------|-------|-----------------------|---------------------|

We do not currently have any projects running in Aspirational Districts.

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

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year 2022- 23), based on traditional knowledge:

| 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.

| 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 benefited from CSR Projects | % Beneficiaries from vulnerable & marginalised groups |
|--------|-------------|--|---|
|--------|-------------|--|---|

|   |   |         |      |
|---|---|---------|------|
| 1 | <p><b>Mobile Medical Unit (MMU) Project:</b></p> <p>HFCL under its CSR initiatives, driven by a passion for better health outcomes for all, has partnered with HelpAge India and Wockhardt Foundation to conduct groundbreaking preventive healthcare initiatives across five states in India. With HelpAge India leading the charge in Himachal Pradesh (Solan), Goa and Rajasthan (Sardarsahar) and Wockhardt Foundation taking the reins in Uttar Pradesh (Ghazipur), Telangana (Hyderabad) and these initiatives have reached the farthest corners of the rural areas and benefiting thousands of underprivileged households. With a clear focus on providing preventive healthcare at the doorstep, HFCL's Mobile Medicare Unit Projects have been a game-changer, five mobile medical units (MMUs) are currently operational, delivering preventive healthcare facilities to over 500 beneficiaries every working day and the numbers are staggering – the MMUs has already provided more than 8,00,000 treatments till date and the count is still on. Each MMU is staffed by a team of healthcare professionals comprising an MBBS doctor, a lab technician and a pharmacist. The MMUs is equipped to offer diagnostics, medicines, pathological tests, cardiographs and more, all available to beneficiaries free of cost. The CSR Partners manage day-to-day operations and mobilise greater participation from targeted communities through MSW qualified Social Protection Officer (SPO).</p> | 143,662 | 100% |
| 2 | <p><b>St. Stephen's Hospital Patients Welfare Society: Advanced Healthcare Services:</b></p> <p>HFCL has partnered with St. Stephen's Hospital Patients Welfare Society to offer advanced medical relief for corrective surgeries under the guidance of the renowned polio warrior Dr. Mathew Varghese.</p>   | 51      | 100% |
| 3 | <p><b>All India Heart Foundation:</b></p> <p>For years, the National Heart Institute had been a beacon of excellence in cardiac care, providing cutting-edge treatments to patients from all over the country. However, despite their best efforts, there were still who could not afford the medical expenses associated with heart surgeries and treatments. This is where HFCL came into the picture. With a mission to make quality healthcare accessible to all, HFCL had endured that the financial barriers were no longer a hurdle for those who needed heart surgeries but were unable to afford them. And with this new partnership, a new era of hope had dawned, where patients from all social classes could receive the best possible treatment and care. The core of this partnership was a common vision - a vision to make a positive impact on people's lives and provide hope for those who were unable to afford it.</p>  | 9       | 100% |

| S. No. | CSR Project  | No. of persons benefited from CSR Projects | % Beneficiaries from vulnerable & marginalised groups |
|--------|--|--|---|
| 3      | <p><b>Hari Prem Society (Computer Skilling):</b></p> <p>In a world where digital literacy is becoming a necessity, HFCL and Hari Prem Society are collaborating to provide computer skill training to underprivileged youth in Ghazipur, Uttar Pradesh. This impactful initiative is opening doors to brighter career prospects for these young learners in the digital age. The program designed to equip these youth with the latest computer skills and knowledge, empowering them to become job-ready and competitive in today's rapidly evolving job market. Through this powerful partnership, HFCL is transforming lives and creating opportunities for these deserving youth. With the tools they need to succeed, these students can now confidently take on new challenges and pursue their dreams with passion and determination.</p>   | 645  | 100%  |
| 4      | <p><b>Samarpan:</b></p> <p>In a world where we take education and proper nutrition for granted, it is unfortunate that still many struggles to obtain these necessities. However, HFCL and Samarpan Foundation joined hands to address this issue by extending a helping hand to the street children of Delhi. Our CSR initiative aimed at providing these children with a solid foundation through basic education and nutritious meals. The program specifically targets those who are homeless or the children of casual migrant workers living on the streets or in unauthorised areas. Its goal is to bridge the gap between their current situation and the mainstream education system. Not only do we provide these young ones with the opportunity to gain experience, but we also ensure they receive nourishing food to fuel their growth and development. Furthermore, the program guarantees enrolment in regular schools, which paves the way for a brighter future.</p>   | 123  | 100%  |
| 5      | <p><b>Balwantray Mehta Vidya Bhawan ASMA:</b></p> <p>Amidst a world that often overlooks the needs of the differently abled, HFCL has taken a bold and initiative-taking stance. We have pledged to support the educational needs of DIVYANG children from marginalised communities through our transformative CSR initiative, 'SAMARTH.' By adopting students and providing them with all their academic expenses at Balwantray Mehta Vidya Bhawan School in Greater Kailash – II, New Delhi, we are making an immense impact on their lives. For these exceptional children, this school is more than just an institution of learning. It has become a haven, a sanctuary that provides the support and resources they need to thrive and succeed. As part of our unwavering commitment to this cause, we have also generously provided a grant for transportation, a Smart Class System, and renovation of the Printing Press at the school.</p> <p>Our goal is to create a society that is inclusive and equitable, where every child has access to the education and resources they need to grow and succeed. Through our SAMARTH initiative, we hope to empower these children with the tools and skills they need to reach their full potential and achieve their wildest dreams.</p> | 46   | 100%  |
| 6      | <p><b>Care and Compassion Welfare Organisation:</b></p> <p>The partnership between HFCL and Care and Compassion Welfare Organisation in the field of animal welfare aims to demonstrate care and compassion towards voiceless animals. This collaborative project focuses on implementing population control measures for stray dogs through organised sterilisation drives for spaying and castration, administering rabies vaccinations to stray dogs, promptly attending to injured animals, facilitating medical treatment for terminally ill animals and those abandoned on the streets.</p>  | 2,000                                      | -   |

**Principle 9: Business 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.**

HFCL has a structured customer complaint handling system, where customers can provide their complaint / feedback by sending an email to their respective account manager or to the complaint management representative of the plant. The Complaints are resolved as per defined timelines based on the nature of the complaint.

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

|  | As percentage to total turnover |
|--|---------------------------------|
| <b>Environmental and social parameters relevant to the product</b> | 100%                            |
| <b>Safe and responsible usage</b>                                  | 100%                            |
| <b>Recycling and/or safe disposal</b>                              | 100%                            |

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

|                                       | Current Financial Year 2022- 23 |                        |        | Previous Financial Year 2021- 22 |                        |        |
|---------------------------------------|---------------------------------|------------------------|--------|----------------------------------|------------------------|--------|
|                                       | Received                        | Pending at end of year | Remark | Received                         | Pending at end of year | Remark |
| <b>Data Privacy</b>                   | NA                              | NA                     | NA     | NA                               | NA                     | NA     |
| <b>Advertising</b>                    | NA                              | NA                     | NA     | NA                               | NA                     | NA     |
| <b>Cyber-security</b>                 | NA                              | NA                     | NA     | NA                               | NA                     | NA     |
| <b>Delivery of essential services</b> | NA                              | NA                     | NA     | NA                               | NA                     | NA     |
| <b>Restrictive Trade Practices</b>    | NA                              | NA                     | NA     | NA                               | NA                     | NA     |
| <b>Customer Complaints</b>            | 1                               | 0                      | NA     | 2                                | 0                      | NA     |

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

|                   | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary Recalls | 0      |                    |
| 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.**

Yes, Policy is placed on website of the Company at <https://www.hfcl.com/privacy-policy>.

**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

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

Website, social media, Product manuals, datasheets, brochures, Customer Service Portal, Call Centre

1. <https://hfcl.com/>
2. <https://www.linkedin.com/company/hfcl-limited/>
3. <https://instagram.com/hfcllimited?igshid=NjIwNzlyMDk2Mg==>
4. <https://io.hfcl.com/>
5. <https://www.linkedin.com/company/iobyhfcl/>
6. <https://twitter.com/iobyhfcl?lang=en>
7. <https://www.instagram.com/iobyhfcl/?hl=en>

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

We have created user manuals or guides that are easy to understand, written in plain language and include step-by-step instructions for safe and responsible usage. We also offer customer support channels where consumers can ask questions about product usage or report any issues. Additionally, we also provide product training sessions, especially for complex products or services.

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

We use social media platforms and public relations channels to disseminate information about any potential disruptions or discontinuations. In addition, channels like emails, phone and WhatsApp also used to respond to customer inquiries and concerns promptly as well.

**4. (a) Does the entity display product information on the product over and above what mandated as per the local laws? (Yes/ No/ Not Applicable).**

**If "Yes," provide details in brief.**

Yes, the product datasheet are shared along with quotation and cables are manufactured based on approved datasheet.

**(b) Did your entity carry any survey about customer 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).**

A biannual survey of customer satisfaction carried.

**5. Provide the following information relating to data breaches:****(a). Number of instances of data breaches along-with impact:**

Nil

**(b). Percentage of data breaches involving personally identifiable information of customers.**

Not Applicable