

HFCL Limited

Water Stewardship Policy

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1. Objective

HFCL Limited (“**HFCL**” or the “**Company**”) recognizes that water is a vital shared resource essential to the environment, human health, and the sustainability of its operations. This Water Stewardship Policy provides a structured framework to guide the Company’s efforts to manage water responsibly across its operations and value chain, including water withdrawal, consumption, treatment, discharge, and conservation.

HFCL is committed to complying with all applicable water-related laws and regulations across its operational geographies. The Company also seeks to align its water stewardship practices with internationally recognized standards and best practices such as ISO 14001 and the UN Sustainable Development Goals.

2. Scope and Applicability

This Water Stewardship Policy applies to all operations of HFCL Limited, including its offices, manufacturing units, project sites, and field locations across all geographies of operation. It covers all employees, workers, and functional teams whose activities involve, impact, or are affected by water use, discharge, or water-related risks.

The Policy also extends to HFCL’s suppliers, contractors, and service providers. These partners are encouraged to align with HFCL’s water stewardship principles and adopt responsible water management practices throughout their operations.

3. Definitions

- “**Company**”, “**we**”, “**our**”, or “**HFCL**” refers to HFCL Limited.
- “**Policy**” refers to this Water Stewardship Policy of HFCL.
- “**Environmental Management System (EMS)**” is a structured framework for managing environmental responsibilities in compliance with ISO 14001:2015.
- “**Zero Liquid Discharge (ZLD)**” refers to a wastewater treatment process ensuring that all wastewater is treated and reused, with no discharge into the environment.
- “**United Nations Sustainable Development Goals (UN SDGs)**” are a set of 17 UN SDGs aimed at addressing climate action, responsible consumption, and sustainable industrialization.
- “**Water Stewardship**” is the responsible planning, management, and conservation of water resources to ensure their sustainability for future generations.

4. Policy Commitments

HFCL recognizes water as a critical and shared resource and is committed to sustainable water stewardship across its operations and value chain. The Company aims to manage water use responsibly, reduce water-related risks, and contribute to the long-term availability and quality of water resources in the regions where it operates.

To achieve this, HFCL shall commit to the following:

4.1 Regulatory Compliance and Governance

- Comply with all applicable national and international water-related laws, regulations, and standards.

- Establish strong governance mechanisms to oversee the implementation of water stewardship initiatives and periodically assess legal compliance across operational sites.

4.2 Water Conservation and Wastewater Management

- Monitor and track water consumption regularly using global frameworks to drive continual improvement.
- Adopt and promote water-efficient technologies and best practices, including rainwater harvesting, groundwater recharge, and process water reuse.
- Reuse water wherever possible in its manufacturing processes to reduce dependency on freshwater, thus contributing to resource efficiency and operational sustainability.
- Implement Zero Liquid Discharge (ZLD) systems at manufacturing facilities to ensure no untreated wastewater is released into the environment.

4.3 Value Chain and Community Engagement

- Collaborate with suppliers, contractors, and other partners to encourage responsible water management practices throughout the value chain.
- Raise awareness and build capacity on water conservation and sustainable use through regular training and knowledge-sharing initiatives.
- Engage with local communities to support collective water sustainability efforts and mitigate shared water-related risks.

5. Roles and Responsibilities for Implementation

Effective implementation of this Water Stewardship Policy requires active involvement and accountability across all levels of HFCL's operations and its extended value chain. The responsibilities outlined below ensure coordinated action to achieve HFCL's water-related objectives:

- **Senior Management:** Lead the integration of water stewardship into core business strategy, operations, and investment planning. Approve water-related goals and risk mitigation strategies, ensure alignment with legal requirements and global best practices, and allocate necessary resources for implementation.
- **ESG Committee:** Oversee the execution of the Water Stewardship Policy across sites and functions. This includes monitoring water use, efficiency, and quality metrics; coordinating audits and compliance assessments; tracking progress on Zero Liquid Discharge (ZLD) and water reuse initiatives; and ensuring alignment with ISO 14001 and other relevant sustainability frameworks.
- **Employees and Workers:** Follow established procedures for responsible water use, reuse, and discharge in their areas of work. Participate in water conservation initiatives and training programs and report any inefficiencies or violations to designated teams.
- **Suppliers, Contractors, and Business Partners:** Align with HFCL's water stewardship principles by implementing efficient water use practices in their operations, supporting ZLD and pollution control objectives, and participating in water-related data disclosure and community engagement where relevant.

6. Grievance Redressal

HFCL aims to embed responsible water stewardship across its operations and value chain. Stakeholders who observe instances of non-compliance with water-related regulations or policies, or who wish to suggest improvements related to water usage, efficiency, discharge practices, or conservation efforts, may reach out to the ESG Committee. All concerns and suggestions will be reviewed in accordance with internal protocols and addressed in a fair, transparent, and timely manner.

7. Monitoring and Review

HFCL will regularly monitor the implementation and effectiveness of this Water Stewardship Policy through internal reviews and the tracking of key performance indicators related to water withdrawal, consumption, recycling, discharge, and efficiency. Monitoring efforts will be supported by site-level data collection, water audits, environmental performance evaluations, and benchmarking against defined targets.

The ESG Committee will periodically review water-related performance to ensure continued alignment with HFCL's water stewardship commitments, applicable national and international regulations, ISO 14001 standards, and stakeholder expectations. Updates and improvements to the policy will be made as required to reflect evolving best practices and business needs.

8. Communication of the Policy

HFCL is committed to transparent and effective communication of its Water Stewardship Policy to ensure awareness, accountability, and consistent implementation across all stakeholders. The policy will be made publicly available on the Company's official website and shared with all relevant internal and external stakeholders.

To foster a culture of water responsibility, HFCL will organize regular awareness and training sessions for employees, contractors, and value chain partners.

Any updates or revisions to this policy will be communicated promptly through internal channels (e.g., emails, notice boards, team briefings) and relevant external disclosures to maintain a consistent understanding and application across the Company and its value chain.

9. Related Policies

This policy should be read alongside the following policies of HFCL:

S. No.	Policy
1	Environmental Management Policy