

HFCL Limited

Conflict Free Sourcing Policy

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1.0	Supply Chain Department	1 April, 2025	Mr. Arvind Chawla, President & Head- SCM

1. Objective

The Conflict Free Sourcing Policy outlines HFCL's commitment to sourcing components and materials from companies that share values about human rights, ethics, and environmental responsibility. The primary aim of this Policy is to lay out commitments ensuring HFCL's sourcing activities and operations do not contribute to armed conflict, environmental harm, or human rights abuses in high-risk areas. Global frameworks like the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (Section 1502) and the OECD Due Diligence Guidance for Responsible Supply Chains require companies to conduct due diligence on their mineral sourcing and disclose usage of conflict minerals.

In addition, HFCL expect all its Suppliers to align with its Supplier Code of Conduct, which lays out detailed requirements on human rights and ethical business conduct and dealings.

2. Scope and Applicability

This Policy is applicable across all our geographies of operation, along with Suppliers along the value chain, especially for sourcing activities in high-risk and conflict-affected areas. The Policy commitments are applicable to all our Business Units (BUs).

3. Definitions

- **"Company"** or **"HFCL"** or **"we"** or **"our"** refers to HFCL Limited.
- **"Conflict Minerals"** are natural resources extracted in conflict zones and sold to perpetuate fighting and human rights abuses.
- **"Policy"** refers to the Conflict Free Sourcing Policy.
- **"3TG"** refers to the conflict minerals such as tin, tungsten, tantalum, and gold.

4. Policy Commitment

- HFCL is aware of and is concerned by reports that profits from the sale of certain metals mined in the Democratic Republic of Congo (DRC) or adjoining countries.
- HFCL does not use or purchase any conflict minerals (3TG) or their derivatives such as:
 - Tantalum (Ta)
 - Tungsten (W)
 - Tin (Sn)
 - Gold (Au)
- We do not use or procure these minerals from mines or smelters, that may directly or indirectly finance or benefit armed groups through mining or mineral trading in the DRC or any adjoining countries.
- While HFCL is not subject to the United States Securities & Exchange Council (SEC) reporting, it fully supports the legislation.
- HFCL fully supports the goal of ending violence, human rights violations, and environmental devastation in the Covered Countries.
- HFCL expects all Suppliers to comply with the Dodd-Frank regulation and source its minerals from socially responsible suppliers.
- All HFCL's manufacturing processes are compliant with the regulations given in the Annexure of this Policy.

5. Roles and Responsibilities for Implementation

HFCL's Procurement team will be primarily responsible for implementation of this Policy. Supplier assessments will be carried out to ensure that all sourcing activities are conflict-free. To implement this, the Procurement team shall collect and review Conflict Minerals Reporting Templates (CMRTs) or equivalent documentation from suppliers.

In addition, the Legal team shall ensure compliance with all relevant laws and regulations pertaining to conflict-free sourcing. Any developments should be communicated to the Procurement team and Heads of the BUs for subsequent updates to policies and procedures.

6. Monitoring and Review

The Procurement team is responsible for monitoring the commitments laid out in this Policy, pertaining to all sourcing activities. The monitoring of compliance to all the conflict free sourcing regulations is monitored by our Legal team and communicated to senior leadership team of each BU.

The content of this Policy will be reviewed on a periodic basis and the changes if any, will be incorporated accordingly.

7. Communication of the Policy

This Conflict Free Sourcing Policy is made available to all our stakeholders on our website. Training and awareness programs are carried out for stakeholders involved in sourcing activities to ensure that the latest applicable regulations are being adhered to.

8. Related Policies

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

S. No.	Related Policy
1.	Sustainable Procurement Policy
2.	Supplier Code of Conduct
3.	Environmental Management Policy

Annexure: List of Conflict Free Regulations and Declarations

1. California Proposition 65
2. REACH Substances of Very High Concern (SVHC) Regulations
3. Dodd-Frank Wall Street Reform and Consumer Protection Act (Section 1502)
4. Restriction of Hazardous Substances (RoHS) Declaration
5. Toxic Substances Control Act (TSCA) Declaration