Business Responsibility and Sustainability Report (BRSR)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity:

S. No.	Question	Response
1.	**Corporate Identity Number (CIN) of the Listed Entity**	L64200HR1987PLC148689
2.	**Name of the Listed Entity**	HFCL Limited
3.	**Year of Incorporation**	11/05/1987
4.	**Registered Office Address**	Plot No. 38, Institutional Area, Sector – 32, Gurugram – 122 001, Haryana
5.	**Corporate Address**	8, Commercial Complex, Masjid Moth, Greater Kailash- II, New Delhi-110 048
6.	**E-mail**	secretarial@hfcl.com
7.	**Telephone**	+91-124-4310000
8.	**Website**	www.hfcl.com
9.	**Financial Year for which reporting is being done**	April 1, 2025- March 31, 2026
10.	**Name of the Stock Exchange(s) where shares are listed**	National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)
11.	**Paid-up Capital (INR)**	₹153.06 Crore
12.	**Name and contact details (telephone & email) of the person who may be contacted in case of queries on the BRSR report**	Name: Mr. Manoj Baid Email: secretarial@hfcl.com Telephone: +91-11-35209400
13.	**Reporting Boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)**	Standalone
14.	**Name of assurance provider**	Bureau Veritas (India) Private Limited ("Bureau Veritas")
15.	**Type of assurance obtained**	Reasonable Assurance on BRSR Core*

**Please refer to pages 202 to 205 for the Assurance Report.*

II. Products/Services:

16. 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	Telecom Products - Manufacturing of optical fiber, optical fiber cables and telecom and networking products	56.61
2.	Turnkey Contract and Services	Engineering, Procurement and Construction Services	43.37

17. 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	46.17
2.	Telecom Products/Equipment	26104	10.44
3.	Turnkey Contracts and Services	42202	43.37
	Total		**99.98**

III. Operations:

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

Location	Number of Plants	Number of Offices	Total
National	4	80	84
International	0	11*	11

Including offices of subsidiaries.

19. Markets Served by the Entity:

a. **Number of Locations:**

Location	Number
National (No. of States)	Pan India
International (No. of Countries)	HFCL exports its products to over 60 countries, including Germany, France, Denmark, Ireland, Austria, Finland, Italy, United Kingdom (UK), Portugal, Spain, United States of America (USA), Canada, Mexico, Argentina, South Africa, Turkey, United Arab Emirates (UAE), and more.

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

During FY26 exports contributed 41% to the total consolidated turnover of the Company.

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

HFCL is a leading technology enterprise with operations in high end Telecom and Defence Equipment, Optical Fiber and Optical Fiber Cables and also creating digital networks for telcos, enterprises and governments. Over the years, HFCL has emerged as a trusted partner offering sustainable high-tech solutions with a commitment to provide the latest technology products to its customers. Our strong R&D expertise coupled with our global system integration services and decades of experience in fiber optics enable us to deliver innovative digital network solutions required for the most advanced networks.

HFCL's customers are broadly classified into three categories:

1. **Business-to-Business (B2B):**

   This segment encompasses engagements with major telecom operators, Original Equipment Manufacturers (OEMs), and turnkey project companies. HFCL supplies critical components such as optical fiber cables, telecom and networking equipment essential for the deployment of 4G, 5G, and broadband networks along with defence equipment. Additionally, the Company offers network implementation solutions to turnkey project partners. These clients rely on HFCL's reliable manufacturing infrastructure and technological capabilities to deliver scalable, high-quality connectivity solutions.

2. **Business-to-Emerging Corporate Accounts (B2ECA):**

   This segment comprises Internet Service Providers (ISPs) and system integrators, who are central to India's ongoing digital transformation. HFCL supports these customers with advanced fiber-optic solutions, telecom hardware, and integrated network services designed to enable enterprise-grade connectivity and infrastructure expansion across diverse geographies.

3. **Business-to-Government (B2G):**

   HFCL plays a crucial role in serving government entities, including, defence organisations, public sector undertakings (PSUs) and Indian Railways. HFCL has a strong track record in executing large-scale telecom infrastructure projects, including transport networks, FTTH rollouts, and advanced Wi-Fi deployments. The Company supports critical defence communication infrastructure with secure, end-to-end network deployments contributing directly to India's digital and security imperatives.

4. **Manufacturing Support:**

HFCL's state-of-the-art manufacturing facilities located in Hyderabad, Goa, and Hosur are central to its ability to serve the diverse clientele. These units specialise in the production of optical fiber cables, optical fiber, telecom networking products, and defence-grade equipment. This manufacturing backbone enables HFCL to deliver high-performance, customised solutions across both domestic and international markets.

IV. Employees:

20. Details as at the end of Financial Year 2025-26:

a. Employees and Workers (including differently abled)

Employees (including differently abled)						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (C)	Percentage (C/A)
1.	Permanent Employees	1,641	1,525	93	116	7
2.	Other than Permanent Employees	495	487	98	8	2
3.	**Total Employees (1+2)**	**2,136**	**2,012**	**94**	**124**	**6**

Workers (including differently abled)						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (C)	Percentage (C/A)
4.	Permanent Workers	179	158	88	21	12
5.	Other than Permanent Workers	1,158	1,018	88	140	12
6.	**Total Workers (4+5)**	**1,337**	**1,176**	**88**	**161**	**12**

Notes:

- 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.
- 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 (C)	Percentage (C/A)
1.	Permanent Employees	1	1	100	0	0
2.	Other than Permanent Employees	0	0	0	0	0
3.	**Total Employees (1+2)**	**1**	**1**	**100**	**0**	**0**

Differently Abled Workers						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (C)	Percentage (C/A)
4.	Permanent Workers	0	0	0	0	0
5.	Other than Permanent Workers	0	0	0	0	0
6.	**Total Workers (4+5)**	**0**	**0**	**0**	**0**	**0**

21. Participation/Inclusion/Representation of Women

	Total (A)	Number of Female (B)	Percentage (B/A)
Board of Directors	6	1	17
Key Management Personnel (KMP)*	2	0	0

**Excluding Managing Director who has been included in Board of Directors category.*

Note: Mr. Bharat Pal Singh (DIN: 00739712) have completed his second term as Independent Director on the close of Business hours on January 20, 2026.

During the FY26, the Board of Directors on recommendation of the Nomination, Remuneration and Compensation Committee, appointed Mr. Anil Narendra Shah (DIN: 01844485) as an Additional Director in the Category of Independent Director for a period of three consecutive years effective from January 21, 2026 to January 20, 2029, not liable to retire by rotation, who was further appointed as a Director (Independent) by the Shareholders of the Company on March 15, 2026 through Postal Ballot by way of a special resolution.

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years):

(In %)

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	25	20	24	24	20	24	11	17	11
Permanent Workers	8	5	8	8	13	9	7	17	9

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

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

S. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/ subsidiary/associate/joint venture	% of shares held by listed entity	Does the entity indicated at Column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	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. Netherlands	Subsidiary	100	No
9.	HFCL Inc. USA	Subsidiary	100	No
10.	HFCL Canada Inc.	Step-down subsidiary	100	No
11.	HFCL Poland Sp. z.o.o.** (formerly known as Blue Diwali Sp. z.o.o.)	Step-down subsidiary	100	No
12.	HFCL UK Limited	Step-down subsidiary	100	No
13.	HFCL Pty Limited (wholly owned subsidiary of HFCL B.V.)	Step-down subsidiary	100#	No
14.	Nimpaa Telecommunications Private Limited	Associate	50	No
15.	BigCat Wireless Private Limited	Associate	50$	No

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

***HFCL Poland Sp. z.o.o., (formerly Blue Diwali Sp. z.o.o.) (Wholly owned subsidiary of HFCL B.V.) has been voluntarily liquidated and its name has been removed from National Court Register w.e.f. January 02, 2026.*

#HFCL Pty Ltd, (Wholly owned subsidiary of HFCL B.V.) has been voluntarily liquidated and deregistered w.e.f. August 19, 2026.

$50% voting rights.

VI. CSR Details:

24. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013 (Yes/No): Yes

(ii) Turnover (in ₹ Crore): 4,527.54

(iii) Net Worth (in ₹ Crore): 4,727.44

VII. Transparency and Disclosures Compliances:

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

Stakeholder Group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide web-link for grievance redress policy)	Current Financial Year 2025-26			Previous Financial Year 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of year	Remarks
Communities	Yes. Responsibility for handling community grievances is assigned to the CSR project partners through the Memorandum of Understanding (MoU). These partners address any complaints in a collaborative manner, following the established protocols and guidelines to ensure timely and effective resolution.	0	0	No complaints filed.	0	0	No complaints filed.
Investors and Shareholders	Yes. The Company has 'Whistleblower Policy' in place available at: https://cdn.prod.website-files.com/69e0036b-695965871f0524aa/69e0036b-695965871f0528cc_Vigil%20Mechanism%20and%20Whistle-Blower%20Policy.pdf **Mechanism for Grievance Redressal:** The Company has a grievance redressal mechanism for receiving complaints from different stakeholders, including investors and shareholders. 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.	5	0	All complaints resolved.	58	0	All complaints resolved.
Employees and Workers	Yes. Employee and extended workforce grievances are addressed in a timely and effective manner through our grievance redressal mechanism, available at all our plants/offices.	0	0	No complaints filed.	0	0	No complaints filed.
Contract Labourers		0	0	No complaints filed.	0	0	No complaints filed.

Stakeholder Group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide web-link for grievance redress policy)	Current Financial Year 2025-26			Previous Financial Year 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of year	Remarks
Customers	At HFCL, we have a structured system for handling customer complaints, which allows customers to provide feedback or complaints via email to their assigned account manager or the designated plant complaint management representative. Resolutions are completed within defined time frames that correspond to the nature and urgency of each complaint. The policy related to the customer grievances is available on Company's website- https://www.hfcl.com/wp-content/uploads/2021/12/HFCL-F08-06-14-Customer-Complaint-Form_Rev-01.pdf	11	0	All complaints resolved.	6	0	All complaints resolved.
Value Chain partners	Yes. Complaints are submitted to the respective account managers within the Optical Fiber Cable (OFC) Business Unit and are typically resolved within 24 hours. In the Communication Business Unit, issues are addressed within a defined response time of 12 hours. To ensure timely resolution, an escalation matrix is in place with up to three levels of intervention. If a complaint remains unresolved at the initial stages, it is escalated to the third level, where it is mandatorily resolved within 48 hours. Dedicated email (iosupport@hfcl.com) and a Toll-Free Number (+91 8792701100) is provided for registering complaints. The email of SPOC has been also provided. (naresh.gupta@hfcl.com)	0	0	No complaints filed.	0	0	No complaints filed.
Implementation Partner (NGOs)	Yes. The process for raising, addressing, and resolving grievances or issues with CSR project partners is clearly outlined in each Memorandum of Understanding (MoU), ensuring clarity of roles, accountability, and timely redressal.	0	0	No complaints filed.	0	0	No complaints filed.

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

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

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity (Negative/ Positive)
1.	**Innovation Management**	**Opportunity**	The Company focuses on fostering a culture of innovation and strengthening its investment in Research & Development (R&D) to drive the development of cutting-edge products, services, and solutions. Effective innovation management presents a strategic opportunity by enabling product differentiation, unlocking new revenue streams, enhancing operational efficiency, and supporting business expansion. This proactive approach positions the Company for sustained growth, resilience, and long-term competitiveness in an evolving market landscape.	-	Positive
2.	**Data Privacy and Cyber Security**	**Risk and Opportunity**	As a technology-driven Company, safeguarding sensitive and confidential information is critical to maintaining stakeholder trust and business integrity. Ensuring robust data security and upholding individuals' rights to privacy in the collection, use, and sharing of personal data are essential to compliance, reputation, and risk mitigation. With increasing digitalisation and evolving regulatory frameworks, any lapse in data privacy or cybersecurity could expose the Company to legal, financial, and reputational risks. Therefore, managing data privacy and cybersecurity effectively is a top priority to ensure business continuity and long-term stakeholder confidence.	HFCL prioritises the implementation of robust measures and structured processes to protect sensitive information at every level of the organisation. We collect only the data necessary for business operations, ensuring it is handled securely and in compliance with applicable regulations. Our IT management system is certified under ISO/IEC 27001:2013, ISO/IEC 27001:2022 and ISO/IEC 27701:2019, reflecting our commitment to the highest standards of information and privacy security. Comprehensive policies and governance frameworks are in place to oversee data protection practices. In addition, we conduct regular compliance audits, update policies proactively in line with evolving regulations, and organise periodic risk awareness and training sessions to reinforce our cybersecurity posture and minimise vulnerabilities.	Negative

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity (Negative/ Positive)
3.	**Employee Growth, Training, and Learning & Development**	**Opportunity**	HFCL views employee growth, training, and continuous learning as strategic opportunities to enhance workforce capabilities and foster a culture of excellence. The Company is committed to empowering its employees by providing access to structured training programs, skill-building initiatives, and professional development opportunities. By investing in learning and development, HFCL aims at strengthening individual performance and drive innovation, engagement, and long-term organisational growth. This commitment reflects our broader approach to social responsibility and underscores the value we place on nurturing talent and advancing the well-being of our workforce.	-	Positive
4.	**Climate Change**	**Risk**	Climate change presents a risk to HFCL's operations, supply chains, and long-term value creation. Physical risks such as extreme weather events can disrupt operations, damage assets, and impact supply chain continuity, leading to increased costs and operational delays. In parallel, transition risks arising from evolving regulations, stakeholder expectations, and shifts toward low-carbon technologies can affect market competitiveness, reduce asset value, and impact investor confidence. ESG disclosures help bring transparency to the Company's climate risk exposure and outline the mitigation and adaptation strategies in place. Addressing climate risks is critical not only for regulatory compliance but also for safeguarding business resilience and long-term sustainability.	HFCL places strong emphasis on implementing strategies and actions aimed at mitigating climate-related risks while aligning its operations with principles of sustainable development. The Company integrates climate resilience into its decision-making processes and actively works to reduce its environmental impact through energy-efficient technologies, responsible resource management, and sustainable business practices.	Negative

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity (Negative/ Positive)
5.	**Sustainable Supply Chain**	**Risk and Opportunity**	HFCL recognises the sustainable supply chain as a strategic risk and opportunity to build resilience, enhance operational efficiency, and strengthen stakeholder trust. As a technology-driven manufacturing Company, aligning supply chain practices with ESG principles enables HFCL to reduce environmental impact, promote ethical sourcing, and ensure regulatory compliance. By collaborating with responsible suppliers and promoting transparency across the value chain, the Company can drive long-term value creation, mitigate potential disruptions, and unlock cost efficiencies through resource optimisation. A sustainable supply chain also supports HFCL's commitment to circularity, innovation, and responsible growth, reinforcing its competitive position in a dynamic global market.	The Company's integrated business model supports a streamlined and efficient supply chain, helping to improve performance and lower costs. To strengthen resilience, the Company is adopting sustainable practices to address climate change, broadening its supplier base to mitigate geopolitical risks, and securing alternative sources to manage potential raw material shortages.	Positive
6.	**Occupational Health and Safety**	**Risk and Opportunity**	Effective occupational health and safety management presents both a critical risk and a strategic opportunity for HFCL. Given the manufacturing and field-intensive nature of its operations, inadequate safety measures can lead to workplace incidents, regulatory violations, reputational harm, and disruptions in business continuity. Conversely, maintaining a strong OHS framework enhances workforce well-being, ensures compliance, improves productivity, and strengthens stakeholder confidence in the Company's responsible business practices.	HFCL adopts a comprehensive and proactive approach to managing occupational health and safety risks across all its operations. The Company maintains safe, healthy, and hygienic working conditions for all employees, contractors, and temporary staff by aligning its Occupational Health and Safety Management System (OHSMS) with ISO 45001 standards. A Zero Tolerance (ZETO) approach is followed to eliminate unsafe practices and promote a risk-aware culture. Regular risk assessments, medical check-ups, safety drills, and visual inspections are conducted to prevent work-related injuries and illnesses. Employees are actively engaged in safety matters through consultation and capacity-building initiatives. Compliance with all applicable OHS laws and international best practices is strictly ensured, and continuous improvements are driven through audits, incident investigations, and corrective actions.	Negative

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity (Negative/ Positive)
7.	**Waste Management**	**Risk and Opportunity**	Ineffective waste management can result in environmental degradation, legal non-compliance, and reputational risks. As a manufacturing company, HFCL generates various types of waste including hazardous, non-hazardous, and e-waste, which require proper handling and disposal. Poor waste management practices can lead to pollution, community concerns, and increased operational costs. Therefore, ensuring responsible waste disposal and minimisation is essential to maintaining environmental stewardship, regulatory compliance, and stakeholder trust.	HFCL has implemented a comprehensive waste management system across all its operations. Waste is categorised and segregated at source, with hazardous waste managed by Central Pollution Control Board (CPCB)-authorised vendors. Non-hazardous waste is either recycled, reused within operations (where feasible), or sent to authorised recyclers. All raw materials used in the manufacturing of Optical Fiber and Optical Fiber Cables are RoHS and REACH compliant. HFCL also proactively reduces hazardous materials through design innovations such as shifting to dry-core cables to reduce petroleum-based jelly and promotes circular practices by recycling packaging materials and sending used spools and containers back to suppliers. Regular audits, training, and compliance monitoring are conducted to ensure continuous improvement and alignment with regulatory and sustainability goals.	Positive
8.	**Diversity and Inclusion**	**Opportunity**	HFCL recognises diversity and inclusion as a strategic opportunity to foster innovation, enhance employee engagement, and build a resilient workforce. Embracing diverse perspectives and creating an inclusive work environment strengthens decision-making, drives creativity, and improves overall organisational performance. A diverse talent pool also enables the Company to better understand and serve a broad range of stakeholders. By promoting equal opportunities and inclusive practices, HFCL positions itself as an employer of choice, contributing to long-term growth, social equity, and business sustainability.	-	Positive

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.

Principles of National Guidelines on Responsible Business Conduct

P1 - Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

P2 - Businesses should provide goods and services in a manner that is sustainable and safe.

P3 - Businesses should respect and promote the well-being of all employees, including those in their value chains.

P4 - Businesses should respect the interests of and be responsive to all its stakeholders.

P5 - Businesses should respect and promote human rights.

P6 - Businesses should respect and make efforts to protect and restore the environment.

P7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

P8 - Businesses should promote inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions	P1 Ethics and Transparency	P2 Sustainable Business	P3 Employee Well-being	P4 Stakeholder Inclusiveness	P5 Human Rights	P6 Environment Stewardship	P7 Public Advocacy	P8 Social Development (CSR)	P9 Customer Welfare
	Policy and Management Processes								
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)[1]	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(c) Web-link of the policies, if available	https://www.hfcl.com/investors/investor-information								
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 enhance resource efficiency and drive community development and engagement initiatives.								
4. Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	• ISO 9001:2015 – Quality Management System at Corporate Office at Delhi, Goa Plant, Hyderabad Plant and Solan. • TL9000 R6.3/R5.7(H) – Quality Management System (Telecom Industry specific) at Goa Plant and Hyderabad Plant. • ISO 10002:2018 – Complaint Management System at Goa Plant and Quality management - Customer Satisfaction -Guideline for complaints handling in organisation at Hyderabad Plant. • ISO 14001:2015 – Environmental Management System at Goa Plant, Hyderabad Plant and Solan. • ISO 45001:2018 – Occupational Health and Safety Management System at Goa Plant, Hyderabad Plant, and Corporate Office at Delhi.								

[1]The Company's policies are periodically reviewed or on a need basis by the business/department heads, and/or the Board of Directors and signed off by Managing Director/SBU Head/Functional Head, as deemed appropriate by the Company.

Disclosure Questions	P1 Ethics and Transparency	P2 Sustainable Business	P3 Employee Well-being	P4 Stakeholder Inclusiveness	P5 Human Rights	P6 Environment Stewardship	P7 Public Advocacy	P8 Social Development (CSR)	P9 Customer Welfare
	• ISO/IEC 27001:2013 – Information Technology, Security Techniques, Information Security Management systems at Gurugram Office. • ISO/IEC 27001:2022 - Information Technology, Security Techniques, Information Security Management systems Requirements at Corporate office, Delhi at Hyderabad Plant, and Goa Plant. • ISO/IEC 27701:2019 – Privacy Information Management System (PIMS) at Goa Plant, Hyderabad Plant, Corporate Office at Delhi, and Registered office at Gurugram. • ISO/IEC 20000-1:2018 – Information Technology – Service Management System at Goa Plant, Hyderabad Plant, Corporate Office at Delhi and Registered office at Gurugram. • ISO/IEC 17025:2017 – General Requirements for the Competence of Testing & Calibration Laboratories at Goa Plant and Hyderabad Plant. • ISO 22301:2019 – Business Continuity Management System at Goa Plant. • CMMI Maturity Level 5 – CMMI L5 for Software Development at Gurugram Office. Certificate of Designation (OFC Testing Lab) – Certificate of Conformity Assessment Body (CAB) Designation at Goa and Hyderabad Plant. • ESD Certificate - Electrostatic discharge (ESD) at Manesar Plant. • Zero waste to landfill (ZWL) as per UL ECVP 2799 at Hyderabad Cable Plant. • ZLD - Zero Liquid Discharge at Hyderabad OF Plant. • ISO 50001:2018- EnMS- Energy Management System, at Hyderabad Plant. • Zero waste to landfill as per DIN SPEC 91436:2021-05 at Goa plant. • ISO 37001:2016 (Anti-Bribery Management System) for corporate office at Delhi, Goa, Hyderabad and Hosur.								
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any.	HFCL is committed to sustainable business practices and social development initiatives. We have business specific goals and commitments as illustrated below: **Goa Plant:** • HFCL Goa Plant aims to achieve a 40% cumulative transition to renewable energy by FY 27, with 33% of the targeted renewable energy procurement planned through Open Access, subject to the Government notifying the required policy and establishing the necessary regulatory framework. • Targeted meeting 7% of the energy requirement by FY27 by renewable energy sources. • Reduce power consumption by upgrading technology in machineries resulting in saving of 5 lakh units of electricity on a yearly basis by FY27. • Goa facility has implemented Zero Liquid Discharge (ZLD) by establishing Sewage Treatment Plants which employs preliminary, primary, secondary, and tertiary processes to remove contaminants. • Goa facility has taken several initiatives to recycle its packaging waste as an initiative to reduce the net waste disposal.								

Disclosure Questions	P1 Ethics and Transparency	P2 Sustainable Business	P3 Employee Well-being	P4 Stakeholder Inclusiveness	P5 Human Rights	P6 Environment Stewardship	P7 Public Advocacy	P8 Social Development (CSR)	P9 Customer Welfare
	At Hyderabad Plant: The sustainable business practices and social development initiatives for Optical Fiber and Optical Fiber Cable Plants at Hyderabad are list below: • **Renewable Energy Implementation:** HFCL has installed a 1 MWp rooftop solar power system at its Hyderabad facility during May 2026. This initiative is expected to generate approximately 1.5 million units of clean energy annually, resulting in a reduction of carbon emissions by up to 1,215 metric tons per year and achieving cost savings of approximately INR 10.5 million. • **Zero Liquid Discharge Certification:** The facility has obtained Zero Liquid Discharge (ZLD) certification during FY26, reinforcing its commitment to sustainable water management and environmental stewardship. • **Sustainability Certification Goals:** The facility has achieved the target of Zero Waste to Landfill during FY26. • **Adoption of LED Technology:** The Plant has implemented horizontal deployment of LED lighting systems in the new phase of its optical fiber facility. This transition from conventional microwave-based systems is projected to reduce carbon emissions by an estimated 5,022 metric tons annually. • **Green Corridor Development:** The Company is continuously making efforts to preserve local biodiversity through the maintenance of a 10,200 square meter green corridor within the TSIIC Industrial Area, contributing to ecological balance and enhancing the industrial ecosystem.								
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	HFCL has embedded ESG considerations into its business strategy and operations through initiatives focused on energy efficiency, renewable energy adoption, emissions management, water conservation, and waste reduction. The Company has also advanced employee well-being, workplace safety, diversity and inclusion, and community development through focused social programmes. These actions are supported by a governance framework that emphasises ethical business practices, regulatory compliance, risk management, transparency, and active Board oversight. Overall, the Company continued to make progress against its ESG commitments and priorities during the reporting period. Its performance across key environmental, social, and governance (ESG) parameters is detailed in this BRSR Report.								

Governance, leadership, and oversight

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)

At HFCL, sustainability is integrated into the way we manage operations, develop products, and create long-term value. The telecommunications and technology sectors face increasing expectations on climate resilience, resource efficiency, data security, workforce development, and responsible supply chain management. These expectations create both challenges and opportunities that require disciplined execution, transparent governance, and continuous improvement across the business.

During FY26 we continued to strengthen our approach to environmental stewardship. Climate change remains a key business risk due to its potential impact on operations, supply chains, energy costs, and stakeholder expectations. In response, we advanced initiatives focused on energy efficiency, renewable energy adoption, water stewardship, waste management, and operational resilience. The Company continued its efforts towards Zero Liquid Discharge and Zero Waste to Landfill practices at manufacturing locations and progressed renewable energy projects designed to reduce dependence on conventional energy sources.

Our commitment to strengthening climate action is also reflected in our engagement with leading global ESG assessment frameworks. During FY26, HFCL achieved a score of 50 in the S&P Global Corporate Sustainability Assessment (DJSI CSA) and received a C rating from Carbon Disclosure Project (CDP).

During FY26, we submitted our near-term decarbonisation targets to the Science Based Targets initiative (SBTi), while continuing investments in renewable energy adoption, resource efficiency, waste reduction and responsible manufacturing.

Disclosure Questions	P1 Ethics and Transparency	P2 Sustainable Business	P3 Employee Well-being	P4 Stakeholder Inclusiveness	P5 Human Rights	P6 Environment Stewardship	P7 Public Advocacy	P8 Social Development (CSR)	P9 Customer Welfare

Responsible management of resources remains a priority across our manufacturing operations. We continued to improve waste segregation, recycling, and circularity practices while strengthening systems for responsible management of hazardous and non-hazardous waste. Our environmental approach is supported by recognised management systems and operational controls that help improve compliance, reduce environmental impacts, and support long-term business resilience.

Cybersecurity and data privacy continue to be critical priorities as digital technologies become increasingly embedded in products, services, and business processes. HFCL maintained its focus on information security governance, supported by certified management systems, periodic audits, and employee awareness programmes. Protecting stakeholder data and maintaining business continuity remain essential elements of our risk management framework.

Our people remain central to our success. We continued to invest in employee learning, capability development, health, safety, and well-being. Through structured training programmes, leadership development initiatives, and continuous improvement in occupational health and safety practices, we aim to create a workplace that is safe, inclusive, and conducive to professional growth. We also recognise that workforce development strengthens innovation, operational excellence, and long-term competitiveness.

Responsible business conduct extends beyond our operations into our value chain. We continued to promote sustainable procurement practices, strengthen supplier engagement, and encourage alignment with our environmental, social, and governance expectations. Building a resilient and responsible supply chain remains important as geopolitical, environmental, and market risks continue to evolve.

Our governance framework provides oversight of sustainability priorities through Board-level engagement and the ESG Committee. This structure helps ensure that ESG considerations are integrated into strategic planning, risk management, and decision-making processes. Transparency, accountability, ethical conduct, and stakeholder responsiveness remain fundamental to the way HFCL conducts business.

Our sustainability efforts are complemented by community development programmes spanning healthcare, education, skills development and social empowerment that positively impacted more than 1.15 lakh beneficiaries during the year. These initiatives reflect our commitment to creating enduring value for all stakeholders while contributing meaningfully to society and the environment.

As we move forward, we remain focused on delivering measurable progress against our sustainability objectives while addressing emerging challenges. We will continue to strengthen climate resilience, improve resource efficiency, support our workforce, advance responsible innovation, and create long-term value for stakeholders through disciplined execution of our ESG priorities.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)	The Company's Board of Directors are entrusted with the responsibility to oversee the implementation of the business responsibility policies.
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	Yes. The Board of Directors of the Company has constituted an ESG Committee to provide strategic direction and oversight on the Company's environmental, social, and governance initiatives and their implementation across the organisation. The ESG Committee comprises the following members: 1. Mr. Bharat Pal Singh (Independent Director) – Chairman (up to 20.01.2026) 2. Mr. Anil Narendra Shah (Independent Director) – Chairman (w.e.f. 21.01.2026) 3. Mr. Mahendra Nahata (Managing Director) – Member 4. Mr. Arvind Kharabanda (Non-Executive Director) – Member 5. Mr. Vijay Raj Jain (Chief Financial Officer) – Member 6. Mr. Sanjay Vithalrao Jorapur (Executive President – HR) – Member 7. Mr. Rajesh Tatia (Vice President – Goa Plant) – Member 8. Mr. Vivek Agrawal (Vice President – Hyderabad Plant) – Member Mr. Manoj Baid, President and Company Secretary, act as the Secretary to the Committee.

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 Company's policies are periodically reviewed or on a need basis by the business/department heads, and/or the Board of Directors and signed off by Managing Director/SBU Head/Functional Head, as deemed appropriate by the Company.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	HFCL complies with all applicable laws, regulations, and statutory requirements relevant to its business operations and the principles of responsible business conduct. The Company maintains a structured compliance management framework to monitor adherence across all locations and functions. The Board of Directors, relevant Board Committees, and business leadership, responsible for services and manufacturing operations, review compliance status on a periodic basis. Where any instances of non-compliance, observations, or gaps are identified, the Company implements corrective and preventive actions and tracks their closure through established governance mechanisms.																	

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

P1	P2	P3	P4	P5	P6	P7	P8	P9
Ethics and Transparency	Sustainable Business	Employee Well-being	Stakeholder Inclusiveness	Human Rights	Environment Stewardship	Public Advocacy	Social Development (CSR)	Customer Welfare
The working of the policies of the Company is reviewed periodically or on a need basis by business/department heads, and/or the Board of Directors. Periodic assessment of policies for sustainability alignment is also conducted by an independent third party. Further the operation implementation and procedures were assessed during the certification process by independent external agencies, the details of which are provided below:								

Certifications	Goa Plant	Hyderabad OF Plant	Hyderabad OFC Plant	Hosur Plant	IT
ISO 9001:2015 – Quality Management System (Principle 2 and Principal 9)	Bureau Veritas	DQS Inc.	Bureau Veritas	Nova Star Management Systems Solutions India Pvt Ltd	-
ISO 14001:2015 – Environmental Management System (P6)	Bureau Veritas	DQS Inc.	Bureau Veritas	-	-
ISO 45001:2018 – Occupational Health and Safety Management System (Principle 3 and Principle 5)	Bureau Veritas	DQS Inc.	Bureau Veritas	-	-
IISO/IEC 27001:2022 Information Management System (P9)	Intertek	Intertek	Intertek	Intertek	Intertek
ISO 50001:2018 – Energy management System (Principle 6)	-	Bureau Veritas	Bureau Veritas	-	-

12. If Answer to Question (1) Above is "NO", i.e., not all Principles are covered by a Policy, reasons to be stated:

Questions	P1 Ethics and Transparency	P2 Sustainable Business	P3 Employee Well-being	P4 Stakeholder Inclusiveness	P5 Human Rights	P6 Environment Stewardship	P7 Public Advocacy	P8 Social Development (CSR)	P9 Customer Welfare
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any Other Reason (please specify)									

Section C: PRINCIPLE WISE PERFORMANCE 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 2025-26:

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	11	The Board of Directors of the Company is periodically briefed on various updates pertaining to the business, government regulations and its impact on Company's operations.	100
Key Managerial Personnel	4	Seminar on NCLT & NCLAT Conclave 2157, Seminar on Capital Market Week, Session on Anti-Bribery & Anti-Corruption, Interactive session on Compliances under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the virtual training on HFCL's Insider Trading Portal	50

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
Employees other than BoD and KMPs	585	AI Training (R&D/Business/HR), Uses of AI in Business Operations, Generative AI for Beginners, Microsoft Copilot 365, Six Sigma Awareness Program, FMEA Training, 7QC Tools & Implementation, Root Cause Analysis, Canvas 5.0 & AP Integration, WiFi 7 Overview, NAC – Cisco ISE & Aruba ClearPass, DWDM Technology, OFC Manufacturing Overview, Sheathing & FTTH Manufacturing Overview, 7QC Tools Awareness, CAPA Training for Fiber Loading Issues, ISO/IEC 17025:2017 & NABL Requirements, ISO/IEC 17025 – Internal Auditor, Quality Awareness, 8D Analysis, Annual Mandatory Compliance Program, Fire Fighting and Fire Safety, Emergency Preparedness & Response, HIRA (Hazard Identification & Risk Assessment), LOTO (Lockout Tagout), Zero Waste to Landfill, Energy Management System (EnMS) Awareness Certification Training- ISO 50001:2018 (EnMS Awareness), ISO 50001:2018 (EnMS IAT), ESG Awareness, Hazardous Waste Management, Mastering the Art of Presentation, Effective Customer Interaction, Mental Wellbeing, Scale Up with Financial Wellness, etc.	87
Workers	281	Fire Fighting and Fire Safety, HIRA (Hazard Identification & Risk Assessment), Emergency Preparedness & Response, Work at Height/Fall Prevention, Behaviour Based Safety, Training on Aspect Impact & HIRA Study, 7QC Tools Awareness, ISO Audit Awareness, OFC Manufacturing Overview, Basics of Optical Fiber & OFC, Fiber Drawing Basics, OTDR Testing & Fiber Testing, OFC Testing Basics, Presentation Skills (Mastering the Art of Presentation), Giving and Receiving Feedback, Effective Customer Interaction, Healthy Lifestyle & Wellness Session, Yoga & Wellness Session, Heart Health Awareness, Cancer Awareness & Prevention, etc.	55

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format:

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as discussed on the entity's website)

Monetary					
	NGRBC Principle	Name of the Regulatory/ enforcement agencies/judicial institutions	Amount (in INR)	Brief of Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Nil				
Settlement					
Compounding Fee					

Non-Monetary				
	NGRBC Principle	Name of the Regulatory/enforcement agencies/judicial institutions	Brief of Case	Has an appeal been 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.

HFCL maintains a ***'zero-tolerance approach'*** towards bribery and all forms of corruption, upholding the highest standards of integrity, transparency, and ethical conduct in all its operations. The Company has implemented its ***Anti-Bribery and Anti-Corruption Policy*** across all its operational locations, including subsidiaries and affiliates, ensuring consistent application of these principles globally. This policy applies to all individuals associated with HFCL, including directors, senior executives, officers, employees *(permanent, fixed-term, or temporary)*, consultants, contractors, trainees, secondees, casual staff, volunteers, interns, agents, and any other third parties representing or acting on behalf of the Company. HFCL actively encourages all covered individuals to promptly report any concerns related to bribery, corruption, or unethical conduct through the appropriate channels, fostering a culture of accountability and ethical vigilance.

The Anti-Bribery and Anti-Corruption Policy is available at: https://cdn.prod.website-files.com/69e0036b695965871f0524aa/69e0036b695965871f052a00_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 2025-26	Previous Financial Year 2024-25
Directors	Nil	Nil
Key Managerial Personnel (KMPs)	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

	Current Financial Year 2025-26		Previous Financial Year 2024-25	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

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 remains committed to adhering to all applicable regulations, standards, and legal requirements. During the reporting period, no instances of non-compliance concerning corruption, conflicts of interest or any applicable regulatory requirements were detected; consequently, no corrective measures were necessary.

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

	Current Financial Year 2025-26	Previous Financial Year 2024-25
Number of days of accounts payables	108	147

9. Openness of Business:

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

Parameter	Metrics	Current Financial Year 2025-26	Previous Financial Year 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of the total purchases	Not Applicable	Not Applicable
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	Not Applicable	Not Applicable
	b. Number of dealers/distributors to whom sales are made		
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors		
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	16%	9%
	b. Sales (Sales to related parties/Total Sales)	31%	3%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	61%	67%
	d. Investments (Investments in related parties/Total Investments made)	59%	51%

Leadership Indicators

1. Awareness programmes conducted for the value chain partners on any of the Principles during the financial year 2025-26:

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	Principle 1, Principle 3 and Principle 6 of BRSR	1.96

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.

As a part of its Code of Business Conduct and Ethics for the Members of the Board of Directors ("Code"), the Company has instituted detailed provisions to address conflicts of interest. In addition to this, the Company has formulated internal policies and mechanisms that outline various safeguards and measures to manage conflicts of interests. The Code is publicly available on the Company's website:

https://cdn.prod.website-files.com/69e0036b695965871f0524aa/69e7ce08a937da56dd0572fd_Code-of-Business-Conduct-and-Ethics-Board-of-Directors_22052025.pdf

The Company's approach to managing conflicts of interest includes the following:

- **Declaration of Conflicts:** Directors are required to promptly disclose any actual, potential, or perceived conflict of interest arising from their personal, financial, or professional relationships.
- **Prior Review and Approvals:** Activities that may result in a conflict of interest, including external appointments or business relationships with customers, suppliers, competitors, or other related entities, are subject to prior review and approval by the Audit Committee, wherever applicable.
- **Outside Directorships:** Directors are not permitted to accept assignments with companies or agencies that compete with HFCL without obtaining prior approval from the Company's Audit Committee.

- **Governance of Related Party Dealings:** Directors are expected to avoid participating in transactions involving relatives or entities in which they or their relatives have a significant interest. Such transactions are undertaken only after complying with the applicable statutory and internal approval requirements.
- **Ethical Business Conduct:** Directors are prohibited from accepting gifts, hospitality, or other benefits that could influence, or be perceived to influence, their independent judgment. Only customary business courtesies of nominal value are permitted.
- **Protection of Company Interests:** Directors are required to safeguard the Company's confidential information, assets, and business opportunities and are prohibited from using them for personal gain without appropriate authorisation from the Board.
- **Oversight and Compliance:** Compliance with the Code is monitored through the Company's governance processes, with the Audit Committee and the Board overseeing the identification, disclosure, and management of conflicts of interest, wherever required.

These measures support transparency, accountability, and ethical decision-making, while ensuring that the interests of the Company and its stakeholders remain protected.

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 2025-26	Previous Financial Year 2024-25	Details of improvements in environmental and social impacts
R&D	100%	100%	The Company directs its R&D investments towards the development, enhancement, and deployment of telecom and networking technologies that create positive environmental and social outcomes. These investments are focused on strengthening digital infrastructure, improving network efficiency and reliability, and enabling secure, high-speed connectivity across diverse geographies. The Company's technology solutions support digital transformation across sectors by enabling smart agriculture, remote working, Smart City applications, and digital healthcare services, including telemedicine and remote consultations. Through these investments, the Company contributes to improved access to essential services, enhanced operational efficiency, and inclusive digital connectivity, while supporting sustainable socio-economic development.
Capex	100%	100%	Capital expenditure was strategically aligned with the Company's objective of strengthening sustainable manufacturing capabilities. Investments were made towards technology upgrades, advanced manufacturing equipment, and process enhancement initiatives that improve manufacturing precision, product quality, and operational performance. These investments enable the efficient production of telecom and networking solutions designed to strengthen digital infrastructure and create positive environmental and social outcomes. Accordingly, the Company considers its capital expenditure to be fully aligned with technologies that improve the environmental and social impacts of its products and manufacturing processes.

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

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

   (a) Yes.

   HFCL has established a Sustainable Procurement Policy and Supplier Code of Conduct covering materials, supplies, services and subcontracted activities. The Company integrates ESG considerations into supplier evaluation, selection, performance monitoring and re-evaluation.

   HFCL assesses suppliers against quality, environmental, health and safety, social, sustainability and business continuity criteria. Suppliers may need to provide regulatory records, management-system documents, relevant certifications and performance information relating to energy, water, waste, human rights and occupational safety. HFCL prioritises high-risk suppliers based on country risk, industry risk, ESG performance and compliance history.

   The Supplier Code of Conduct sets requirements concerning legal compliance, environmental management, workplace safety, labour practices, human rights, business ethics and supply chain conduct. Suppliers must acknowledge the Code, and HFCL may assess their compliance through internal or external evaluations. Where a supplier does not address identified gaps within a reasonable period, HFCL may suspend or terminate the business relationship.

   HFCL also considers total cost of ownership in procurement decisions, including relevant environmental, social and lifecycle costs.

   (b) 100%.

   HFCL applied its sustainable sourcing procedures to inputs procured during FY26 covering the input material categories, measured by value or volume.

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)	Recyclable plastic packaging is used wherever feasible. Plastic waste is segregated and handed over to authorised recyclers in compliance with Plastic Waste Management Rules and EPR requirements, where applicable.
E-waste	E-waste is segregated and disposed of through CPCB/SPCB-authorised recyclers in compliance with applicable E-Waste Management Rules, 2022.
Hazardous waste	HFCL has implemented a standardised hazardous waste management system in compliance with the applicable Hazardous and Other Wastes (Management and Transboundary Movement) Rules. Hazardous waste and contaminated packaging are safely stored, handled, and disposed of through authorised recyclers, Treatment, Storage and Disposal Facilities (TSDFs), or Alternate Fuel and Raw Material Recovery Facilities (AFRFs), as applicable.
Other waste	Paper, cardboard, wooden pallets/reels, metal scrap and other non-hazardous packaging waste are segregated and sent to authorised recyclers, supporting Zero Waste to Landfill (ZWL) initiatives.

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.

   HFCL maintains a valid EPR Registration under the Importer category as required under the applicable E-Waste (Management) Rules. The registration supports the Company's compliance obligations for electronic waste management arising from its import activities. Telecom manufacturing operations are presently outsourced to an EMS partner.

EPR registration for Goa Plant has been completed and is currently awaiting further approvals from the authority concerned. In addition to this, the other HFCL plants are in the process of registering under EPR for plastic waste, in accordance with the Plastic Waste Management Rules.

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 was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If "Yes", provide web-link
23102	ITU-T G.652.D (+250 µm Coating Diameter) OF	0.18	Cradle-to-gate Greenhouse gas emissions in kg CO_2 equivalents (kg CO_2-eq)	Yes	HFCL SR FY 24-25 Page102
23102	ITU-T G.657.A1 (+200 µm Coating Diameter) OF	0.01	Cradle-to-gate Greenhouse gas emissions in kg CO_2 equivalents (kg CO_2-eq)	Yes	HFCL SR FY 24-25 Page102
23102	ITU-T G.657.A2 (+200 µm Coating Diameter) OF	0.03	Cradle-to-gate Greenhouse gas emissions in kg CO_2 equivalents (kg CO_2-eq)	Yes	HFCL SR FY 24-25 Page102
23102	ITU-T G.657.A2 (+250 µm Coating Diameter) OF	0.28	Cradle-to-gate Greenhouse gas emissions in kg CO_2 equivalents (kg CO_2-eq)	Yes	HFCL SR FY 24-25 Page102
27310	48F Armoured G.652.D OFC	0.25	Cradle-to-gate Greenhouse gas emissions in kg CO_2 equivalents (kg CO_2-eq)	Yes	HFCL SR FY 24-25 Page102
27310	96F ULW G.657.A1 OFC	0.18	Cradle-to-gate Greenhouse gas emissions in kg CO_2 equivalents (kg CO_2-eq)	Yes	HFCL SR FY 24-25 Page102
27310	144F Multitube Micro G.652.D OFC	0.10	Cradle-to-gate Greenhouse gas emissions in kg CO_2 equivalents (kg CO_2-eq)	Yes	HFCL SR FY 24-25 Page102
26303	ion4xl4 - 1 Gbps UBR with 27 dBi integrated antennas	0.08	Cradle-to-gate Greenhouse gas emissions in kg CO_2 equivalents (kg CO_2-eq)	Yes	HFCL SR FY 24-25 Page102

**The Life Cycle Assessment of the above-mentioned products were carried out using the data for FY25. The percentage contribution to the turnover value for each product has been provided for FY26.*

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
Cradle-to-gate Life Cycle Assessments (LCAs) conducted for selected optical fiber, optical fiber cable and telecom products did not identify any significant environmental or social impacts under the applied assessment methodology.		

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 2025-26	Previous Financial Year 2024-25
Bobbins	5.24	5.31
Polypropylene Box	1.32	-
Paper Corrugated Box	0.22	0.25
Overall (Total of above three items)	**6.78**	**5.56**

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 2025-26			Previous Financial Year 2024-25		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	810	109	0	388	14	0
E-Waste	0	0	0	0	0	0
Hazardous Waste	0	0	0	0	0	0
Other Waste	171	205	0	107	105	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 (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	1,525	1,525	100	1,525	100	0	0	1,525	100	0	0
Female	116	116	100	116	100	116	100	0	0	1	1
Total	**1,641**	**1,641**	**100**	**1,641**	**100**	**116**	**7**	**1,525**	**93**	**1**	**0.1**
Other than Permanent Employees											
Male	487	487	100	487	100	0	0	487	100	0	0
Female	8	8	100	8	100	8	100	0	0	1	13
Total	**495**	**495**	**100**	**495**	**100**	**8**	**2**	**487**	**98**	**1**	**0.2**

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

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	158	158	100	158	100	0	0	158	100	0	0
Female	21	21	100	21	100	21	100	0	0	1	5
Total	**179**	**179**	**100**	**179**	**100**	**21**	**12**	**158**	**88**	**1**	**1**
Other than Permanent Workers											
Male	1,018	1,018	100	1,018	100	0	0	1,018	100	0	0
Female	140	140	100	140	100	140	100	0	0	1	1
Total	**1,158**	**1,158**	**100**	**1,158**	**100**	**140**	**12**	**1,018**	**88**	**1**	**0.1**

(% of workers covered by)

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

	Current Financial Year 2025-26	Previous Financial Year 2024-25
Cost incurred on well-being measures as a % of total revenue of the Company	0.18%	0.24%

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

Benefits	Current Financial Year 2025-26			Previous Financial Year 2024-25		
	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	0	6	Yes	0.30	2	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.

HFCL has installed accessibility features at several offices and all plant sites. These features include wheelchair access, ramps, Braille signage at entry and exit points and inside lifts, and accessible restrooms with grab rails.

HFCL continues to improve access for employees, workers and visitors with disabilities across its locations.

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.

Yes. HFCL is committed to fostering a workplace that upholds equality, respect, and fairness for all, without discrimination on the basis of gender, age, disability, ethnicity, sexual orientation, family status, religious beliefs, or abilities.

HFCL has adopted a Diversity, Equity and Inclusion (DE&I) Policy that serves as its Equal Opportunity Policy and promotes equal access to employment, development, and career progression opportunities without discrimination on the basis of disability, gender, age, ethnicity, sexual orientation, family status, religion, or other personal characteristics. The policy aims to foster an inclusive workplace and integrate equity across all employment processes, including recruitment, training, performance management, and promotions.

The Policy is available on the website at: https://cdn.prod.website-files.com/69e0036b695965871f0524aa/69e0036b695965871f0529ff_HFCL_EEO_Policy_R2_F_15.03.24.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave for FY 2025-26.

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%
Total	**100%**	**100%**	**100%**	**100%**

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	Yes
Other than Permanent Workers	HFCL has established multiple grievance redressal mechanisms for permanent workers and employees. The Company promotes open communication and encourages employees and workers to raise concerns through their immediate supervisor, department head, or HR Business Partner. Grievances are addressed through personal discussions and hearings, with efforts made to resolve issues promptly at the operational level.
Permanent Employees	Where a grievance remains unresolved, employees and workers may escalate the matter to higher levels of management, including the Plant Head, Function or Business Head. This structured escalation process enables concerns to be reviewed and addressed at appropriate levels within the organisation.
Other than Permanent Employees	HFCL has also implemented a formal whistleblower mechanism under its Whistle Blower Policy. Employees and workers may confidentially report concerns to the Vigilance Officer, who reviews and investigates complaints and presents the findings to the Audit Committee for appropriate action. The Company's Human Rights Policy further provides channels for reporting human rights-related concerns and protects individuals from retaliation for raising complaints in good faith. In addition, HFCL has constituted Internal Complaints Committees (ICCs) at its workplaces in accordance with its Prevention of Sexual Harassment (POSH) Policy. These committees provide a dedicated mechanism for the timely, confidential, and fair resolution of complaints related to sexual harassment.

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

Category	Current Financial Year 2025-26			Previous Financial Year 2024-25		
	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)
Total Permanent Employees	**1,641**	**1**	**0.06**	**1,748**	**1**	**0.10**
Male	1,525	1	0.07	1,634	1	0.10
Female	116	0	0	114	0	0
Total Permanent Workers	**179**	**34**	**19**	**162**	**35**	**22**
Male	158	16	10	142	16	11
Female	21	18	86	20	19	95

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

Category	Current Financial Year 2025-26					Previous Financial Year 2024-25				
	Total (A)	On Health and safety measures		On Skill Upgradation		Total (D)	On Health and safety measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	2,012	784	39	1,510	75	2,167	665	31	1,008	47
Female	124	64	52	106	85	124	55	44	100	81
Total	**2,136**	**848**	**40**	**1,616**	**76**	**2,291**	**720**	**31**	**1,108**	**48**
Workers										
Male	1,176	771	66	453	39	869	248	29	172	20
Female	161	111	69	50	31	71	21	30	7	10
Total	**1,337**	**882**	**66**	**503**	**38**	**940**	**269**	**29**	**179**	**19**

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

Category	Current Financial Year 2025-26			Previous Financial Year 2024-25		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Male	1,525	1,462	96	2,167	1,959	90
Female	116	108	93	124	115	93
Total	**1,641**	**1,570**	**96**	**2,291**	**2,074**	**91**
Workers						
Male	158	156	99	869	691	80
Female	21	21	100	71	63	89
Total	**179**	**177**	**99**	**940**	**754**	**80**

10. Health and Safety Management System:

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

Yes. HFCL has implemented an Environmental, Occupational Health and Safety (EHS) Management System aligned with ISO 14001:2015 and ISO 45001:2018 standards. The system covers manufacturing facilities, offices, and operational activities, integrating structured processes for workplace health, safety, risk management, training, emergency preparedness, and continual improvement. HFCL aims to prevent work-related injuries and illnesses and maintain a safe and healthy workplace for employees, workers, contractors, and visitors.

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

HFCL has established a collaborative framework involving employees, associates, and contract workers to proactively identify and manage work-related hazards and risks. The Company has implemented the following procedures to strengthen its occupational health and safety practices:

- **Safety Audits:** Both internal and external audits are conducted regularly at all plant locations to identify potential hazards and ensure compliance with safety standards.
- **Hazard Identification and Risk Assessment (HIRA):** A structured process is followed to identify, evaluate, and manage potential hazards and associated risks across all operations and locations.
- **Daily Site Inspections:** Routine visual inspections are carried out to check the use of personal protective equipment, emergency equipment readiness, machine safety, and overall compliance with safety procedures. These inspections help maintain a safe work environment and prevent accidents.

- **Work Permit System:** High-risk tasks are managed through a work permit system that includes hazard assessment, permit issuance, and compliance monitoring to ensure safe execution.
- **Safety Committee Meetings:** Periodic meetings are held to review workplace safety concerns and formulate mitigation strategies.
- **Employee Engagement and Recognition:** HFCL promotes active employee participation in occupational health and safety (OHS) through customised reward and recognition programs. Employees are encouraged to report unsafe acts, unsafe conditions, and near-miss incidents via multiple reporting channels, including email, phone calls, and suggestion boxes. These inputs enable regular and ad hoc hazard identification and risk assessments for routine and non-routine activities, supporting continuous improvement in workplace safety.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/No)

Yes, HFCL has established processes that enable employees and workers to report work-related hazards through multiple channels, including supervisors, email, telephone, and suggestion boxes. Reported unsafe acts, unsafe conditions, and near-miss incidents are reviewed through the Incident Investigation and Reporting System and Safety Committee meetings to ensure timely corrective action.

The Company also conducts regular safety awareness and training programmes to strengthen hazard identification, risk assessment, and safe work practices. These processes empower employees and workers to recognise workplace hazards, report concerns, and remove themselves from situations that present an immediate risk to their health and safety.

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

Yes. At HFCL, all employees and workers are provided with access to both non-occupational and medical healthcare services. The Company has partnered with nearby nursing homes and hospitals to provide medical services at discounted rates. Furthermore, HFCL organises periodic free health check-ups for employees and workers.

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

Safety Incidents/Number	Category	Current Financial Year 2025-26	Previous Financial Year 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
Number of fatalities	Employees	Nil	1*
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

**An unfortunate incident occurred at the Hyderabad Plant, in an area that had been cordoned off for expansion activities.*

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

HFCL is committed to maintain Environment, Health, and Safety (EHS) standards that go beyond regulatory compliance, national legislation, and international benchmarks. By adopting global best practices, the Company continuously improve its safety systems and embed a strong safety culture across all operations. Our efforts to ensure a safe and supportive workplace include the following key initiatives:

- **Occupational Health and Safety Management System:** A robust system and policy framework is in place, including mandatory safety inductions and continuous training for all employees and workers.
- **Safety Committee Meetings:** Regular meetings are conducted to review safety concerns, track progress, and design proactive safety initiatives.

- **Emergency Preparedness:** Periodic mock drills are carried out to assess and enhance emergency response capabilities. A 24×7 Occupational Health Centre supported by a dedicated ambulance service is available.
- **Daily Safety Walks:** Routine inspections are undertaken to identify risks and reinforce workplace safety standards.
- **Recognition and Rewards:** Employees and workers are recognised and rewarded for actively identifying and reporting safety hazards.
- **Safety Audits:** Internal and external audits are conducted regularly to identify gaps and implement necessary improvements.
- **Fire Safety Systems:** Firefighting and fire protection equipment is installed and maintained at all sites.
- **Personal Protective Equipment (PPE):** Employees and workers are provided with appropriate PPE based on their roles and risk exposure.
- **Work Permit System:** High-risk tasks are controlled through a formal permit-to-work system to ensure safe execution.
- **Incident and Accident Investigations:** All incidents are thoroughly investigated, and corrective actions are implemented to prevent recurrence.
- **Workforce Engagement:** Workforce is encouraged to actively participate and engage in safety-related discussions and initiatives.
- **Periodic Medical Check-ups:** Regular health screenings are conducted to monitor and promote employee well-being.
- **Daily Safety Communications:** Safety messages and updates are shared daily to reinforce awareness and build a strong safety culture.
- **Regular HSE Training:** Ongoing training sessions are held on health, safety, and environmental topics to ensure the workforce is well-informed and equipped to handle both routine and emergency situations safely.

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

	Current Financial Year 2025-26			Previous Financial Year 2024-25		
	Filed during the year	Pending Resolution at end of year	Remarks	Filed during the year	Pending Resolution at end of year	Remarks
Working Conditions	Nil	Nil	The Company has not received any complaints.	Nil	Nil	The Company has not received any complaints.
Health and Safety	Nil	Nil		Nil	Nil	

14. Assessment for the Year (2025-26):

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and Safety Practices	100% HFCL assesses the effectiveness of its occupational health and safety (OHS) practices across its manufacturing facilities through internal audits, independent third-party assessments, and statutory inspections. At the Goa and Hyderabad facilities, an independent third-party auditor evaluates the Occupational Health and Safety Management System (OHSMS) against ISO 45001 requirements, ensuring alignment with internationally recognised occupational health and safety standards.
Working Conditions	The Hyderabad Optical Fiber (OF) plant undergoes annual inspections by the Factories Inspector, Electrical Inspector, and District Fire Officer to verify compliance with applicable health and safety regulations. The Hyderabad OF plant maintained 100% compliance during the reporting period and submitted all statutory reports within the prescribed timelines. At the Hyderabad Optical Fiber Cable (OFC) plant, management conducts regular internal and external audits to assess performance and identify opportunities to strengthen occupational health and safety practices.

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.

HFCL's safety assessments did not identify any major non-conformities or significant health and safety risks during the reporting period. Opportunities for improvement identified through internal audits, external assessments, and inspections are addressed through a structured Corrective and Preventive Action (CAPA) process. The Company also investigates near-miss incidents and tracks corrective actions through periodic reviews to verify their effectiveness and prevent recurrence.

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 offers 100% life insurance coverage to all employees and workers through a Group Term Life Insurance (GTLI) policy, which includes benefits such as coverage for accidental death, disability, critical illness, and support for the employee's family.

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

HFCL undertakes due diligence before engaging service providers by reviewing their financial standing and compliance track record through financial statement reviews, background checks, and reference verification.

The Company requires service providers to comply with statutory obligations, including maintaining valid Workmen Compensation policies and other insurance coverages, as specified in purchase orders and work contracts.

In addition, service providers operating at HFCL's plant locations in India must submit monthly compliance reports covering statutory employee dues, including provident fund, employee state insurance (ESIC), professional tax, and income tax deductions. The Company reviews these submissions to monitor compliance with applicable labour and statutory requirements.

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 are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	Nil	1	Nil	Nil
Workers	Nil	Nil	Nil	Nil

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

Yes. HFCL supports continued employability by providing employees with ongoing skills development, training, and knowledge-building opportunities throughout their tenure. In selected cases, the Company re-engages employees who have attained the age of superannuation in consultant, advisory, or part-time roles based on business requirements and the relevance of their specialised expertise. This helps retain critical knowledge, supports business continuity, and enables experienced employees to remain professionally active.

5. Details on assessment of value chain partners (FY 2025-26):

	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practices	HFCL did not conduct formal audits of value chain partners during FY26. However, the Company requires all value chain partners to comply with established safety protocols and standard operating procedures, including the mandatory use of appropriate personal protective equipment and adherence to safety guidelines.
Working Conditions	HFCL permits work at sites only when partners meet the prescribed safety requirements. Most partner activities are carried out at customer premises under defined operational protocols that support safety and quality. The Company also restricts work during adverse conditions, such as inadequate lighting or severe weather, to reduce operational risks and promote a safe working environment.

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.

To the best of HFCL's knowledge, no significant risks or concerns relating to the health and safety practices or working conditions of value chain partners were identified during FY26.

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.

HFCL identifies stakeholders across its value chain based on the extent to which they are impacted by the Company's operations and their ability to influence its business, strategy, and long-term performance. Key stakeholder groups include employees, workers, customers, suppliers, investors, shareholders, government and regulatory authorities, local communities, CSR partners, NGOs, and industry bodies.

The Company prioritises stakeholders by considering the significance of their interests, the Company's actual or potential impact on them, and their relevance to business continuity and sustainable value creation. The nature, frequency, and mode of engagement are determined based on these considerations to ensure meaningful and effective dialogue.

Stakeholder engagement is carried out through multiple formal and informal channels, including employee interactions, customer engagements, supplier meetings, investor communications, community consultations, CSR engagements, surveys, grievance mechanisms, and regulatory interactions. Feedback received through these engagements is reviewed by the relevant functions and considered while identifying material sustainability topics, managing ESG risks and opportunities, strengthening governance practices, and shaping business and sustainability strategies.

The Company's sustainability priorities continue to be guided by its materiality assessment, which was developed through extensive stakeholder consultations and is periodically reviewed to ensure alignment with evolving stakeholder expectations and the changing business environment.

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
Employees	No	Website, Emails, In-person meetings, Newsletters, Town halls, Employee surveys	Regular	• Employee perspectives, suggestions, and outlook on business expectations • Initiatives for employee engagement and open communication • Human resource development and capacity-building programs • Targeted skill enhancement and upskilling opportunities • Career advancement and professional growth pathways • Health, safety, and well-being initiatives, including safety trainings • Mental health awareness and support programs • Active employee participation in CSR and community initiatives
Workers	No	Website, Emails, In-person meetings, Newsletters, Town halls, Workforce surveys, Meetings with worker representatives	Regular	• Worker feedback and views on workplace conditions and operational expectations • Engagement on day-to-day concerns and welfare initiatives • Training programs focused on skill development and job-specific capabilities • Opportunities for role-based growth and long-term employability • Health and safety awareness • Access to healthcare services and periodic medical check-ups • Mental health sensitisation and support mechanisms • Involvement in site-level CSR and community outreach activities
Suppliers	No	Website, Emails, In-person meetings, Newsletters, Supplier survey	Regular	• Supplier feedback on procurement practices, expectations, and timelines • Compliance with applicable laws, regulations, and published standards • Adherence to environmental practices and sustainability requirements • Product-related quality, safety, and performance expectations • Alignment with HFCL's ethical sourcing and responsible procurement standards • Engagement on new initiatives undertaken for suppliers

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
Customers (Distributors, Wholesalers, & Retailers)	No	Website, Newsletters, Partner Portal, Customer Service Portal, Emails, SMS	Regular	• Product-related concerns, including quality, packaging, and delivery • Educational engagement and product training sessions • Updates on new product offerings
Communities	Yes	Our CSR approach emphasises continuous engagement with project partners, local stakeholders, and community leaders across all implementation areas. Through regular site visits, phone conversations, and awareness sessions, we gather feedback on community needs, expectations, aspirations, concerns, and suggestions. These insights help us strengthen program effectiveness and ensure our interventions deliver meaningful and sustainable impact.	Regular	• Understanding community needs, expectations, and aspirations • Identifying gaps in project design, accessibility, and service delivery • Addressing concerns related to resource adequacy and beneficiary coverage • Discussing requests for service expansion and improving site accessibility • Reviewing complaints, suggestions, and feedback to drive continuous improvement
NGOs	No	The communication channels and engagement mechanisms are clearly defined in the MoUs executed with each project partner. These generally include email communication, telephone interactions, virtual meetings, and periodic review discussions, as required.	Regular	• Discussion of project implementation issues, challenges, and concerns • Review of the effectiveness and impact of ongoing project interventions • Sharing feedback and suggestions to optimise resource use and increase beneficiary coverage
Investors and Shareholders	No	Investor meetings, conference calls, emails, press releases, newsletters, stock exchange announcements, websites, annual reports and annual general meetings.	Regular	• Updates on business and financial performance • Communication on the Company's strategy, growth levers, and potential opportunities and risks • Disclosure of material events that may impact Company performance. • Information on ESG goals, initiatives, and progress

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.

   HFCL engages with its stakeholders through various formal and informal mechanisms, including customer interactions, employee engagement platforms, supplier meetings, investor communications, community consultations, grievance redressal mechanisms, and regulatory interactions. These engagements enable the Company to understand stakeholder expectations and emerging economic, environmental, and social matters relevant to its business.

   Stakeholder feedback is reviewed by the respective business units and functional heads, who assess the significance of the issues and implement appropriate actions at the operational level. Matters requiring strategic oversight, including significant ESG risks, stakeholder concerns, and policy-related issues, are escalated to the relevant management forums and Board committees for review.

   The Board committees periodically review key stakeholder feedback, assessment, and recommended actions within their respective areas of oversight. Material matters are presented to the Board to support informed decision-making on business strategy, risk management, sustainability priorities, and governance matters. In addition, stakeholder input is considered during periodic materiality assessments to ensure that the Company's ESG priorities remain aligned with stakeholder expectations and the evolving business environment.

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.

   Yes.

   Stakeholder consultation forms an integral part of HFCL's sustainability governance framework and supports the identification, assessment, and management of material environmental and social topics. As part of its materiality assessment, the Company engages with key internal and external stakeholders, including employees, workers, customers, suppliers, and NGO/CSR partners, to understand their perspectives, expectations, and emerging sustainability concerns.

   The feedback received through these consultations is evaluated alongside the Company's business priorities, operational context, and risk considerations to identify and prioritise material ESG topics. The outcomes of the assessment guide the development of the Company's sustainability strategy, policies, focus areas, and ESG initiatives, ensuring that they remain responsive to stakeholder expectations and aligned with the Company's long-term business objectives. The material topics are reviewed periodically to reflect evolving stakeholder expectations and the changing business environment.

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

   HFCL engages with vulnerable and marginalised stakeholder groups through structured consultations, community needs assessments, beneficiary feedback, employee interactions, and engagement with implementation partners. These engagements help the Company identify the concerns and developmental needs of underserved communities, including women, children, senior citizens, persons with disabilities, economically weaker sections, and rural communities, and integrate these insights into its CSR and sustainability initiatives.

   During the reporting period, key concerns identified included access to quality healthcare, education and digital literacy, livelihood enhancement, elderly care, environmental sustainability, disaster preparedness, and community infrastructure. HFCL implemented targeted interventions in response to each of these concerns.

   In healthcare, HFCL operated preventive healthcare programmes across five locations, Solan (Himachal Pradesh), Goa, and Sardarshahar (Rajasthan) in partnership with HelpAge India, and Ghazipur (Uttar Pradesh) and Hyderabad (Telangana) in partnership with the Wockhardt Foundation, through five Mobile Medical Units (MMUs). Each unit was staffed by an MBBS doctor, a laboratory technician, a pharmacist, a driver-cum-mobiliser, and a Social Protection Officer (SPO), together delivering primary healthcare services to more than 500 underprivileged beneficiaries daily.

Community mobilisation and stakeholder engagement were carried out through awareness campaigns, Nukkar Natak (street theatre), health camps, household outreach, and pamphlet distribution, led by the SPO, ensuring continuous two-way engagement that enabled healthcare interventions to be tailored to community needs.

The Company also partnered with the All India Heart Foundation a charitable arm of National Heart Institute, New Delhi to facilitate life-saving cardiac surgeries for underprivileged patients, and with the St. Stephen's Hospital Patients Welfare Society, New Delhi to support corrective surgeries for polio-related deformities, clubfoot, and congenital musculoskeletal abnormalities, addressing critical healthcare needs of vulnerable sections of society.

Recognising education as a key lever against intergenerational disadvantage, HFCL engaged with communities during the reporting period to strengthen access to learning for children and youth from marginalised backgrounds. Through Balwantrai Vidya Bhavan, New Delhi, the Company fully sponsored the education of children with developmental and intellectual disabilities, supported by dedicated transportation, experiential learning infrastructure, and smart classrooms tailored to their needs. In partnership with the Hari Prem Society, HFCL established digital learning centres in rural Ghazipur, Uttar Pradesh, to build computer literacy among economically disadvantaged youth and expand their access to livelihood opportunities.

Beyond healthcare and education, HFCL engaged with communities during the reporting period on concerns relating to environmental sustainability, inclusive development, disaster preparedness, and elderly welfare. Through Project KARUNA, the Company addressed these concerns via a multi-dimensional initiative spanning environmental sustainability; educational and sports scholarships for talented individuals with limited financial means; rural and slum area development to reduce inequality, hunger, poverty, and malnutrition. Recognising the specific vulnerabilities of senior citizens lacking family or financial support, HFCL's AMRITAM Old Age Home initiative, under Project KARUNA, supported the construction of a dedicated facility which will provide safe, dignified residential care for elderly beneficiaries from economically disadvantaged backgrounds.

In partnership with the Jain Swetamber Terapanthi Sabha, Delhi, HFCL supported the development of community infrastructure to strengthen access to education and also responded to community concerns around preventive health, through initiatives that promoted Yoga and Pranayama among vulnerable communities to encourage physical fitness and mental well-being.

The effectiveness of these initiatives is periodically assessed through field visits, implementation partner reports, beneficiary feedback, and regular monitoring mechanisms. Insights gathered are used to strengthen programme design, enhance stakeholder engagement, and maximise the social impact of the Company's CSR initiatives.

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 2025-26			Previous Financial Year 2024-25		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Permanent	1,641	1,641	100	1,748	1,640	94
Other than permanent	495	258	52	543	218	40
Total Employees	**2,136**	**1,899**	**89**	**2,291**	**1,858**	**81**
Workers						
Permanent	179	179	100	162	131	81
Other than permanent	1,158	947	82	778	455	58
Total Workers	**1,337**	**1,126**	**84**	**940**	**586**	**62**

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

Category	Current Financial Year 2025-26					Previous Financial Year 2024-25				
	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)
Employees										
Permanent	**1,641**	**581**	**35**	**1,060**	**65**	**1,748**	**13**	**1**	**1,735**	**99**
Male	1,525	541	35	984	65	1,634	11	1	1,623	99
Female	116	40	34	76	66	114	2	2	112	98
Other than Permanent	**495**	**379**	**77**	**116**	**23**	**543**	**178**	**33**	**365**	**67**
Male	487	373	77	114	23	533	171	32	362	68
Female	8	6	75	2	25	10	7	70	3	30
Workers										
Permanent	**179**	**167**	**93**	**12**	**7**	**162**	**12**	**7**	**150**	**93**
Male	158	146	92	12	8	142	8	6	134	94
Female	21	21	100	0	0	20	4	20	16	80
Other than Permanent	**1,158**	**1,157**	**99.9**	**1**	**0.1**	**778**	**454**	**58**	**324**	**42**
Male	1,018	1,017	99.9	1	0.1	727	405	56	322	44
Female	140	140	100	0	0	51	49	96	2	4

Note: Following the implementation of the new Labour Codes, the number of employees classified under the "More than Minimum Wage" band has decreased in FY26 compared to FY25. However, HFCL ensures that all employees and workers receive wages equal to or higher than the applicable statutory minimum wages.

3. Details of remuneration/salary/wages, in the following format for FY 2025-26:

a. Median remuneration/wages:

	Male		Female	
	Number	Median salary/ wage of respective category	Number	Median salary/ wage of respective category
Board of Directors (BoD) *	4	15,00,000 **	1	15,75,000 **
Key Managerial Personnel (KMP) ***	3	4,77,17,746	0	-
Employees other than BoD and KMP	1,522	10,26,076	116	10,91,215
Workers	158	5,87,590	21	3,27,948

**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 comprise of Mr. Mahendra Nahata, Managing Director, Mr. Vijay Raj Jain, Chief Financial Officer and Mr. Manoj Baid, President & Company Secretary.*

b. entity, in the following format:

	Current Financial Year 2025-26	Previous Financial Year 2024-25
Gross wages paid to females as % of total wages	5.8%	4.6%

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

Yes.

HFCL has established formal mechanisms to address human rights-related concerns arising from, or contributed to by, its business activities. The Company has a Human Rights Policy that outlines its commitment to respecting and protecting human rights across its operations and value chain. The Board of Directors has adopted a Whistle-Blower Policy to promote ethical conduct and accountability. The policy allows directors and employees to report unethical conduct, unlawful activities, questionable practices, and suspected breaches of the Codes of Conduct.

The policy operates as HFCL's formal Vigil Mechanism. It provides employees and their representatives with a secure channel to report misconduct, including human rights-related concerns, without fear of retaliation.

HFCL has also constituted Internal Complaints Committees at each workplace under the Sexual Harassment of Women at Workplace Act, 2013. These committees receive, investigate, and address complaints concerning workplace sexual harassment within the prescribed process and timelines.

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

HFCL has established policies, including the Human Rights Policy, Code of Conduct, Whistle-Blower Policy, Grievance Redressal Policy, Equal Employment Opportunity Policy, and POSH Policy, to uphold human rights and comply with applicable labour regulations. Employees and workers can raise grievances through the Whistle-Blower mechanism. Reported concerns are reviewed by the designated Vigilance Officer, who conducts a fair and impartial investigation and submits the findings to the Audit Committee for review and appropriate action. The grievance redressal process is managed with due regard to confidentiality, transparency, and fairness.

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

	Current Financial Year 2025-26			Previous Financial Year 2024-25		
	Filed during the year	Pending resolution at end of year	Remarks	Filed during the year	Pending resolution at end of year	Remarks
Sexual Harassment	Nil	Nil	NA	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour/Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human rights related issues	Nil	Nil	NA	Nil	Nil	NA

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

	Current Financial Year 2025-26	Previous Financial Year 2024-25
Total complaints reported under Sexual Harassment on Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees/workers		
Complaints on POSH upheld		

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

HFCL ensures that all complaints related to discrimination and harassment are handled with fairness, sensitivity, and strict adherence to due process. Its Human Rights Policy prohibits retaliation against individuals who report concerns in good faith and provides for disciplinary action against retaliatory conduct. Members of the Internal Complaints Committee (ICC) are equipped with the necessary expertise and experience to manage such cases effectively, in accordance with the POSH Policy, Whistle Blower Policy, and the Company's grievance redressal mechanism. Upholding the Principle of Natural Justice is fundamental to the functioning of the ICC, ensuring that every complainant is treated with respect and impartiality. Under the Whistle Blower Policy, the Company provides enhanced protection to complainants to safeguard them from any form of retaliation or adverse impact on their employment. These measures reflect HFCL's commitment to creating a safe and equitable work environment where individuals can raise concerns without fear of victimisation.

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

Yes.

HFCL incorporates labour and human rights-related requirements into its business agreements and contracts. Agreements include clauses requiring contracting parties to comply with applicable labour laws.

HFCL also requires service vendors to provide relevant certifications and evidence of statutory labour compliance as a condition of engagement. These contractual requirements help HFCL communicate its expectations to business partners and monitor compliance within its value chain.

10. Assessments for the year FY 2025-26:

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100#
Forced/Involuntary Labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others- please specify	

 # 100% of plants and offices were assessed internally for human rights compliance. An external Human Rights Due Diligence (HRDD) is scheduled for FY26.

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

Not applicable. The assessments referenced in Question 10 did not identify any significant human rights risks or concerns during the reporting period.

Leadership Indicators

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

HFCL did not receive any human rights-related grievances or complaints during FY26. Accordingly, no business processes were modified or introduced during the reporting period. The Company continues to implement its established policies and grievance redressal mechanisms to safeguard human rights and ensure a safe, inclusive, and respectful workplace for all employees and stakeholder.

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

HFCL has appointed an independent third-party consulting firm to conduct a Human Rights Due Diligence (HRDD) assessment across its manufacturing plants and corporate office. The assessment is in progress and is expected to be completed by end of September 2026. The findings will be reviewed to identify potential risks and opportunities for improvement.

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?

HFCL is committed to providing an accessible and inclusive environment for differently abled individuals. Wheelchairs and ramps are available at several office locations and all manufacturing plants. The Company is progressively enhancing accessibility across its remaining premises by introducing appropriate infrastructure and facilities. Braille signage has been installed at entry and exit points and in elevators, while most facilities are equipped with dedicated accessible restrooms featuring support handrails for the convenience of differently abled visitors.

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	
Sexual harassment	
Discrimination at workplace	
Wages	
Others- please specify	

HFCL is in process of conducting audits of its suppliers (raw material suppliers and manpower service providers) under the Responsible Business Alliance (RBA) framework. These audits will cover key aspects, including environmental management, health & safety, legal compliance, and business ethics.

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

No corrective actions were required.

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 2025-26	Previous Financial Year 2024-25
From 'Renewable Sources'		
Total Electricity Consumption (A)	11,636	0
Total Fuel Consumption (B)	0	0
Energy consumption through Other Sources (C)	0	0
Total Energy Consumption from renewable sources (A+B+C)	**11,636**	**0**
From 'Non-Renewable Sources'		
Total Electricity Consumption (D)	1,63,464	98,255
Total Fuel Consumption (E)	4,387	3,503
Energy consumption through Other Sources (F)	0	0
Total Energy Consumption from non-renewable sources (D+E+F)	**167,851**	**101,758**
Total Energy Consumed (A+B+C+D+E+F)	**179,487**	**101,758**
Energy intensity per rupee of turnover (GJ/INR) (Total energy consumption/Revenue from operations)	0.0000040	0.0000027

Parameter	Current Financial Year 2025-26	Previous Financial Year 2024-25
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (GJ/USD) * (Total energy consumed/Revenue from operations adjusted for PPP)	0.000081	0.000055
Energy intensity in terms of physical output# (Energy consumed GJ/Total Workforce)	51.68	31.49

**The PPP factor has been sourced from the IMF database: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC.*

#HFCL Limited operates across multiple product categories and business segments with diverse output characteristics. Accordingly, environmental intensity has been reported based on the total workforce (employees and workers), as a physical output-based denominator was not considered practicable.

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

Yes. The disclosures were subject to reasonable assurance by Bureau Veritas, an independent external assurance provider.

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 (DCs).

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

Parameter	Current Financial Year 2025-26	Previous Financial Year 2024-25
Water withdrawal by source (in kilolitres- kL)		
(i) Surface Water	24,840	-
(ii) Groundwater	87,420	106,921
(iii) Third Party Water	55,949	58,559
(iv) Seawater/Desalinated water	-	-
(v) Others (Please specify)	1,406	322
Total Volume of water withdrawal (in kL)* (i + ii + iii + iv + v)	**169,615**	**165,802**
Total volume of water consumption (in kL)	**134,474**	**127,444**
Water intensity per rupee of turnover (kL/INR) (water consumed/Revenue from operations)	0.0000030	0.0000034
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (kL/USD) (Total water consumption/Revenue from operations adjusted for PPP)	0.000060	0.000069
Water intensity in terms of physical output# (Water consumed in kL per Total workforce)	38.72	39.44

**For the FY25 and FY26, water withdrawal at administrative offices has been estimated using the apportionment method, based on per capita water withdrawal figures from the following office locations: UP - Lucknow, West Bengal - Kolkata, Punjab - Ferozepur, UP - Chandauli, Haryana - Gurugram, Delhi - GK-II, VIIPS & Okhla, Karnataka - Bangalore*

#HFCL Limited operates across multiple product categories and business segments with diverse output characteristics. Accordingly, environmental intensity has been reported based on the total workforce (employees and workers), as a physical output-based denominator was not considered practicable.

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

Yes. The disclosures were subject to reasonable assurance by Bureau Veritas, an independent external assurance provider.

4. Provide the following details related to water discharge:

Parameter	Current Financial Year 2025-26	Previous Financial Year 2024-25
Water discharge by destination and level of treatment (in kilo-litres)		
(i) To Surface Water		
- No treatment	-	-
- With treatment- please specify level of treatment	-	-
(ii) To Ground Water		
- No treatment	-	-
- With treatment- please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment- please specify level of treatment	-	-
(iv) Sent to Third Parties		
- No treatment	-	-
- With treatment- please specify level of treatment	-	-
(v) Others		
- No treatment*	35,141	38,358
- With treatment- please specify level of treatment	-	-
Total water discharged (in kilo-litres)	**35,141**	**38,358**

Notes:

HFCL manufacturing facilities have implemented Zero Liquid Discharge (ZLD) through the installation of Sewage Treatment Plants (STPs) and Effluent Treatment Plants (ETPs), utilising preliminary, primary, secondary, and tertiary treatment processes to effectively remove contaminants. Treated wastewater is reused on-site for gardening and washroom purposes, where applicable. In addition to this, the sludge generated is treated to meet microbial standards and disposed of in a scientifically responsible and regulatory-compliant manner.

**Water discharge for both financial years has been estimated based on the Central Pollution Control Board (CPCB) guideline, which assumes that 80% of the water supplied for domestic purposes is discharged as wastewater for few office locations. Source: https://cpcb.gov.in/openpdffile.php?id=UmVwb3J0RmlsZXMvMjlfMTQ1ODExMDk5Ml9OZXdJdGVtXzE5NV9TVFBfUkVQT1JULnBkZg&utm*

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

Yes. The disclosures were subject to reasonable assurance by Bureau Veritas, an independent external assurance provider.

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

Yes, HFCL has implemented Zero Liquid Discharge (ZLD) systems across all its manufacturing facilities. Effluent Treatment Plants (ETPs) and Sewage Treatment Plants (STPs) ensure that wastewater is treated and that no untreated effluent is discharged from any site. The treated water is recycled and reused for non-potable applications, including gardening and sanitation, supporting the Company's commitment to responsible water management and environmental sustainability.

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

Parameter	Please specify unit	Current Financial Year 2025-26	Previous Financial Year 2024-25
NOx	Tons/year	0.63	0.06
SOx	Tons/year	0.56	0.56
Particulate Matter (PM)	Tons/year	0.10	0.02
Persistent organic pollutant (POP)	Not applicable		
Volatile organic compounds (VOC)			
Hazardous air pollutant (HAP)			
Others - ODS			

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

Yes. The disclosures were subject to reasonable assurance by Bureau Veritas, an independent external assurance provider.

7. 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 2025-26	Previous Financial Year 2024-25
Total Scope 1 Emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	4,738	3,572
Total Scope 2 Emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	34,405	19,842
Total Scope 1 and Scope 2 emissions per revenue from operations	$MTCO_2e$/INR	0.00000086	0.00000062
Total Scope 1 and Scope 2 emissions per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 & 2 emissions/Revenue from operations adjusted for PPP)	$MTCO_2e$/USD	0.000018	0.000013
Total Scope 1 and Scope 2 emission intensity in terms of physical output # (Total Scope 1 & 2 emissions/Total Workforce)	$MTCO_2e$/total workforce	11.27	7.25

#HFCL Limited operated across multiple product categories and business segments with diverse output characteristics. Accordingly, environmental intensity has been reported based on the total workforce (employees and workers), as a physical output-based denominator was not considered practicable.

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

Yes. The disclosures were subject to reasonable assurance by Bureau Veritas, an independent external assurance provider.

8. Does the entity have any project related to reducing Greenhouse gas emissions? If Yes, then provide details.

HFCL is committed to environmental protection and actively works to reduce the carbon footprint of its operations through a range of energy efficiency initiatives and sustainable technologies. The Company has implemented various measures aimed at lowering its Greenhouse Gas (GHG) emissions across product manufacturing, packaging/storage, and transportation. Some of the key initiatives include:

- **Energy-efficient lighting:** All HFCL plants are equipped with LED luminaires to reduce energy consumption. The office building for the Optical Fiber Plant is designed with a double-layer glass facade to minimise light and cooling requirements. At Goa Plant, the transition from UV to LED resulted in saving 7 lakh units of electricity.
- **Emission Reduction:** The Company has implemented energy efficiency initiatives including LED lighting, renewable energy (1 MW rooftop solar project), and process optimisation to reduce GHG emissions.
- **Reduction in Diesel Consumption:** At HFCL Goa and Hyderabad, all diesel-operated forklifts have been replaced with electric (EV) forklifts. This transition has reduced diesel consumption by approximately 1,270 litres per month (790 litres at Goa and 480 litres at Hyderabad), contributing to lower greenhouse gas emissions, reduced operating costs, and improved environmental performance.
- **Digital Flow Meter Upgrade:** Upgraded manual flowmeters of nitrogen to digital automatic flow meters at HFCL Goa Plant which has resulted in precision accounting of consumptions with improved product quality resulting in saving of 165 units/day with annual savings of approximate of 59586 units.
- **Optimised cooling systems:** Humidifiers are designed with high-efficiency Humifog systems, and cooling tower fans and pumps are controlled by temperature controllers to conserve energy.
- **Energy-efficient air systems:** All air handling units are equipped with high-efficiency DIDW fans with VFD drives to optimise energy consumption.
- **Energy-efficient utilities:** The entire utility system is monitored and controlled through a Smart BMS (Building Management System) for real-time monitoring of critical parameters and optimal energy use.
- **Material and transportation optimisation:** HFCL has reduced the cable diameter and thickness in product development to lower material consumption and saved transportation fuel by accommodating more lengths of optical fiber cables in the same vehicle/container.

- **Energy-efficient products:** The Company's next generation energy efficient solutions include wireless point-to-point connectivity solutions and 5G wireless radio products, such as indoor and outdoor FWA CPE products covering both Sub 6 GHz and mmWave. In addition, the portfolio includes Access Routers/Cell Site Routers, Pre-Aggregation Routers, and Aggregation Routers for backhauling of 5G traffic.
- **Green Power Consumption:** At HFCL Hosur plant, 72% of the grid electricity was from renewable sources.

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

Parameter	Current Financial Year 2025-26	Previous Financial Year 2024-25
Total Waste Generated (in metric Tonnes)		
Plastic Waste (A)	672	521
E-Waste (B)	0	0.10
Bio-medical Waste (C)	0	0
Construction and Demolition Waste (C&D) (D)	30	253
Battery Waste (E)	0	0.14
Radioactive Waste (F)	0	0
Other Hazardous Waste generated (G) (Please specify, if any)	307	70
Other Non-Hazardous Waste generated (H) (Please specify, if any)	875	533
Total Waste Generated* (A+B+C+D+E+F+G+H)	1,884	**1,377**
Waste intensity per revenue from operations (MT/INR) (Total waste generated/Revenue from operations)	0.00000004	0.00000004
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (MT/USD) (Total waste generated/Revenue from operations adjusted for PPP)	0.00000085	0.00000075
Waste intensity in terms of physical output (Waste generated in MT per Total Workforce)#	0.54	0.43
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category Waste		
(i) Recycled	1,768	1,008
(ii) Re-used	0	0
(iii) Other recovery operations	32	78
Total	1,800	**1,086**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category Waste		
(i) Incineration	5	2
(ii) Landfilling	80	293
(iii) Other disposal operations	0	0
Total	85	**295**

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

Yes. The disclosures were subject to reasonable assurance by Bureau Veritas, an independent external assurance provider.

**For the FY25 and FY26, waste generation at offices has been estimated using the apportionment method, based on per capita waste generation figures from the following office locations: Haryana Office - Plot no. 229, Delhi -GK-II, VIIPS & Okhla, Karnataka Office- Bangalore.*

#During FY26, HFCL Limited operated across multiple product categories and business segments with diverse output characteristics. Accordingly, environmental intensity has been reported based on the total workforce (employees and workers), as a physical output-based denominator was not considered practicable.

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

HFCL has implemented a comprehensive waste management plan across all its operational locations, reflecting its commitment to environmental responsibility and circularity. Waste is systematically categorised and segregated at the source to ensure efficient handling and processing. Hazardous waste is collected, transported, and disposed of through Central Pollution Control Board (CPCB)-authorised vendors in strict compliance with regulatory norms. Non-hazardous waste is either recycled, reused within operations where feasible, or processed through authorised external agencies using environmentally appropriate mechanisms.

HFCL also prioritises the reduction of hazardous and toxic substances in its products and processes. All raw materials used in the manufacturing of Optical Fiber and Optical Fiber Cables are fully compliant with Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations. The Company has proactively upgraded its RoHS compliance in alignment with Directive 2015/863 (EU), which includes four additional restricted substances. Furthermore, HFCL ensures that none of its materials contain substances listed in the Candidate List of Substances of Very High Concern (SVHC), as published by ECHA on 07, January, 2023.

To further reduce environmental impact, HFCL has shifted towards sustainable product design by significantly minimising the use of petroleum-based jelly compounds. Approximately 90% of its cable designs now incorporate dry core construction and dry water-blocking materials, promoting cleaner manufacturing and safer handling. Through these integrated waste management and chemical reduction strategies, HFCL continues to advance its sustainability agenda while ensuring compliance with evolving global environmental standards.

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

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Yes/No) If "No", the reasons thereof and corrective action taken, if any.
Not Applicable as none of our sites are in ecologically sensitive areas.			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year 2025-26:

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
Not Applicable					

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (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 operations and offices are fully compliant with all applicable environmental regulations in the Country. Activities are conducted in strict adherence to the conditions specified in the Consent to Operate (CTO) granted by the Central and State Pollution Control Boards. There have been no reported instances of non-compliance from any regulatory authority.				

Leadership Indicators

1. Water withdrawal, consumption, and discharge in areas of 'Water Stress' (in kilo litres):

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

   i. Name of area:

   Haryana Offices: (Building No. 28, Sector 32, Gurugram; Building No. 38, Sector 32, Gurugram; Plot No. 229, Udyog Vihar Phase 1, Sector 20, Gurugram), HFCL Corporate Office Delhi (8, Commercial Complex, Masjid Moth, Greater Kailash – II, New Delhi), Jharkhand Office - Ranchi, Punjab Offices - Ferozepur, Ludhiana, Amritsar, Hoshiarpur, Jalandhar, Bhatinda, Patiala, UP Office - Lucknow, Rajasthan Office- Jaipur, Karnataka Office - Bangalore.

   ii. Nature of operations: Office Locations

   iii. Water withdrawal, consumption, and discharge in the following format:

Parameter	Current Financial Year 2025-26	Previous Financial Year 2024-25
Water withdrawal by source (in kilo litres)		
(i) Surface Water	0	0
(ii) Ground Water	0	0
(iii) Third Party Water	37,680	39,168
(iv) Seawater/Desalinated Water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kL)	**37,680**	**39,168**
Total volume of water consumption (in kL)	**7,536**	**7,834**
Water intensity per rupee of turnover (kL/₹) (Water consumed/Turnover)	0.00000017	0.00000021
Water discharge by destination and level of treatment (in Kilo litres)		
(i) To Surface Water		
- No treatment	-	-
- With treatment- please specify level of treatment	-	-
(ii) To Ground Water		
- No treatment	-	-
- With treatment- please specify level of treatment	-	-
(iii) Sent to Third Party Water		
- No treatment	-	-
- With treatment- please specify level of treatment	-	-
(iv) Into Seawater		
- No treatment	-	-
- With treatment- please specify level of treatment	-	-
(v) Others		
- No treatment*	30,144	31,334
- With treatment- please specify level of treatment	-	-
Total water discharged. (kL)	**30,144**	**31,334**

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

Yes. The disclosures were subject to reasonable assurance by Bureau Veritas, an independent external assurance provider.

**Water discharge for both financial years has been estimated based on the Central Pollution Control Board (CPCB) guideline, which assumes that 80% of the water supplied for domestic purposes is discharged as wastewater for few office locations. Source: https://cpcb.gov.in/openpdffile.php?id=UmVwb3J0RmlsZXMvMjlfMTQ1ODExMDk5Ml9OZXdJdGVtXzE5NV9TVFBfUkVQT1JULnBkZg&utm*

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

Parameter	Please specify unit	Financial Year 2025-26*	Previous Financial Year 2024-25*
Total Scope 3 Emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	-	-
Total Scope 3 emissions per rupee of turnover	$MTCO_2$ e/INR	-	-
Total Scope 3 emission intensity (optional)- the relevant metric may be selected by the entity	$MTCO_2$ e/USD	-	-

**The Company is in the process of expanding its Scope 3 greenhouse gas emissions accounting from a standalone entity basis to a group-level basis by including its subsidiaries for FY26. The consolidated Scope 3 emissions data at the group level will be disclosed in due course.*

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

Not Applicable

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

Not Applicable

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

S. No.	Initiative undertaken in FY 2025-26	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the Initiative
1.	Renewable Energy Implementation	HFCL has installed a 1 MWp rooftop solar power system at its Hyderabad facility during the FY26. This initiative is expected to generate approximately 1.5 million units of clean energy annually, resulting in a reduction of carbon emissions by up to 1,215 metric tons per year and achieving cost savings of approximately INR 10.5 million.	Reduction in grid electricity consumption, lower carbon emissions, increased renewable energy share, and annual energy cost savings.
2.	Zero Liquid Discharge Certification	The Hyderabad OF Plant has obtained Zero Liquid Discharge (ZLD) certification during FY26, reinforcing its commitment to sustainable water management and environmental stewardship.	Enhanced water conservation through maximum reuse of treated water, elimination of liquid discharge, and improved environmental compliance.
3.	Sustainability Certification Goals	HFCL's Goa and Hyderabad facilities have achieved Zero Waste to Landfill (ZWTL) certification.	Increased waste recycling and resource recovery, significant reduction in landfill disposal, and strengthened circular economy practices.
4.	Adoption of LED Technology	The Hyderabad OF Plant has implemented horizontal deployment of LED lighting systems in the new phase of its optical fiber facility. This transition from conventional microwave-based systems is projected to reduce carbon emissions by an estimated 5,022 metric tons annually.	Reduced electricity consumption, lower greenhouse gas emissions, improved lighting efficiency, and reduced maintenance costs.
5.	Green Corridor Development	Continued efforts to preserve local biodiversity through the maintenance of a 10,200 square meter green corridor within the TSIIC Industrial Area, contributing to ecological balance and enhancing the industrial ecosystem.	Improved green cover and biodiversity, enhanced ecological balance, better ambient environment, and contribution to carbon sequestration.

S. No.	Initiative undertaken in FY 2025-26	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the Initiative
6.	Reduction in diesel consumption	In FY26, HFCL continued its transition from diesel-operated to electric (EV) forklifts to reduce fuel consumption and associated greenhouse gas emissions. At the Hyderabad OFC Plant, two fuel-operated forklifts were replaced with electric (EV) forklifts, contributing to reduced fuel consumption and associated greenhouse gas emissions. At HFCL Goa, all diesel-operated forklifts have been replaced with electric (EV) forklifts.	Approximately 5,760 litres of diesel saved annually at the Hyderabad OFC Plant. Approximately 9,480 litres of diesel saved annually at the Goa OFC Plant. Combined annual diesel savings: approximately 15,240 litres.
7.	Upgradation of manual nitrogen flow meters to digital automatic flow meters at Goa Plant	Replaced manual nitrogen flow meters with digital automatic flow meters across colouring lines to enable accurate measurement and monitoring of nitrogen consumption. The initiative has improved process control, optimised nitrogen usage, and enhanced product quality through precise flow management. The total investment for the initiative was approximately INR 23.40 lakh.	The initiative resulted in an estimated electricity saving of 165 kWh per day, translating to approximately 59,586 kWh of annual electricity savings, while also improving process efficiency and product quality through accurate nitrogen consumption monitoring.

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

HFCL maintains a Business Continuity and Disaster Management Plan to strengthen operational resilience and prepare for unforeseen disruptions. The Goa plant holds ISO 22301:2019 certification, demonstrating alignment with the standard's requirements for business continuity management.

The Company has established Standard Operating Procedures covering business continuity, disaster recovery, and emergency response. These procedures aim to protect personnel and assets, maintain critical operations, and reduce operational downtime during disruptive events.

HFCL conducts periodic training, awareness sessions, drills, and mock exercises for relevant teams. The Company uses these exercises to test response arrangements, assess plan effectiveness, and identify required improvements.

These measures support HFCL's ability to respond to disruptions and maintain essential operations.

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

HFCL engages with vendors that are expected to meet the Company's environmental, social, and governance requirements. During FY26, HFCL did not identify any significant adverse environmental impacts arising from its value chain.

As no significant adverse impacts were identified, HFCL did not undertake any specific mitigation or adaptation measures during the reporting period.

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

Nil

8. How many "Green Credits" have been generated or procured:

a. By the listed entity.

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

During FY26, HFCL neither generated nor purchased any Green Credits. Information on Green Credits generated or procured by the top ten value chain partners, identified by purchase and sales value, was unavailable to the Company during the reporting period.

HFCL plans to establish a process for collecting and maintaining Green Credit information from relevant value chain partners.

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.

   10

   (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.	The Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
2.	Federation of Indian Chamber of Commerce and Industry (FICCI)	National
3.	Confederation of Indian Industry (CII)	National
4.	Telecom Equipment Manufacturers Association of India	National
5.	Telecom Equipment and Services Export Promotion Council	National
6.	Voice of Indian Communication Technology New Delhi	National
7.	Telecom Standards Development Society, India (TSDSI)	National
8.	Bharat 6G Alliance	National
9.	PHD Chamber of Commerce & Industry (PHD)	National
10.	Goa Chamber of Commerce and 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
During the reporting year FY26, there were no reported cases of anti-competitive behaviour, therefore, no corrective measures have been required. HFCL is the only Indian optical fiber cable manufacturer exempted from the anti-dumping duties imposed by the European Commission on OFC exports from India. Following its investigation, the European Commission concluded that HFCL and its subsidiary, HTL, had not engaged in dumping practices in the European market. While a definitive countervailing duty of 8.1% was imposed on the HFCL Group under Regulation (EU) 2025/1135 dated 10 June 2025, the related investigation pertained to subsidies provided by Indian government.		

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
HFCL actively contributes to industry development and public policy dialogue through its engagement with recognised industry associations, standards bodies, technology alliances, and government consultations. During FY26, the Company participated in forums such as TSDSI and the Bharat 6G Alliance, collaborating with stakeholders across the telecom value chain to support the formulation of standards, technology roadmaps, and innovation-led solutions. Additionally, the Department of Telecommunications (DoT), through its Steering Committee on Circular Economy in the Telecom Sector, sought inputs from industry stakeholders on how they could support and contribute to the identified action points relating to e-waste management, resource recovery, sustainable/green procurement, extended producer responsibility, and related circularity measures. HFCL, as an industry corporate member, responded to this consultation by sharing its perspectives and indicative areas of potential support on the relevant action points. These engagements enable HFCL to advocate for sustainable, secure, and inclusive digital infrastructure while contributing to the advancement of next-generation telecommunications technologies. The Company's involvement in areas such as AI-driven network optimisation, energy-efficient radio access technologies, Open RAN, 5G/6G innovation, and circular economy practices reflects its commitment to responsible technological progress and long-term value creation for the industry and society.					

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 2025-26:

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 INR.)
Not Applicable						

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

HFCL integrates community grievance redressal into its CSR implementation process. Under the relevant Memorandum of Understanding (MoU), CSR project partners address community concerns through their established grievance procedures. Designated Social Protection Officers and Project Coordinators support project delivery and coordinate the timely resolution of reported concerns.

HFCL engages with local communities through telephone communication and site visits, including direct discussions with community leaders and beneficiaries. The Company forwards feedback, grievances, and suggestions to the relevant project partner for review and action.

After resolving a grievance, the project partner submits a report to HFCL describing the concern, action taken, preventive measures introduced, and resolution outcome.

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

	Current Financial Year 2025-26	Previous Financial Year 2024-25
Directly sourced from MSMEs/Small producers	17	16
Directly from within India	61	50

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

Location	Current Financial Year 2025-26	Previous Financial Year 2024-25
Rural	0.5	0.8
Semi-Urban	3.8	6.2
Urban	21.9	29.6
Metropolitan	73.8	63.4

Note: Place categorised as per RBI Classification System- rural/semi-urban/urban/metropolitan

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference 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 INR.)
HFCL does 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, HFCL does not have a formal preferential procurement policy. However, the Company actively supports and encourages procurement from MSEs and small-scale producers within India.

(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 2025-26), 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 as no such benefits derived and shared in FY26 based on traditional knowledge.				

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 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.	**Advanced Healthcare – Corrective Surgeries for Polio-Related Deformities, Clubfoot, and Other Congenital Abnormalities:** HFCL, in partnership with the St. Stephen's Hospital Patients Welfare Society, New Delhi provided corrective orthopaedic care to vulnerable and marginalised individuals, particularly children affected by polio-related deformities, clubfoot, and other congenital musculoskeletal abnormalities. The intervention followed consultations with beneficiaries, caregivers, healthcare professionals, and the implementation partner, which identified the need for specialised orthopaedic treatment beyond the reach of economically disadvantaged families. The programme facilitated corrective surgeries led by Dr. Mathew Varghese, an orthopaedic surgeon recognised by the World Health Organisation and the Government of India for his contributions to polio eradication. Beneficiaries also received post-operative rehabilitation and physiotherapy to support long-term recovery. By restoring mobility and physical functionality, the programme enabled beneficiaries to pursue education and livelihood opportunities and participate more actively in community life, advancing social inclusion and equitable access to healthcare.	59	100

S. No.	CSR Project	No. of persons benefited from CSR Projects	% Beneficiaries from vulnerable & marginalised groups
2.	**Advanced Healthcare – Heart Surgeries:** HFCL, in collaboration with the All-India Heart Foundation a charitable arm of National Heart Institute, New Delhi, supports cardiac care for economically disadvantaged individuals with life-threatening cardiac conditions. The initiative followed consultations with healthcare professionals, beneficiaries, and the implementation partner, which identified limited access to specialised cardiac treatment among vulnerable communities due to financial constraints. The programme funds cardiac diagnostics, interventional procedures, and complex surgeries — including coronary angiography, angioplasty (PTCA), coronary artery bypass grafting (CABG), valve replacement and repair, and congenital heart defect correction — along with post-operative care, enabling beneficiaries to receive timely, life-saving treatment that would otherwise be unaffordable. During the reporting period, 25 beneficiaries from vulnerable and marginalised communities received advanced cardiac interventions under this initiative, restoring health, enhancing quality of life, and reducing the socio-economic burden on their families.	25	100
3.	**Preventive Healthcare – Mobile Medical Units (MMUs):** HFCL operates preventive healthcare programmes through five Mobile Medical Units (MMUs) across Solan (Himachal Pradesh), Goa, Sardarshahar (Rajasthan), Ghazipur (Uttar Pradesh), and Hyderabad (Telangana), in partnership with HelpAge India and the Wockhardt Foundation. The programme was designed following engagement with local communities, village representatives, healthcare professionals, and implementation partners, which identified inadequate access to primary healthcare as a key concern among rural and underserved populations. Each MMU is staffed by an MBBS doctor, laboratory technician, pharmacist, driver-cum-mobiliser, and Social Protection Officer(SPO), delivering primary healthcare facilities directly to communities. Community engagement through health awareness campaigns, Nukkar Natak, community meetings, health camps, household outreach, and pamphlet distribution, ensures services remain responsive to local needs. During FY26, the five MMUs collectively served over 1.13 lakh beneficiaries through outpatient consultations and follow-up care, alongside more than 30,000 diagnostic tests, over 200 home visits, 15 health camps benefiting more than 1,900 individuals, and over 200 awareness programmes reaching more than 8,500 community members, strengthening early disease detection and access to essential medical services.	1,13,008	100
4.	**Education – Education for Special Needs Children:** HFCL, in partnership with Balwantrai Vidya Bhavan, New Delhi, supports inclusive education for children with developmental and intellectual disabilities from economically disadvantaged families. The initiative followed interactions with educators, parents, caregivers, and the implementation partner, which identified the need for sustained access to specialised education for children who often face barriers to quality schooling and social inclusion. During the reporting period, HFCL fully funded the education of 50 children, covering academic expenses and enabling access to specialised programmes fostering cognitive, behavioural, and life-skills development within a nurturing, inclusive learning environment. Aligned with the National Education Policy (NEP) 2020, the programme advances equitable, inclusive education for children with disabilities, contributing to their long-term social integration, self-reliance, and quality of life.	50	100

S. No.	CSR Project	No. of persons benefited from CSR Projects	% Beneficiaries from vulnerable & marginalised groups
5.	**Education – Skill Development for Rural Youth:** HFCL, in partnership with the Hari Prem Society, operated five Computer Skill Learning Centres in rural Ghazipur, Uttar Pradesh, to build digital literacy and employability among economically disadvantaged youth. The initiative followed consultations with local communities, educational institutions, implementation partners, and prospective beneficiaries, which identified limited access to digital education and vocational training as a key barrier to livelihood opportunities in the region. The centres provided structured training in computer fundamentals, office productivity, data entry, internet usage, and digital communication, equipping rural youth for employment in the formal sector, self-employment, and the gig economy. Enrolment prioritises youth from vulnerable and marginalised backgrounds, with the curriculum refined through periodic assessments and stakeholder feedback. Aligned with the Skill India Mission, Digital India Programme, and NEP 2020, the initiative contributes to SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), and SDG 9 (Industry, Innovation and Infrastructure) by fostering digital inclusion and sustainable livelihoods.	430	100
6.	**Education – Foundational Education through Ekal Vidyalaya:** HFCL, in partnership with Bharat Lok Shiksha Parishad (BLSP) under the Ekal Abhiyan, supports foundational education for children from socio-economically disadvantaged rural communities through the Ekal Vidyalaya (One Teacher School) model, operating across 100 villages in Solan and Sirmaur, Himachal Pradesh. Trained local women educators deliver activity-based learning to children aged 4–14 within their own villages, covering literacy, numeracy, health and hygiene, environmental awareness, civic values, yoga, and creative skills, with implementation overseen by Gram Samitis, field supervisors, and regional coordinators. During FY26, the programme directly benefited 2,096 students, 48% of them girls across 100 Ekal Vidyalayas supported by 100 trained female teachers, while engaging more than 50,000 villagers and 1,354 village committee members, including 679 women. 82% of enrolled students passed their annual assessment, alongside measurable gains in reading, handwriting, and attendance. Complementing classroom learning, the programme conducted 74 yoga camps, 184 cleanliness drives, 176 awareness rallies, 110 community events, 11 health camps, and the plantation of 2,324 trees. This initiative is aligned with NEP 2020, Samagra Shiksha, and the SDGs, the initiative contributes to SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 10 (Reduced Inequalities), and SDG 11 (Sustainable Communities).	2,096	100

S. No.	CSR Project	No. of persons benefited from CSR Projects	% Beneficiaries from vulnerable & marginalised groups
7.	**Project KARUNA:** HFCL implemented Project KARUNA, a multi-dimensional CSR initiative addressing developmental needs among vulnerable and marginalised communities across environmental sustainability, education and sports scholarships, rural and slum area development, and disaster relief and rehabilitation. The initiative followed consultations with community stakeholders, local authorities, implementation partners, and beneficiaries, which identified the need for an integrated approach to interconnected social, economic, and environmental challenges faced by underserved populations. Under its environmental sustainability component, the programme undertook initiatives promoting ecological conservation, resource efficiency, and environmental awareness. Through its scholarship component, Project KARUNA provided financial support to talented individuals from economically disadvantaged backgrounds to pursue academic and sporting excellence otherwise inaccessible due to financial constraints. The rural and slum area development component addressed inequalities faced by socially and economically backward groups through interventions targeting hunger, poverty, and malnutrition, while the disaster relief and rehabilitation component extended humanitarian assistance to communities affected by natural or man-made disasters during the reporting period.	NA[1]	100
8.	**Project KARUNA – AMRITAM Old Age Home:** HFCL, under the AMRITAM Old Age Home initiative of Project KARUNA, supported the construction of a dedicated old age home to address the need for safe, dignified residential care for elderly individuals from economically disadvantaged and vulnerable backgrounds. The initiative followed consultations with community stakeholders and the implementation partner, which identified the absence of adequate residential care infrastructure for senior citizens, particularly those lacking family or financial support, as a significant gap in elderly welfare within the region. During the reporting period, HFCL supported construction work on the proposed facility, encompassing residential accommodation and associated infrastructure designed to provide a safe, secure, and comfortable living environment for elderly beneficiaries.	NA[2]	100
9.	**Jain Swetamber Terapanthi Sabha, Delhi:** HFCL, in partnership with the Jain Swetamber Terapanthi Sabha, Delhi, supported the development of community infrastructure to strengthen access to education and promote health and well-being among vulnerable communities. The initiative followed consultations with the implementation partner and community representatives, which identified the need for residential support facilities for students from weaker sections of society, as well as accessible avenues for promoting health and well-being within the community.	NA[3]	100

[1] Not ascertainable — as the project comprises diverse initiatives catering to different beneficiary groups, making aggregation on a comparable basis impracticable.

[2] Not ascertainable at this stage — the facility is under construction and not yet operational.

[3] Not ascertainable — providing residential facilities for students from weaker sections of society and the Yoga/Pranayama outreach is open community participation without enrolment tracking.

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.

At HFCL, a well-structured and responsive system is in place to manage customer complaints and feedback effectively. Customers can submit their concerns by emailing their assigned account manager or the designated complaint management representative at the respective plant. Each complaint is evaluated based on its nature and urgency, with resolutions provided within clearly defined timeframes to ensure timely and effective redressal.

HFCL is committed to maintaining high levels of customer satisfaction through transparent and accountable grievance handling processes. The Company's customer grievance policy, including the complaint submission procedure, is publicly accessible on its website at:

https://cdn.prod.website-files.com/69e0036b695965871f0524aa/69e7e0900f11b5903d05ff9b_HFCL_Customer_Support_Policies_%26_Procedure.pdf

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

Parameters	As percentage to total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	100

Note: The Company shares information about the safe usage, management, and disposal of the product as part of the product information brochure, including the ROHS details, disseminating awareness to customers about environmental parameters and compliances.

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

	Current Financial Year 2025-26		Remarks	Previous Financial Year 2024-25		Remarks
	Received	Pending at end of year		Received	Pending at end of year	
Data Privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA
Cyber-security	Nil	Nil	NA	Nil	Nil	NA
Delivery of essential services	Nil	Nil	NA	Nil	Nil	NA
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Others (Customer Complaints)	Nil	Nil	NA	6	Nil	All complaints resolved.

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

	Number	Reasons for recall
Voluntary Recalls	Nil	Not Applicable
Forced Recalls	Nil	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, HFCL is certified to ISO 27701:2019 for its Privacy Information Management System (PIMS) and has established a comprehensive privacy and information security framework aligned with the requirements of ISO 27001:2022 and ISO 27701:2019. HFCL maintains a formal PIMS Manual (1023_HFCL PIMS Manual v1.1) that defines the organisation's approach to protecting personal and sensitive information and implementing privacy controls across its operations.

To ensure transparency and accessibility, HFCL's Privacy Policy is publicly available at https: https://www.hfcl.com/privacy-policy

The Privacy Policy details the management, processing, protection, retention, and lawful use of Personally Identifiable Information (PII) collected, stored, or processed by HFCL. It establishes the principles of lawful processing, transparency, purpose limitation, data minimisation, accuracy, storage limitation, confidentiality, and accountability, while ensuring compliance with applicable privacy regulations, including ISO 27701:2019, GDPR, and the Digital Personal Data Protection (DPDP) Act, 2023. The policy also defines HFCL's responsibilities as a Data Fiduciary, outlines the rights of data subjects, establishes data breach notification and grievance redressal mechanisms, and specifies the safeguards implemented to protect personal information throughout its lifecycle.

HFCL also maintains a comprehensive Cyber Security Policy that establishes documented rules, responsibilities, and security controls designed to safeguard the organisation's systems, networks, applications, and data. The policy governs areas such as information security governance, risk management, access control, data protection, cybersecurity incident response, network and cloud security, asset protection, business continuity and disaster recovery, security awareness, third-party/vendor security management, and regulatory compliance. These controls are implemented to ensure the confidentiality, integrity, and availability of information assets while supporting compliance with applicable legal, regulatory, and industry requirements.

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.**

During the reporting period, HFCL did not receive any customer requests or reported incidents related to data breaches or privacy violations. HFCL actively supports customer led third-party risk assessments by providing information on its cybersecurity and privacy controls, demonstrating its commitment to data protection, compliance, and continuous improvement.

HFCL continuously undertakes corrective and preventive actions to strengthen the cybersecurity posture and customer data privacy. To improve service reliability and operational resilience, critical systems are regularly monitored, reviewed, and updated through timely upgrades, security patching, vulnerability assessments, and backup management. Single Sign-On (SSO) and Multi-Factor Authentication (MFA) have been implemented for sensitive business applications to enhance Identity and Access Management, strengthen authentication controls, and reduce access-related risks.

To further strengthen cybersecurity and protect customer data, HFCL has implemented endpoint encryption and protection, multi-layered threat protection, strong password controls, secure backup mechanisms, proxy filtering for secure web access, regular security audits, and employee awareness programs. These measures are supported by continuous monitoring and periodic reviews to identify and remediate potential vulnerabilities before they can impact business operations or customer information.

HFCL has also established a Unified Service Desk (https://connectit.hfcl.com) for timely reporting, tracking, and resolution of incidents. In addition, an External Threat Landscape Management platform has been deployed to identify and mitigate risks associated with exposed assets across the surface, deep, and dark web. Corrective actions such as securing unnecessary open ports, timely renewal of security certificates, takedown of malicious applications, and containment of impersonated domains are regularly undertaken to minimise cyber risks.

7. Provide the following information relating to data breaches during FY 2025-26:

(a) Number of instances of data breaches:

There were no instances of data breaches during the FY26

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

Not Applicable

(c) Impact, if any, of the data breaches.

Not Applicable

Leadership Indicators

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

Information on HFCL's products and services is available through a variety of channels and platforms to ensure accessibility and transparency for all stakeholders. These include the official website, social media platforms, product manuals, datasheets, brochures, Customer Service Portal, and call centre support.

Key access points include:

i. https://hfcl.com/

ii. https://www.linkedin.com/company/hfcl-limited

iii. https://www.instagram.com/hfcllimited/

iv. https://www.facebook.com/hfclg

v. https://www.youtube.com/channel/UC7DsrJOOuofW4mfsJf6oEBA

vi. https://x.com/hfclg?lang=en

vii. https://io.hfcl.com/

viii. https://www.linkedin.com/company/iobyhfcl/

ix. https://x.com/iobyhfcl?lang=en

x. https://www.instagram.com/iobyhfcl/?hl=en

xi. HFCL Time Machine| Podcast Series

xii. https://www.youtube.com/channel/UCmFajVSnBH2eXHAGj71ajgg

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

HFCL provides user manuals and product guides in clear, accessible language. These resources contain step-by-step instructions to help customers use products safely, efficiently, and responsibly. HFCL designs the materials to support customers with different levels of technical knowledge.

Customers can seek assistance through HFCL's dedicated Customer Service Portal or helpline at 8792701100. They may use these channels to clarify product-related queries, obtain usage guidance, or report issues.

For advanced or specialised products, HFCL also conducts training sessions and product demonstrations. These sessions help users understand product features, operate products correctly, and use their functions effectively.

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

HFCL has a structured communication mechanism in place to inform consumers of any potential risk of disruption or discontinuation of essential services. The Company leverages multiple channels such as social media platforms, public relations outlets, and direct customer communications to provide timely updates.

In the event of any anticipated disruption, customers are informed through email, phone calls, and WhatsApp to ensure they receive accurate and prompt information. This multi-channel approach enables HFCL to maintain transparency, minimise inconvenience, and uphold trust by ensuring effective and proactive communication with its consumers.

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

If "Yes", provide details in brief.

(b) Did your entity carry out 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) Yes. HFCL provides detailed product information in the form of a product datasheet. The data sheet includes technical specifications, usage guidelines, and performance parameters and is shared along with the quotation. Manufacturing is undertaken strictly as per the customer-approved datasheet, ensuring transparency, product assurance, and alignment with customer expectations.

(b) No. HFCL primarily operates in the Business-to-Business (B2B) segment, where customer engagement and feedback mechanisms differ from conventional consumer-facing models. Instead of conducting formal surveys, HFCL gathers regular customer feedback through structured interactions such as business meetings, technical discussions, review calls, and follow-ups. These channels allow for real-time insights into customer expectations, satisfaction levels, and scope for improvement. This ongoing dialogue helps HFCL maintain high service standards, address specific client requirements promptly, and foster long-term partnerships.

Independent Practitioner's Reasonable Assurance Report

To
The Board of Directors of HFCL Limited

Introduction and objectives of work

The Board of Directors of HFCL Limited (the "Company/ HFCL") have engaged Bureau Veritas (India) Private Limited to undertake an Independent Assurance of the Company's Sustainability / Non-Financial Performance disclosures in its Business Responsibility & Sustainability Report (BRSR), in accordance with requirements of SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026, and to provide Reasonable Assurance Statement on the BRSR Core indicators disclosed in the BRSR report for FY 2025-26.

Intended User

The assurance statement is made solely for the Company and its stakeholders as per the governing contractual terms and conditions of the assurance engagement contract between HFCL and Bureau Veritas. To the extent that the law permits, we owe no responsibility and do not accept any liability to any party other than HFCL for the work we have performed for this assurance report or our conclusions stated in the paragraph below.

Scope of Work

We have performed the Reasonable Assurance engagement for BRSR (Core) parameters in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) and in line with the requirements of Bureau Veritas's standard procedures and guidelines for external Assurance of Sustainability Reports, based on current best practice in independent assurance.

The reporting boundaries considered for this reporting period is on 'Standalone basis'.

As part of our independent reasonable assurance, we assessed the appropriateness and robustness of underlying reporting systems and processes used to collect, analyse and review the information reported. In this process, we undertook the following activities:

Assessment was conducted by means of physical site visits of the following manufacturing units and offices:

Location of Units
Goa OFC Plant
Hyderabad OF & OFC Plant
Hosur Defence Plant
Offices
Delhi & Gurugram

Bureau Veritas conducted interviews with personnel from HFCL across Human Resource, Legal, Sustainability, Finance and Accounts, Maintenance System, Production, Environment, Health & Safety (EHS), Purchase and other relevant departments.

The assurance process involved carrying out an Assessment by experienced assessors from Bureau Veritas. The Company has submitted performance data on reported BRSR topics. The data pertaining to each location visited was assessed by Bureau Veritas through the process above described.

The Scope of Sustainability Assurance includes:

- An assessment of the methods used for data collection and reporting for the selected sustainability performance indicators.
- Verification of such systems, including related internal controls.
- Verification on a sample basis, of evidence supporting the data.
- Verification of the sample data and information on selected material topics reported by the organisation for the defined reporting period.
- Assessment of the consistency between the data for the selected sustainability performance indicators and the related written comments in the narrative of the Report.
- The Company's compliance with legal obligations/ disclosures.
- The General and topic specific disclosures subject to assurance.

Management Responsibility

The Selection of reporting criteria, reporting period, reporting boundary, monitoring and measurement of data, preparation, and presentation of information in the BRSR report are the sole responsibility of the Company and its management. We are not involved in drafting or preparation of BRSR. Our sole responsibility is to provide independent Reasonable assurance on the BRSR for the financial year ended 31st March, 2026.

Our Findings

Based on our methodology and the activities described above,

- Nothing has come to our attention to indicate that the BRSR disclosures are inaccurate or that the information included therein is not fairly stated.

- It is our opinion that Company has established appropriate systems for the collection, aggregation, and analysis of data on Sustainability/Non-Financial performance disclosures in the BRSR.
- The BRSR provides a fair representation of the Company's activities as included therein.
- The information is presented in a clear, understandable, and accessible manner, and allows readers to form a balanced opinion over the Company and status during the reporting period.

Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period.
- Positional statements (expressions of opinion, belief, aim or future intention by HFCL and statements of future commitment.
- Competitive claims in the report claiming, "first company in India", "first time in India", "first of its kind", etc.

Our assurance does not extend to the activities and operations of HFCL outside of the scope and geographical boundaries as well as the operations undertaken by any subsidiaries or joint ventures of the Company.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

Statement of Independence, Integrity, and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety, and social accountability with over 198 years history. Its assurance team has extensive experience in conducting assessment over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA), across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour, and high ethical standards in their day-to-day business activities.

The assurance team for this work does not have any involvement in any other Bureau Veritas projects with HFCL.

Competence

The assurance team has extensive experience in conducting assurance over environmental, social, ethical, and health & safety information, systems and processes. The team also has a thorough understanding of Bureau Veritas' standard methodology for the assurance of sustainability reports.

Restriction on use of Our Report

Our Reasonable assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely to assist the Company in reporting on the Company's Sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The Bureau Veritas neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our deliverables are shown or into whose hands it may come without our prior consent in writing.

Senthil Kumar. V
Lead Assuror
Bureau Veritas (India) Private Limited
Bengaluru, India
Date: 02/09/2026

Munji Rama Mohan RAO
Technical Reviewer
Bureau Veritas (India) Private Limited
Hyderabad, India
Date: 02/09/2026

Annexure 1

Reasonable level of assurance is provided for following '9 Indicators included in BRSR-Core Attributes'

Sr. No.	Attribute	Parameter	Cross – reference to the BRSR
1	Green-house gas (GHG) footprint	Total Scope 1 emissions	Principle 6, Question 7 of Essential Indicators
		Total Scope 2 emissions (Break-up of the GHG)	Principle 6, Question 7 of Essential Indicators
		GHG Emission Intensity (Scope 1 +2)	Principle 6, Question 7 of Essential Indicators
2	Water footprint	Total water consumption	Principle 6, Question 3 of Essential Indicators
		Water consumption intensity	Principle 6, Question 3 of Essential Indicators
		Water Discharge by destination and levels of Treatment	Principle 6, Question 4 of Essential Indicators
3	Energy footprint	Total energy consumed	Principle 6, Question 1 of Essential Indicators
		% of energy consumed from renewable sources	Principle 6, Question 1 of Essential Indicators
		Energy intensity	Principle 6, Question 1 of Essential Indicators
4	Embracing circularity - details related to waste management by the entity	Plastic waste (A)	Principle 6, Question 9 of Essential Indicators
		E-waste (B)	Principle 6, Question 9 of Essential Indicators
		Bio-medical waste (C)	Principle 6, Question 9 of Essential Indicators
		Construction and demolition waste (D)	Principle 6, Question 9 of Essential Indicators
		Battery waste (E)	Principle 6, Question 9 of Essential Indicators
		Radioactive waste (F)	Principle 6, Question 9 of Essential Indicators
		Other Hazardous waste. Please specify, if any. (G)	Principle 6, Question 9 of Essential Indicators
		Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	Principle 6, Question 9 of Essential Indicators
		Total waste generated (A+B + C + D + E + F + G + H)	Principle 6, Question 9 of Essential Indicators
		Waste intensity	Principle 6, Question 9 of Essential Indicators
		Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations	Principle 6, Question 9 of Essential Indicators
		For each category of waste generated, total waste disposed by nature of disposal method	Principle 6, Question 9 of Essential Indicators

Sr. No.	Attribute	Parameter	Cross – reference to the BRSR
5	Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company	Principle 3, Question 1(c) of Essential Indicators
		Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites)	Principle 3, Question 11 of Essential Indicators
6	Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid	Principle 5, Question 3(b) of Essential Indicators
		Complaints on POSH	Principle 5, Question 7 of Essential Indicators
7	Enabling Inclusive Development	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/small producers and from within India	Principle 8, Question 4 of Essential Indicators
		Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent/ on contract) as % of total wage cost	Principle 8, Question 5 of Essential Indicators
8	Fairness in Engaging with Customers and Suppliers	Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events	Principle 9, Question 7 of Essential Indicators
		Number of days of accounts payable	Principle 1, Question 8 of Essential Indicators
9	Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties	Principle 1, Question 9 of Essential Indicators
		Loans and advances & investments with related parties	Principle 1, Question 9 of Essential Indicators