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Subject: Submission of Sustainability Report for the financial year 2024-25

Dear Sir(s)/ Madam,

We are pleased to inform our stakeholders that the Company has published its first **Sustainability Report (SR) for the financial year 2024-25**. A copy of the SR is enclosed herewith.

This report provides an update on our progress towards sustainability goals and outlines the initiatives we are undertaking to strengthen our environmental stewardship, social responsibility, and governance practices. It reflects our strategic priorities for the business and stakeholders, while highlighting our long-term vision for sustainable growth.

The SR is also available on the website of the Company at www.hfcl.com.

You are requested to take the above information on records and upload the same on your respective websites.

Thanking you.

Yours faithfully,
For HFCL Limited

(Manoj Baid)
President & Company Secretary

Encl: HFCL Sustainability Report 2024-25

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Managing Director's Message



As a leading enabler of next-generation telecommunication equipment and manufacturer of optical fiber cables and optical fiber, HFCL recognizes its responsibility to connect the world in ways that protect the planet, uplift communities, and uphold high standards of governance.

This report reaffirms our dedication to building a resilient, future-ready organization that creates long-term value by embedding sustainability at our core.

Dear Stakeholders,

I am proud to present HFCL's maiden Sustainability Report for FY25, marking our commitment to a sustainable future. This report reaffirms our dedication to building a resilient, future-ready organization that creates long-term value by embedding sustainability at our core.

As a leading enabler of next-generation telecommunication equipment and manufacturer of optical fiber cables and optical fiber, HFCL recognizes its responsibility to connect the world in ways that protect the planet, uplift communities, and uphold high standards of governance.

Our Environmental, Social, and Governance (ESG) strategy is anchored in four pillars:

- **Environmental Stewardship:** Enhancing energy efficiency, transitioning to renewable energy, minimizing waste, and conserving water.

- **Social Responsibility:** Nurturing talent, promoting community health, and fostering inclusive growth.
- **Governance Excellence:** Ensuring transparency, ethical conduct, and robust oversight.
- **Supply Chain Resilience:** Integrating ESG criteria throughout procurement and lifecycle management to build a more sustainable and resilient supply network.

These pillars align with Global Reporting Initiative (GRI) Standards, SEBI's Business Responsibility and Sustainability Reporting framework (BRSR), and the United National Sustainable Development Goals (UN SDGs), ensuring our actions meet global and local benchmarks.

Metrics That Matter

As part of our journey toward net-zero emissions, we have aligned with the Science Based Targets initiative (SBTi) and are actively transitioning to renewable energy sources while implementing energy efficiency measures. Our sustainability roadmap outlines ambitious goals, including achieving Zero Liquid Discharge (ZLD), targeting Zero Waste to Landfill, conducting life cycle assessments of our optical fiber, optical fiber cable and telecom products and ensuring sustainable sourcing across our value chain. We are also exploring innovative solutions to substantially reduce plastic usage in our products and packaging, reinforcing our dedication to a greener, more sustainable future. These efforts are central to our overarching objective: "Enduring Change, Empowering Growth".



In FY25, we made significant strides:

- 13% reduction in total energy consumption and ~5% decrease in energy intensity, driven by process optimization and renewable energy pilots.
- 8.59% reduction in total waste generated, with 73% of waste recycled and a roadmap to achieve Zero Waste to Landfill.
- Enhanced water circularity through advanced treatment plants at Goa and Hyderabad, targeting zero liquid discharge.
- Scope 3 emissions inventoried across eight categories, complementing active management of Scope 1 and 2 emissions.
- Over 36,000 training hours delivered across 340+ programs, focusing on safety, ethics, and next-gen technologies.
- Zero instances of child labor, forced labor, or discrimination, supported by effective grievance redressal mechanisms.
- Zero substantiated data privacy breaches, underpinned by ISO/IEC 27001 and 27701 certifications.

We maintain transparency, accountability, and ethical conduct at all levels. Our governance framework ensures effective oversight, risk management, and compliance with laws and regulations. Regular training on ethics, anti-corruption, and ESG principles, along with strong grievance redressal and stakeholder engagement, fosters a culture of integrity.

HFCL upholds a comprehensive compliance framework, validated by certifications including ISO 9001, ISO 14001, ISO 45001, and CMMI Level 3. We remain committed to deepening social impact, fostering excellence, and strengthening governance for sustainable growth and long-term value creation.

Looking Ahead: A Greener, Smarter Future

Sustainability is a continuous journey of innovation, responsibility, and impact. HFCL aims to integrate renewable energy sources to achieve at least a 30% share in its energy mix in the coming years. In FY26, we plan to establish GHG emission reduction targets aligned with the Science Based Targets initiative (SBTi).

We aim to expand ESG assessments to cover all critical suppliers, deepen circularity in product design and end-of-life management, and enhance transparency through third-party assurance and continuous improvements in ESG disclosures.

Our innovations, such as India's first indigenously designed 5G Fixed Wireless Access Customer Premise Equipment (FWA CPE), high-density optical fiber cables, and defense technologies, are transforming connectivity and strengthening national security while advancing sustainability.

Our Purpose, Our People, Our Promise

At HFCL, technology serves humanity. Our investments in research and development, employee well-being, and community engagement reflect this ethos.

In FY25, HFCL positively impacted over 1.31 lakh beneficiaries through CSR initiatives, including mobile medical units, corrective surgeries, digital literacy programs for rural youth, and inclusive education for children with special needs. We continue to foster a supportive and inclusive workplace, investing in diversity, leadership development, and employee wellness.

Our ESG performance is independently validated, with a SES ESG score of 70.9 and strong ratings from NSE Sustainability Ratings & Analytics Limited, CRISIL, ESG Risk Assessments and Insights Limited, and CFC Finlease Private Limited reflecting the Company's commitment towards sustainable growth, environmental stewardship, social responsibility and sound corporate governance practices.

As we move forward, I extend my heartfelt gratitude to our customers, partners investors, employees, and communities. Your trust and collaboration inspire us to reach higher and lead with purpose. Together, we will harness innovation to ensure sustainable progress for generations to come.

Warm regards,

Mahendra Nahata

Managing Director

About the Report

HFCL Limited (hereinafter, 'HFCL', 'the Company', 'us', 'our', 'we') is pleased to present its first Sustainability Report for the FY25. This report provides an update on our progress towards sustainability goals and outlines the initiatives we are undertaking to strengthen our environmental stewardship, social responsibility, and governance practices. It reflects our strategic priorities for the business and stakeholders, while highlighting our long-term vision for sustainable growth.

Objective of the Report

Through this report, we aim to share a transparent account of our ESG-related achievements, challenges, and future commitments. Beyond HFCL's own operations, the report also highlights the efforts being made to nurture a responsible supply chain by partnering with sustainable vendors and suppliers, and by building the capacity of our partners to advance collectively in our sustainability journey.

Reporting Standards and Frameworks

HFCL is committed to making its sustainability disclosures transparent, credible, and aligned with globally recognised standards. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards (2021), ensuring that the information presented is structured, consistent, and in line with international best practices to provide stakeholders with clear insights into our material ESG topics, performance indicators, and management approaches, while retaining flexibility in the scope and depth of reporting.

The report is also aligned with the United Nations Sustainable Development Goals (UN SDGs), highlighting HFCL's contribution

to addressing global sustainability challenges and generating long-term positive impact.

To ensure ongoing transparency and stakeholder engagement, HFCL reports sustainability-related information annually. Financial data is disclosed through the Annual Report, while non-financial and ESG information is communicated through the Business Responsibility and Sustainability Report (BRSR), as mandated by the Securities and Exchange Board of India (SEBI). Building on this foundation, HFCL is proud to present its first Sustainability Report for FY25, which it intends to publish annually going forward. While financial information is disclosed in the Annual Report, this Sustainability Report offers a comprehensive view of the Company's ESG strategy, key initiatives, and performance.

Together, these frameworks and reporting practices establish a strong foundation for HFCL's sustainability reporting, deepening our commitment to accountability, transparency, and long-term value creation.

Reporting Period, Scope, and Boundary

The purpose of this report is to highlight our sustainability-related initiatives

and accomplishments for FY25. Unless otherwise specified, the information presented pertains to the period from April 1, 2024, to March 31, 2025. The Sustainability Report was approved by the Board of Directors of the Company at its meeting held on October 17, 2025. This report covers the manufacturing facilities and office locations of HFCL Limited, as detailed in Annexure-I.

External Assurance

To enhance the credibility and reliability of our Sustainability Report, HFCL engaged Bureau Veritas (India) Private Limited to provide independent external assurance over selected sustainability disclosures for the reporting period April 1, 2024 – March 31, 2025.

The assurance was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), following a limited level of assurance approach. The scope of assurance covered key non-financial disclosures aligned with the Global Reporting Initiative (GRI) Standards 2021, including general disclosures, material topics, and performance indicators related to economic, environmental, and social aspects. Please refer to Annexure-II for the Independent Assurance Statement prepared in accordance with the Global Reporting Initiative (GRI) Standards (2021). The GRI Content Index is provided in Annexure-III.

Feedback & Suggestions

For further information and or/any feedback on this report, please contact:

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President & Company Secretary
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Forward Looking Statement

This Sustainability Report contains certain forward-looking statements that reflect HFCL's current expectations and projections regarding its future plans, strategies, commitments, and anticipated performance in relation to ESG matters. These statements are based on assumptions made in good faith and available information at the time of reporting.

Forward-looking statements inherently involve risks, uncertainties, and external factors beyond the Company's control. Actual outcomes may differ materially from those expressed or implied, due to factors such as changes in regulatory requirements, economic conditions, technological developments, stakeholder expectations, and environmental or social challenges.

Readers are advised to exercise caution and avoid placing undue reliance on these statements, as unforeseen circumstances may lead to outcomes that vary from what has been projected.

HFCL's Corporate Footprint Across India



Office
 Manufacturing Facilities

*Map not to Scale

HFCL's Vision, Mission, and Values



Our Vision

To be a global leader in next-generation connectivity solutions, delivering innovative, sustainable, and secure telecom, defence, and digital infrastructure that empowers societies and businesses worldwide. HFCL strives to shape the future of communication networks through cutting-edge technologies, fostering inclusive growth and creating long-term value for all stakeholders.



Our Mission

- Designing and manufacturing advanced energy efficient telecom products, including optical fiber cables, 5G and wireless solutions
- Providing end-to-end system integration and turnkey services for telecom, defence, and smart infrastructure projects
- Driving innovation through R&D, sustainability practices, and reducing carbon footprint across operations
- Expanding our footprint across international markets while supporting national initiatives like BharatNet and defence indigenisation
- Deliver reliable, scalable, and sustainable solutions while embedding ethics, inclusivity, and environmental responsibility across our value chain





Our Values

Innovation

Drive cutting-edge technologies and solutions for next-generation connectivity



Customer Centricity

Deliver reliable, scalable, and cost-efficient solutions tailored to customer needs



Sustainability

Reduce carbon footprint and embed eco-friendly practices across operations



Collaboration

Foster partnerships to support national initiatives and expand globally



Integrity

Uphold ethics, transparency, and inclusivity in every aspect of our value chain



Excellence

Commit to quality, performance, and long-term stakeholder value



Message from Leadership

Mr. Vijay Raj Jain, *Chief Financial Officer*



At HFCL, we view financial strength as a reflection of purpose, the ability to create enduring value while advancing sustainability. FY25 marked a defining year in our journey toward responsible growth, with disciplined financial management, continued investment in R&D, and measurable progress in our environmental and social commitments.

We are steadily transforming from a project-based telecom manufacturer into a technology-led enterprise that integrates sustainability into every decision. Our focus remains on enhancing profitability, maintaining balance sheet strength, and ensuring that every rupee invested also delivers positive environmental and social outcomes.

Through renewable energy adoption, efficient resource utilisation, and circular economy initiatives, we are building a resilient financial foundation aligned with India's transition to a low-carbon digital future. Our commitment to transparency, governance, and capital discipline ensures that sustainability is not an adjunct but a driver of long-term shareholder value.

As we look ahead, we remain dedicated to balancing growth with responsibility and creating financial performance that endures, innovation that empowers, and progress that benefits all.

Mr. Manoj Baid, *President & Company Secretary*



At HFCL, we believe that innovation and sustainability are inseparable pillars of long-term success.

Our governance framework, anchored in transparency, accountability, and compliance, ensures that every action we take is aligned with our values and stakeholder expectations. The Board of Directors, supported by specialised committees, provides strategic oversight and ensures adherence to global standards and best business practices. We uphold the highest levels of integrity through robust mechanisms such as our Whistle-Blower Policy, Anti-Bribery and Anti-Corruption framework, and ISO-certified management systems, all operating in compliance with the prevailing regulatory landscape.

As we look ahead, we remain dedicated to deepening our impact, strengthening stakeholder trust and building a resilient, future-ready HFCL. Our focus remains on delivering sustainable growth and long-term value creation benefiting people, communities, and the planet through responsible innovation and unwavering commitment to excellence.



Mr. Harshwardhan Pagay, *Executive President – Optical Fiber & Optical Fiber Cable*



At HFCL, we are redefining sustainable telecom manufacturing by combining innovation with responsibility. In FY25, we expanded our Optical Fiber and Optical Fiber Cable capacities at Hyderabad and Goa while accelerating key sustainability initiatives — including the implementation of Zero Liquid Discharge (ZLD) systems across facilities and the pursuit of Zero Waste to Landfill certification at the Hyderabad plant.

The Hyderabad site is advancing a 1 MW rooftop solar project alongside energy-efficiency upgrades, while the Goa facility is

transitioning to renewable energy to reduce emissions and operational intensity.

We have also implemented closed-loop water management, spool reuse, and scrap reduction programs and created green corridor at Hyderabad plant. In addition, we have implemented digital ESG data systems to enhance transparency.

Together, these initiatives are strengthening quality, workforce safety, and resource circularity — building an Optical Fiber and Cable value chain that is efficient, resilient, and fully aligned with HFCL's sustainability vision.

Mr. Sampathkumaran S.T., *Executive President – Defence Business*



At HFCL Defence, we are advancing indigenous, energy-efficient communication and surveillance solutions that strengthen national security while minimizing environmental impact. Our new defence manufacturing facilities at Hourr and Make-in-India initiatives integrate renewable

energy, responsible sourcing, and circular processes. Sustainability is embedded in our innovation—driving resilient, self-reliant, and environmentally responsible defence technologies.

Mr. Jitendra Singh Chaudhary, *Executive President - Communications*



True progress lies in doing better, not just doing more. HFCL's sustainability strategy integrates eco-conscious design, operational excellence, and stakeholder collaboration. By co-creating value with partners, customers, and communities, we continue to drive

growth that is responsible, inclusive, and future-focused.

Mr. Jayanta Dey, *Executive President – 5G Business*



Sustainability is integral to our 5G innovation roadmap. By integrating eco-friendly materials, energy-efficient designs, and advanced R&D, we are reducing environmental impact while building next-generation connectivity. Every 5G solution

we create reflects our commitment to technological excellence and environmental stewardship.

Mr. Manish Gangey, *Executive President – Product Line Management*



At HFCL, we design products that unite innovation with environmental stewardship. Our product development strategy emphasizes energy efficiency, material optimization, and lifecycle sustainability. By embedding eco-conscious design principles across our telecom and optical solutions, we ensure that every product contributes to a smarter, greener, and more connected future.

Mr. Rajesh Jain, *Executive President – EPC Projects*



HFCL's sustainability journey is anchored in governance, transparency, and innovation. By embedding ESG into our core, we are enhancing operational efficiency, improving yields, and strengthening profitability. Our focus remains on sustainable growth, effective risk management, and long-term value creation for all stakeholders.

Mr. Sunil Kulshreshtha, *Executive President – Turnkey Projects*



Sustainability is central to HFCL's turnkey project execution. From network design to deployment, we prioritize energy-efficient systems, responsible sourcing, and waste minimization. Through digital project management and green construction practices, we are delivering infrastructure that connects people sustainably while reducing environmental impact across every stage of execution.

Mr. Devender Kumar, *Executive President – Project Delivery*



At HFCL, delivery excellence means creating value with agility, innovation, and accountability. By embedding ESG principles into our delivery ecosystem and leveraging digital platforms, we are setting new benchmarks in sustainable project execution. Our focus remains on delivering outcomes that benefit stakeholders and society alike.

Mr. Arvind Chawla, *President – Supply Chain Management*



Sustainability in supply chains is about partnership and purpose. At HFCL, we embed ESG principles into procurement, vendor engagement, and supplier development to build resilience and transparency. Our collaboration with responsible partners ensures ethical sourcing, reduced waste, and enhanced operational efficiency. This shared commitment strengthens both our value chain and the communities we impact.



Mr. Sanjay Jorapur, Executive President – HR



At HFCL, our people are the foundation of our sustainable growth and innovation. We are nurturing a workplace that champions diversity, inclusion, and continuous learning—where every individual is empowered to contribute meaningfully to our shared purpose. Guided by principles of fairness, transparency, and equal opportunity, we are embedding sustainability into every facet of talent management. From leadership development and digital capability building to employee well-being and community engagement. Our deepening focus on women’s empowerment and inclusive leadership is driving greater representation and participation across all levels. Together, we are cultivating a future-ready workforce that innovates responsibly and strengthens HFCL’s purpose of creating sustainable value for all stakeholders.

Mr. Sunil Pandey, Chief AI & Digital Officer



Digital transformation is central to HFCL’s sustainability journey. Through SAP S/4HANA implementation, AI-led process optimization, and enhanced cybersecurity, we are creating a unified, secure, and efficient enterprise ecosystem. These initiatives reinforce our vision of a digitally empowered, responsible, and future-ready organization.

Ms. Neelu Chandra, Vice President – Corporate Social Responsibility



Sustainability and Corporate Social Responsibility (CSR) are essential pillars for any organisation striving to create long term value for stakeholders and society. HFCL integrates sustainability and CSR activities into its core values and policy, which shows that success is meaningful only when shared with society and achieved without harming the planet. HFCL is growing responsibly balancing economic success with environmental care and social wellbeing. Our company invests in social development –ranging from healthcare, women empowerment, education, elderly care, skill development and environment protection. In the field of healthcare, our main contribution has been towards preventive care, dialysis, heart and corrective surgeries, distribution of free medicines and medical consultation to the underprivileged across India. We have also joined hands with Government schools to enhance their existing infrastructure to ensure better educational environment. Our Company is committed to help elderly people, special needs children, orphanages as well as street children.

CSR activities in HFCL build stakeholder trust, makes society better and enhance employee pride and engagement. HFCL ensures that growth today does not compromise the needs of tomorrow.

Baburaj E., Vice President – Administration & MD’s Office



At HFCL, our administrative focus is on creating sustainable, efficient, and safe workplaces that align with the Company’s long-term vision. In FY25, we strengthened resource-efficient facilities, advanced paperless processes, improved waste management and enhanced safety and compliance across all locations. By fostering disciplined operations and enabling a green, digitally empowered work environment, the Administration function continues to play a key role in supporting HFCL’s sustainable and future-ready growth.

Mr. Sandeep Tiwari, General Manager -Legal



At HFCL, compliance and sustainability go hand in hand. Our governance framework integrates ESG into every business process, guided by global standards such as GRI, UN SDGs, and SEBI’s BRSR. With strong oversight, ethical conduct, and ISO-certified systems, we ensure transparency, accountability, and trust. This disciplined approach safeguards long-term value creation and stakeholder confidence.



HFCL LIMITED

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HFCL at a Glance

“Empowering the world with next-gen networks, made in India for the globe.”

Established in 1987, HFCL is a leading technology enterprise driving the world’s digital transformation. The Company is headquartered (corporate office) in New Delhi, India, and operates six state-of-the-art manufacturing facilities across Telangana, Goa, Tamil Nadu, Haryana and Solan. Our solutions serve over 80 marquee customers in more than 60 countries. With over three decades of expertise, we design and deliver next-generation communication products and solutions that power reliable, secure, and high-speed data networks. Our innovation-led portfolio spans Optical Fiber and Optical Fiber Cables, advanced telecom and networking equipment, defence electronics, and large-scale telecom network solutions.

Backed by strong R&D capabilities, strategic global partnerships, and state-of-the-art manufacturing, we are enabling uninterrupted connectivity for people, businesses, and nations. HFCL is trusted by leading telecom operators, enterprises, and governments to build the networks of the future.

Our Core Business Segments

We are a leading technology enterprise delivering future-ready communication and networking solutions across Telecom, Defence, and System Integration. At the forefront of India’s digital transformation, we design and manufacture high-end telecom and defence equipment, optical fiber, optical fiber cables, and

passive connectivity solutions through our subsidiary HTL Limited. We also build advanced digital networks for telecom operators, enterprises, and governments worldwide. With six state-of-the-art manufacturing facilities, three R&D centres, and deep domain expertise, HFCL combines innovation, quality, and scale to power next-generation digital ecosystems. Our diverse product portfolio and proven capabilities in large-scale network creation enable seamless connectivity, enhance security, and strengthen infrastructure.

Guided by our commitment to innovation, self-reliance, and global partnerships, HFCL continues to create long-term value while contributing to India’s Atmanirbhar vision and driving digital transformation across the countries we are serving.



Telecom

The Company manufactures optic fiber, optic fiber cables, along with a comprehensive portfolio of telecom and networking products. These include access, transmission and passive connectivity solutions that form the backbone of digital communication networks.



Defence

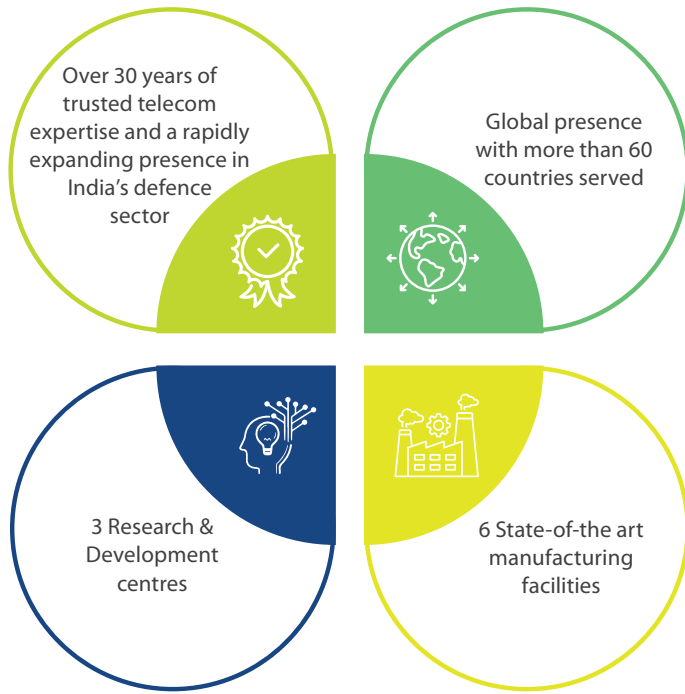
This segment provides advanced communication and surveillance technologies, offering a range of products such as electronic fuzes, electro optics, ground and coastal surveillance radars, tactical cables and integrated wire harness solutions designed for mission critical applications.



System Integration

HFCL delivers end-to-end deployment of large-scale telecom and defence communication networks, encompassing network design, infrastructure rollout, and maintenance to ensure high reliability performance across critical applications.

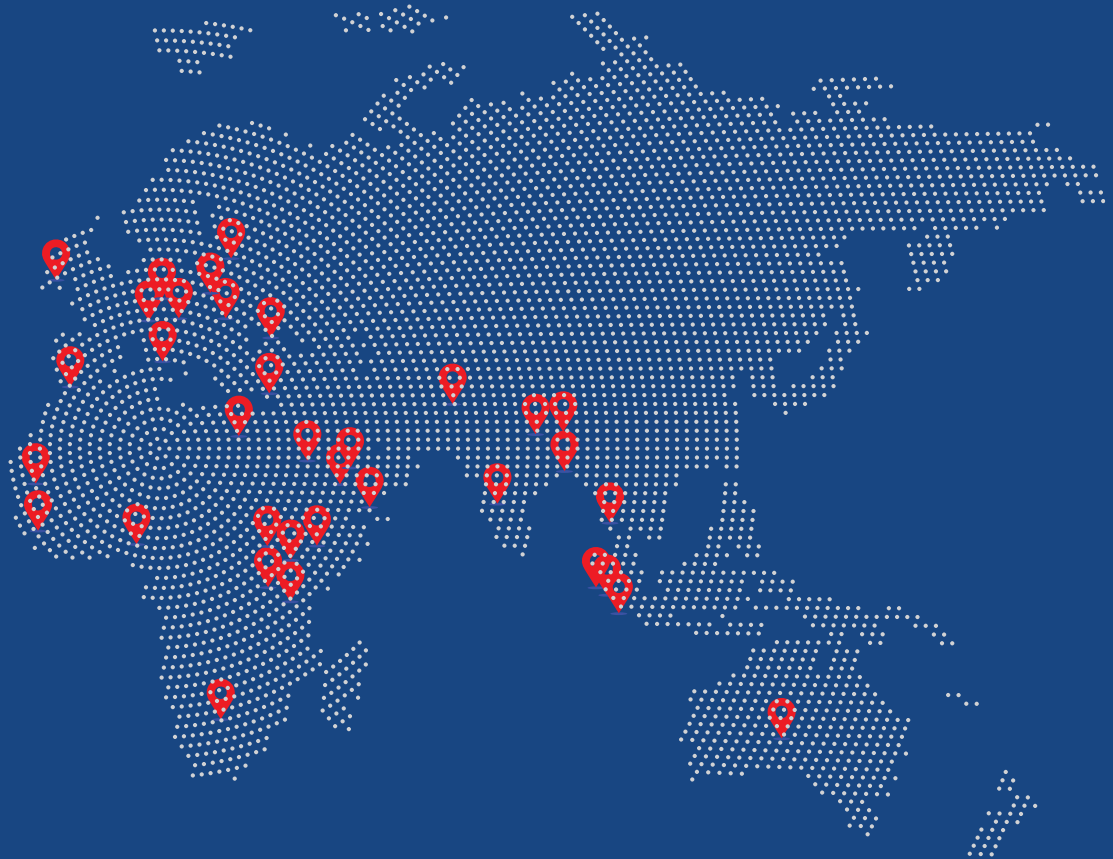




Operating Across Three High-Growth Segments

HFCL's operations are anchored across three fast-growing sectors, each playing a critical role in advancing next-generation connectivity, national security and digital infrastructure.

HFCL's diverse product portfolio and strong network creation capabilities reflect its steadfast commitment to innovation, quality, and long-term value creation. By serving critical sectors such as Telecom, Defence, and System Integration, the Company continues to enable digital connectivity, strengthen national security, and support the development of resilient infrastructure. Through these efforts, HFCL supports industry transformation while contributing meaningfully to broader societal and economic progress.



*Map not to Scale

Our Products and Offerings

Telecom

HFCL provides a broad range of high-performance networking equipment catering to global telecom operators and enterprises, enabling faster, more secure, and scalable connectivity solutions. Additionally, HFCL manufactures a diverse range of optical fibers and optical fiber cables that form the backbone of high-speed data transmission infrastructure.



Networking Products

Product Category	Key Offerings
Wireless Access	Indoor & Outdoor Wi-Fi 5, 6, and 7 Access Points
Backhaul	Point-to-Point and Point-to-Multipoint Unlicensed Band Backhaul Radio (UBR)
Routing & Switching	IP/MPLS Routers, Ethernet L2 Switches
Home Connectivity	Mesh Routers
5G Enablement	Indoor & Outdoor FWA CPE
Network Management	Unified Cloud-based Network Management System (io and Canvas)
Element Management	Cloud native Element Management System for IP/ MPLS Router



Optical Fiber & Cable Products

Product Category	Key Offerings
Optical Fiber	EKA fiber, HFCL A2, HFCL A1, HFCL A2 200 & HFCL A1200, HFCL 2D
Fiber Cables	Armoured/Unarmoured Cable, Micro Cable, Ribbon Cable, FTTH Cable, Micro Module Cable, IBR Micro Cable, IBR Indoor/Outdoor Cable, Tactical Cable, MPO Cable

Passive Connectivity Solutions: Building the Backbone of Networks

The Company offers high-quality passive connectivity components that enable seamless integration and high-speed performance in telecom networks.

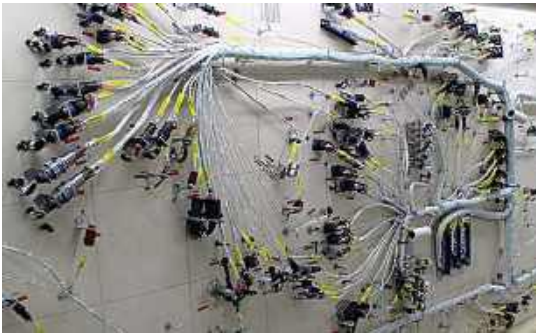


Passive Connectivity Products

Product Category	Key Offerings
Assemblies and Enclosures	Cable Assemblies, Fiber Termination Box, Joint Closures
Distribution Hardware	High-Density Cabinets, PLC Splitters
Accessories	Aerial/FTTH Accessories
Data Centre	MPO/MTP Assemblies, LIU, Cable Managers

Wire Harness Portfolio: Aerospace and Automotive Cable Solutions

HFCL also supplies specialised cable assemblies designed for high-reliability applications across aerospace, defence, and automotive sectors.



Wire Harness Portfolio

Product Category	Key Offerings
Aerospace & Defence	Customised Cable Assemblies
Automotive	Specialised Automotive Harnesses

Defence Products: Enabling Mission-Critical Capabilities

A key partner in India's defence modernisation efforts, HFCL develops indigenous defence-grade technologies for mission-critical communication and surveillance needs.



Defence Products

Product Category	Key Offerings
Military Armament and Ammunition	Electronic Fuze, Artillery Shells, Multi-mode Hand Grenade (MMHG)
Electronic Warfare (EW) and Tactical Communication System	High-capacity Radio Relay (HCRR), Compact Trans-horizon Communication System (CTCS), Ground Surveillance Radar (GSR), Coastal Surveillance Radar (CSR)
Electro Optics	Thermal Weapon Sights (TWS), Thermal Imaging Core (TI Core)

Turnkey Solutions and Network Projects

HFCL is a trusted partner for executing large-scale communication projects across telecom and defence. Leveraging deep expertise and advanced technologies, we deliver end-to-end network solutions that ensure seamless connectivity, mission-critical reliability, and long-term scalability for telecom operators, government agencies, and armed forces. Our offerings include:



Turnkey Solutions and Network Projects

Telecom Projects

HFCL has extensive experience in delivering large-scale telecom infrastructure projects, spanning transport networks, FTTH rollouts, and advanced Wi-Fi deployments. Key areas of expertise include:

- Optical Transport Networks
- Rural GSM and In-Building Solutions
- Fiber-to-the-Home (FTTH) and Mobile Backhaul

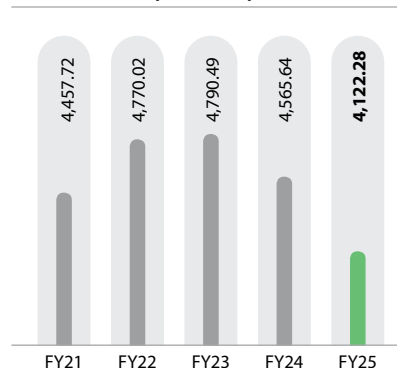
Defence Communication Projects

The Company delivers secure, end-to-end communication networks to support critical defence infrastructure. Its key solutions include:

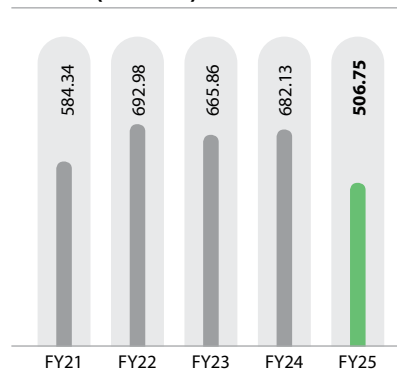
- Multi-Protocol Label Switching (MPLS) Network Solutions
- Microwave Broadband Links in Remote Areas
- Optical Transmission Backbone Networks
- GSM-based Fiber Monitoring Systems

Financial Highlights

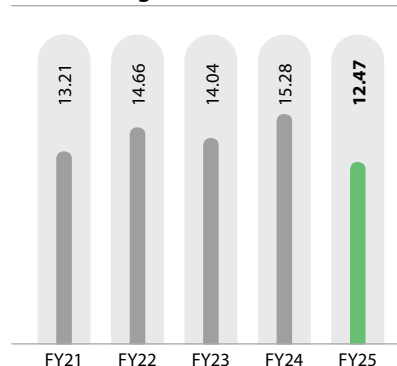
Total income (₹in crore)



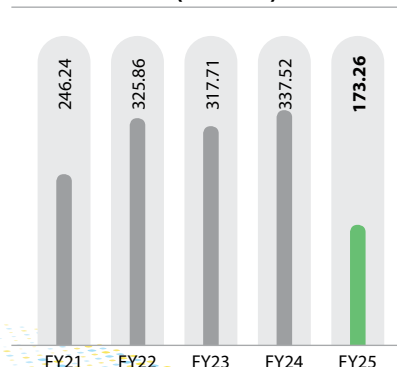
EBITDA (₹in crore)



EBITDA Margin (%)



Profit After Tax (₹in crore)



₹4,065 crore

Revenue from Operations

₹507 crore

EBITDA

₹173 crore

Profit After Tax

₹9,900+ crore

Order Book

₹14.02 crore

investment towards energy conservation equipment

~₹5 crore

spent on CSR

During FY25, the Company continued to operate largely independently, with minimal reliance on government support. To provide transparency and context, the table below presents financial assistance received from government authorities during the reporting year, along with comparative data for the previous three financial years.

Financial assistance received from government (all amounts ₹ in crore)

Parameter	FY23	FY24	FY25
Tax relief and Tax credits	Nil	Nil	Nil
Subsidies	42.97	0.36	Nil
Employee Wages and Benefits	279.60	264.79	272.68
Payments to Providers of Capitals	132.32	130.20	167.42
Investment grants, research and development grants, and other relevant types of grants	Nil	Nil	Nil
Awards for Innovation	Nil	Nil	Nil
Royalty Holidays	Nil	Nil	Nil
Financial assistance from Export Credit Agencies (ECAs)	Nil	Nil	Nil
Financial incentives	2.55	0.61	2.74
Other Financial Benefits	48.29	53.15	53.15

In FY25, government support was largely limited to routine subsidies, financial incentives, and other operational benefits provided under applicable schemes. These benefits are modest compared to the Company's overall financial performance and do not create any material dependency. The Company did not receive any tax reliefs, tax credits, research and development grants, royalty holidays, or assistance from Export Credit Agencies.

Specifically, 1,00,051 equity shares (0.006% of the paid-up capital) are held by the Himachal Pradesh State Electronics Development Corporation Limited under the State Government category. This represents a very negligible portion of the Company's total shareholding and does not influence its governance or operational decisions.

Overall, the Company's growth and performance remain primarily market-driven, reflecting its strong operational capabilities and strategic initiatives, with very limited involvement from government authorities.



Non-Financial Highlights

Environmental Performance

8.59%

Reduction in Total Waste Generated

13%

Reduction in Energy consumption

73%

of the Total Waste Generated Recycled

10,200

square meters

of Area Covered by Green Landscaping at Hyderabad

Certified ISO

14001:2015

Environmental Management System at Goa, Hyderabad and Solan Plants

Social Performance

6%

women in workforce

13 hours

Average hours of training per employee

ZERO

instances

of child labour/ forced labour/ compulsory labour and discrimination

36,000+

of training hours spent on capacity building and skill development

340+

training programs conducted

Governance Performance

100%

Board attendance in meetings on business updates, regulatory changes, and their impact on the Company*

50%

Directors are independent

ZERO

incidents

of non-compliance with any laws or regulations

*Except Mr. Mahendra Nahata, who could not attend the Board Meeting held on July 24, 2024, due to his pre-occupations.

Global Recognition & Awards

Over the years, HFCL's pursuit of excellence has been consistently acknowledged by leading global institutions. Our achievements span innovation, sustainability, quality, and social impact, underscoring our ability to compete and excel at an international level. These accolades not only validate our strategy of combining advanced technology with responsible business practices, but also reflect the trust placed in us by customers, partners, and stakeholders worldwide. Together, they demonstrate HFCL's growing influence as a future ready organisation shaping the future of connectivity and sustainable development.

Recognised for impacts: Our winning journey (2022-2025)

Winner of Lightwave Innovation Reviews Award for revolutionary 1W IBR Micro cable (144F-576F) (2024)

Winner of Merit Awards - Gold for HFCL Micro Module Cables (2024)

Winner of Best Indian IPR in Telecom of the Year by IMC (2024)

ISE Network Innovators' Award - Silver Honouree (2024)

Winner - World Communications Award (Connected Communities category) (2024)

Winner - Merit Awards (Connecting the Unconnected) (2024)

Winner - Merit Awards - Gold - Project of the Year - Private Wireless Network (2024)

Winner - Merit Awards - Gold - 5G Technology (2024)

Winner - Best EV Components Supplier of the Year at India EV Awards (2024)

Winner - Gold Honouree Award - Cabling Innovators Award (2023)

Winner - Best Auto Part Manufacturer of the Year at India EV Awards (A&I) (2023)

Winner - Most Innovative Telecom System Integration - IMC Awards (2022)

Winner - Manufacturing Excellence Awards (2022)

Winner - mCube Awards – Best Online PR Campaign (2025)



HFCL has won the mCube Best Online PR Campaign award for its impactful storytelling around the Maha Kumbh 2025 connectivity & surveillance deployment, as well as BSNL's advanced BNG rollout, showcasing our role as a trusted enabler of Digital India.

Winner - Lightwave + BTR Innovation Awards for Ultra-Compact Fiber Design (2025)



864-Fiber Nano Thin G.657.A1 Microcable – Winner of the Lightwave + BTR Innovation Award, recognising its ultra-compact design and high fiber density that enable faster, more efficient network rollouts.

Winner - Lightwave + BTR Innovation Awards for High-Capacity Fiber Design, Streamlined Indoor Deployments (2025)



Global Compact Indoor Ribbon Trunk Cable – Honoured with the Lightwave + BTR Innovation Award for its space-saving, high-capacity design that streamlines indoor fiber deployments without compromising performance.

Winner of TWF Most Admired Auto/EV Component Manufacturer (2025)



HTL Limited a subsidiary of the Company, was honoured with this award for its outstanding contribution to the automotive and EV sectors. The recognition celebrates our relentless focus on innovation, uncompromising quality, and reliable delivery of world-class wiring harnesses and components to leading OEMs across the two-wheeler, three-wheeler, and EV ecosystems. It reinforces our role as a trusted partner advancing the future of mobility with excellence and sustainability.

Finalist - LightReading - Outstanding Use Case: Mobile Network Deployment (2025)



HFCL was shortlisted as a finalist for Outstanding Use Case – Mobile Network Deployment for its ground breaking Mobile Data Offload and Wireless Backhaul solution at MahaKumbh 2025. Powering over 660 million pilgrims with 99.9% uptime, this was one of the world's largest city-wide public Wi-Fi deployments built entirely with indigenous technology. From 250,000+ peak concurrent users to over 100TB of data transferred, the network enabled high-speed connectivity, real-time surveillance, and digital inclusion at an unprecedented scale. A proud moment for us and a powerful example of tradition meeting technology.



Honoured as Finalists

Finalist of the Access Innovation Award - World Communication Awards (2024)

Finalist - Leading Lights Awards 2024 (Outstanding Use Case- Bridging the Digital Divide) (2024)

Finalist - WBA (Best in Home Wi-Fi Network) (2023)

Finalist - WBA (Best Wi-Fi for Social Impact) (2023)

Finalist - WBA (Best Enterprise Wi-Fi Network: Education Sector Deployments) (2024)

Finalist - Glotel Awards - Connecting the Unconnected (2024)

ESG Ratings

EcoVadis (December 2024)

Overall: 58/100
 Environment: 70/100
 Labour & Human Rights: 70/100
 Ethics: 50/100
 Sustainable Procurement: 30/100
 Achievement: HFCL has been awarded a Commitment Badge



SES ESG (March 2025)

Overall: 70.9/100
 Environment: 62
 Social: 73
 Governance: 76
 Core Strength: Strong Social and Governance performance

NSE Sustainability (July 2025)

Overall: 63/100
 Environment: 51
 Social: 76
 Governance: 68
 Core Strength: Strong Social Pillar, Moderate Environment and Governance

Crisil ESG (September 2025)

Overall: 55/100
 Environment: 47
 Social: 56
 Governance: 61
 Core Strength: Strong Governance Pillar

ESG Risk (October 2025)

Overall: 65/100
 Environment: 47.32
 Social: 67.01
 Governance: 71.59
 Category: Strong

CFC Finlease (October 2025)

ESG Rating of 73
 Core Strength: Committed to sustainable and responsible practices.

The recognitions we receive serve as milestones that inspire us to aim higher, innovate further, and embed sustainability at the core of everything we do. Each award strengthens our resolve

to deliver transformative solutions that create long-term value for society, protect the environment, and set new industry benchmarks. As we move forward, HFCL remains committed to building on this

global recognition, driving impact that extends well beyond business success to contribute meaningfully to a more sustainable and connected world.

Value Creation Model





Output

Outcome

SDG Linkage










<ul style="list-style-type: none"> • Revenue from operations: ₹4,065 crore • EBITDA: ₹507 crore • Profit After Tax: ₹173 crore 	<ul style="list-style-type: none"> • Strengthened financial stability and profitability, enabling reinvestment in growth and innovation • Enhanced shareholder value and investor confidence through consistent earnings 	
<ul style="list-style-type: none"> • 9,900+ crore order book • 80+ Marquee customer across 60+ countries • #1 Optical Fiber Cable (OFC) Supplier in India 	<ul style="list-style-type: none"> • Improved global competitiveness and sustained market leadership in OFC segment • Strengthened customer trust and long-term relationships across diverse geographies 	 
<ul style="list-style-type: none"> • 100% return to work rate and retention rate for both male and female workers and employees • 13 hours training per employee and 5 hours training per worker • Zero instances* of work-related injury, high consequence work related injuries or cases of work-related ill health reported in the last three FYs 	<ul style="list-style-type: none"> • Safe and inclusive workplace fostering employee well-being and productivity • Enhanced workforce capabilities through continuous training and skill development • High employee engagement and loyalty reflected in strong retention 	 
<ul style="list-style-type: none"> • Market Leader: #1 Optical Fiber Cable (OFC) Supplier in India • Awards and Recognition: 15+ Awards received in the last 3 FYs. • IPR: India's first 5G Fixed Wireless Access (FWA) Customer Premise Equipment (CPE) with its own intellectual property rights (IPR) 	<ul style="list-style-type: none"> • Enhanced innovation capability and differentiation through proprietary technologies • Strengthened brand reputation and industry recognition via awards and market leadership • First-mover advantage in emerging technologies like 5G solutions 	  
<ul style="list-style-type: none"> • 13% Reduction in Energy consumption • ~5% decrease in energy intensity • STPs installed to treat wastewater with a capacity of 35 KL/day (Hyderabad) and 30 KL/day (Goa) 	<ul style="list-style-type: none"> • Reduced environmental footprint through energy efficiency and waste management • Contribution to water stewardship and circular economy initiatives • Progress towards long-term sustainability targets, aligning with global ESG benchmarks 	     
<ul style="list-style-type: none"> • CSR Beneficiaries: 1.32 lakh+ CSR Beneficiaries 	<p>Strengthened community trust, enhanced stakeholder confidence, and created meaningful social impact through wide-reaching CSR programs</p>	    

* During the reporting period, an unfortunate fatal incident occurred at HFCL's Hyderabad Plant, within a restricted area designated for expansion activities.

Driving Sustainability for a Greener Future

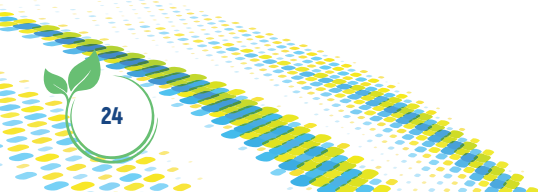
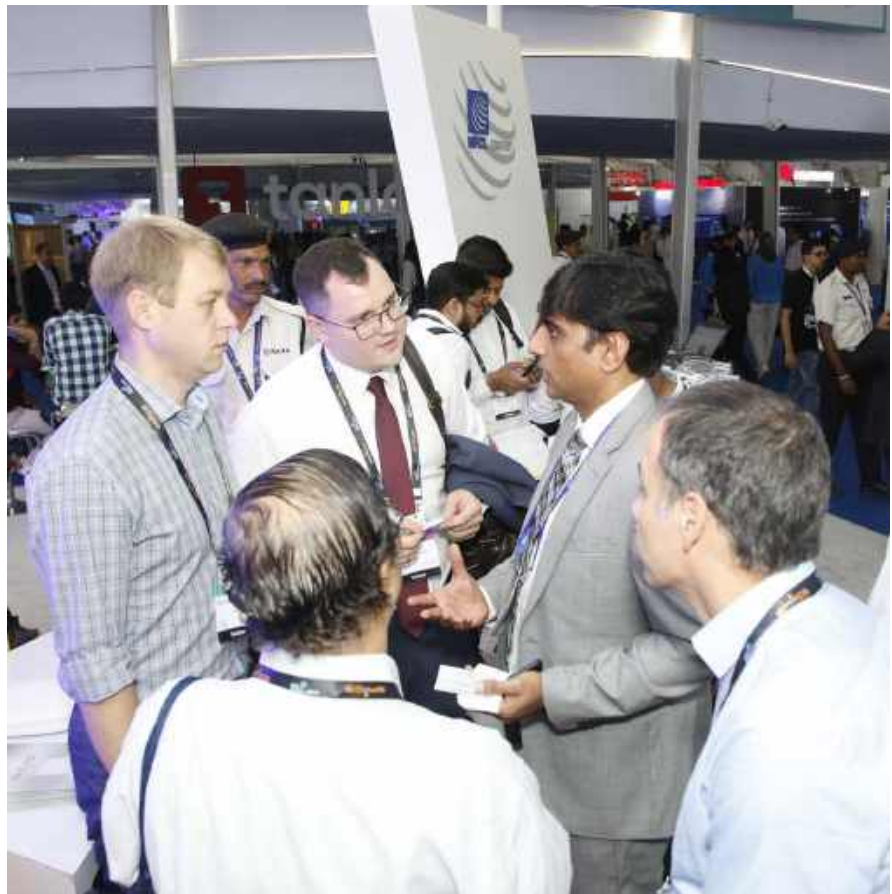
Assessment of Material ESG Topics

Alignment to UN Sustainable Development Goals (SDGs)

Innovative and Responsible Infrastructure	Environmental Stewardship	Empowering People and Communities	Strong Governance and Collaboration
<p>We are committed to developing high-performance, energy-efficient, and environmentally responsible telecom infrastructure that supports sustainable digital transformation.</p> <p>Aligned with SDG 9: Industry, Innovation and Infrastructure.</p>	<p>We aim to reduce our carbon footprint across the value chain through renewable energy adoption, circular economy practices, waste minimisation, and efficient resource utilisation.</p> <p>Aligned with SDG 7: Affordable and Clean Energy, SDG 12: Responsible Consumption and Production, and SDG 13: Climate Action.</p>	<p>We foster a safe, inclusive, and equitable workplace while supporting initiatives that expand affordable and reliable connectivity to underserved population, thereby contributing to inclusive growth.</p> <p>Aligned with SDG 5: Gender Equality, SDG 8: Decent Work and Economic Growth, and SDG 10: Reduced Inequalities.</p>	<p>We embed sustainability principles into governance, decision-making, and strategic partnerships, ensuring resilience, transparency, and trust with all stakeholders.</p> <p>Aligned with SDG 16: Peace, Justice and Strong Institutions, and SDG 17: Partnerships for the Goals.</p>
	  	  	 

Stakeholder Engagement

HFCL actively maintains ongoing dialogue with stakeholders who are, or may potentially be, impacted by its operations. This engagement helps the Company gain a deeper understanding of stakeholder priorities and perspectives on sustainability-related matters. In addition to direct interactions, HFCL engages with a broader network of stakeholders across its ecosystem to gather insights into their expectations and views on the Company's sustainability impacts, associated risks, and emerging opportunities. These engagements play a critical role in shaping HFCL's sustainability strategy. They inform the Company's due diligence processes and guide its materiality assessments, ensuring that stakeholder perspectives are meaningfully integrated into decision-making. A summary of HFCL's stakeholder engagement mechanisms is provided in this section.





Stakeholder Group	Engagement Channel	Material in focus
Employees and Workers	<p>Engagement takes place both directly and indirectly through:</p> <ul style="list-style-type: none"> • Company's Newsletter • Company level townhalls • In-person meetings with the workforce • Meetings with worker's representatives • Companywide employee survey • Company's website 	<ul style="list-style-type: none"> • Employee Engagement and Communication • Human Capital Development • Health, Safety, and Well-being • Diversity, Inclusion, and Employee Experience • Employee Involvement in Social Impact
Suppliers	<p>Engagement takes place both directly and indirectly through:</p> <ul style="list-style-type: none"> • In-person meetings with the suppliers • Supplier trainings and webinar • Supplier survey • Company's Newsletter • Company's website 	<ul style="list-style-type: none"> • Responsible Procurement and Ethical Sourcing • Regulatory and Standards Compliance • Environmental and Sustainability Practices • Product Quality, Safety, and Performance • Supplier Collaboration
Customers (Distributors, Wholesalers, & Retailers)	<p>Engagement takes place both directly and indirectly through:</p> <ul style="list-style-type: none"> • Dedicated customer and partner service portal • Emails • Company's website 	<ul style="list-style-type: none"> • Product Quality and Reliability • Customer Engagement and Education • Innovation and Product Development
Investors and Shareholders	<ul style="list-style-type: none"> • Investor meetings • Conference calls • Press releases • Stock exchange announcements • Company's website • Company's Newsletters • Annual reports • Annual General Meetings (AGMs) • Emails 	<ul style="list-style-type: none"> • Business and financial performance updates • Company strategy, growth drivers, opportunities, and risks • Disclosure of material events impacting performance • ESG goals, initiatives, and progress reporting
NGOs/ CSR Partners	<ul style="list-style-type: none"> • Email correspondence • Telephone conversations • Video conferences • Periodic review meetings 	<ul style="list-style-type: none"> • Effective resolution of project-related issues and challenges • Monitoring and evaluation of CSR project outcomes and impacts • Optimising resource utilisation for greater beneficiary reach • Continuous improvement through stakeholder feedback
Local Communities	<ul style="list-style-type: none"> • Site visits • Phone interactions • Awareness sessions • Feedback collection (needs, aspirations, complaints, suggestions) • Collaboration with CSR partners and community leaders 	<ul style="list-style-type: none"> • Responsiveness to community needs and expectations • Accessibility and inclusiveness of CSR initiatives • Adequacy of resources and beneficiary coverage • Expansion of project scope and service delivery improvements • Transparent grievance redressal and feedback mechanisms

Materiality Assessment

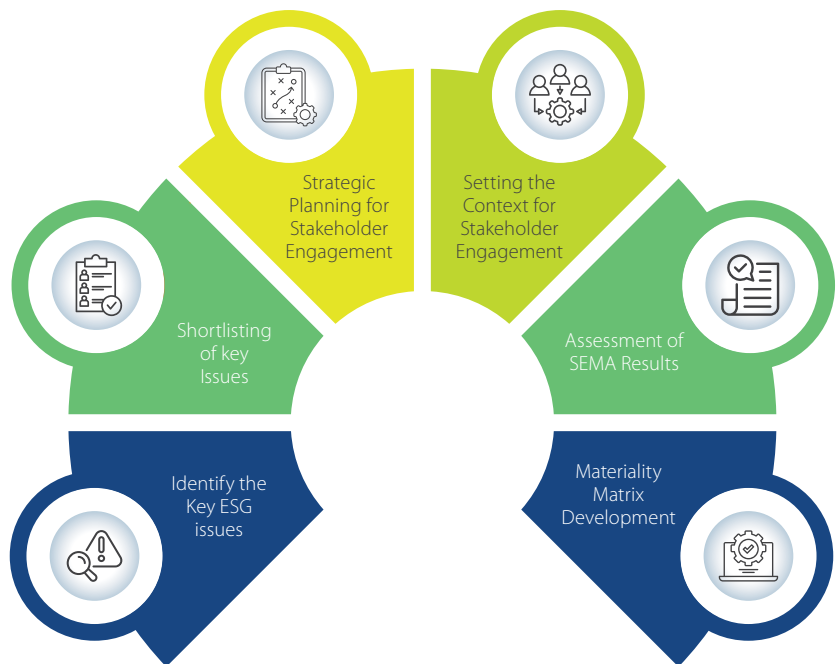
In FY23, HFCL conducted a formal Stakeholder Engagement and Materiality Assessment (SEMA) activity as part of its broader sustainability strategy. This exercise was aimed to engage stakeholders meaningfully and understand the relative importance they place on various Environmental, Social, and Governance (ESG) issues. The primary objective was to identify the ESG areas that matter most to HFCL, its investors, and other key stakeholders. The material topics were identified through benchmarking

against 18 peer companies and three leading industry standards, GRI, SASB and SEBI's BRSR Framework, to ensure alignment with both global reporting norms and sector-specific expectations. The insights gathered through this process have been instrumental in shaping HFCL's sustainability strategy, guiding its communications, and crafting a more impactful and authentic sustainability narrative. The assessment evaluated both financial and non-financial factors, including environmental and

social dimensions, business priorities, management focus, and performance indicators. It was guided by the principle of relevance, ensuring that stakeholder perspectives were effectively integrated into HFCL's strategic priorities and areas of impact. By aligning sustainability initiatives with business strategy and stakeholder expectations, the materiality assessment provided a structured foundation for informed decision-making and long-term value creation.

Key steps followed under Materiality Assessment

Key inputs were drawn from stakeholder consultations with employees, value chain partners, customers, and community representatives, as well as from peer analysis of leading telecom and technology companies. The outcome of this process was a refined materiality matrix that reflects HFCL's critical sustainability priorities. The material topics identified through the materiality assessment exercise were finalised by the ESG Committee. The high priority material topics were included in the BRSR and presented to the board for approval.



Snapshot of Stakeholder Engagement

Internal Stakeholders

Business leadership, employees (L3+L4)

38

Interaction with L1 and L2 employees

133

Survey responses from L3 and L4 employees

External Stakeholders

Representatives from value chain partners, customers and communities















19

External stakeholders responded



Top priorities	Priority issues	Monitoring issues	Hygiene Factors
<p>An effective and externally visible management response to these issues is vital for long-term business success of HFCL.</p> <ul style="list-style-type: none"> 1 Employee Well-being 2 Training, Learning and Development 3 Responsible and Ethical Business 4 Customer Centricity 5 Innovation Management 6 Data Privacy and Cyber Security 7 Corporate Governance 8 Anti-Corruption 	<p>An effective and externally visible management response to these issues should be a priority for HFCL.</p> <ul style="list-style-type: none"> 9 Human Rights 10 Labour Management 11 Community Development 12 Sustainable Supply Chain 13 Diversity and Inclusion 14 Occupational Health and Safety (OHS) 15 GHG Emissions and Energy Management 16 Waste Management and Circularity 17 Biodiversity Management 18 Product Stewardship 19 Risk Management 	<p>Best practice suggests that HFCL should monitor these issues as they may become more impactful over time.</p> <ul style="list-style-type: none"> 20 Water Management 21 Wastewater Management 22 EPR Commitment 	<p>HFCL need to balance responding to stakeholder concerns without incurring substantial cost.</p> <ul style="list-style-type: none"> 23 MSME Procurement 24 Climate Change Management 25 Decarbonisation

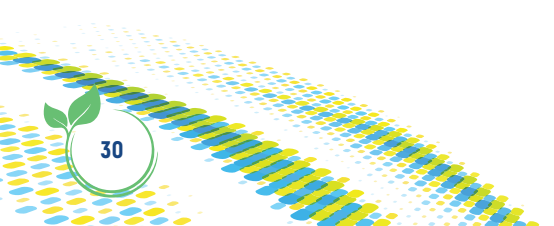
Material Topic alignment with UNSDGs

Material Topic	GRI Topic	Relevance to Stakeholder	Management Approach	Alignment with SDGs
Climate Change and Decarbonisation	Energy and Emission	Suppliers, Customers, Investors and Shareholders	<p>HFCL recognises that climate change can influence business continuity and stakeholder confidence. Our ESG disclosures provide transparency on climate-related risks, including supply chain disruptions, operational vulnerabilities, and transition risks from regulatory changes.</p> <p>To address these challenges, HFCL prioritise strategies that mitigate physical and transition risks, strengthen resilience, and align with sustainable development. By embedding climate action into our operations and value chain, we aim to safeguard business performance and contribute to a low-carbon future.</p>	   
Greenhouse Gas Emissions and Energy Management	Energy and Emission	Suppliers, Customers, Investors and Shareholders, Communities	<p>HFCL acknowledges energy use and greenhouse gas (GHG) emissions as material topics central to its sustainability agenda. We are committed to reducing our carbon footprint by improving energy efficiency and adopting renewable energy opportunities, which are highlighted in the environment section of the report.</p> <p>Through systematic monitoring of energy consumption and emissions, we aim to enhance operational efficiency, comply with regulatory requirements, and align with global climate goals.</p>	 
Waste Management	Waste	Communities, Employees	<p>HFCL prioritise responsible waste management to minimise environmental impact, ensure regulatory compliance, and maintain stakeholder trust. Our approach focuses on minimising environmental impact and reducing landfill dependency. Hazardous, non-hazardous, and e-waste are segregated at source, safely disposed of, recycled, or reused where feasible. The Company adopts circular practices, RoHS/REACH-compliant materials, and design innovations like dry-core cables to reduce hazardous inputs. Regular audits, training, and monitoring ensure continuous improvement and alignment with HFCL's sustainability goals.</p>	    
Water and Wastewater Management	Water and Effluent	Communities, Employees	<p>HFCL has implemented an integrated water management approach across its manufacturing sites, focusing on water conservation, recycling, and reuse. By minimising dependency on freshwater sources and promoting responsible resource utilisation, the Company aims to reduce its environmental footprint while ensuring operational efficiency. Continuous monitoring, process Optimisation, and employee awareness programs support the sustainable management of water resources in alignment with regulatory requirements and HFCL's broader sustainability objectives.</p>	  





Material Topic	GRI Topic	Relevance to Stakeholder	Management Approach	Alignment with SDGs
Biodiversity Management	Biodiversity	Communities	HFCL is committed to preserving biodiversity across its operations, ensuring none of its sites are located in ecologically sensitive areas. The Company implements site-specific initiatives, including green landscaped areas, native plantation programs, and ecological restoration, to enhance air quality, support soil health, and create habitats for local species.	 
Sustainable Supply Chain	Supplier Assessment	Suppliers	<p>HFCL recognises its supply chain as both a strategic risk and an avenue to enhance resilience, operational efficiency, and stakeholder confidence. By integrating ESG principles, the Company mitigates environmental impacts, promotes ethical sourcing, ensures regulatory compliance, and fosters circularity and innovation.</p> <p>Through collaboration with responsible suppliers and maintaining transparency across the value chain, HFCL strengthens operational resilience, addresses potential disruptions, optimises resource utilisation, and supports long-term sustainable growth. Key initiatives include supplier diversification, securing alternative sources, and embedding climate-conscious practices throughout the supply chain.</p>	  
Occupational Health and Safety	Occupational Health and Safety	Employees	HFCL considers occupational health and safety both a critical risk and a strategic priority. The Company maintains safe and hygienic working conditions by aligning its Occupational Health and Safety Management System with ISO 45001 standards and following a Zero Tolerance approach to unsafe practices. Regular risk assessments, medical checkups, safety drills, and employee engagement initiatives ensure prevention of workplace incidents, regulatory compliance, and continuous improvement in safety performance.	
Labour Management and Human Rights	Non-discrimination, Freedom of association and collective bargaining, Child Labour, Forced or compulsory labour, Security Practices	Employees, Suppliers	HFCL is committed to protecting and promoting human rights across its operations and supply chain. Guided by a Human Rights Policy aligned with UN, OECD, and ILO frameworks, the Company ensures a fair, safe, and respectful workplace. Supporting policies such as the Code of Conduct, Whistleblower Policy, Grievance Redressal Mechanism, and POSH Policy, provide strong safeguards and accessible channels for addressing concerns.	  
Diversity and Inclusion	Diversity and Equal Opportunity	Employees	HFCL views Diversity and Inclusion (D&I) as a strategic driver of innovation, employee engagement, and workforce resilience. By embracing diverse perspectives and fostering an inclusive culture, the Company strengthens decision-making, stimulates creativity, and enhances overall performance. Through equal opportunity practices and inclusive policies, HFCL builds a diverse talent pool that enables it to better understand and serve stakeholders.	 

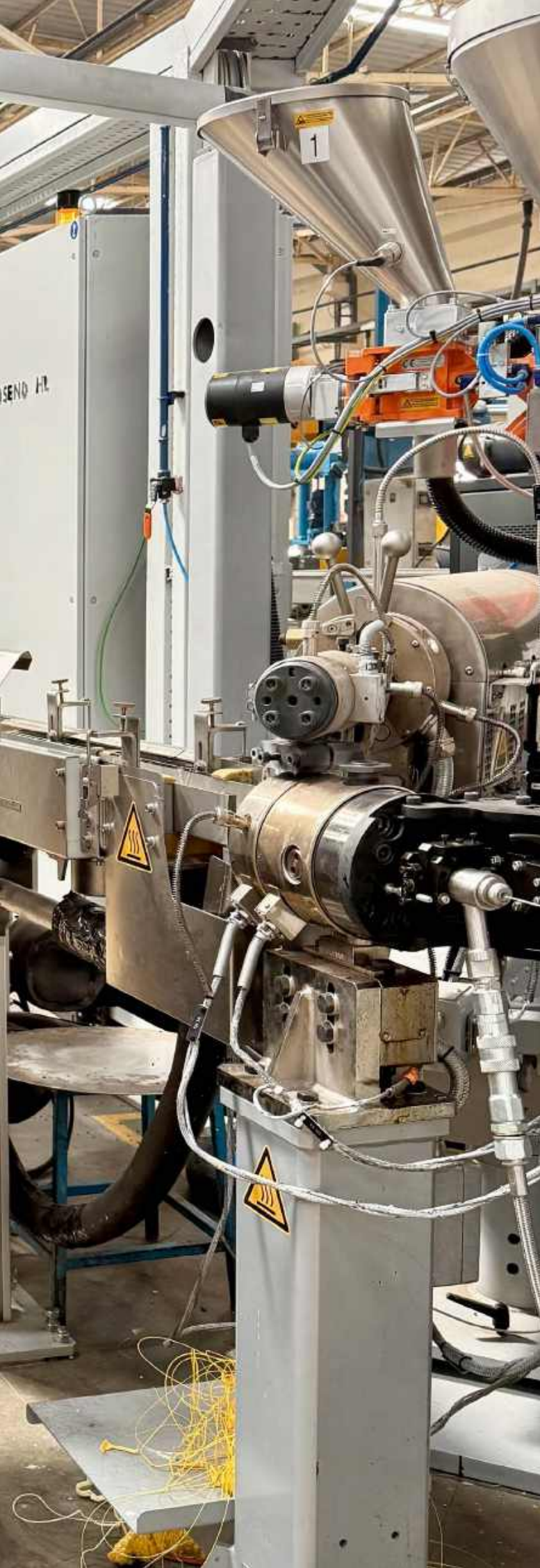
Material Topic	GRI Topic	Relevance to Stakeholder	Management Approach	Alignment with SDGs
Employee Growth, Development & Wellbeing	Employment, Training and Education, Labour Management	Employees	Learning and development play a vital role in strengthening the skills of employees and leaders. HFCL emphasises initiatives that nurture talent, enhance efficiency, and improve operational productivity. These programs help the workforce stay agile and competitive, promoting continuous improvement and innovation across the organisation.	 
MSME Procurement	Supplier Assessment	Suppliers	The Company's approach is guided by its commitment to building a resilient, inclusive, and responsible supply chain, while contributing to national priorities of strengthening MSMEs. By partnering with MSMEs, HFCL promotes local entrepreneurship, job creation, and innovation, while enhancing supply chain agility and cost efficiency. The Company actively seeks opportunities to increase MSME participation in its procurement processes through fair sourcing practices, transparent supplier selection, and capacity-building initiatives.	
Community Development	Indirect Economic Impacts, Local Communities	Communities, NGO	The Company's approach is anchored in creating a positive socio-economic impact through targeted initiatives that align with local needs and national priorities. HFCL focuses on programs that promote education, skill development, healthcare, old age care and digital inclusion ensuring that its interventions generate long-term benefits for communities.	   
Innovation Management	-	Customers, Suppliers	HFCL promotes a culture of innovation and strengthens its investment in Research & Development to develop cutting-edge products, services, and solutions. Innovation is viewed as a strategic opportunity that drives product differentiation, unlocks new revenue streams, and enhances operational efficiency.	
Data Security and Privacy	Customer Privacy	All stakeholders	HFCL considers data privacy and cybersecurity critical for safeguarding stakeholder trust, compliance, and business continuity. The Company collects only necessary data and ensures secure handling through well-defined processes and internationally certified IT systems (ISO/IEC 27001:2013 and ISO/IEC 27701:2019). Comprehensive policies, governance frameworks, and regular audits strengthen oversight, while proactive updates keep practices aligned with evolving regulations. Periodic awareness and training programs further reinforce cybersecurity resilience, minimising risks and ensuring long-term stakeholder confidence.	





Material Topic	GRI Topic	Relevance to Stakeholder	Management Approach	Alignment with SDGs
Corporate Governance	Anti-Corruption and Anti-competitive behaviour	Suppliers, Customers, Investors and Shareholders, Employees	HFCL follows a transparent governance framework that ensures compliance with applicable laws, promotes ethical conduct, and protects stakeholder interests. Oversight is exercised through a well-structured Board and committees, supported by comprehensive policies, codes of conduct, insider trading code, and effective risk management systems.	
Risk Management	-	Suppliers, Customers, Investors and Shareholders, Employees	HFCL recognises effective risk management as essential for safeguarding business continuity, protecting stakeholder interests, and achieving sustainable growth. The Company follows a structured Enterprise Risk Management (ERM) framework to identify, assess, and mitigate financial, operational, environmental, and compliance-related risks. Oversight is exercised by the Board and dedicated committees, supported by policies, internal controls, regular audits and periodic reviews.	
Customer Centricity	Customer Health and Safety	Customers	HFCL ensures that all customers have access to a system for registering complaints and addressing their concerns through the customer portal. By continuously analysing feedback and data from these channels, we refine our strategies and practices to better meet customer needs, enhance service quality, and ensure satisfaction.	
Product Stewardship	Marketing and Labelling	Customers	HFCL implements high standards of product quality and safety, supported by proper assurance and certification, to minimise potential risks to health and the environment. HFCL also ensures that consumers receive clear and appropriate information through responsible marketing, labelling, and guidance on safe usage, disposal, recycling, and reuse of products and packaging.	 
Business Ethics & Integrity and Anti-Corruption	Anti-Corruption	Suppliers, Customers, Investors and Shareholders, Employees	HFCL considers business ethics and integrity as the foundation of its operations, guiding conduct in a fair, honest, transparent, and responsible manner. The Company upholds principles, values, and behaviours that reinforce ethical decision-making and responsible business practices across all levels. To prevent and combat corruption, HFCL implements comprehensive policies, codes, internal controls, measures, and practices that address misuse of power or authority for personal gain.	





Fostering Ethical and Responsible Governance

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UN SDG Alignment







Fostering Ethical and Responsible Governance

HFCL recognises the pivotal role played by sound, transparent, and model governance in making stable operations viable, profitable, and scalable in dynamic environments of telecom industry.

The business strategy of HFCL is aligned with stewardship principles, integrating ESG criteria in our governance approach.

Key Governance Policies adopted by HFCL

- Anti-Bribery and Anti-Corruption
- Whistle Blower
- Code of Business Conduct and Ethics for the Board of Directors
- Code of Business Conduct and Ethics for Senior Management Personnel
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Policy for determination of materiality of events/information
- Policy on Board Diversity
- Familiarisation Program for Independent Directors
- Policy on Related Party Transaction
- Policy for Determining Material Subsidiary
- Dividend Distribution
- Principle and Policies of Business Responsibility
- Remuneration
- Archival
- Privacy

Focus Areas



Governance Structure



Code of Ethics & Governance Policies



Risk & Resilience Strategy



Cyber Security & Privacy Protection

KEY HIGHLIGHTS

5

Board meetings held

100%

attendance in Board Meetings*

50%

Directors are independent

ZERO

incidents of corruption, bribery or anti-competition

Certified ISO 27001:2022

(Information Security Management System) and ISO 27701:2019 (Privacy Information Management System)

Material Topic Linkage

- Data Privacy and Cyber Security
- Diversity & Inclusion
- Responsible and Ethical Business
- Corporate Governance
- Anti-Corruption
- Risk Management

*Except Mr. Mahendra Nahata, who could not attend the Board Meeting dated July 24, 2024, due to his pre-occupations.

Fostering Ethical and Responsible Governance

Corporate Philosophy of HFCL:

“Transparency, Professionalism and Accountability with an ultimate aim of value creation”

Governance Structure

Board of Directors

The Board of Directors at HFCL plays a pivotal role in shaping the Company’s vision, governance, and long-term strategy. This dynamic group of leaders brings together deep industry expertise and diverse perspectives across telecommunications, defence, finance, legal, and technology domains, guiding HFCL toward sustainable growth and operational excellence. The Board is instrumental in setting strategic goals, monitoring performance, and ensuring that ethical standards are upheld

throughout the organisation. By balancing in-depth knowledge of the Company with independent viewpoints, the Board ensures that decisions are well-informed and aligned with the best interests of all stakeholders.

Through its commitment to global best practices and responsible governance, the Board drives HFCL’s sustainable success and fosters enduring value creation for shareholders, customers, employees, and the broader community.

Board Composition

HFCL ensures strategic leadership driven by effective governance comprising of experienced Board of Directors with technological expertise and engineering excellence. The Board composition follows Regulations 17 and 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Companies Act, 2013 (“Act”). As of March 31, 2025, the Board comprised **six directors**, an optimum mix of Executive, Non-Executive, and Independent Directors. With over 50% of the Board comprising of Non-Executive Directors, HFCL is committed to a balanced governance mechanism to deliver impactful client solutions, superior customer experiences, and enhanced value to all its stakeholders. Since the Company does not have a permanent Chairman of the Board, the directors present at each meeting elect one of themselves as the Chairperson for that meeting. In FY25, during most Board meetings, Mr. Mahendra Nahata, Managing Director of the Company, was unanimously elected as the Chairman.



Mr. Mahendra Nahata
Managing Director



Mr. Ajai Kumar
Non-Executive -
Independent Director



Mrs. Bela Banerjee
Non-Executive -
Independent Director



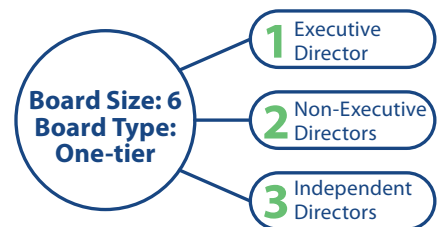
Mr. Bharat Pal Singh
Non-Executive -
Independent Director



Mr. Arvind Kharabanda
Non-Executive -
Non-Independent Director



Dr.(Mr.) Ranjeet Mal Kastia
Non-Executive -
Non-Independent Director





The Directors actively participate in Board and Committee meetings, offering valuable guidance and expert advice on business strategy, governance, compliance, and policy matters. Their involvement plays a critical role in addressing strategic issues and adds significant value to the Board’s decision-making process.

HFCL’s Board plays a central role in driving the Company’s sustainability agenda by overseeing strategies and initiatives that promote resource efficiency, human capital development, and community engagement. The Board ensures that stakeholder feedback is systematically incorporated into decision-making processes, through recommendations presented in Committee meetings post consulting departmental and business unit heads. This structured approach enables the Board to make informed decisions that align HFCL’s business strategies with its sustainability commitments, while promoting long-term value creation.

HFCL’s Board is composed of Directors with the expertise, experience, and skills required to effectively manage the Company’s diverse operations. The Board has mapped the skills and competencies of its directors to ensure the efficient functioning of key business units, including Optical Fiber & Optical Fiber Cable, Telecom Equipment Manufacturing, Telecom Network & Turnkey Solutions, and Defence Equipment Manufacturing. In addition to industry knowledge, the Board also has various technical and behavioural competencies.



The Board periodically reviews and evaluates its size and composition to ensure continued alignment with the Company’s strategic needs and governance standards.

Nomination and Evaluation of Board

HFCL has constituted a Nomination, Remuneration and Compensation (NRC) Committee, which is responsible for formulating the Company’s policy on the recruitment and remuneration of Directors, Key Managerial Personnel (KMPs), Senior Management, and other employees. In alignment with the Board Diversity Policy, the Committee defines selection criteria to assess the qualifications, positive attributes, and independence of potential candidates. For each appointment of an Independent Director, the NRC evaluates the Board’s composition in terms of skills, knowledge, and experience. Based on this assessment, it prepares a detailed description of the role and capabilities required, ensuring

alignment with HFCL’s strategic objectives and governance standards. The NRC’s recommendation for the appointment of each Director is subsequently placed before the Board and shareholders at the Annual General Meeting (AGM) or through Postal Ballot approval. HFCL Board evaluation framework is in alignment with the mandate of the Listing Regulations, ensuring compliance with Section 134(3) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014. These regulations require formal annual evaluations of the Board, its committees, and individual directors. Pursuant to the provisions of the Companies Act, 2013 read with relevant rules issued thereunder, Regulation 17(10) of the Listing Regulations and the Master Circular issued by SEBI on November 11, 2024, the evaluation of the annual performance of the Directors/ Board/ Committees was carried out for FY25. The parameters for the performance evaluation of the Board, inter-alia, include performance of the Board on deciding long term strategy, rating the composition and mix of Board members, discharging of governance and fiduciary duties, handling critical and dissenting suggestions, etc.

The performance of the Board was evaluated after seeking inputs from all the directors on the basis of above parameters, among others. The performance of the Committees was evaluated after seeking inputs from the Committee members on the basis of criteria such as the composition of Committees, effectiveness of Committee meetings, etc.



Technical Skills/ Experience

- Information Technology
- Marketing
- Accounting & Finance
- Compliance & Risk



Behavioural Competencies

- Integrity & Ethical standards
- Mentoring abilities
- Interpersonal relations



Industry Knowledge

- Telecom
- Defence
- Railway
- Manufacturing
- Banking

The NRC Committee reviewed the performance of the Individual Directors, the Committees of the Board and the Board as a whole. A questionnaire for the evaluation of the Board, its committees and the individual members of the Board, covering various aspects of the performance of the Board and its Committees, including composition and quality, roles and responsibilities, processes and functioning, adherence to Code of Conduct and Ethics and best practices in corporate governance was sent to the Members of the NRC Committee.

The Board of Directors reviewed the performance of the Independent Directors. Performance Evaluation was done on the basis of criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the agenda items, technical knowledge on the subject matter, meaningful and constructive contribution and inputs in meetings, etc. In a separate meeting of the Independent Directors, performance of Non-Independent Directors and the Board as a whole was evaluated, taking into

account the views of Executive Directors and Non-Executive Directors. Basis the feedback received on questionnaire from all the Directors, the performance of the Board as a whole, the Committees of the Company and the individual directors was found to be satisfactory. The Directors expressed their satisfaction with the evaluation process.

Board Committees

HFCL has established the Board committees to optimize its decision-making processes and align with the Company's strategic objectives and best interests. Each committee handles distinct areas of responsibility to ensure effective governance within the Company. This structure enhances operational efficiency, promotes focused discussions, and supports strong corporate governance practices. The Board maintains oversight and accountability for the performance of these committees in fulfilling their set roles. HFCL has constituted specialised committees each with defined roles and responsibilities, as summarised in this section.

Sustainability Governance

HFCL's Sustainability Governance Framework serves as the foundation for embedding sustainability objectives across all levels of the organisation. This framework facilitates the continuous integration of ESG considerations into the Company's strategic planning, risk management, and day-to-day operations.

At HFCL, environmental stewardship, community development, and economic resilience are core to the Company's business ethos. These pillars guide our efforts to create long-term value while contributing positively to society and the planet.

Complementing HFCL's Sustainability Governance Framework, the Company has established an ESG Committee to further strengthen its sustainability oversight. This Committee plays a pivotal role in ensuring that HFCL's ESG vision and goals are effectively embedded across all levels of operations.

The committee comprises of Independent Director, Non-Executive Director, Managing Director, CFO, Executive President-HR, Senior Vice President and Vice Presidents.

Audit Committee

Chairman
Mr. Bharat Pal Singh

The Audit Committee of HFCL plays a fundamental role in ensuring strong financial governance and compliance. The Committee's terms of reference are aligned with Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. These among others include oversight of the financial reporting process to ensure accuracy and credibility, recommending the appointment and remuneration of auditors, and reviewing annual and quarterly financial statements. Additionally, it monitors the application of funds raised through various financial instruments, investigates suspected fraud or irregularities, and manages the functioning of the Whistle Blower/ Vigil Mechanism.

Nomination, Remuneration and Compensation Committee

Chairman
Mr. Surendra Singh Sirohi (up to 26.08.2024)
and **Mr. Ajai Kumar** (from 27.08.2024)

The NRC Committee of HFCL, constituted in compliance with Section 178 of the Companies Act, 2013, and Regulation 19 of the Listing Regulations. This Committee plays an important key role in managing the recruitment, evaluation, and remuneration policies of the Company, among others. The NRC Committee is assigned with identifying and recommending qualified individuals for positions such as Directors and Senior Management, formulating performance evaluation criteria for the Board and Independent Directors, and formulating policies for determining qualifications, attributes, and remuneration for key managerial personnel and other employees. Additionally, the Committee oversees the Employees' Long-Term Incentive Plan, ensures Board diversity, and evaluates the skills, knowledge, and experience required for Independent Directors.

Stakeholders' Relationship Committee

Chairman
Mr. Arvind Kharabanda

The Board constituted HFCL's Stakeholders' Relationship Committee (SRC) in compliance with Section 178(5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The Committee's key roles and objectives include resolving grievances received from security holders in relation to transmissions of shares, duplicate certificates, and non-receipt of dividends or annual reports etc. It also reviews measures for effective shareholder voting rights, adherence to service standards by the Registrar and Share Transfer Agent and take measures to reduce unclaimed dividends while ensuring timely delivery/ receipt of dividends, annual reports, and statutory notices to shareholders.



ESG Committee

Reporting directly to the Board of Directors, the ESG Committee acts as a strategic driver of HFCL's ESG journey. It is responsible for shaping key initiatives, monitoring ESG-related data and performance, implementation of ESG policies and action plans, facilitating transparent communication across business divisions and recommending corrective measures to ensure continuous improvement.

In addition to this, as part of its governance activities, the ESG Committee periodically evaluates emerging ESG risks and opportunities that may influence HFCL's business operations and overall performance. This includes assessing climate-related risks that could impact energy-intensive manufacturing processes, monitoring supply chain sustainability to ensure responsible sourcing of raw materials and addressing environmental compliance across production facilities. The Committee has a mechanism in place to record and address stakeholder concerns in a timely manner. Any critical concerns raised are communicated to

the Board, along with details of the actions taken for resolution. During the reporting year, no critical concerns were raised by stakeholders. By proactively identifying and managing these risks and concerns of the stakeholder, the Committee helps HFCL enhance resilience, uphold regulatory standards, and seize opportunities for innovation and sustainable growth.

Furthermore, the Board is regularly updated on all financial and non-financial reporting disclosures, as well as Company's performance against established ESG strategies and goals, to ensure alignment with overall business objectives and governance standards. This approach ensures the Company's commitment to integrating ESG considerations into strategic decision-making and operational excellence.

Composition of ESG Committee

Mr. Surendra Singh Sirohi (Independent Director) – Chairman (up to 26.08.2024)

Mr. Bharat Pal Singh (Independent Director) – Chairman (w.e.f. 27.08.2024)

Mr. Mahendra Nahata (Managing Director) – Member

Mr. Arvind Kharabanda (Non-Executive Director) – Member

Mr. Vijay Raj Jain (Chief Financial Officer) – Member

Mr. Sanjay Vithalrao Jorapur (Executive President – HR) – Member

Mr. Subhas Mondal (Senior Vice President) – Member

Mr. Rajesh Tatia (Vice President – Goa Plant) – Member

Mr. Vivek Agrawal (Vice President – Hyderabad Plant) – Member

Mr. Manoj Baid, President and Company Secretary, acts as the Secretary to the Committee.

Risk Management Committee

Chairman
Mr. Mahendra Nahata

The Risk Management Committee of HFCL, constituted in line with the provisions of Regulation 21 of the Listing Regulations, is responsible for framing, implementing, and monitoring the Company's Risk Management Plan. It ensures the identification and mitigation of major risks faced by the business, including financial, operational, sectoral, ESG-related, and cyber security risks, through a structured framework. The Committee's key responsibilities include formulating a detailed risk management policy, implementing measures for risk mitigation, ensuring robust internal controls, and maintaining a business continuity plan.

Corporate Social Responsibility Committee

Chairman
Mr. Mahendra Nahata

The Corporate Social Responsibility (CSR) Committee of HFCL is constituted in compliance with Section 135 of the Companies Act, 2013. The Committee is responsible for overseeing the Company's CSR initiatives. Its key roles include formulating and recommending a CSR Policy to the Board, outlining activities aligned with Schedule VII of the Act, recommending the budget for CSR activities, and monitoring the implementation of CSR projects to ensure alignment with the Company's objectives and statutory requirements.

Environment, Social and Governance Committee

Chairman
Mr. Surendra Singh Sirohi (up to 26.08.2024)
and **Mr. Bharat Pal Singh** (from 27.08.2024)

The Board constituted HFCL's ESG Committee designed to oversee and lead the Company's environmental, social, and governance strategies, activities and implementation across the organisation.

Culture of Ethics and ESG Training



In light of the growing importance of sustainability and climate-related issues across sectors, the BODs and KMPs are regularly sensitised and trained on critical topics such as anti-bribery and anti-corruption practices, ESG regulations, sectoral developments, and strategic reviews. These sessions are conducted through formal Board meetings and dedicated awareness programs. During FY25, seven such meetings and awareness sessions were held, and attended by the Board of Directors. Additionally, Board members participate in external training programs and seminars organised by reputed institutions to stay abreast

of emerging trends and regulatory expectations. HFCL has implemented comprehensive framework to manage and mitigate conflicts of interest through its Code of Business Conduct and Ethics for the Board of Directors, supported by effective internal policies and safeguards. Whole-time Directors are strictly prohibited from engaging in activities that conflict with the Company's interests, including concurrent employment with suppliers, customers, or competitors.

Any assignments involving competing entities or business dealings with relatives require prior approval from the Audit

Committee and must comply with applicable laws and SEBI regulations. Directors are also obligated to disclose and seek Board approval before deriving personal benefit from corporate assets, proprietary information, or their official position.

During the reporting period, there were no recorded violations of the Code of Conduct or incidents of conflict of interest involving the Board or Key Managerial Personnel, reaffirming HFCL's commitment to responsible and ethical business practices.

Policy Governance Framework

HFCL recognises that its integrity and reputation are built on a foundation of strong governance and ethical business practices. As a key player in the telecom and defence sector, the Company has established policies designed to ensure full compliance with legal and ethical standards, while promoting transparency, accountability, and credibility across all operations. These policies serve as a guiding framework for employees, helping them make ethical decisions, mitigate risks associated with misconduct, and align their actions with HFCL's core values. The governance framework also ensures that all business activities are consistent with strategic objectives, regulatory requirements, and

ESG principles, driving long-term value for stakeholders.

Code of Business Conduct and Ethics (COBEC)

HFCL's Code of Business Conduct and Ethics serves as a guiding framework for fostering a culture of integrity, accountability, and transparency across the organisation. This Code reflects HFCL's commitment to conducting business responsibly while maintaining the trust of its stakeholders.

The HFCL Code of Business Conduct and Ethics establishes a structure for maintaining the Company's standards of integrity and compliance with

legal requirements. Serving as both a deterrent against unethical practices and a catalyst for promoting ethical values, this Code embodies HFCL's dedication to lawful and principled business operations. It plays a vital role in enhancing trust and accountability, which are crucial for the Company's shareholders, creditors, and business associates.

Upholding the highest standards of ethical, moral, and legal conduct, HFCL has implemented a Code of Conduct and Ethics for the Members of the Board of Directors and a Code of Conduct for Senior Management Personnel to ensure these principles are consistently followed across the organisation and leadership.



Vigil Mechanism – Whistle Blower Policy

HFCL is committed to fostering a culture of transparency and accountability by encouraging its directors and employees to report any unethical behaviour, improper conduct, illegal activities, suspected fraud, or violations of the Company’s Code of Conduct for Directors and Senior Management Personnel.

HFCL’s Whistleblower Policy encourages open communication, enabling employees and management at all levels to raise concerns without fear of retaliation, providing adequate safeguards are in place to protect individuals from victimisation. The policy includes effective safeguards to protect individuals from victimisation, ensuring that ethical concerns can be addressed in a secure and confidential manner. To support this initiative, HFCL has appointed a Vigilance Officer under the Whistleblower Policy. The Vigilance Officer is empowered to receive and review complaints from employees and workers, ensuring that all concerns are handled with integrity and impartiality. Findings from these reviews are reported to the Audit Committee, which is responsible for final decision-making and appropriate action. Additionally, HFCL has established Internal Complaints Committees at each workplace under the Policy on Prevention of Sexual Harassment at Workplace (POSH) to address sexual harassment complaints promptly and effectively. Our Internal Committees for resolution of POSH complaints are chaired by female employees at a senior level, in accordance with Section 4(2)(a) of the POSH Act.

ZERO

incidents of non-compliance related to corruption were identified

100%

operations assessed for corruption-related risks

Anti-Bribery and Anti-Corruption (ABAC)

HFCL is committed to the prevention, deterrence, and detection of fraud, bribery, and all other corrupt business practices. All our operations are subject to periodic external anti-corruption due diligence to ensure adherence to the highest ethical and compliance standards. The Company has undergone a comprehensive due diligence process administered by TRACE, the world’s leading anti-bribery, compliance, and governance standard-setting organisation.

HFCL has implemented an Anti-Bribery and Anti-Corruption Policy across all its operational locations, including its affiliates and subsidiaries. This policy applies globally to all individuals associated with the Company, including directors, senior executives, officers, employees (permanent, fixed-term, or temporary), consultants, contractors, trainees, seconded staff, casual workers, volunteers, interns, agents, and anyone else who is connected or associated with HFCL. Furthermore, everyone covered under this policy is also encouraged to disclose any concerns related to bribery or misconduct as early as possible. We also provide training related to ABAC policies and procedures to our key stakeholders, as elaborated in the table below:

#	Parameter	Number of trainings	Percentage of attendance
1	Governance body members (Board of Directors) that have received training on anti-corruption.	1	50
2	Employees that have received training on anti-corruption.	490	21

In FY25, HFCL conducted ESG-related training for its suppliers, covering key governance aspects including anti-bribery and anti-corruption. However,

going forward, we plan to conduct comprehensive training sessions for our business partners on our anti-bribery and anti-corruption policies and procedures.

Fair Competition

HFCL aims to ensure that it upholds the principles of fair competition and comply with anti-trust regulations in all the areas of operations. Our employees are made aware of this commitment through regular communication and training opportunities.

Zero instances of anti-competitive behaviour, anti-trust, and monopoly practices

Remuneration Policy

HFCL’s Remuneration Policy aims to attract, motivate, and retain talent by nurturing a supportive work environment through fair remuneration for senior management personnel including KMPs and other employees of the Company. It emphasises fair remuneration, superannuation benefits, and long-term sustainability of talent while aligning with the Company’s objectives of good corporate governance and sustained value creation for shareholders. The Policy includes following key elements:

- Fixed base pay
- Retirement benefits
- Variable compensation
- Severance payments
- Perquisites
- Performance-based incentives

The NRC Committee designs remuneration packages to attract, retain, and motivate individuals with the quality needed for the Company’s success. These packages balance fixed, and incentive pay, reflecting short- and long-term performance objectives aligned with Company goals. For the Managing Director, Whole Time Directors, and Non-executive Directors the terms of office and remuneration require Board

and shareholder approval, in compliance with the Companies Act, 2013, and Listing Regulations, ensuring fairness and responsibility.

There is no performance linked incentive for senior executives aligned with the environment and social performance criteria as on March 31, 2025. However, HFCL aims to align executive compensation with performance against ESG targets by linking them with individual Key Result Areas (KRAs) in the future. Currently, executives receive long term incentives based on the performance of the Company.

Risk and Resilience Strategy

At HFCL, we recognise the critical importance of identifying, assessing, and mitigating risks inherent in our diverse business operations. Our Risk Management Policy provides a comprehensive framework that enables us to proactively manage potential challenges and uncertainties, ensuring the resilience of our business operations.

The Board of Directors reviews the business plan and develops HFCL’s Risk Management Strategy. This strategy includes guiding principles for proactive planning to identify, analyse, and mitigate all material risks, both external and internal, such as environmental, business, operational, and financial risks. Effective communication of this strategy across various management levels is a key to its successful implementation.

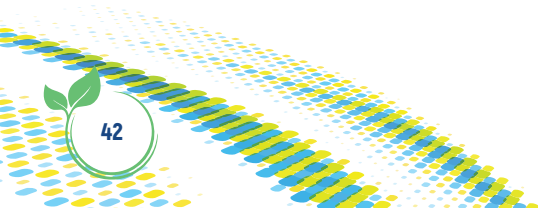
All vertical and functional heads are required to identify material risks and report these material risks, along with

their inputs and recommendations for mitigation, to the MD. The MD, in consultation with the respective heads, analyses these risks and formulates appropriate mitigation strategies.

A dedicated Risk Management Committee oversees the risk management efforts of HFCL. The Risk Management Committee not only assist in development of the Risk Management Plan with the Board but also monitor its implementation and review. The members of the Risk Management Committee perform the role of “Think Tank”, ideate and bounce off their collective suggestions to the Board for periodic updating of the Risk Management Plan to ensure that the same is in sync with changing macro and micro factors having bearing on all material aspects of the businesses HFCL is engaged in or shall undertake.

Our commitment to continually refining the Risk Management Policy, with a view of changing market conditions and the progression of our business, ensures that our risk evaluation processes remain effective, relevant, and adaptable to changing business dynamics. In addition, to foster a risk-aware culture, the Risk Management Committee promotes informed decision-making within the organisation. Further, supplementary oversight by the Audit Committee in financial risks and controls also add value to the overall effectiveness of the risk management strategy for HFCL.

The inherent risks associated with HFCL, along with their mitigation measures and impacts, are identified, and available in our Annual Report of FY25 on page 64-65.





Cyber Security and Privacy Protection

Zero incidents of substantiated complaints concerning breaches of customer privacy and losses of customer data.

HFCL is committed to ensuring the security of its networks, protecting sensitive information, and maintaining customer trust through robust data management practices. Recognizing the importance of cybersecurity in a digitized world, the Company has implemented advanced measures to protect data at every level of our operations. The Company's Information Technology Management Systems are certified under ISO 27001:2022 and ISO 27701:2019, demonstrating compliance with internationally recognized standards for information security and privacy management.

The HFCL Privacy Information Management System (PIMS) Manual, along with the Company's Privacy Policy, defines the complete framework for handling Personally Identifiable Information (PII) across all business functions. It establishes how PII is collected, processed, stored, and safeguarded within IT, telecom, and customer service operations. The Privacy

Policy is published on the HFCL website and outlines the responsibilities for data handling, the types of personal information collected and processed, how this information is used, and the steps for reporting and resolving any privacy-related discrepancies. (<https://www.hfcl.com/privacy-policy>)

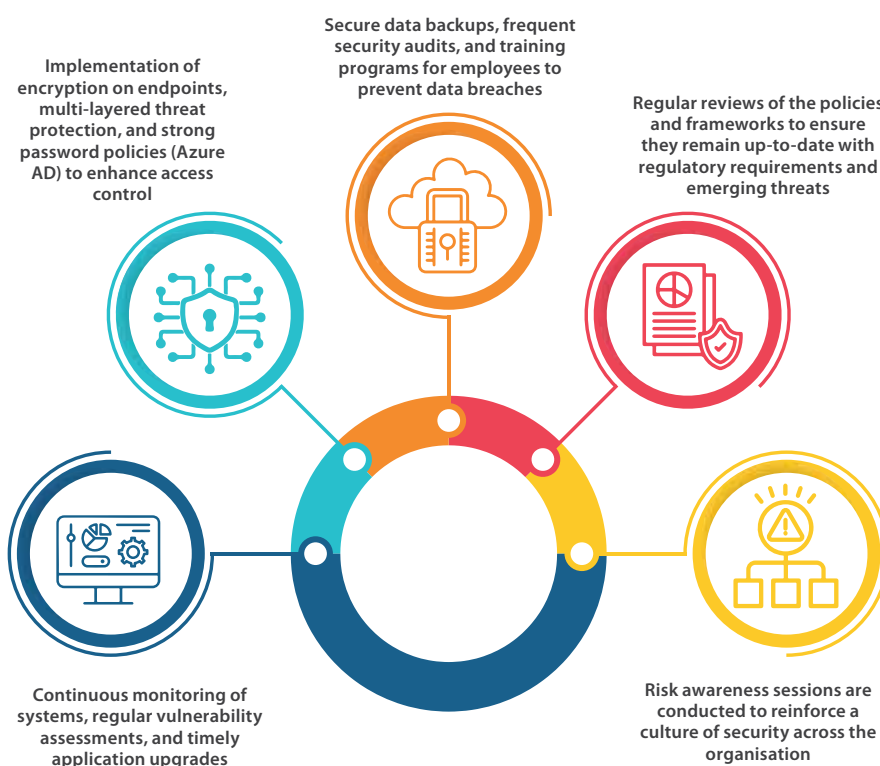
HFCL places strong emphasis on business continuity, and the Goa plant's ISO 22301:2019 certification reflects this commitment. The Company has established strong business continuity, disaster recovery, and emergency management plans that are fully aligned with the cybersecurity framework. These measures incorporate controls to address emerging cyber threats and ensure rapid recovery from any disruption caused by cybersecurity incidents.

We had developed detailed Standard Operating Procedures to ensure an effective business continuity management system and disaster management action plan. These plans undergo regular training and testing to identify improvement areas, strengthening their capability to safeguard both physical and digital assets. HFCL has built an integrated cybersecurity framework structured around the following key components:

HFCL has established a Unified Service Desk where all stakeholders can report any incidents or discrepancies related to cyber security and data privacy for further action. A dedicated team (cybercell@hfcl.com) is also in place to support users and respond to any cyber-related threats or concerns.

The company has deployed an advanced External Threat Landscape Management System (ETLMS) to proactively safeguard its digital infrastructure against external cyber threats. It delivers predictive intelligence that enables early detection and mitigation of vulnerabilities such as expired certificates, domain misconfigurations, open ports, and exposed credentials across the surface, deep, and dark web. The system plays a crucial role in protecting HFCL's brand by continuously monitoring and blocking suspicious or lookalike domains at the firewall level, and swiftly identifying and removal of fake websites and unauthorized social media pages impersonating the company. Tampered APKs hosted on third-party platforms, which pose serious risks of malware injection and data theft, are actively taken down from Internet. Additionally, it provides sector-specific threat intelligence, blocking Indicators of Compromise targeting the manufacturing domain. Its real-time capabilities ensure rapid containment and response, significantly reducing the external attack surface, digital risk and preventing reputational damage.

Through these initiatives, HFCL highlights its commitment to upholding the highest standards of cybersecurity and data privacy, ensuring the trust and confidence of its stakeholders.







Environmental Stewardship for Sustainable and Responsible Business

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UN SDG Alignment







Environmental Stewardship for Sustainable and Responsible Business

At HFCL, we believe that environmental responsibility is integral to building a sustainable and resilient business. Guided by our commitment to stewardship, we are focused on minimising our ecological footprint through energy efficiency, renewable energy adoption, responsible resource use, and waste reduction. Our initiatives are designed not only to meet compliance requirements but also to align with global best practices and contribute to climate action. By embedding sustainability into our operations and value chain, we aim to create long-term value for stakeholders while supporting the transition to a greener future.

Environmental Policies adopted by HFCL

- Waste Management
- Climate Change and Net Zero
- Environmental Management
- Water Stewardship
- Conflict Free Sourcing

Material Topic Linkage

- Climate Change
- Waste Management and Circularity
- GHG Emission and Energy Management
- Biodiversity Management
- Water and Wastewater Management
- EPR Commitment

Focus Areas



Energy Conservation and Efficiency



Climate Action Strategy



Waste Minimisation and Resource Recovery



Water Resource Optimisation and Conservation



Biodiversity and Ecosystem

KEY PERFORMANCE HIGHLIGHTS

13%

Reduction in Energy Consumption

8.59%

Reduction in Total Waste Generated

73%

of the Total Waste Generated Recycled

10,200

square meters of Area Covered by Green Landscaping at Hyderabad

Certified ISO 14001:2015

Environmental Management System at Goa, Hyderabad and Solan Plants

35 kLD & 30 kLD STPs Installed

at the Hyderabad and Goa Plants to recycle wastewater and reuse for Gardening

Environmental Stewardship for Sustainable and Responsible Business

Environmental stewardship lies at the heart of HFCL's vision for a connected and sustainable future. The Company is committed to minimising its ecological footprint while promoting innovation and growth across the telecommunication and defence sectors. HFCL actively implements measures to reduce its environmental impact, including advanced water recycling systems and energy-efficient practices. By optimising energy usage and integrating sustainable technologies, the Company not only improves operational efficiency but also contributes to environmental conservation. A strong emphasis on waste reduction and resource optimisation further strengthens HFCL's commitment to responsible environmental management. This chapter presents key environmental performance indicators that reflect HFCL's

commitment to sustainability across its business operations. These indicators are disclosed annually under Principle 6 of the BRSR report, in compliance with SEBI requirements (refer Annexure-IV).

Sustainability is embedded across HFCL's operations, from product design

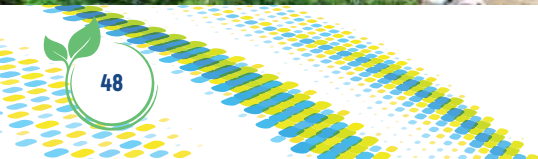
and manufacturing to the deployment of telecom and defence infrastructure. This holistic approach ensures compliance with environmental regulations and positions HFCL as one of the leaders in promoting a greener, more resilient industry in which it operates.



Transition towards alternate sources of energy

Hyderabad Plant

1 MWp rooftop solar power system is being installed, projected to generate 15 lakh units annually





Energy Conservation and Efficiency

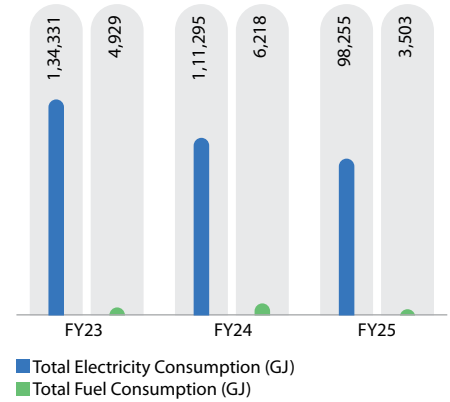
HFCL places energy at the centre of its innovation and commitment to sustaining a healthy future in telecom and defence sector. Prioritising energy efficiency, the Company focuses on optimising business performance while safeguarding the environment. By implementing energy-efficient technologies and streamlining operations, HFCL actively reduces emissions and builds a resilient, sustainable infrastructure. The Company analyses energy consumption data and develops internal KPIs to monitor and improve performance continuously. Demonstrating its commitment to transparency, HFCL provides detailed insights into its energy use, including grid-sourced electricity and fuel consumption.

In the FY25, we achieved a 13% reduction in total energy consumption as compared to FY24.

While the HFCL primarily reports energy consumption within its operational boundaries, energy consumed outside the organisation has also been assessed. This includes indirect energy use associated with upstream and downstream activities, aligning with the principles of Scope 3 greenhouse gas emissions under the GHG Protocol.

FYs	Energy intensity per rupee of turnover (GJ ₹)
FY24	0.0000028
FY25	0.0000027

Energy Conservation



Goa Plant

FY26: 7% of energy needs will be met through a 0.5 MWp rooftop solar installation.

FY27: The goal is to transition to 40% renewable energy utilisation including 33% through green power purchase agreements.

Energy Saving in Nitrogen Plant

Nitrogen gas is crucial in manufacturing Optical Fiber Cables, particularly in fiber colouring and raw material testing. At HFCL's Goa facility, the nitrogen plant previously used a refrigerant dryer, causing a 10% loss due to purged air.

Solution:

HFCL replaced the refrigerant dryer with a desiccant dryer, which uses adsorption to remove moisture without significant air loss. This upgrade improved nitrogen purity, reduced energy consumption, and enhanced process efficiency.

Results:

- **Efficiency Gains:** Eliminated 10% air loss
- **Cost Savings:** Lower operational expenses
- **Improved Purity:** Enhanced nitrogen quality for manufacturing
- **Sustainability Impact:** Aligned with HFCL's energy conservation goals



Refrigerant air dryer



Desiccant air dryer

Energy Efficiency Initiatives at HFCL

HFCL has embedded energy efficiency across its operations, blending smart design, cutting-edge technology, and process innovation to lower emissions and conserve resources. Some of the key initiatives include:

Greener Equipment

- Soft starters for motors → reduced spikes and improved efficiency
- Pressure Regulating Valves (PRVs) → lowering overall air pressure from 7 to 6 kg/cm²
- Non-critical loads removed from DG sets during interruptions → conservation of diesel
- Optimized fiber cable packaging → more cable lengths per container, cutting transportation fuel use



Smarter Facilities

- LED luminaires across all plants → lower lighting demand
- Double-layer glass façade at the Optical Fiber Plant → reduces heat load and cooling needs
- Natural light & ventilation design with cross-air ventilation, turbo ventilators, and 2-inch rockwool insulation → minimised cooling requirements



Efficient Cooling & Air Systems

- Cooling towers & pumps with temperature controllers → smart operations
- Air Handling Units (AHUs) with high-efficiency DIDW fans + VFD drives replacing conventional belt drives → energy conservation
- Centrifugal chillers with VFD drives and ATC controls → energy conservation



Optimised Systems

- High-efficiency UPS (96%) installed → reduced energy loss
- Humifog humidifiers designed → superior electrical efficiency
- Smart BMS (Building Management System) deployed → real-time monitoring and optimisation of critical energy parameters



Adopting advanced LED UV lamp technology for fiber curing in new expansion will save 7,251 MWh of energy and reduce CO₂ emissions by 5,873 metric tonnes compared to conventional Microwave UV systems.

Developed new-generation wireless point-to-point and point-to-multipoint connectivity solutions with improved energy efficiency while delivering higher capacity.

Developed Access Routers, Pre-aggregation Routers, and Aggregation Routers for transport of 5G backhaul traffic. These Routers have hot swappable fans and PSU (Power Supply Unit) for ease of operations and maintenance. These Routers have energy efficient design to give the most optimised power consumption per Gigabit of traffic.



The FWA CPE products support SA and NSA mode of operations and offer energy saving features like discontinuous transmission and reception (DRX).

Developed new generation 5G wireless radio products with energy efficiency features. These products include indoor and outdoor Sub 6 GHz FWA CPE products and mmWave outdoor FWA CPE products.

Productivity enhancements were introduced through jigs and fixtures that minimise errors and increase production line efficiency. Collaboration with engineering teams further reduced cycle times, enabling higher output with fewer resources.

The research team is working on developing energy efficient waveforms for 6G technology.

Climate Action Strategy

HFCL acknowledges the urgent need to address climate change and its widespread implications. As a pioneer in the telecommunications sector, the Company is committed to aligning its operations with global climate goals and advancing toward a low-carbon future. HFCL's climate action strategy centres on emissions reduction, resource efficiency, and innovation to drive sustainable development. By closely monitoring its carbon footprint, with a particular focus on Scope 1 and Scope 2 emissions, HFCL has established a well-structured framework for climate change management. In the current reporting year, the Company has also completed the inventorisation of its Scope 3 emissions, further promoting its commitment to evaluating the full environmental impact across the entire value chain. Further, we localised packaging and key components, reducing import dependence and logistics emissions while optimising costs and strengthening supply chain sustainability.



HFCL's transition to renewable energy sources marks a pivotal step in its commitment to decarbonisation journey. The Company continues to optimise energy consumption and reduce emissions intensity across operations, demonstrating

its dedication to sustainable growth. HFCL has built its ESG strategy and long-term sustainability roadmap and making meaningful strides toward a greener future through targeted initiatives aimed at minimising its environmental footprint.

Location	Sustainability Initiatives	Expected Outcomes	Net Annual Savings
Hyderabad Plant	Installation of a 1 MW solar system	<ul style="list-style-type: none"> Energy saving: 15 Lakh units/year Emission reduction: 1215 metric tonnes 	Not applicable for current reporting year
	Migrating from conventional microwave lamps to LED UV variants	<ul style="list-style-type: none"> Emission reduction by 5,022 metric tonnes of CO₂ during FY25 Saving of 62 Lakh units of energy/ year 	<ul style="list-style-type: none"> Net Annual saving: 4715 MTCO₂e and 58.2 Lakh units saved Estimated cost saving: ~₹4.66 Crore/ year
Goa Plant	Upgradation of machinery and adoption of advanced technologies	<ul style="list-style-type: none"> Estimated Energy saving: 7 lakh units/ year 	Annual saving of ~ ₹56 Lakhs / year through following financial intervention: <ul style="list-style-type: none"> LED upgradation cost (for the first time) : ₹97.5 Lakh LED upgradation recurring cost (After every 3 years) : ₹48.75 lakh Heat exchanger cost (one time cost) : ₹2 lakh Pipeline connection and pump cost (one time cost) : ₹4 lakh
	Transition to solar energy covering 40% of total energy needs	<ul style="list-style-type: none"> Estimated CO₂ emission reduction: up to 3,240 metric tonnes at Goa Plant along with an expected energy saving of 31 Lakh units/ year 	An estimated saving of around ₹33.55 lakhs per year for the next 25 years is expected through 7% energy savings from rooftop solar. The remaining 33% savings are projected through open access solar, subject to future policy developments



Direct GHG Emissions

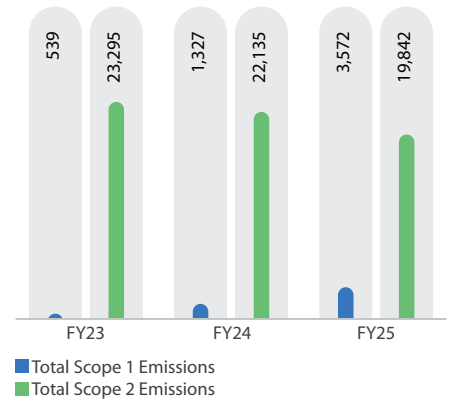
HFCL's Scope 1 emissions primarily originate from the fuel combustion of diesel in generator sets and the amount of refrigerant consumed across its manufacturing facilities and offices in India. These emissions fall within HFCL's organisational boundary, encompassing manufacturing, operational, and financial control.

The Company's Scope 2 emissions primarily result from electricity

consumption at its optical fiber and cable manufacturing plants, as well as its offices. These emissions represent a significant portion of the Company's overall carbon footprint.

Type of Scope 1 emissions in MTCO ₂ e	FY25
Mobile (Fossil Fuel) Emissions	260
Fugitive Emissions	3,312

Direct and Indirect GHG Emissions (in MTCO₂e)



GHG emission intensity

	FY24	FY25
Total Scope 1 and Scope 2 emissions per revenue from operations (MTCO ₂ e/₹)	0.00000056	0.00000062

Indirect GHG Emissions

HFCL has been reporting Scope 3 emissions since FY24, to ensure its commitment to comprehensive carbon accounting across the value chain categories. By consistently reporting Scope 3 emissions, HFCL continues to strengthen its understanding of value chain impacts, enhance supplier engagement, and identify opportunities for long-term emission reductions.

In FY25, HFCL's Scope 3 emissions were distributed across eight categories. Among these, Category 4: Upstream Transportation and Distribution accounted for the largest share, contributing 22,547 MTCO₂e. This highlights the significance of logistics and supply chain in HFCL's overall carbon footprint.

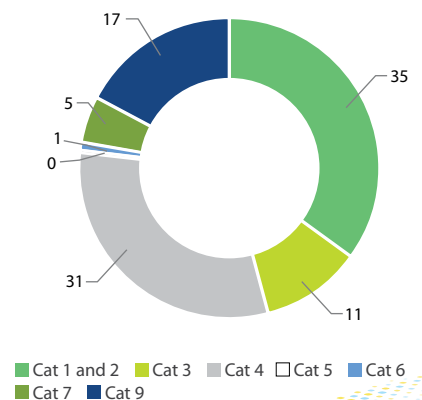
GHG emissions including Scope 1, Scope 2, and selected Scope 3 emissions categories are reported following global standards such as the Greenhouse Gas (GHG) Protocol. Emissions and energy



consumption is calculated using factors recommended by the Intergovernmental Panel on Climate Change (IPCC), the United Kingdom's Department for Environment, Food & Rural Affairs (DEFRA), and India's Central Electricity Authority (CEA). Further more, these emission disclosures are

assured in accordance with ISAE 3000 (Revised), as outlined by the International Federation of Accountants (IFAC).

Scope 3 Emission Categories (MTCO₂e) FY25 (In %)



Scope 3 Emission Categories (MtCO ₂ e)	FY24	FY25
Category 1 and 2: Purchased goods & services and Capital goods	24,949	25,764
Category 3: Fuel and energy (related activities)	6,260	8,253
Category 4: Upstream transportation and distribution	14,279	22,547
Category 5: Waste generated in operations	27	9
Category 6: Business travel	463	826
Category 7: Employee Commute	7,673	3,683
Category 9: Downstream transportation and distribution	25,935	12,529
Total Scope 3 Emissions categories	79,586	73,611

Air Emissions

HFCL conducts regular air quality monitoring of its stacks through an independent third party and is complaint to the regulatory requirements as prescribed by Central Pollution Control Board, Government of India, and respective State Pollution Control Board. The Company actively monitors criteria air pollutants, including oxides of sulphur (SOx), oxides of nitrogen (NOx), and

particulate matter (PM), to minimise its environmental impact. HFCL's continuous efforts have resulted in a significant

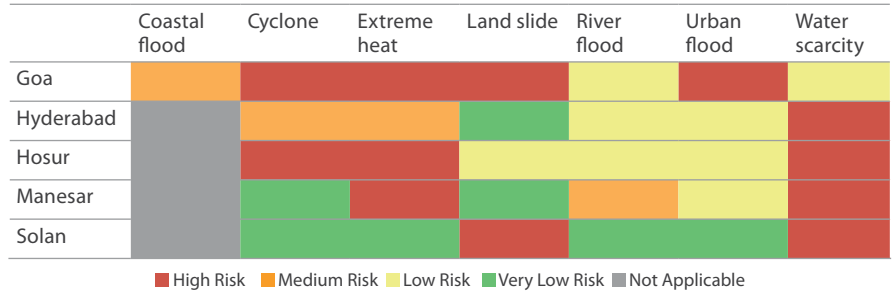
reduction across the key air emission parameters over the past three financial years.

Parameter	Units	FY25	FY24	FY23
NOx	Tonnes/ Year	0.06	0.25	0.75
SOx	Tonnes/ Year	0.56	1.49	1.92
Particulate Matter (PM)	Tonnes/ Year	0.02	0.08	1.60

Climate Risk Assessment

In alignment with HFCL's long-term commitment to climate resilience and water stewardship, the Company has conducted an initial hazardous assessment for climate and water risk across its operations. Using the ThinkHazard tool, HFCL has identified the climate hazards for the region where plants are located. The tool highlights the likelihood of different natural hazards affecting project areas (very low, low, medium and high), provides guidance on how to reduce the impact of these hazards, and where to find more information. The hazard levels are based on published hazard data, provided by a range of private, academic and public organisations.

Heat map of climate hazards



HFCL intends to conduct a detail assessment in alignment with globally recognised climate disclosure frameworks including IFRS S2 framework issued by the International Sustainability Standards Board (ISSB). The Company is in the process of developing a decarbonisation roadmap and setting near term target aligned to SBTi framework.

Importantly, the risks identified by the tool are not expected to harm the Company's business operations, as HFCL has been successfully operating in these regions for the past 30–35 years, demonstrating resilience and adaptability to local conditions.

Waste Minimisation and Resource Recovery

Goals: Targeting achievement of Zero Waste to Landfill by the FY26 at Hyderabad Plant

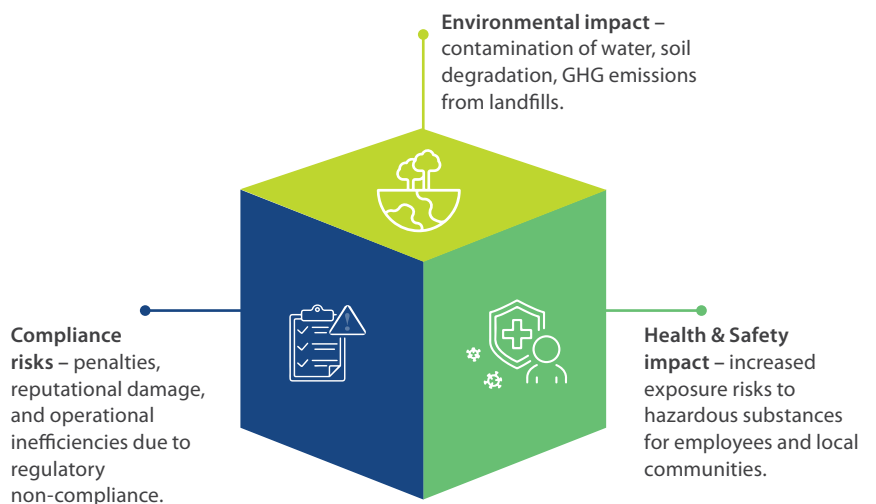
Progress

50%

HFCL is committed to minimising waste generation and ensuring responsible waste management across its operations. Through the implementation of effective processes, compliance with legal requirements, and adoption of circular economy principles, HFCL ensures that its operations not only reduce environmental impact but also safeguard employee health and community well-being.

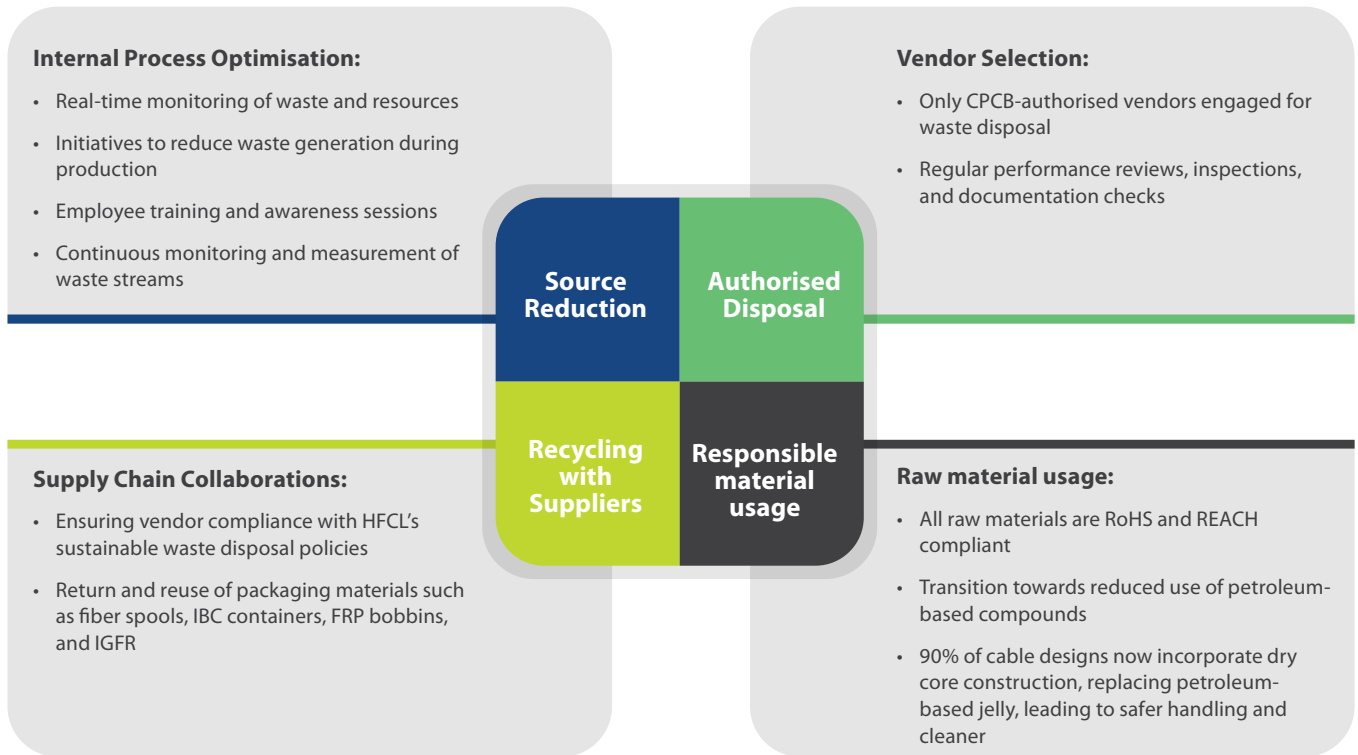
HFCL recognises that improper waste management can have significant adverse impacts on both the environment and society. To mitigate these risks, the

Company has put in place a series of initiatives and practices, as outlined in the section.





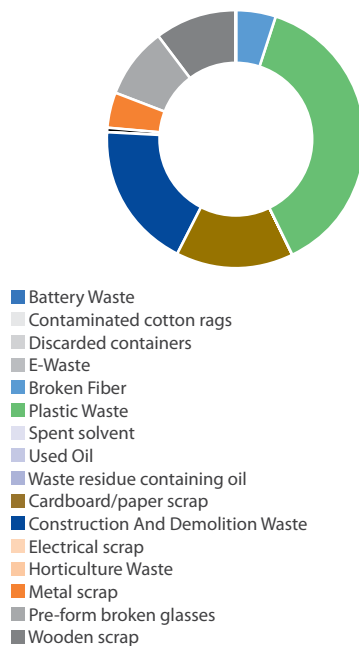
Waste Management Strategy



Waste generation, recovery and disposal

The majority of waste generated from HFCL's operations primarily comprises plastic waste, cardboard and scrap materials, construction and demolition debris, metal scrap, broken preform glass, and wooden scrap. We have implemented a procedure to reclaim plastic and paper packaging material used for supplying Optical Fiber from our customers which is reused until the end of its useful life, and then responsibly recycled through authorised recyclers. Other hazardous and non-hazardous waste streams are also managed in a scientific and environmentally responsible manner through authorised vendors.

Percentage distribution of HFCL's customers by sector



Type of waste	Composition in %
Battery Waste	0.01%
Contaminated cotton rags	0.05%
Discarded containers	0.06%
E-Waste	0.01%
Broken Fiber	4.88%
Plastic Waste	37.83%
Spent solvent	0.04%
Used Oil	0.06%
Waste residue containing oil	0.03%
Cardboard/paper scrap	14.65%
Construction And Demolition Waste	18.33%
Electrical scrap	0.02%
Horticulture Waste	0.56%
Metal scrap	4.40%
Pre-form broken glasses	8.94%
Wooden scrap	10.15%

Waste Generated(MT)	FY23	FY24	FY25
Hazardous	83	76	71
Non-Hazardous	1,755	1,431	1,307

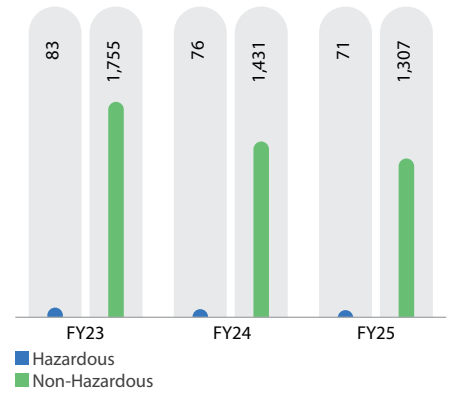
8.59% Reduction in Total Waste Generated as Compared to the Previous FY24

HFCL has consistently worked towards minimising waste generation through process optimisation, enhanced recycling practices, and responsible vendor management. The data on hazardous and non-hazardous waste over the last three financial years reflects a clear downward trend, highlighting the effectiveness of these initiatives. Hazardous waste generation has reduced from 83 MT in FY23 to 71 MT in FY25, representing a 14% reduction over three years whereas

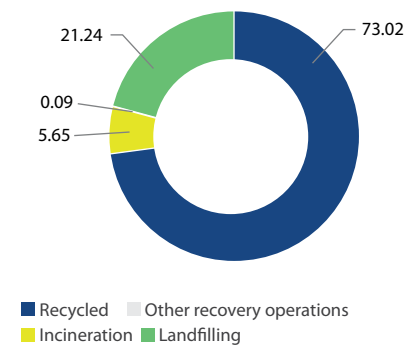
the non-hazardous generation has also decreased from 1,755 MT in FY23 to 1,307 MT in FY25, reflecting a 26% reduction.

In FY25, HFCL achieved a diversion rate of 79%, demonstrating our commitment to resource recovery and circular economy practices. Recycling (73%) remained the dominant treatment method, ensuring that the majority of waste was reclaimed and reintroduced into the value chain. Other recovery operations (6%) further supported diversion by enabling reuse and repurposing of materials. Incineration (0.09%) accounted for a negligible share, while landfilling (21%) was mainly due to construction and demolition waste generated during operations.

Waste generation in MT



Waste disposal approaches (In %)



Waste diverted (MT) from disposal in FY25

Method	Hazardous	Non-Hazardous	Total
Recycled	2	1,006	1,008
Reused	0	0	0
Other recovery operations	70	8	78

Waste directed (MT) to disposal in FY25

Method	Hazardous	Non-Hazardous	Total
Incineration	2	0	2
Landfilling	0	293	293
Other disposal operations	0	0	0

Waste recycled (MT) by composition in FY25

Battery Waste	0.14
E-Waste	0.10
Cardboard/paper scrap	202.00
Discarded containers	1.00
Electrical scrap	0.22
Metal scrap	61.00
Pre-form broken glass	83.00
Plastic Waste	521.00
Used Oil	1.00
Wooden scrap	140.00

Waste landfilled (MT) by composition in FY25

Cardboard/paper scrap	0.27
Construction And Demolition Waste	293.00
Plastic Waste	0.03

Waste recovered (MT) by composition in FY25

Horticulture Waste	8
Broken Fiber	70

Waste incinerated (MT) by composition in FY25

Contaminated cotton rags	0.50
Spent solvent	0.43
Waste residue containing oil	0.35





Raw material consumption

The Company is further committed to embedding circular economy principles into its operations by enhancing resource efficiency and gradually reducing

dependence on non-renewable inputs. Raw material consumption is closely monitored to ensure a balanced approach between renewable and non-renewable

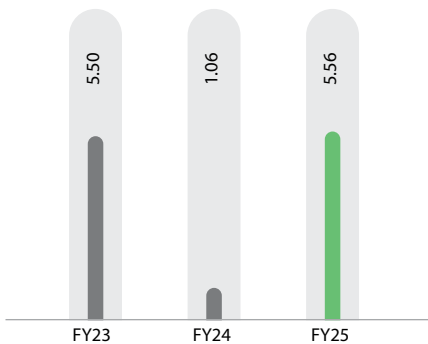
resources. In FY23 and FY24, renewable resources contributed 35% of total raw material consumption. In FY25, this increased to 43%, reflecting a stronger shift towards sustainable sourcing and reduced dependence on non-renewable inputs.

Material consumption in MT	FY23	FY24	FY25
Renewable material	14,297	11,019	15,727
Non-renewable material	26,045	20,221	21,232

5.56%

of recycled or reused input material consumed in FY25

% recycled and reused input used to the total input material across the FYs (In %)



Further, HFCL actively integrates recycled and reused materials into its operations. Given the specialised nature of our operations and the stringent performance standards required for optical fiber cables and telecom products, the scope for recycled or reused input material remains limited. Despite these operational constraints, HFCL continues to maximise opportunities for reuse and recycling wherever feasible, particularly in packaging and support materials.

We continue to identify and incorporate opportunities to use recycled and reused input materials across our operations. These materials include bobbins, polypropylene (PP) boxes, and paper corrugated boxes, which are reclaimed from customers or suppliers, reused in production, and ultimately recycled at the end of their lifecycle. In Jio CPE operations, wooden pallets are recycled and reused multiple times. Similarly, packaging received from Parswa for PSU routers will be reused two- three times, reducing both material consumption and associated costs.

Recycled or reused input material (In %)	FY23	FY24	FY25
Bobbins	4.95	0.97	5.31
Polypropylene Box	0.39	0.03	0.00
Paper Corrugated Box	0.16	0.06	0.25
Total	5.50	1.06	5.56

Our Impact Story

FTTH Scrap Reduction at Hyderabad Optical Fiber Cable Plant

The Hyderabad OFC Plant manufactures advanced FTTH cables to meet growing telecom and broadband infrastructure demand. During the production of **1F ARP BK FTTH Cables**, scrap was being generated due to leftover lengths of cable remaining on the mother spool after completion of winding operations. This not only resulted in material loss but also increased disposal requirements, affecting both efficiency and sustainability goals.

To address this, the plant implemented targeted process optimisation and operational measures, including:

- **Planning:** Feeding raw materials

of specified standards to produce a mother spool of defined length, which is a multiple of FTTH coils (FG), thereby minimising both process and raw material waste

- **Improved Winding Precision:** Fine-tuning spool winding parameters to minimise leftover lengths
- **Process Monitoring:** Regular tracking of winding cycles and feedback loops to operators
- **Operator Training:** Awareness sessions conducted with shop-floor teams to highlight the sustainability and cost impact of scrap

- **Continuous Improvement:** Small corrective adjustments introduced during production runs to maintain consistent efficiency

Outcome

- **Reduced Scrap Rate:** From **1.12% (baseline)** to **0.33% (current average)**
- **Material Savings:** Significant reduction in raw material consumption and disposal volumes
- **Environmental Impact:** Lower landfill waste and improved resource efficiency

Closing the Loop: Reuse and Recycling of the Packaging Material

Recognising the environmental impact of the packaging waste, HFCL has implemented structured reuse and recycling systems across its manufacturing facilities, including the Goa OFC Plant and the Hyderabad OFC Plant.

In addition, the Hyderabad OF Plant has pioneered a large-scale Spool Reuse Program, demonstrating the tangible benefits of circular resource management.

Recycling and Reuse at OFC Plants

Both OFC units at Goa and Hyderabad have established robust systems to return and reuse packaging materials supplied by vendors. The initiative focuses on extending the lifecycle of packaging items, thereby reducing waste generation and procurement of new materials.

Materials Covered

- Intermediate Bulk Containers (IBCs) for jelly
- FRP and ARP drums
- Plastic spools for ripcord, Optical Fiber and binder yarn
- Steel wire spools
- Cops used for select raw materials

Implementation Approach:

Collection & Inspection – Once materials are consumed, packaging is collected and inspected for usability and structural integrity.

Segregation – Items fit for reuse are separated from those needing recycling or disposal.

Return & Reuse – Approved items are sent back to suppliers through a defined return system for reuse in subsequent consignments.

This closed-loop model ensures that materials recirculate within the value chain rather than ending up in landfills, reducing the overall environmental footprint of operations.

Key Benefits

- Reduction in packaging waste and disposal requirements
- Cost optimisation through reuse of materials
- Lower environmental impact via resource conservation
- Strengthened supplier partnerships and shared sustainability responsibility

Spool reuse Program at Hyderabad OF Plant

The objective of the program is to minimise waste and emissions by reusing fiber optic spools received from customers and those generated internally after cable winding operations.

Implementation Approach:

Collection & Segregation - Spools from internal production and customer returns are collected and segregated into reusable and recyclable categories based on condition and quality.

Refurbishment & Reuse – Reusable spools undergo cleaning, dimensional checks, identification, and labelling before re-entering the production cycle.

Monitoring & Reporting - Monthly tracking ensuring visibility on reused quantities, savings, and avoided emissions.

Impact and Achievements

- 2,98,135 no. of spools reused
- ₹9.39 crore saved
- 2,981 tonnes CO₂e avoided*

(* Emission factor: DEFRA 2023; transportation not included)



Water Resource Optimisation and Conservation

Goals: Targeting achievement of Zero Liquid Discharge Certification by the FY26 at Hyderabad Plant

Progress



Water is a vital natural resource and a shared asset among communities, ecosystems, and industries. At HFCL, we recognise the importance of responsible water management, not only to support our operations but also to safeguard this essential resource for future generations. Our water stewardship strategy is anchored on four key pillars: reducing water dependency, maximising reuse and recycling, promoting responsible water use among employees, and replenishing natural reserves through recharge initiatives.

Wastewater management is a cornerstone of HFCL's sustainability efforts. The Company has implemented Zero Liquid Discharge (ZLD) systems across its manufacturing facilities through the installation of advanced Sewage Treatment Plants (STPs). These systems employ multi-stage treatment, including primary, secondary, and tertiary processes, to ensure complete purification of wastewater. The treated effluent is repurposed for non-potable applications such as gardening and sanitation, significantly reducing freshwater demand and promoting circular water use. During the FY25, Goa and Hyderabad Plants treated a total of 2,816 and 9,061 KL wastewater, respectively.

Sludge generated from the STP process is treated to meet microbial safety standards and is managed responsibly, ensuring environmental compliance and minimising waste-handling risks.

To further strengthen sustainable water practices, HFCL has installed stormwater drains and eight groundwater recharge pits at its Hyderabad Plant. These systems are strategically designed to collect and channel rainwater into the ground, helping replenish aquifers and support long-term water security. Additionally, at Goa Plant, a rooftop catchment area of 3,835 m² is



available along with a storage tank with a capacity of 12,581 litres, ensuring that harvested rainwater can be effectively utilised for borewell recharging and internal uses such as gardening and sanitation, further reducing reliance on freshwater sources.

Our Impact Story

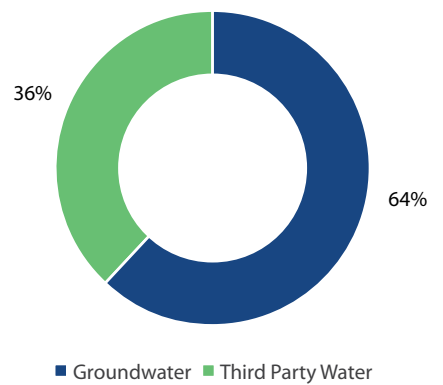
Closed- Loop Water Management for Sustainable Manufacturing

At HFCL's Hyderabad OFC Plant, a closed-loop water management system ensures efficient cooling during extrusion while minimise waste. About 6 KL of water is reused daily through a continuous recycling cycle, collected in an underground sump, pumped to a chilled water tank, and redistributed to the troughs in the secondary and sheathing stages.

Precision flow control valves across pipelines and troughs regulate water use, enhancing efficiency and conservation. This system enables optimal water utilisation, reduces environmental impact, and reflects HFCL's commitment to sustainable manufacturing practices.

Water Consumption and Discharge

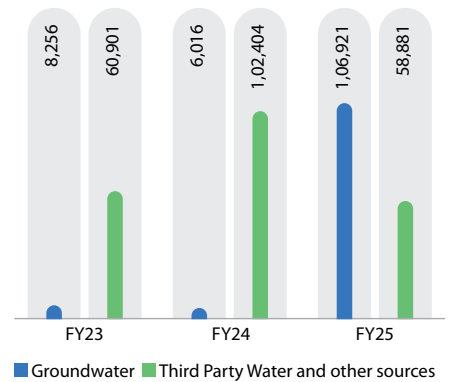
During the FY25, HFCL recorded a total water withdrawal of 1,65,802 kilolitres (KL) across its operational sites. The majority of this withdrawal was sourced from groundwater (1,06,921 KL), while third-party water supply accounted for 58,881 KL. No water was withdrawn from surface water, seawater/desalinated sources, or other categories during the reporting period.



Water withdrawal in the FY25 in KL	HFCL Goa - OFC Plant	HFCL Hosur Defence Plant	HFCL Hyderabad - OF Plant	HFCL Hyderabad - OFC Plant	Admin Locations	HFCL Solan Plant	Total
Surface Water	0	0	0	0	0	0	0
Groundwater	2,394	109	80,013	24,405	0	0	1,06,921
Third Party Water	10,151	0	0	0	47,948	460	58,559
Seawater/ Desalinated water	0	0	0	0	0	0	0
Others (Please specify)	0	0	0	0	0	322	322

Facilities falling under water stress zone	Total water withdrawal in KL
Telecom Plant	0
Plot No. 28, Sector 32 and Plot No 38, Sector 38, Gurugram	28,592
Plot no. 229, Udhog Vihar, Gurugram	1,295
8 Commercial Complex, Masjid Moth, Greater Kailash – II, New Delhi	2,110
Jharkhand Office-Ranchi	428
Punjab Office- Ferozepur	356
Punjab Office- Ludhiana	356
Uttar Pradesh Office- Lucknow	784
Rajasthan Office- Jaipur	534
Karnataka Office- Bangalore	4,713
Total	39,168

Water withdrawal in KL over the three FYs



The groundwater withdrawal increased in FY25 primarily due to the authorisation granted by the Central Ground Water Authority (CGWA) for expanded abstraction at the Hyderabad plant. As part of HFCL's commitment to responsible water management, it is ensured that none of the sites where groundwater is abstracted fall within CGWA-classified water-stressed areas.

Further, the Company has identified 11 office locations situated in water-stressed areas, where water requirements are entirely met through third-party supply, thereby eliminating direct withdrawal from local sources. Though the Telecom Plant at Manesar is located in a water-stressed area, the production activities at this facility are completely outsourced, hence no water withdrawal is attributed to HFCL's business operations at this site and is therefore, not reported.

For administrative offices, wastewater discharge was not monitored during the reporting year. However, the Company is committed to initiating discharge monitoring at these locations in the future, subject to feasibility assessments, further strengthening its water stewardship practices.





Biodiversity and Ecosystem Management

HFCL is deeply committed to preserving a diverse and resilient natural environment across all its operations. The Company recognises that industrial activities, if not carefully managed, can have direct and indirect impacts on ecosystems. In response, HFCL adopts site-specific initiatives aimed at enhancing biodiversity, maintaining ecological balance, and promoting long-term environmental sustainability.

While none of HFCL's manufacturing sites or offices are located in ecologically sensitive areas, ensuring that operations do not disrupt fragile ecosystems, the Company remains committed to enriching the natural environment surrounding its facilities. HFCL has proactively developed green landscaped zones across its plant locations to promote biodiversity and ecological balance.

These landscaped areas serve a dual purpose: they contribute to environmental well-being by improving air quality, supporting soil health, and creating microhabitats for local flora and fauna, while also enhancing the aesthetic appeal of the workplace for employees and nearby communities. Such initiatives reflect HFCL's broader vision of fostering greener, healthier, and more sustainable operations.



Our Impact Story

Tree Plantation and Beach Cleaning Drive at Goa

HFCL, in collaboration with local authorities, undertook a plantation drive in Cortalim Village, Goa, planting approximately 35 fruit-bearing trees on the open land of the Devastan

Committee. The initiative aimed to promote land restoration and enhance the village's green cover. During the event, guests highlighted the importance of afforestation and collective responsibility

towards environmental preservation. Local MLA appreciated HFCL's efforts under its Corporate Social Responsibility (CSR) initiatives and encouraged the continuation of such impactful environmental programs in the region.



Furthermore, HFCL organised a beach cleaning drive at Betalbatim Beach, South Goa, on January 30, 2025, in collaboration with the local village panchayat. The initiative, held at one of the region's most popular tourist beaches, witnessed active participation from nearly 50 volunteers from the HFCL Goa Plant. Over a 120-minute drive, the team contributed to restoring the cleanliness and ecological balance of the coastal area.

Our Impact Story

Eco-friendly landscaping at Hyderabad facility for water conservation and community development

HFCL implemented a sustainable landscaping project at its Hyderabad facility with the dual objective of developing a low-water, ecologically balanced green space and empowering the local community through engagement and employment.

The landscaping design was developed based on soil structure analysis and available water sources, featuring native and drought-resistant species requiring minimal irrigation.

Over 32,500 plants, including avenue and fruit trees, shrubs, creepers, and water plants, were planted along with 8,760 sq.m of Korean carpet lawn.

Mulching techniques were applied to reduce soil moisture loss and improve plant health. Local farmers displaced from the Fab City area were employed as gardeners, utilising their agricultural expertise while providing sustainable livelihoods. The project successfully created a self-sustaining, low-water landscape that conserves water,

enhances biodiversity and improves ecological balance. The plantation of fruit-bearing trees supports local wildlife, while community participation fostered social inclusion and skill preservation.

In addition, continued efforts to preserve local biodiversity through the maintenance of a 10,200 square meter green corridor within the TSIIIC Industrial Area are undertaken, to contribute to the ecological balance and enhanced industrial ecosystem.





HFCL

Join us to Inspire, Educate and Engage the school Children!

PRAYATAN

AN EMPLOYEE-LED INITIATIVE BY
HFCL - CSR





Social Responsibility for Driving Shared Progress and Equitable Development

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UN SDG Alignment





Digitised workflows for international travel, higher education reimbursements and expense claim

Compensation Planning Module was digitised to facilitate structured compensation reviews backed by market-based benchmarks



Social Responsibility for Driving Shared Progress and Equitable Development

Social Responsibility is a foundational pillar of our commitment to long-term, inclusive growth. The Company recognise that our success is linked to the well-being of our workforce and the communities in which we operate.

The material topics identified carries specific risks, if not addressed, could impact operational efficiency, employee engagement, stakeholder trust, and long-term value creation. HFCL has implemented targeted policies, frameworks, and initiatives to manage these risks proactively and effectively.

Key Social Policies adopted by HFCL

- Modern Slavery Statement
- Prevention of Sexual Harassment at Workplace (POSH)
- Equal Employment Opportunity
- Corporate Social Responsibility
- Human Rights
- Occupational Health and Safety

Material Topic Linkage

- Labour Management
- Employee Well-being
- Diversity and Inclusion
- Human Rights
- Training and Learning Development
- Occupational Health and Safety
- Community Development

Focus Areas



Talent Growth and Advancement



Fostering Diversity and Inclusion



Advocating Human Rights and Equity



Workforce Skill Development and Capacity Building



Occupational Health and Safety



Social Development and Positive Impact

Digitised HR Letters (offers, appointment, transfer, experience)

Automated face biometric attendance at various offices, Plant and R&D locations integrated with the HRMS, to facilitate instant reporting capabilities

Hiring assessment tool and onboarding feedback introduced for improved experience

KEY PERFORMANCE HIGHLIGHTS

229

new on-roll employees

486

new off-roll employees

6%

women in workforce

13 hours

Average hours of training per employee

5 hours

Average hours of training per worker

ZERO

instances of child labour forced labour/ compulsory labour and discrimination.

36,000+

of training hours spent on capacity building and skill development.

340+

training programs conducted

Social Responsibility for Driving Shared Progress and Equitable Development

Talent Growth and Advancement

HFCL is committed to cultivating and empowering talent as a cornerstone of both individual growth and organisational excellence. The Company's comprehensive talent development strategy is designed to attract, nurture, and retain the professionals from diverse backgrounds across all career stages, with a focus on fostering long-term value creation.

Beyond conventional skill-building initiatives, HFCL adopts a holistic approach to talent management. Employees are provided with access to leadership development programs, advanced technical training, and a strong culture of mentorship. Seasoned leaders within the organisation actively guide and support emerging talent, enabling them to navigate their career paths with confidence and prepare for future leadership roles.

Employee Headcount at the end of FY25

Category	Male	Female
Employees	2167	124
Differently abled employees	1	0
Workers	869	71

Talent Acquisition and Integration

At HFCL, the talent acquisition process is inclusive, transparent, and equitable, ensuring fair opportunities for candidates from diverse backgrounds, while promoting local hiring wherever possible. We leverage a combination of strategic workforce planning, campus recruitment, digital platforms, and employee referral programs to attract skilled professionals

across all levels. During the reporting period, these hires were strategically focused on high-growth segments such as Data Centres and Connectivity, Optical Fiber, Optical Fiber Cable, and Defence Products, ensuring that HFCL remains competitive in both domestic and international markets.

Through structured onboarding programs, mentorship, and cross-functional orientation, we ensure that new employees are well-equipped to contribute meaningfully from the outset. The Company continuously evaluate the recruitment and onboarding practices to uphold principles of fairness, non-discrimination, and efficiency. In line with our commitment to sustainability, our hiring practices also emphasise long-term employability, ethical labour standards, and alignment with our environmental and social goals.

Employee Snapshot for FY25

229

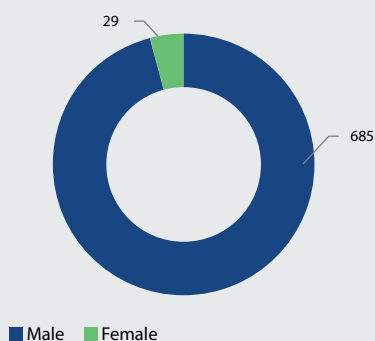
new on-roll employees hired

485

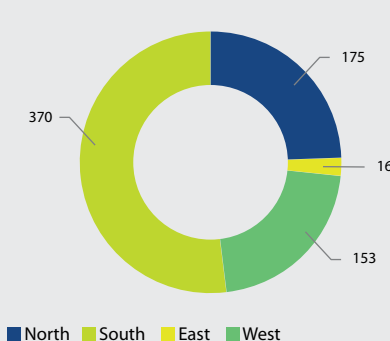
new off-roll employees hired



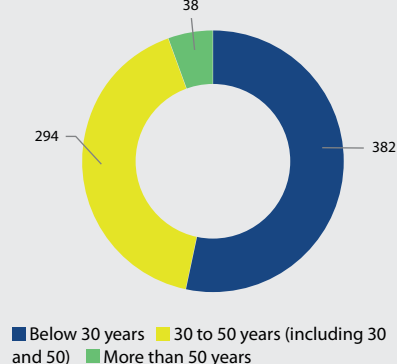
Number of employee hired by gender



Number of employee hired by region



Number of employee hired by age





Spark Program: At HFCL, we are dedicated to shaping the leaders of tomorrow through our SPARK program, which focuses on recruiting top-tier engineering and management graduates from renowned institutions across India. In the FY25, 43 new campus graduates joined the program. The program provides participants with personalised mentorship, exposure to various learning and development opportunities, and active engagement with key stakeholders. Through hands-on, challenging assignments, they gain valuable practical experience, equipping them with the skills and knowledge needed to take on higher-level roles in technical, engineering, and management fields.

Employee turnover

In FY25, HFCL recorded an overall employee turnover rate of 24%, reflecting an increase compared to previous years. Turnover among male employees rose to 24%, while female employee turnover reached 20%. Recognising the importance of addressing this trend proactively, HFCL is strengthening its commitment to employee engagement and talent retention as part of its broader sustainability framework. To mitigate attrition and foster a more resilient workforce, the Company is intensifying efforts in three key areas:

- **Enhancing employee engagement initiatives,**
- **Expanding leadership development programs, and**
- **Building a robust and future-ready talent pipeline**

These strategic actions are aimed at cultivating a supportive and growth-oriented work environment that aligns with HFCL's long-term sustainability goals.

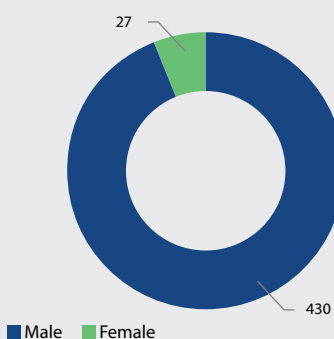


Employee Turnover Rate at HFCL

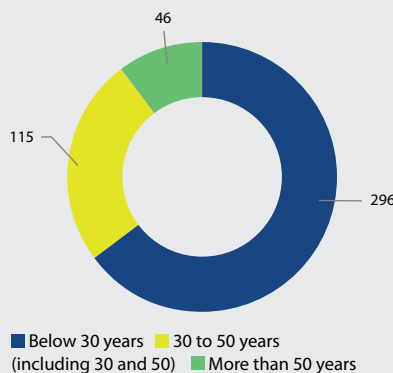
Based on Gender (in %)	FY23	FY24	FY25
Male	15	11	24
Female	18	17	20
Total	15	11	24
Based on Age (in %)	FY23	FY24	FY25
Below 30 years	32	24	48
30 to 50 years (including 30 and 50)	19	16	22
More than 50 years	8	9	12
Based on Region (in %)	FY23	FY24	FY25
North	19	16	21
East	18	3	18
West	8	7	14
South	20	20	34

Note: Only Includes the permanent employees

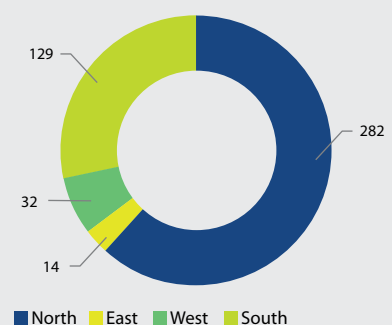
Number of employee exited by gender



Number of employee exited by age



Number of employee exited by region





Employee Engagement and Empowerment

Employee engagement and empowerment are central to our people strategy, fostering a culture of trust, inclusion, and shared purpose across all levels of the organisation. To strengthen our relationship with the workforce, we implement structured engagement initiatives that promote open dialogue, cross-functional collaboration, and continuous feedback. As part of HFCL's commitment to ethical business practices, the Company prioritises transparent and timely communication with its workforce, especially during periods of significant operational change. HFCL ensures that employees and their representatives receive adequate notice prior to the implementation of any major or minor changes that may impact business operations, working conditions, or job responsibilities.

This proactive approach fosters trust, promotes inclusivity in decision-making, and reinforces HFCL's dedication to responsible and people-centric governance. Regular townhalls by the Managing Director and business heads, along with the MD's newsletter, keep employees informed and aligned with the Company's vision. Informal platforms like "coffee connects" further enhance approachability and collaboration, reinforcing a culture of trust and inclusion.

Employee Remuneration

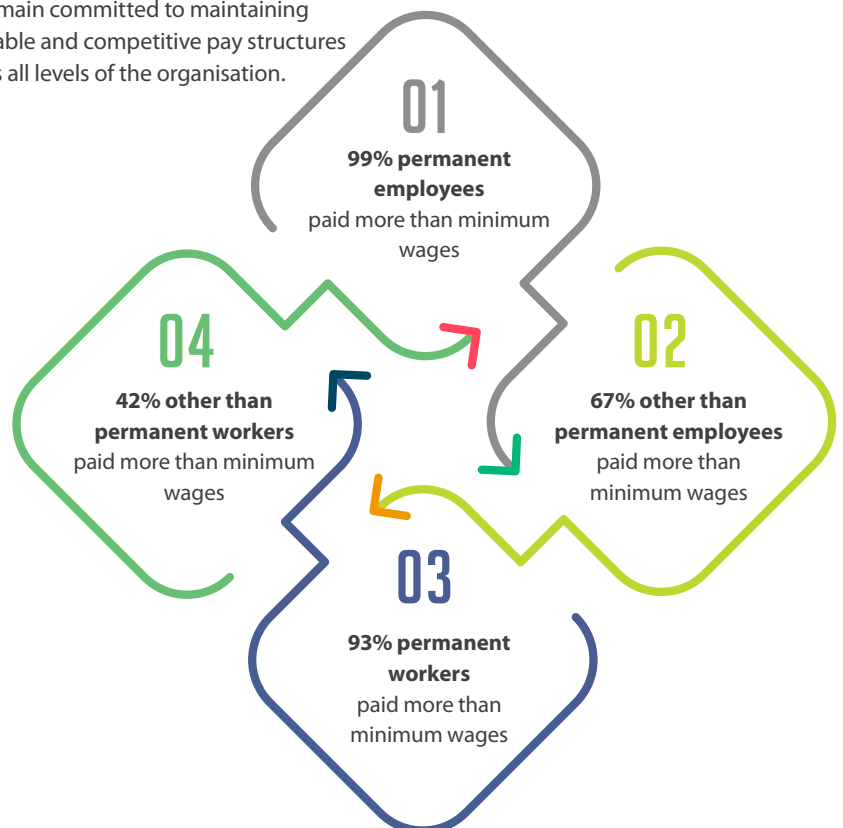
HFCL has implemented a remuneration policy which is designed to encourage personal growth, and teamwork, while instilling a strong sense of belonging and involvement among employees. The policy also emphasises providing

competitive remuneration packages and comprehensive superannuation benefits to ensure employees feel valued and supported. The ratio of the annual total compensation of the highest-paid individual to the median annual total compensation (including basic salary, perquisites, allowances, and contributions to the provident fund) of all employees, excluding the highest-paid individual, was 100.47 during the reporting year. Furthermore, the ratio of the percentage decrease in annual total compensation for the highest-paid individual compared to the median percentage decrease for all other employees stood at 11.63.

While compensation at leadership levels is designed to reflect strategic responsibilities and market benchmarks, we remain committed to maintaining equitable and competitive pay structures across all levels of the organisation.

HFCL conducts regular reviews of its wage structure to ensure full compliance with evolving labour laws and minimum wage standards. The Company continuously adapts its compensation policies to reflect changes in the regulatory landscape, further strengthening its commitment to fair and equitable remuneration.

HFCL ensures that all employees, irrespective of their role, gender, or background, receive compensation that meets or exceeds the legally mandated minimum wage. This approach not only promotes workplace equity but also supports the financial well-being of employees, empowering them to focus on their professional development and meaningful contributions to the Company's success.





Employee Benefits

100% return to work rate and retention rate for both male and female workers and employees

HFCL provides a wide array of benefits aimed at supporting employees in both their personal and professional lives, including parental leave, ensuring they receive the necessary support. In addition to standard employee benefits, HFCL ensures that all the employees have access to sports programs and regular health checkups to encourage health and wellness. The Company understands the financial needs of its workforce and provides financial support/ salary advances to employees during critical times. In recognition of significant life milestones, employees receive a Marriage Gift to celebrate their special occasion. These benefits are available to all employees, regardless of their role or category, underscoring the Company's commitment to cultivating a supportive, inclusive, and caring work environment for all.

Employee Transition Assistance

At HFCL, we recognise and value the specialised skills and institutional knowledge that employees develop over the course of their careers. To preserve this expertise and ensure continuity, the Company has instituted a practice of selectively rehiring employees upon reaching the age of superannuation, offering them opportunities to contribute as consultant or part-time roles. This initiative not only enables HFCL to retain critical knowledge and experience but also supports continued employability for retired professionals.



It allows them to remain engaged in meaningful work while benefiting from financial stability.

Celebrating alongside our workforce

At HFCL, we believe that employee satisfaction and productivity flourish in a vibrant and inclusive workplace. To foster this, we organise a variety of engaging initiatives, from team outings and Fun Fridays to cultural celebrations, which help employees connect and build a strong sense of community. Festivals such as Diwali and Navratri are celebrated as special events that bring festive cheer and unity across teams.

In parallel, we also keep our workforce inspired and future-ready through knowledge-driven initiatives like Technology Week, held in conjunction with World Wi-Fi Day, which encourages employees to stay updated on the latest industry trends and innovations.

Throughout the year, our employees actively participated in a range of social initiatives that reflected HFCL's commitment to community welfare. These included blood donation camps, plantation drives, and CSR Week activities, during which employees visited NGOs to share moments of joy and compassion, bringing smiles to others and experiencing the joy of giving. To honour and encourage community involvement, HFCL presents the Champions of Good Work Award, celebrating employees and their families who dedicate their time, skills, and resources to impactful social causes. Beyond this recognition, many employees actively volunteer, such as conducting online remedial classes for children, helping improve educational access and learning outcomes across underserved communities.

100% workforce covered under **Health Insurance**

100% workforce covered under **Accident Insurance**

100% female workforce are provided with **maternity benefits**

100% male workforce are provided with **paternity benefits**

Fostering Diversity and Inclusion

At HFCL, the commitment to promoting diverse, equitable and inclusive workplace is integral to the Company's core values and long-term sustainability goals. As a leading player in the optical fiber industry, HFCL recognises that diversity and inclusion drive innovation, collaboration, and performance, which are essential for continued success in a rapidly evolving global market.

In alignment with the DEI Framework, HFCL has developed and implemented a comprehensive Equal Employment Opportunity Policy designed to ensure equal opportunities for all employees. This policy is central to fostering an inclusive workplace culture where diversity is celebrated, and every individual is treated with fairness and respect. By prioritising the principles of equity and inclusion, the

Board of Directors	
Gender	Number
Male	5
Female	1

Company creates an environment that encourages open dialogue, collaboration, and mutual understanding among employees from diverse backgrounds.

Women Representation

Over the past financial years, we have demonstrated a consistent commitment to maintain gender diversity within our workforce. In the FY25, the percentage of women representation stood at 6.04%, with a total of 195 women in the workforce.

Financial Year	FY23	FY24	FY25
Category	Total number of employees		
	Gender		
Male	2271	2128	2167
Female	138	133	124
	Age Group		
Below 30 years	368	427	394
30 to 50 years (including 30 and 50)	1579	1449	1480
More than 50 years	462	385	417
	Disabled Employees		
Male	0	1	1
Female	0	0	0

Financial Year	FY23	FY24	FY25
Category	Total number of workers		
	Gender		
Male	994	1195	869
Female	71	91	71
	Age Group		
Below 30 years	572	616	377
30 to 50 years (including 30 and 50)	385	530	448
More than 50 years	108	140	115
	Disabled Workers		
Male	0	0	0
Female	0	0	0

6%+

women in workforce in FY25

Consistent women representation over the years

FY23	6.02%
FY24	6.32%



HFCL is committed to fostering an inclusive and diverse workplace. Currently, women represent approximately 6% of our workforce. We aim to increase this number by 10% year-on-year, based on the existing female employee base and availability of positions. This will be achieved by proactively identifying diversity-inclusive positions during hiring and creating an environment that promotes equal opportunities for all.

HFCL is committed towards promoting age diversity to build an inclusive and balanced workforce. HFCL acknowledges that individuals with disabilities offer valuable perspectives, skills, and strengths. With this understanding, we undertook the initiative to hire a male employee with a disability in the FY25 and is committed to providing the necessary assistive technologies and flexible work arrangements to support the success and well-being of employees with disabilities.



Our goal is to achieve at least 2% annual growth in the hiring of differently-abled individuals by identifying inclusive roles and ensuring an accessible work environment.



Local Representation

HFCL actively promotes local representation within its workforce, recognising the importance of fostering strong connections with the communities in which it operates. By prioritising the recruitment of local talent, the Company not only strengthens community relationships but also enriches its leadership and operations with diverse perspectives and region-specific insights.

Gender Pay Ratio

In alignment with HFCL's commitment to gender equality and fair compensation, the Company has consistently maintained equitable ratios of basic salary and remuneration between women and men across all employee categories. Over the past three financial years, the Senior

Parameter	Employee Category	FY23	FY24	FY25
Ratio of the basic salary and remuneration of women to men	Senior Management	1.18	1.13	1.06
	Permanent Employees	1.01	1.00	0.89
	Permanent Workers	0.80	0.75	0.69

Management category has demonstrated a favourable gender pay ratio, with women earning, on average, more than the male counterparts, reflecting meaningful progress in promoting gender balance at leadership levels.

However, in the Employees and Workers category, HFCL acknowledges a decline in the gender pay ratio during FY25.

The Company is actively evaluating the underlying factors contributing to this shift, including role levels, responsibilities, and skill mapping. Targeted initiatives

are underway to address any disparities and reinforce fairness in compensation practices. HFCL remains committed on bridging the gender pay gap in every category, ensuring that both women and men receive equal pay for equal work.

100%

of senior management at significant locations of operation are sourced locally from India.

Future Women Leader Programme

This program is designed to provide an innovative and supportive environment for mid-level female managers. With 20 participants, this program addresses the gender gap in leadership by empowering women to enhance their leadership potential, develop essential skills, and promote professional networks. The goal of the program is to cultivate confident and capable women leaders who are equipped to excel in their careers.

The participants were selected for their demonstrated potential and ambition to grow within the organisation. These women represent a diverse range of roles within HFCL, each bringing unique perspectives and challenges.

Programs Objectives

Empowerment and Skill Development: The primary objective of the program is to empower women by providing them with critical leadership skills necessary to navigate the corporate landscape.

Mentorship: Through mentorship from senior leaders, participants gain valuable insights into strategic leadership, decision-making, and effective communication.

Networking: The program emphasises the importance of building structured professional networks. By connecting with other women leaders and mentors, participants are encouraged to expand their influence both within and outside the organisation.

Overcoming gender specific challenges: The program recognises and addresses the unique challenges women face in leadership roles, such as work-life balance, gender bias, and the need for self-advocacy.

By the end of the program, the participants exhibited significant growth in both personal and professional capacities. The program helped them develop a clearer understanding of their leadership styles and equipped them with the tools to lead with confidence and competence. Additionally, the participants built stronger professional networks that will continue to support them in their career progression.



Advocating Human Rights and Equity

HFCL is committed to upholding and promoting human rights both within its organisation and throughout its supply chain. The Company works diligently to eliminate all forms of discrimination, harassment, and exploitation, ensuring a safe and inclusive environment for all stakeholders. This commitment is integral to HFCL's ethical business conduct and reflects its broader values of equality and human dignity. HFCL has developed and implemented a comprehensive Human Rights Policy, in line with the human rights framework implemented by United Nation (UN), Organisation for Economic Co-operation and Development (OECD) and International Labour Organisation (ILO), which serves as a foundation for ethical practices across its operations, covering entire workforce. In addition to the Human Rights Policy, HFCL has established several other key policies, including the Code of Conduct, Whistleblower Policy, Grievance Redressal Mechanism, and Prevention of Sexual Harassment Policy. These policies collectively provide effective protection for workforce's rights and ensure they have access to transparent, accessible channels to report any concerns or issues.

Grievance Redressal Mechanism

HFCL maintains highest ethical standards and ensuring a transparent and fair grievance redressal process for all employees and workers. Employees and workers are encouraged to submit grievances in writing to their immediate supervisor, department head, or HR business partner, with responses

expected within 24-48 hours. All grievances related to business ethics are directed to the Vigilance Officer, who is appointed by the Company to oversee and investigate every case thoroughly. After completing the investigation, the Vigilance Officer submits a detailed report to the Audit Committee, which carefully reviews the findings and makes the final decisions. This process is conducted with strict confidentiality and transparency to preserve the integrity of the investigation.

- Confidentiality**
- Anti-Retaliation**
- Fairness**

HFCL continuously reviews and refines its corporate governance policies, processes, and guidelines to ensure

compliance with legal requirements and the adoption of best practices and adhere to the following core principles while addressing the complaints.

Freedom of association

HFCL has a single registered trade union at its Solan plant, although business operations at this site are currently very minimal. The Company remains committed to fostering a safe, fair and positive working environment across all its operations. In alignment with applicable regulations, HFCL conducts regular meetings with employee representatives via employee committees and local management teams at all plants to address welfare and productivity concerns, thereby providing employees with a structured platform to raise grievances and seek resolution.



HFCL's focus area under Human Rights



While HFCL does not currently maintain collective bargaining agreements at any of its plants, it continues to uphold fair and transparent employment practices. In FY25, no instances of violations or risks related to the right to freedom of association were reported within the Company's operations, reflecting HFCL's ongoing commitment to equitable and consistent treatment for all employees, guided by industry benchmarks, applicable labour laws, and local working conditions.

Actions taken to abolish child labour, forced labour

To uphold strict compliance with labour standards, HFCL has established a rigorous background verification process for all workers, including contract employees, to ensure that no individual below the legal working age is hired or employed within our operations. Additionally, workers receive comprehensive training designed to educate them about their rights and the proper channels for raising complaints or concerns.

Demonstrating our commitment to transparency and equitable employment practices, the Company incorporates a Mutual Employment Agreement clause in all employment contracts. This clause grants employees and workers the right to terminate their contract without needing to provide a specific reason, as long as the required notice period is duly observed.

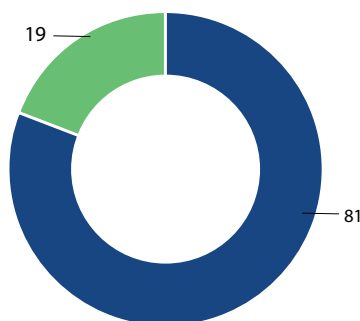
Human Rights Trainings

The Company has designed human rights training programs for the workforce to raise awareness and provide practical guidance on a wide range of issues, including anti-discrimination, diversity and inclusion, freedom of association, and the prevention of harassment and exploitation. These training sessions ensure that everyone within the organisation is equipped with the knowledge and tools to identify, prevent, and address potential human rights violations.

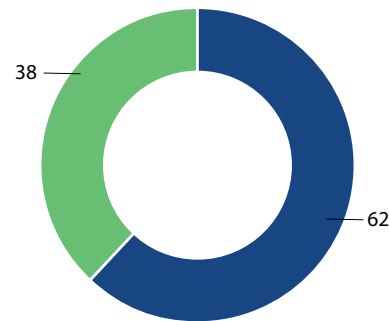
100%

of the Security personnel received formal training in the organisation's human rights policies or specific procedures and their application to security in FY25.

Employee coverage under Human Rights Trainings (in %)



Worker coverage under Human Rights Trainings (in %)



The coverage on Human Rights training has increased from 63% in FY24 to 81% in FY25 for employees and from 30% to 62% for workers



Workforce Skill Development and Capacity Building

1,128

instructor-led training (ILT) effort-days

36,000+

Training hours spent on capacity building and skill enhancement

6,124

Total effort-days across all formats, including compliance and virtual learning

2,242

Unique learners trained as of March 31, 2025

1,142

Active on-roll employees as of March 31, 2025

1,183

Employees accessed HFCL Academy

61%

Employees focused on technology upskilling

340+

Training Programs conducted (179 Skill Development Trainings, 53 OHS Trainings).

13 Hours

Average hours of training per employee

5 Hours

Average hours of training per worker



We aim to increase annual training hours to a minimum of 20 hours per employee and worker by FY27 and 30 Hours per employee and worker by FY28.

Scope of Training Programs

<ul style="list-style-type: none"> • 5 S Pillars • Integrated Management System • Six Sigma • Assertive Communication • Business Etiquette • Conflict Management and Problem Solving • Mastering work life balance -stress management 	<ul style="list-style-type: none"> • Female Leaders of the future • 5 G Readiness • Quality Assurance • Marketing Enablement • Leadership Development 	<ul style="list-style-type: none"> • Emergency Preparedness • Hot work safety • HIRA • Lock Out Tag Out • Near- Miss Reporting • Monsoon Preparedness • PPE • First Aid Reporting • Fire and Electrical Safety
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HFCL is committed to equipping its workforce with the skills and knowledge required to thrive in a rapidly evolving business environment and to promote a culture of excellence. Through targeted training and upskilling initiatives, HFCL empowers employees to stay ahead of industry trends, drive innovation, and contribute meaningfully to the Company's long-term success. In FY25, the Company further strengthened their commitment to professional development by expanding the learning initiatives across every business and functional area. HFCL established a comprehensive learning curriculum that leverages a mix of on-the-job experiences, classroom instruction, and digital tools. A key development was the introduction of a digital learning management system, which facilitates the seamless tracking, administration, and evaluation of employee progress. With mobile access, this system ensures that learning is accessible at any time and from any place, empowering employees to take charge of their growth.

Training Programs: The Company conducted advanced technical training

programs focused on emerging technologies such as 6G, 5G, 4G LTE, Kubernetes, AWS, and Cloud. Additionally, HFCL imparts regular OHS training sessions to ensure that the workforce is well equipped with the knowledge and skills to maintain a safe working environment. The number of training sessions on OHS significantly increased from 39 to 53 in the FY25, as compared to the previous financial year. In parallel, HFCL emphasises the importance of integrity and ethical conduct by offering Anti-Corruption and Anti-Bribery training to new hires as part of the employee orientation process. For FY26, HFCL is taking proactive steps to enhance its commitment to responsible business practices by planning the introduction of mandatory training modules on key areas such as Anti-Corruption & Anti-Bribery, Cybersecurity, Human Rights, Environment and Sustainability. These training programs have been designed to equip employees and workers with the necessary knowledge to adhere to the Company's ethical standards and regulatory requirements.



Coverage of workforce under trainings conducted in FY25

Health and Safety Training
31% employees and 29% workers covered

Skill Upgradation Training
48% employees and 19% workers covered

Anti-Corruption Training
21% employees covered

Average hours of training received by permanent employees

#	Category	FY25
1	Male	12
2	Female	30
3	Per Employee	13

Average hours of training received by permanent workers

#	Category	FY25
1	Male	0.70
2	Female	6.00
3	Per Worker	5.00

Average hours of training provided to the workforce

HFCL tracks the average number of training hours undertaken by employee and workers across various categories. During the FY25, HFCL prioritised upskilling and capacity building of its workforce leading to a significant increase

in the training hours of permanent employees as compared to the previous year. In the FY25, the average training hours for permanent employees rose by 20% and 22% for both male and female, respectively.

Performance and Career Development

The performance and career review process at HFCL plays a crucial role in fostering continuous growth, enhancing employee potential, and aligning individual achievements with organisational goals. Employee and worker performance is regularly evaluated through on-the-job feedback from managers and structured performance assessments. Ratings are determined against clearly defined goals and key performance indicators (KPIs). The review process encourages open dialogues between employees and managers about career aspirations, skill gaps, and opportunities for growth within the organisation. Employees are provided with clear development paths and access to learning programs designed to upskill them in line with their career goals. For permanent employees, a stringent performance review process

is followed, utilising a digital tool that ensures consistency, transparency, and ease of tracking progress over time. This digital approach supports a structured performance management system, where goals are set, tracked,

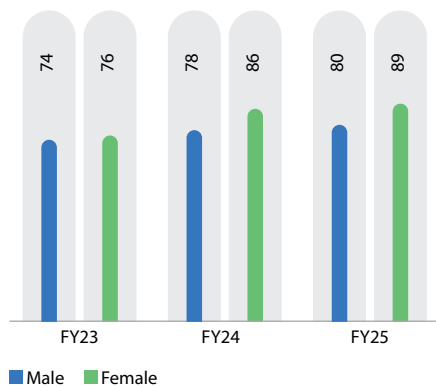
and assessed efficiently. For contractual employees, however, the performance review process is still managed manually, ensuring that they receive the attention and feedback necessary to maintain performance standards.



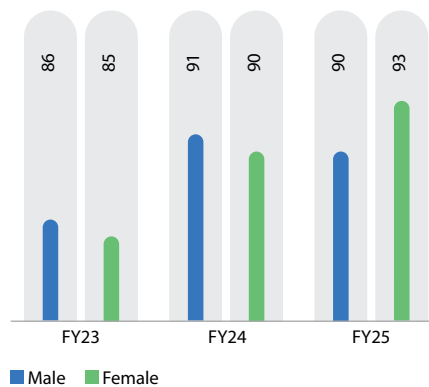
Performance and Career Development of employees	FY23		FY24		FY25	
	Number covered	% covered	Number covered	% covered	Number covered	% covered
Male	737	74	935	78	691	80
Female	54	76	78	86	63	89

Performance and Career Development of workers	FY23		FY24		FY25	
	Number covered	% covered	Number covered	% covered	Number covered	% covered
Male	1,949	86	1,947	91	1,959	90
Female	117	85	120	90	115	93

Coverage of workers under Performance & Career Development Reviews by gender (in %)



Coverage of employees under Performance & Career Development Reviews by gender (in %)



Our Impact Story

Ensuring a safe and respectful workplace through POSH Awareness Program

As part of HFCL's commitment towards safe, inclusive and respectful workplace, the Company ensures strict adherence to the Prevention of Sexual Harassment (POSH) laws and implements proactive measures to promote awareness and compliance across its workforce.

HFCL has adopted a comprehensive and inclusive approach to POSH education and sensitisation. This initiative covers all categories of personnel, including permanent employees, temporary staff, contractual workers, and apprentices. In FY25, a total of 2,444 individuals participated in the POSH awareness programs, comprising 1,771 on-roll employees and 673 off-roll personnel.

The program is designed to empower employees with a clear understanding of their rights, responsibilities, and the

Company's zero-tolerance policy towards harassment. It emphasises the recognition, prevention, and redressal of inappropriate workplace behaviour, while promoting the importance of a respectful and equitable

work environment. Furthermore, employees are informed about the established internal mechanisms for reporting incidents in a confidential and effective manner.





Occupational Health and Safety

HFCL prioritises the safety and well-being of its employees throughout the value chain, recognising that a secure and healthy workforce is crucial for sustained growth and long-term success. The Company's aim is to prevent work-related injuries and illnesses, continually improve

safety performance and uphold a Zero Tolerance (ZETO) policy regarding safety hazards. To support this commitment, HFCL has implemented an occupational health and safety management system that complies with ISO 45001:2018 standards, ensuring its coverage extends

to the entire workforce. HFCL strives to ensure that the Health and Safety Standards across all the units are ahead of the legislative requirements, regulations, and industry codes of practice, while being aligned with international best practices.

HFCL's Strategy for Attaining a Zero Accident Goal

Zero instances of work-related injury, high consequence work related injuries or cases of work-related ill health reported in the last three financial years.



Hazard Identification

The worksite undergoes a comprehensive assessment to identify hazard across all activities encompassing both routine and non-routine tasks involving employees and other workers. This evaluation covers a broad spectrum of workplace risks, including safety, biological, physical, ergonomic, chemical, and organisational hazards. Additionally, legal requirements, emergency situations, and any recent changes in operations or procedures are carefully considered during the hazard identification process.

The identified hazards are assessed using a well-established risk assessment framework, ensuring consistent and accurate prioritisation of risks. A hierarchy of controls is then applied, starting with hazard elimination, followed by substitution, engineering controls, administrative measures, and, as a final step, Personal Protective Equipment (PPE). The personnel conducting Hazard Identification and Risk Assessment (HIRA) are offered internal and external training to ensure they are equipped with the necessary skills and knowledge.

Incident Reporting

HFCL offers an intuitive reporting system that allows employees and workers to report hazards and near misses in the workplace. The Company encourages them to promptly inform their managers or supervisors of any safety incidents. During safety committee meetings, incident reports are carefully reviewed to develop proposals for initiatives aimed at improving employee well-being. Additionally, HFCL has implemented an Incident Investigation and Reporting System that meticulously records and investigates every incident, ensuring a thorough and unbiased approach to resolution.

To further promote safety, for non-routine and high-risk activities, a work permit is required before commencing any task. Workers are also empowered with the right to stop work if they believe a situation threatens their safety or health. This right is emphasised during training sessions to prioritise the well-being of our employees.



Safety Audits

Internal and External audits are conducted at all the plant locations to detect potential hazards and ensure compliance.



Hazard Identification and Risk Assessment (HIRA)

A systematic approach is used to identify and evaluate potential hazards and associated risks across all locations.



Daily Site Rounds

Regular visual inspections are conducted to monitor safety procedures to maintain a safe work environment.



Work Permit System

High-risk activities are managed through hazard assessments, permit issuance, and compliance monitoring to ensure safe execution.



Safety Committee meetings

Regular meetings are held to review work-related safety hazards and develop strategies for their mitigation.



Reward and Recognition

Tailored programs promote employee participation and awareness of OHS, rewarding hazard identification, encouraging feedback, and incorporating innovative ideas into risk assessments.

	FY23	FY24	FY25
The number of recordable work-related injury	0	0	0
Number of Fatalities	0	0	1
The number of high-consequence work-related injuries (excluding fatalities)	0	0	0
Rate of high consequence work-related injuries (excluding fatalities)	0	0	0
Rate of recordable work-related injuries	0	0	0

Work related instances

During the reporting period, an unfortunate fatal incident occurred at HFCL's Hyderabad Plant, within a restricted area designated for expansion activities. In line with HFCL's commitment to employee welfare and responsible business conduct, appropriate support measures were promptly undertaken. The family of the affected employee has been provided with suitable employment and necessary rehabilitation support to help ensure their continued financial and emotional stability.

Workplace safety monitoring mechanism

The Company prioritises safety through comprehensive training programs for its workforce. Induction safety training is provided to all new joiners to ensure they are well-informed about the Company's safety protocols from day one. Additionally, periodic refresher trainings are conducted for all employees, reinforcing essential safety practices and keeping them updated on the latest safety standards.

A safety committee is established at all the plants consisting of an equal number of management and employee representatives from all functions. At the Goa Plant, committee meets monthly, while at the Hyderabad Plant, it convenes quarterly to review health and safety performance and address any related issues. The Committee is chaired by a senior official, whose position within the Company enables effective contribution to its functioning, while a Safety Officer serves as the secretary, overseeing the administrative duties.

Employees are actively involved in health and safety initiatives through regular consultation and structured capacity-building programs. To keep safety at the forefront of everyone's mind, the Plant Safety Officer shares Daily Safety Messages that help strengthen our collective safety culture. Continuous improvement is driven through periodic audits, thorough incident investigations, and the implementation of effective corrective and preventive actions.



Fire Safety Training



Shopfloor Safety



Safety Trainings



Safety Committee meeting



Our Impact Story

Driving Holistic Health & Wellbeing Through Preventive and Proactive Interventions



At HFCL, employee wellbeing is a strategic priority anchored in the CARES (Community, Awareness, Recreation, Engagement, Support) framework. Our approach integrates physical health, mental and emotional resilience, and preventive care through a structured calendar of health camps, expert-led sessions, wellness drives, and inclusive engagement activities across locations. These initiatives aim to create an environment where employees feel supported in their personal and professional wellbeing journeys.

A range of preventive health camps and screenings were organised to encourage early detection and intervention. These included Blood Checkup Camps, Dental and Eye Camps, and Cervical Cancer Awareness sessions, ensuring easy access to essential medical services at the workplace. To complement these camps, expert-led health talks were conducted on topics such as Diabetes & Lifestyle Management, Bone Health, Ergonomics & Injury Prevention, and EQ & Digital Wellbeing, helping employees adopt sustainable lifestyle practices. Additionally, hygiene and inclusive health sessions, such as She



Care: Personal Hygiene, Women Hygiene Essentials, and Hygiene for Housekeeping Staff, reinforced health equity and inclusivity across the workforce. Thematic initiatives like HFCL Nutrition Week and World Cancer Awareness Day further amplified engagement on critical health issues.

HFCL actively partners with reputed hospitals, wellness platforms, and diagnostic providers, sponsoring these camps and talks to ensure that employees have access to credible medical support. In FY25, Health and Wellness initiatives, including Health Camps and Health Talks, comprised 41 events and engaged approximately 2,459 participants, underscoring the organisation's strong commitment to employee health. Specifically, Health Camps attracted 1,410 participants and Health Talks engaged 1,049 participants, collectively reaching over 2,400 employees across multiple sites.

Wellbeing at HFCL goes beyond physical health. Through fitness campaigns, wellness drives, and celebration-based engagement, the Company aims to build a vibrant, positive, and appreciative workplace culture. Company-wide sessions, including Yoga Day celebrations, promoted mindfulness and holistic wellbeing. Sports Meets, Annual Sports Fiestas, and the HFCL Cricket League 2024 fostered teamwork, physical fitness, and a spirit of healthy competition. Multidisciplinary Wellness Camps and Echo Wellness sessions provided employees access to experts across nutrition, stress management, and lifestyle domains, bringing holistic care under one umbrella. Collectively, these initiatives have contributed to creating an energised, connected, and health-conscious workforce.

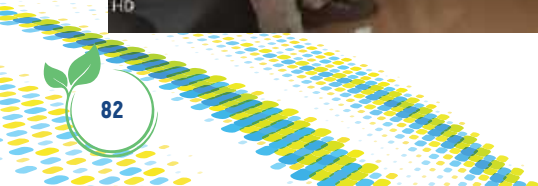
Rewards and Recognitions

During the FY25, the Company implemented various initiatives like National Safety Day celebration and OHS Quiz Competition at the Plants located in Hyderabad to engage the workforce and enhance awareness of safety, while fostering a strong safety culture within the organisation.

HFCL observed the 54th National Safety Week (NSW) from March 4 to March 10, 2025, with a focus on strengthening safety leadership as a key driver of ESG excellence. The initiative aimed to raise safety awareness and promote a strong safety culture among employees and contractors across the organisation.

Throughout the week, a series of engaging and educational activities were conducted to encourage active participation and instil a sense of responsibility toward maintaining a safe workplace. These included competitions in essay writing, safety slogans, drawing, quizzes, and fire hydrant operations. Winners were recognised across categories, not only for their outstanding contributions but also to inspire broader involvement and reinforce the importance of safety leadership.

54th National Safety Week





Social Development and Positive Impact

HFCL views Corporate Social Responsibility as a core expression of its purpose, driving nation-building through inclusive growth. By strategically channelling resources into healthcare, education, environmental sustainability, and community welfare, HFCL delivers tangible improvements in the quality of life for underserved communities while reinforcing its long-term ESG commitments. The cumulative impact of these efforts is reflected in the expanding reach and effectiveness of its programs.



CSR Impact at a glance



1 million+

beneficiaries served through Mobile Medical Units

100+

senior citizens provided with secure and dignified residential care.



Each year, over ten thousand students benefit from Smart Classrooms, while approximately 500-600 youth are trained at Computer Skill Centres



Thousands of beneficiaries supported through life-saving medical interventions, education grants, and disaster relief and rehabilitation programs



Environmental initiatives reducing plastic waste, promoting organic farming, increasing green cover, and ensuring access to clean drinking water



Employee-driven social action reinforcing HFCL's culture of compassion, inclusion, and shared responsibility.

Overall CSR approach and key initiatives

HFCL's CSR philosophy aligns with the Companies Act, 2013 (Schedule VII) and the United Nations Sustainable Development Goals (SDGs), reflecting its commitment to contribute meaningfully to global and national development priorities. The Company's CSR Policy, endorsed by the Board of Directors, provides a well-defined governance framework that ensures accountability, transparency, and impact-driven implementation.

A dedicated CSR Committee, comprising members of the Board, oversees the

CSR strategy and ensures alignment with HFCL's broader ESG objectives. The Committee is responsible for identifying priority areas, selecting projects, recommending budgets to the board and monitoring outcomes to ensure that each initiative delivers measurable social and environmental value.

Over the years, the Company has collaborated with implementation partners, local authorities, and community stakeholders to design and execute initiatives across four core thematic areas.

Total CSR fund allocated (₹ in crores)



CSR Spent¹ (₹ in crores)



₹42.80 crore CSR Spend in the Last 11 Years








Building Sustainable Impact through the Years



¹Including spent from unspent account



FY25 CSR Initiatives shaping SDGs

Project Category	Partner	Total Beneficiaries	% from Vulnerable Groups	SDGs Aligned
Mobile medical units at multiple locations	HelpAge India & Wockhardt Foundation	1,31,396	100%	 
Corrective Surgeries	St. Stephen's Patient Welfare Society	92	100%	
Critical Heart Surgeries	National Heart Institute	40	100%	
Inclusive Education – Special Needs	Balwantray Vidya Bhavan	50	100%	 
Digital Skill Development	Hari Prem Society	645	100%	  



Healthcare

Preventive Healthcare: Reaching Communities at their Doorstep

HFCL's flagship Mobile Medical Unit (MMU) program, launched in FY2017, has been at the forefront of delivering primary healthcare services to rural and remote communities. Operating across Solan (Himachal Pradesh), Goa, Sardarshahar (Rajasthan), Ghazipur (Uttar Pradesh), and Hyderabad (Telangana), these fully equipped units bring doctors, paramedics/lab technician, social protection officer and a driver directly to the people who need them most. On a daily basis, each unit provides consultations, diagnostics, essential medicines, and preventive health education, ensuring that even the most isolated populations have access to quality care. To date, over 10 lakh beneficiaries have been reached, demonstrating the transformative impact of bringing healthcare to the doorstep. The daily operations of the MMUs are managed by the implementing agencies, supported by a Social Protection Officer. The Officer is responsible for mobilising community participation, coordinating with local representatives and government officials, establishing linkages with government welfare programs, and collaborating with nearby secondary and tertiary healthcare facilities for referral services. The Officer also plans and conducts health awareness programs, facilitates community grievance

redressal, oversees operational activities, maintains records, and submits regular daily and periodic reports. The MMUs provide a comprehensive range of primary healthcare services, including medical consultations, maternal and child healthcare, geriatric (old age) care, basic diagnostic and pathology tests, and the distribution of prescribed medicines. In addition, MMUs regularly conduct health awareness and outreach camps on various health issues, tailored to the specific needs and priorities of local communities.

An impact assessment study by Innovative Financial Advisors Pvt. Ltd. (Fiinnovation) highlighted the program's success in achieving its objectives and improving the lives of beneficiaries.

Locations	Beneficiaries in FY25
Solan, Himachal Pradesh	32,901
Goa	26,884
Sardarshahar, Rajasthan	23,804
Ghazipur, Uttar Pradesh	24,304
Hyderabad, Telangana	23,503

131,396

MMUs served marginalised beneficiaries during FY25





Advanced Healthcare: Extending Critical Medical Support

We recognise that access to advanced healthcare is a critical enabler of social equity. Over the years, HFCL has partnered with leading hospitals, charitable foundations, and healthcare professionals to provide life-saving medical interventions for vulnerable and underserved communities across India.

Building on our long-standing commitment, HFCL has supported initiatives such as heart surgeries through the National Heart Institute, New Delhi, corrective procedures at St. Stephen's Hospital, New Delhi, and affordable dialysis services via the HFCL Medi-Dialysis Centre. These programs have ensured that economically disadvantaged patients, including those with congenital heart defects, valvular diseases, chronic kidney ailments, and other life-threatening conditions, receive comprehensive treatment without incurring financial burdens. Individual critical illness grants have further extended assistance to patients requiring hospitalisation and specialised care. Through these efforts, many lives have been saved or transformed, enabling patients to regain mobility, functionality, and hope.

HFCL expanded the scope and impact of its advanced healthcare initiatives, focusing on specialised surgical interventions for marginalised populations. One of the flagship programs included corrective surgeries for polio-related deformities, clubfoot, and other congenital musculoskeletal abnormalities, implemented in

collaboration with St. Stephen's Patient Welfare Society. These procedures, led by Dr. Mathew Varghese, a distinguished orthopaedic surgeon recognised globally for his contributions to polio eradication, enabled 92 underprivileged children and adults to regain mobility and independence. Beyond physical rehabilitation, the initiative facilitated reintegration into educational and economic opportunities, reinforcing the transformative power of accessible healthcare.

Further, HFCL's heart surgery program continued to save lives during FY25, providing 40 economically disadvantaged patients with critical cardiovascular interventions. By funding complex and often prohibitively expensive procedures, including surgeries for congenital defects, ischemic heart disease, and valvular disorders, HFCL helped prevent avoidable deaths and reduced long-term disabilities, while ensuring equitable access to tertiary healthcare for socially marginalised communities.



92

underprivileged children benefitted from corrective surgeries in FY25

40

marginalised patients benefitted from heart surgery program in FY25

St. Stephen's Hospital: Restoring Mobility, Restoring Lives



Paralysed from polio since the age of two, Joni struggled with severe hip and knee deformities that made walking impossible, even with callipers. After complex surgical correction, months of traction, and physiotherapy, he was fitted with a KAFO brace and retrained to walk. Today, he walks independently, an achievement once thought impossible.

Overcoming Childhood Polio Deformity – Joni (31 years)



Born with Knee deformed with bent knee of 90 degrees and foot deformity Mahi was unable to stand or walk. Through staged corrective surgeries with bone realignment and internal rods, she can now stand upright and maintain balance, a transformation that has given her independence and confidence in daily life.

Empowering a Physically Challenged Child – Mahi Rajput (6 years)



Jatin, who sustained a severe open femur fracture in a road accident, received timely surgery and antibiotic-coated K-nail fixation under the HFCL scheme. He is now on the path to full recovery and walking with support. Deepak, with a neglected, non-healing femur fracture and deformed knee after inadequate prior treatment, underwent reconstruction using dual plates and screws. His fracture has started uniting, and he is regaining his ability to walk.

Fighting Genetic Bone Disorder – Deepak



Post-tubercular arthritis had left Yameen with a stiff, painful hip and a shortened leg. A total hip replacement restored his joint function, corrected limb length, and gave him a pain-free, confident gait, allowing him to resume a normal, active life.

Regaining Mobility After Tuberculosis – Mohd. Yameen (18 years)



Education

Empowering Youth and Inclusive Learning

HFCL has consistently recognised education as a catalyst for long-term social transformation. Over the years, the Company has implemented initiatives in digital learning, inclusive education, and skill development, ensuring that underserved communities have access to quality education and opportunities to thrive. Legacy programs include the establishment of Smart Classrooms in government schools across Ghaziabad, Ghazipur, and Churu and Computer Skill Learning Centres in Ghazipur District, U.P. which continue to benefit thousands of students annually, along with ongoing support for special-needs children.

In FY25, HFCL's education initiatives were focused on two critical areas: special-needs education and digital skill development for rural youth. In partnership with Balwantray Vidya Bhavan, Delhi, HFCL fully funded the education of 50 children with developmental and intellectual disabilities, covering all academic expenses. This program supports the inclusive and equitable quality education goals outlined in the National Education Policy 2020 and empowers children from marginalised socio-economic backgrounds to achieve independence and social integration.

The Computer Skill Learning Centres established by HFCL in collaboration with the Hari Prem Society in FY18 at Ghazipur, Uttar Pradesh, have continued to provide digital literacy and skill development opportunities to local youth. The initiative remained active during FY25. These centres are providing rural youth with training in foundational and advanced computer skills, including data entry, office automation, and internet applications. In total, 645 youth benefited from this initiative during FY25, enhancing employability in both formal and gig-economy roles. This program aligns closely with Skill India and Digital India initiatives, ensuring HFCL's commitment to bridging the digital divide and promoting upward mobility through technology-enabled education.



Other key education initiatives undertaken

Basic Education and Nutrition for Street Children

HFCL, in association with the Samarpan Foundation, completed an initiative to provide basic education and nutritious meals to street children in Delhi. This program aimed to break the cycle of poverty by addressing the fundamental needs of education and nutrition, supporting the physical and cognitive development of vulnerable children.

Individual Education and Sports Training Grants

HFCL's individual education and sports training grants is designed to uplift students from marginalised communities. These grants provided financial assistance to help students excel academically and athletically, fostering their talent and opening pathways to brighter futures.

Scholarships for Higher Education

HFCL, in collaboration with IIT Madras, established a scholarship program supporting five economically disadvantaged students for a four-year B.Tech program. The initiative covered their full tuition fees. Additionally, HFCL offered scholarships to meritorious students from schools and colleges, ensuring financial barriers do not hinder academic progress.

Distribution of Value-Based Education Books

HFCL partnered with ISKCON to fund the distribution of value-based education books to over 1.2 Lakh students in Kendriya Vidyalayas. This initiative promoted moral and ethical education alongside academic learning, nurturing well-rounded individuals.



Community Welfare

Old age care: Ensuring Dignity and Compassion for Senior Citizens

We have long been committed to enhancing the lives of senior citizens, particularly those who are abandoned or lack family support. Through initiatives implemented in previous years, the Company has provided elderly individuals with dignity, care, and a sense of community.

One of the flagship initiatives includes SHEOWS – Guru Vishram Vridh Ashram in Lathira village, Garhmukteshwar, where HFCL constructed an accommodation

facility providing shelter and comprehensive care for over 100 senior citizens. The facility offers a safe and nurturing environment, ensuring that the elderly are treated with respect, compassion, and support.

In addition, HFCL extended financial assistance to the AMRITAM Old Age Home, enhancing its infrastructure and facilities to ensure residents have access to essential services and live with comfort and security.



Employee Engagement & Personal Social Responsibility (PSR)

At HFCL, promoting a culture of social responsibility among employees is an integral part of our CSR philosophy. Through the PSR program, employees are encouraged to actively contribute to societal well-being, whether by participating in blood donation camps or volunteering in community initiatives. Each year, the Company celebrates CSR Week from January 25–31, inspiring employees to engage with local communities under the motto: **“Smile with someone and let someone smile.”**

Beyond these initiatives, particularly during the COVID-19 pandemic, HFCL employees actively contributed to educational support by volunteering as online tutors for underprivileged students at Balwantray Mehta Higher Secondary School, New Delhi. They also conducted online remedial classes to bridge learning gaps and enhance student outcomes. The Company also strengthens the capabilities of small, grassroots NGOs by providing financial assistance, enabling them to expand outreach, improve operational effectiveness, and address pressing social issues more efficiently. Additionally, HFCL actively supports disaster management initiatives, providing essential aid and relief to communities affected by natural calamities, thereby ensuring timely assistance when it is needed most.





Environmental Sustainability



HFCL is committed to nurturing a greener future through environmental initiatives. From eliminating single-use plastics and promoting organic farming to restoring green cover with tree plantations, these efforts not only conserve biodiversity and improve air quality but also inspire communities to embrace sustainable practices for a healthier planet.



ENVIRONMENTAL SUSTAINABILITY INITIATIVES



HFCL's "Say 'NO' to Single-Use Plastic" initiative includes installing a Reverse Vending Machine (RVM) near its corporate office in New Delhi to collect and scrap plastic bottles. Recycling is encouraged through RVM-generated discount coupons.



To reduce plastic use, HFCL distributes reusable cotton bags among employees and the public, promoting sustainable practices and minimising plastic waste.



In partnership with the Eklavya Foundation, HFCL supported marginalised farmers by promoting organic farming practices. This initiative enhanced farmers' income while fostering environmentally sustainable, chemical-free agriculture.



Under PRAYATAN, HFCL conducts regular plantation drives to restore green cover, improve air quality, and combat climate change. These efforts raise awareness about conservation and support biodiversity, contributing to a healthier environment.

Our Impact Story

Bringing Healthcare Home: MMU Transforms Lives in Rural Telangana

Mr. Reddy, a 70-year-old farmer from Mohabbat Nagar in Ranga Reddy district, Telangana, faced painful urinary symptoms and ongoing hypertension. Despite a PHC 15 km away, he turned to the MMU supported by HFCL for its timely, village-based care.

Diagnosed with a urinary tract infection in July 2025, Mr. Reddy received prompt treatment and continued hypertension management—all without leaving his village. *“Thanks to the MMU, I feel healthier and at ease. I’m grateful such care is available right at my doorstep,”* he shared.

This case highlights how MMUs are bridging healthcare gaps in rural Telangana, where over 60% of the population lives. By delivering accessible, quality care to underserved areas, HFCL’s CSR initiative is improving health outcomes and quality of life for the elderly and vulnerable.



Healthcare at the Doorstep: MMU Brings Relief to Rural Telangana

Rajasekhar Goud, a 71-year-old farmer from Lemur village, struggled with fever, diarrhoea, and stomach pain but had no nearby healthcare access. On 27th November 2024, he turned to the HFCL-supported MMU, where he was diagnosed with a gastric infection and treated with a five-day course of medication and rest advice.

Thanks to timely intervention, he recovered quickly and now regularly visits the MMU, recommending it to others. *“This free service is a blessing for people like us who can’t afford regular treatment,”* he said.

His story reflects the MMU’s vital role in rural Telangana, where healthcare facilities face staff shortages and limited reach. HFCL’s initiative ensures accessible, quality care for underserved communities—improving health outcomes and empowering lives.



Our Impact Story

Healing Beyond Hospitals: MMU Brings Relief to Rural Uttar Pradesh

Ram Prakash, a 68-year-old farmer from Hariharpur village in Ghazipur, suffered from skin irritation and joint pain but had limited access to healthcare. In 2024, he turned to the HFCL-supported MMU, where he was diagnosed with a fungal infection and knee pain. He received free treatment and practical health advice, right at his doorstep.

"I thank the doctor, HFCL, and Wockhardt Foundation for this facility. For families like ours, it's a lifeline," he shared.

His quick recovery and continued visits reflect the MMU's impact in rural Uttar Pradesh, where skin infections and joint pain are common, and healthcare infrastructure remains stretched. HFCL's initiative is bridging these gaps, delivering timely, affordable care to those who need it most.



Our Impact Story

Relief Within Reach: MMU Empowers Rural Women in Ghazipur

Kailashi Devi, a 65-year-old housewife from Talwal village, Ghazipur, suffered from chronic back and limb pain, weakness, and chest discomfort. With no nearby health facility and limited income, she turned to the HFCL-supported MMU in June 2025.

Diagnosed with musculoskeletal pain and gastric issues, she received free medication and lifestyle guidance. Over three months of regular visits, her condition improved significantly. *"The van comes to our doorstep. We no longer need to travel or spend money we don't have,"* she said.

Her story reflects the MMU's vital role in rural Uttar Pradesh, where healthcare access is scarce and elderly women often go untreated. HFCL's initiative is transforming lives—offering consistent, dignified care to those who need it most.



Our Impact Story

HFCL's Mobile Medical Unit: A Lifeline for Pedro Colaco

Pedro Colaco, a 68-year-old resident of Quelossim, Verna – Goa, lives with his wife, son, and daughter-in-law in a modest nuclear family. For the past nine years, Pedro has been receiving medical support through HFCL's MMU

initiative, implemented in partnership with HelpAge India.

Bedridden for six years due to paralysis and suffering from diabetic retinopathy, Pedro faces daily health challenges.

His condition was first diagnosed during an MMU medical camp, and he continues to receive regular home visits from the doctor for treatment of diabetes and hypertension.

Pedro's wife, his primary caregiver, receives ongoing counselling and guidance from the MMU team to manage his care and her own well-being. This support helps her cope with the emotional and physical demands of caregiving, reducing stress and preventing burnout.

Despite his immobility, Pedro's morale has improved thanks to consistent medical attention and emotional support. HFCL's initiative not only provides healthcare but also uplifts lives—demonstrating its deep commitment to community welfare and compassionate outreach.



Our Impact Story

A Second Chance of Life at National Heart Institute: HFCL Enables Life-Saving Cardiac Surgery for Abdul Rasheed



Abdul Rasheed, 48, had been living with coronary artery disease since 2016. In September 2024, his condition worsened, leading to severe chest pain and breathlessness. He was admitted with acute coronary syndrome, and angiography revealed critical triple-vessel disease with only 25% heart function, along with hypertension, nephropathy, and a history of beedi smoking—placing him at high surgical risk.

With support from HFCL's healthcare initiative, Abdul underwent a successful triple coronary bypass surgery, restoring his cardiac blood flow. He is now recovering steadily with stable post-operative progress.

This story reflects HFCL's ongoing commitment to accessible and life-saving healthcare, helping individuals and families rebuild hope and wellness.

"I feel like I have been given a new life. I am grateful for the support that made this possible."

- Abdul Rasheed





Responsible & Sustainable Product Stewardship

Sustainable Sourcing and Supply Chain	98
Supply Chain Management	98
Supplier Risk Management	99
Supplier Diversity	99
Eco-Conscious Product Stewardship	100
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Sustainable Product Development	104
Customer Driven and Focused Centricity	104
Customer Engagement	105
Customer Complaints resolution	105

UN SDG Alignment







Responsible & Sustainable Product Stewardship

At HFCL, product stewardship is a strategic commitment to sustainability, innovation, and trust. By embedding ESG principles, we deliver products that meet global standards while minimising environmental impact and creating long-term value. Our approach includes ethical sourcing, transparent supply chains, and carbon footprint assessments to cut emissions and align with climate goals. Beyond sustainability, we invest in R&D to develop future-ready, customer-centric solutions that address today's needs and build a resilient tomorrow.

Key Policies adopted by HFCL

Supplier Code of Conduct

Sustainable Procurement

Product stewardship

Occupational Health and Safety

Customer Complaint Handling

Material Topic Linkage

- Innovation Management
- Sustainable Supply Chain
- Occupational Health & Safety
- Product Stewardship
- Customer Centricity

KEY HIGHLIGHTS

50%

budget spent on local procurement

ZERO

instances of non-compliance on health and safety and marketing regulations

ZERO

instances of customer data breaches or privacy violations

Focus Areas



Sustainable Sourcing & Supply Chain



Eco-Conscious Product Stewardship



Cutting Edge Product Innovation & Advancement



Customer Driven and Focused Centricity

Responsible and Sustainable Product Stewardship

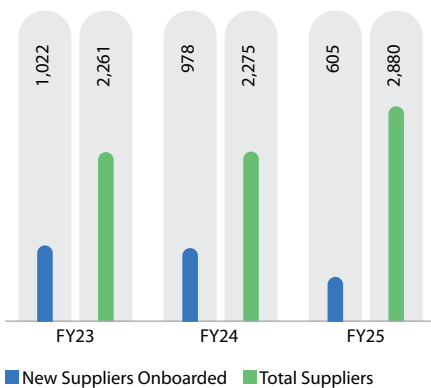
Sustainable Sourcing and Supply Chain

HFCL continues to integrate sustainability across its operations and is committed to ensure transparency and accountability in its procurement and sourcing practices. By embedding responsible sourcing principles into its supply chain, HFCL aims to uphold ethical standards, promote environmental stewardship, and strengthen stakeholder trust throughout its value chain.

HFCL has established a comprehensive Supplier Code of Conduct, which requires its suppliers to abide by ethical business practices, environmental standards and human rights. The policy also includes transparency and accountability in the governance of the various suppliers.

The Company has also implemented a Sustainable Procurement Policy and framework that embeds ESG compliance as a mandatory criterion during vendor onboarding and registration. The Company's procurement strategy is driven by the total cost of ownership approach, considering not only price but also environmental, social, and lifecycle impacts to promote long-term value and sustainability.

New Suppliers Onboarded & Total Supplier Count



During FY25, HFCL has developed impact assessment framework for suppliers at plant level and assessed 6 major vendors which collectively contributed to 16.4% of overall plant spends at Goa

Our Impact Story

Capacity Building of Suppliers

HFCL has also made efforts towards equipping its supply chain partners with training and capacity building sessions for the purpose of increasing knowledge and alignment with HFCL's sustainability targets. There have been sessions on Ariba's Procure-to-Pay module and the digitalization of RFPs, RFQs and supplier lifecycle management. In FY25, HFCL held awareness sessions for suppliers, which covered the 9 Principles of the National Guidelines on Responsible Business Conduct, which are embedded in the Business Responsibility and Sustainability Report (BRSR).



and Hyderabad. The assessment covers parameters such as environmental compliance, waste management, emissions, health and safety, human rights and sustainability goals. This allows us to understand the implementation of ESG across our value chain and identify areas of improvement to strengthen our sustainable procurement objective.

In addition, we check supplier certifications such as ISO 9001, ISO 17025, ISO 14001, and ISO 45001 during the registration process, along with compliance to RoHS and REACH.

Supply Chain Management

HFCL acknowledges the importance of sustainable and ethical supply chain practices as it relies on multiple third-party suppliers for critical components,

materials, and customer support services.

HFCL relies on its supply chain as a critical component of its operations, ensuring the consistent quality and timely delivery of products and services to clients. The Company engages with a diverse network of suppliers, ranging from primary providers of essential raw materials to vendors of smaller components. These suppliers play a vital role in HFCL's operational efficiency and reputation. Recognising this, HFCL is committed to fostering strong, transparent, and responsible relationships across its supply chain, aligning supplier practices with the Company's sustainability and ethical standards. HFCL ensures product and service quality by verifying that suppliers meet production requirements



and by conducting rigorous component testing using a bottom-up approach. This proactive process helps mitigate reputational damage, financial risks, and customer distrust by reducing the likelihood of issues arising during production or product delivery.

Supplier Risk Management

Like any organisation, HFCL may face potential risks such as delays in delivery, quality issues, and increased costs arising due to multiple reasons. To mitigate these risks, HFCL adopts a multi-faceted strategy. Firstly, it prioritises supplier diversification to avoid reliance on a single source. This ensures continuity should a supplier fail to deliver on time or provide substandard materials. Secondly, HFCL enforces rigorous testing and quality assurance procedures to uphold its high product standards and reliability.

All vendors and suppliers undergo a structured evaluation to identify and mitigate sustainability-related risks from

the outset. HFCL’s manufacturing facilities follow a detailed sourcing checklist as a core standard for selecting suppliers during raw material procurement. This checklist encompasses key parameters such as Quality, Environmental Management, Health and Safety, Social Responsibility, Sustainability, and Business Continuity.

As part of the procurement process, vendors must submit relevant compliance documentation and formally affirm their commitment to ethical and sustainable business practices. This includes upholding human rights principles and meeting applicable environmental and social standards, along with recognised certifications such as ISO quality management systems, OHSAS, or their equivalents.

Suppliers failing to meet HFCL’s sustainability criteria may face suspension or termination of their contracts, unless corrective actions are implemented within a defined timeframe.

Supplier Diversity

HFCL is committed to onboard diverse set of suppliers and promote local procurement in its sourcing activities. The Company monitors the budget spent on local sources, specifically including the percentage of input material sourced from Micro, Small, and Medium Enterprises (MSMEs) and small producers:

Parameter	FY23	FY24	FY25
Percentage of the procurement budget spent on suppliers local to that operation (such as percentage of products and services purchased locally i.e., within country).	43%	45%	50%
Percentage of input material directly sourced from MSMEs/ Small producer	28%	16%	16%



Eco-Conscious Product Stewardship

HFCL maintains high standards of quality and safety through adherence to globally recognised system and product standards. These standards align with the core principles of quality management, continual improvement, and customer satisfaction. HFCL designs and manufactures its products in strict compliance with various national and international product standards including but not limited to ISO 9001, ISO 9001, ISO 45001, RoHS, REACH and so on. HFCL follows a comprehensive process of quality management including various processes to meet both internal standards and customer requirements.

At HFCL, Product Stewardship Policy is our commitment to sustainable and ethical business practices. This policy sets out our dedication to minimising the health, safety, environmental, and social impacts of our products as we take responsibility for materials innovation, product design, sourcing, manufacturing, distribution, and performance during manufacturing, disposal, and recycling. Our approach seeks to achieve the right balance between economic prosperity, environmental protection, public health, and social well-being.

HFCL's Quality Management framework incorporates a comprehensive set of processes to meet both internal quality benchmarks and customer requirements.

We also ensure product safety and prevent recall through measures like robust designing, selection of durable materials, design of resilient packaging and handling practices to ensure product and personal safety. In addition, handling instructions are also communicated to customer whenever required. We have

not conducted assessment for health and safety impacts in current reporting year, however, we aim to conduct these assessments in the future.

HFCL is committed to designing and manufacturing all its products in full compliance with applicable national and international standards.



<p>Supplier Selection</p> <p>>> We conduct thorough vendor audits, and only those vendors who meet all required criteria are approved and onboarded.</p>	<p>Functional Testing / Pre-Dispatch Inspection (PDI)</p> <p>>> Functional tests and pre-dispatch inspections are performed by HFCL's QA team before authorizing the release of any materials for shipment.</p>
<p>Supplier Audit</p> <p>>> Suppliers are audited at regular intervals to ensure ongoing compliance with HFCL standards.</p>	<p>Process and Test Setup Validation</p> <p>>> Test setups are periodically validated using both "OK" and "NG" samples to ensure accuracy and reliability.</p>
<p>Process Audit</p> <p>>> HFCL's Quality Assurance (QA) team, stationed at the supplier site, conducts regular audits of the manufacturing process to ensure adherence to defined procedures.</p>	<p>Calibration</p> <p>>> All test equipment is calibrated at defined intervals by NABL-certified laboratories to maintain measurement accuracy.</p>
<p>Incoming Quality Control (IQC)</p> <p>>> Our QA team ensures all incoming raw materials meets established quality standards.</p>	

Zero incidents of non-compliance with health & safety voluntary Codes

Zero incidents of non-compliance with health & safety regulations resulting in a warning

Zero incidents of non-compliance with health & safety regulations resulting in a fine or penalty

Incoming Material Inspection: Ensuring raw materials meet predefined quality specifications.

Driving excellence through feedback: Customer feedback loop and continuous improvement to meet or exceed desired expectations



In process Inspections: Monitoring production processes to maintain consistency and prevent defects.

Pre - dispatch Inspection: Ensuring compliance with customer-specific requirements before shipment

Quality testing at each stage: Conducting quality checks to prevent defects

Testing of Finished goods: verifying final product performance against national and international standards

Our Impact Story

Product Stewardship & Safety at HFCL Defence

HFCL Defence division ensures product safety and minimises breakage through strict quality checks during manufacturing. Protective packaging standards are followed to avoid damage during handling and transport. Any safety or damage-related issues are investigated through root cause analysis. Corrective actions are implemented to prevent recurrence. Regular customer feedback and internal audits help enhance product reliability and reduce recalls.

Looking ahead, HFCL Defence division plans to implement a comprehensive Health & Safety impact assessment in FY26. This initiative will address key areas including product handling safety, electrostatic discharge safety during handling & assembly of products, and storage and packaging requirements for products.

HFCL also conducts customer satisfaction surveys annually through online forms to gather feedback and enhance customer experience. The survey evaluates satisfaction across key areas that includes on-time delivery, packaging & labelling, product quality, order processing, sales support, and overall comparison with other suppliers. For the reporting period FY25, 22 responses were received, yielding an impressive average satisfaction score of 89.1%.



Product and Service Information and Labelling

HFCL share a product data sheet along with the quotation with details on the product specifications. This ensures that cable manufacturing begins only after client approval of the technical data sheet, maintaining strict adherence to quality and customisation standards. To promote the safe and responsible use of its products and services, the Company follows structured procedures to educate and inform consumers. These initiatives include providing detailed product documentation, usage guidelines, and support services, thereby reinforcing HFCL's commitment to safety, transparency, and customer empowerment.

HFCL has compiled user guides that are easy to understand, written in simple language and provide step by step instructions to ensure safe and responsible usage of products. HFCL also conducts training sessions for complex products and services. In addition to this, HFCL has



also added the various customer support channels for any queries or concerns on the same. In FY25, HFCL had zero incidents of non-compliance with regulations and/or voluntary codes concerning:

1. Product and service information and labelling
2. Marketing communications, including advertising, promotion, and sponsorship

Evaluation of Carbon Footprint of Key Products

HFCL is committed to developing and delivering high-quality, environmentally responsible products. As part of this commitment, the Company has undertaken Product Carbon Footprint (PCF) assessments for select offerings to evaluate the greenhouse gas (GHG) emissions generated throughout the product life cycle. Conducting PCFs has enabled HFCL to identify opportunities for improvement and reduce the environmental impact of its products. To date, PCFs have been completed for three product lines encompassing eight variants under the cradle-to-gate scenario. HFCL aims to expand this initiative by assessing additional products and variants in the future. This strategy supports the Company's goal of growing a portfolio of sustainable products that meet the expectations of environmentally conscious customers and contribute to global climate action efforts.

The PCF assessment covers three key offerings - Optical Fiber, Optical Fiber Cable, and the Unlicensed Band Radio (UBR), each integral to advancing modern telecommunications infrastructure. Optical Fiber is made up of ultra-thin glass strands that transmit data as light pulses, allowing for high-speed, long-distance communication with minimal signal loss. Optical Fiber Cable consists of multiple such Fibers bundled together and protected by layers of insulation and reinforcement to provide strength and durability in diverse environments. The UBR operates on unlicensed frequency bands, offering wireless connectivity without requiring individual spectrum licenses, making it an effective solution for last-mile connectivity and point-to-point communication links.

Our PCF assessment aligns with the GHG Protocol Product Life Cycle Accounting and Reporting Standard, commonly known as the Product Standard, and adopts a cradle-to-gate system boundary covering all stages from raw material extraction through manufacturing up to the factory gate. The geographical scope of this assessment includes HFCL's manufacturing facilities in India with Optical Fiber produced at the Hyderabad in Telangana, Optical Fiber Cables manufactured at our Hyderabad and Goa plants, and Telecom products including the UBR manufactured and assembled at the Manesar facility in Haryana. This evaluation helps us understand and reduce the carbon footprint of our products while supporting our commitment to sustainable innovation.

The results of the PCF assessment for each product category are presented below, providing an overview of the GHG emissions associated with the production of one kilometre of Optical Fiber, one kilometre of Optical Fiber Cable, and one unit of UBR.

Product	Variant	Unit	Value
Optical Fiber	G.652.D	Kg CO ₂ e/kilometre	2.71
	G.657.A1_200 μm	Kg CO ₂ e/kilometre	2.79
	G.657.A2_200 μm	Kg CO ₂ e/kilometre	2.89
	G.657.A2_250 μm	Kg CO ₂ e/kilometre	2.77
Optical Fiber Cable	48F ARMOUERD OFC	Kg CO ₂ e/kilometre	615.9
	96F ULW OFC	Kg CO ₂ e/kilometre	418.4
	144F Micro OFC	Kg CO ₂ e/kilometre	650.1
UBR	ion4xl4 - 1 Gbps UBR with 27 dBi integrated Antenna	Kg CO ₂ e/unit of product	37.2

As part of our commitment to sustainability, we aim to expand our product carbon footprint assessment to other product offerings of HFCL, for holistic understanding of the environmental impacts associated with our products portfolio.

Product Innovation

At HFCL, product innovation remains at the core of our strategy to deliver future-ready solutions aligned with evolving market needs. With dedicated R&D centres in Bengaluru, Hyderabad, and Gurugram, our in-house research team plays a pivotal role in strengthening our technology-led positioning. In FY25, we further expanded our R&D strength from 305 to 351 experts across specialised domains, reinforcing our ability to drive innovation and deliver differentiated, high-performance solutions.

Our innovation-led approach focuses on advancing next-generation telecom and Defence communication products that meet emerging connectivity, performance, and security requirements. In telecommunications and networking, we are developing new variants of Wi-Fi 6 and Wi-Fi 7, expanding switching products for enterprise and datacentre applications, and building global variants of IP/MPLS routers and FWA CPEs. On the Defence side, we are progressing on cutting-edge solutions such as drone detection radars and multi-mode hand grenades, enhancing security and resilience.





Strengthened in-house R&D Team

108

5G Products

105

Enterprise Networking Products

60

Technology and Defence

78

Optic fiber & Optical fiber Cable

Pioneering India's 5G Fixed Wireless Access (FWA)

Challenge

India's vast rural and urban divide creates a connectivity gap in last-mile access.

Solution

HFCL became the first Indian Company to develop and commercially launch 5G FWA Customer Premises Equipment (CPE).

Impact

- Over 6 lakh units dispatched in FY25
- Confirmed orders worth ₹800+ crore
- Accelerated broadband penetration across underserved regions

Optical Fiber Innovation for Future Networks

Challenge

High-density networks require compact, high-performance fiber solutions.

Solution

HFCL developed ultra-thin micro cables and 864-fiber high-density variants, ideal for next-gen 5G/6G and data centres

Impact

- Recognised at ISE EXPO 2024
- Industry-first IBR cables launched
- Optimised network deployment footprint and scalability

Defence Tech for National Security

Challenge

India requires indigenously developed advanced defence equipment.

Solution

HFCL launched:

- Thermal Weapon Sights
- High-Capacity Radio Relay Systems
- Tactical Optical Fiber Cables
- Electronic Fuzes, Night Vision Devices, Surveillance Radars

Impact

- Qualified as vendor to Indian Army
- Secured contracts from Indian Army and DRDO

Empowering Education with Wi-Fi 6

Challenge

Educational institutions need high-density, high-speed connectivity.

Solution

HFCL implemented Wi-Fi 6 Access Points at the University of Delhi, its largest single-site deployment, covering 60+ campuses and 450,000+ Students, Faculty and Staff

Impact

- Enabled seamless HD video streaming
- Enhanced digital learning experience
- Positioned HFCL as a key ed-tech enabler

Building Indigenous 5G Routers

Challenge

India needs localised solutions for 5G transport and enterprise networks.

Solution

HFCL developed IP/MPLS routers using open standards and merchant silicon.

Impact

- Orders worth ₹800 crore
- Supports 56 to 800 Gbps throughput
- Deployed in both civil and defence networks

Strategic Wins in BharatNet Phase-III

Challenge

Delivering scalable, high-speed connectivity across India

Solution

HFCL won major BharatNet Phase-III tenders for middle-mile and last-mile infrastructure.

Impact

- Won Contracts worth ₹4,700+ crore
- Coverage across Punjab, UP East & West
- Supports government's Digital Public Infrastructure (DPI) mission

Future-Ready with 6G and AI-Driven R&D

Challenge

Staying ahead of technological disruption

Solution

HFCL invests in Wi-Fi 8, AI/ML for RAN, and Integrated Sensing & Communication (ISAC)

Impact

- Recognised by ITU's AI for Good platform
- Strengthened global IP portfolio
- Active role in TIP, TSDSI, NSG-5, and Open RAN standardization

Sustainable Product Development

Our energy-efficient wireless products leverage advanced technologies to minimise power consumption while maintaining high performance and reliability.

Key energy saving features

- >> Wi-Fi 6, Radios**
More spectrally efficient than previous generations, enabling faster data transmission and reducing energy per bit. Target Wake Time (TWT) further conserves power on client devices.
- >> Configurable Power Management**
Features like SSID scheduling, 2.4 GHz radio disablement, dynamic transmit power control, and disabling non-essential software reduce energy use based on network demands.
- >> 5G FWA CPE Devices**
Indoor and outdoor units support Sub-6 GHz and mmWave bands with energy-saving modes such as Discontinuous Transmission and Reception (DRX).
- >> Energy Efficient Ethernet (EEE) Switches**
Compliant with IEEE 802.3az, these switches reduce power during low traffic and adjust energy use based on cable length. LED indicators can be turned off for further savings.
- >> Wi-Fi 7 Enterprise Access Points**
Optimised for energy savings, especially in battery-powered client devices.

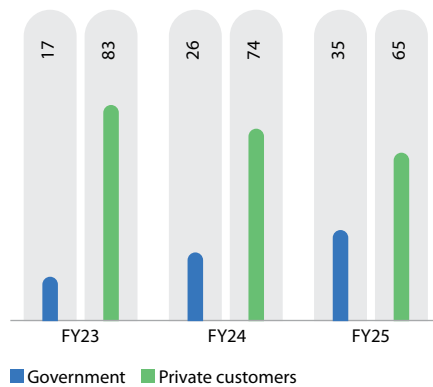
Customer Driven and Focused Centricity

HFCL's commitment towards customer-centricity forms the cornerstone of the business philosophy. The Company believe that understanding and anticipating the customer's needs is essential to delivering innovative, high-quality solutions that create lasting value. By fostering strong relationships with a diverse customer base spanning telecom, defence, railways, and other critical sectors, the Company

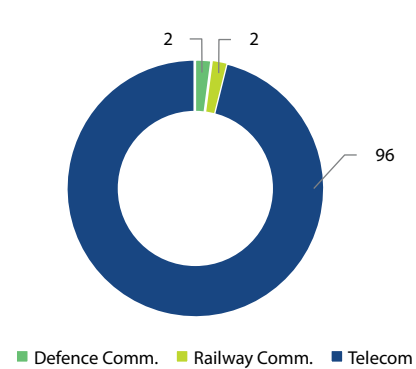
continuously strive to align its products and services with evolving market demands.

This customer-driven approach goes beyond transactional interactions and is integrated into every aspect of HFCL's operations, from product development and delivery to after-sales support and ongoing engagement.

% Contribution to revenue (Government Vs Private Customers)



Percentage distribution of HFCL's customers by sector





B2B (Business to Business)

Partners with telecom operators, OEMs, and turnkey project firms. Supplies optical fiber cables, telecom/networking gear, and offers network implementation for 4G/5G and broadband infrastructure.



B2ECA (Business to Emerging Corporate Accounts)

Serves ISPs and system integrators driving India's digital growth. Provides fiber-optic solutions, telecom hardware, and integrated services for enterprise-grade connectivity across regions.



B2G (Business to Government)

Works with defence, PSUs, and Indian Railways. Delivers secure telecom infrastructure, including FTTH, transport networks, and Wi-Fi, supporting India's digital and security goals.

Customer Engagement

HFCL Limited is committed to fostering strong and transparent engagement with its diverse customer base through a comprehensive, multi-channel approach. To empower users, the Company has developed user manuals and guides that are easy to comprehend, written in plain language, and include step-by-step instructions for safe and responsible usage. To further assist customers, HFCL offers multiple support channels, including a customer service portal and call centre, where consumers can ask questions about product usage or report any issues. For more complex products or services, HFCL provides product training sessions to ensure users are well-informed and confident in their usage. The Company also maintains a proactive communication system to notify customers about potential service disruptions through social media, public relations, and direct contacts like email, phone, and WhatsApp, ensuring transparency and minimising inconvenience.

Customer Complaints resolution



HFCL follows a streamlined and responsive process for managing customer complaints and feedback, in accordance with the Customer Complaint Handling policy available on its website. At the Goa Plant, we have adopted the ISO 10002:2018 Complaint Management System that

ensures a systematic, transparent, and effective approach to handling customer complaints. Further, the Hyderabad Plant follows a comprehensive Quality Management Guideline for Complaints Handling, designed to maintain consistency and excellence in resolving customer issues.

Customers can raise concerns directly with their account manager or the complaint management representative at the respective plant. Each issue is assessed based on urgency and impact, followed by structured investigation and resolution within defined timelines. Minor issues are resolved within 30–60 days, major issues within 30 days, and critical issues are addressed immediately. These timelines cover all related activities, including product replacement, implementation of corrective actions, and obtaining final customer approval. Complaints are closed only upon customer satisfaction, underscoring the Company's commitment to accountability, transparency, and continuous improvement.







Annexure

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Annexure II: Assurance Certificate	110
Annexure III: GRI Content Index	116
Annexure IV: Environmental Metrics	124





Annexure I: Our Manufacturing Facilities and Offices

Manufacturing Facilities

Hyderabad Plant

Plot No. S-9, E-City, FAB City
Ravirayala Village
Maheshwaram Mandal
Rangareddy District
Hyderabad - 501359
Telangana

Goa Plant

L 35-37, Phase II
Verna Electronic City
Salcete - 403722
Goa

Hosur Plant

113-116
SIPCOT Industrial Complex, Phase - 1
Hosur - 635126
Tamil Nadu

Manesar Plant

Plot No. 441, Sector - 8
IMT, Manesar
Gurgaon - 122050
Haryana

Solan Plant

8, Electronics Complex
Chambaghat
Solan - 173213
Himachal Pradesh

Offices

Corporate Office

8, Commercial Complex, Masjid Moth, Greater Kailash – II
New Delhi – 110 048

Haryana Office

Plot no 38, Institutional Area, Sector - 32, Gurgaon - 122001
Plot no 32, Institutional Area, Sector - 32, Gurgaon - 122001
Plot no 229, Udyog Vihar, Phase 1, Gurgaon - 122016
Plot no 28, Sector - 32, Gurgaon - 122001

HFCL Site Offices

Jammu - UT of J&K

Srinagar - UT of J&K

Ferozepur - Punjab

Ludhiana - Punjab

Amritsar - Punjab

Bhatinda - Punjab

Hoshiarpur - Punjab

Jalandhar - Punjab

Patiala - Punjab

Panchkula - Haryana

Jaipur - Rajasthan

Chandauli - Uttar Pradesh

Ghazipur - Uttar Pradesh

Lucknow - Uttar Pradesh

Pune - Maharashtra

Sheopur - Madhya Pradesh

Ranchi - Jharkhand

Dumka - Jharkhand

Garhwa - Jharkhand

Chaibasa - Jharkhand


Chatra - Jharkhand

Gumla - Jharkhand

Kolkata - West Bengal

Bengaluru - Karnataka

Annexure II: Independent Assurance Statement



BUREAU VERITAS
Shaping a World of Trust

Independent Assurance Statement

To
HFCL Limited
8, Commercial Complex, Masjid Moth, Greater Kailash-II
New Delhi – 110048

Introduction and Objective of Work
Bureau Veritas India Private Limited (hereinafter “Bureau Veritas”) has been engaged by HFCL Limited (hereinafter abbreviated as “HFCL”) to conduct an independent assurance of the identified sustainability indicators in its Sustainability Report (hereinafter “Report”) for the reporting period from April 1, 2024, to March 31, 2025. This assurance statement applies to the related information included within the scope of work described below.

Intended User
The assurance statement is made solely for “HFCL 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 expressed in this assurance report.

Reporting Criteria
In preparing the Report, FY2024-25, HFCL has reported in accordance with the Global Reporting Initiative Standard 2021 (hereinafter abbreviated as “GRI Standard”) for Sustainability Indicators for FY 2024-25.

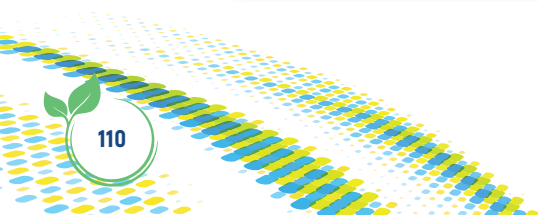
Reporting period
April 1, 2024, to March 31, 2025

Assurance Standards Used
Bureau Veritas conducted the assurance in accordance with:
Assurance requirements of International Federation of Accountants’ (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information’.

- o ISAE 3000 (revised): ISAE 3000 requires us to plan and perform procedures to obtain sufficient and appropriate evidence against the principles of relevance, completeness, materiality, reliability, neutrality, and understandability.

Scope and Boundary of Assurance
The scope of assurance involves evaluating the sustainability performance of non-financial disclosures for the period from April 1, 2024, to March 31, 2025, based on the GRI Standard.
Reporting Boundary: Only the standalone operations of HFCL.
The Scope of Assurance for Sustainability Indicators based on GRI Standard includes:

- An assessment of the procedures or approaches followed for data compilation and reporting of the sustainability performance of non-financial disclosures for specific operations.
- Testing, on a sample basis, of evidence supporting the data.
- Verification of the sample data evidence and information on selected material topics reported at the above-mentioned operations for the defined reporting period.



Independent Assurance Statement



- Assessment of the suitability between the backup data for the selected sustainability performance of non-financial disclosures and the information presented in Report.
- Completion of assurance statement for inclusion in the report reflecting the verification, findings, and conclusion of the disclosure's assurance.

Level of Assurance

- Limited Assurance: The level of assurance obtained is lower than reasonable assurance but higher than no assurance.

List of GRI disclosure assured "Limited level":

GRI STANDARD	DISCLOSURE
GRI 2: General Disclosures 2021	2-5 External assurance
	2-7 Employees
	2-8 Workers who are not employees
	2-9 Governance structure and composition
	2-10 Nomination and selection of the highest governance body
	2-11 Chair of the highest governance body
	2-18 Evaluation of the performance of the highest governance body
	2-20 Process to determine remuneration
	2-21 Annual total compensation ratio
	2-23 Policy commitments
	2-24 Embedding policy commitments
	2-26 Mechanisms for seeking advice and raising concerns
	2-27 Compliance with laws and regulations
	2-28 Membership associations
2-29 Approach to stakeholder engagement	
GRI 3: Material Topics 2021	3-1 Process to determine material topics
	3-2 List of material topics
	3-3 Management of material topics
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices
GRI 301: Materials 2016	301-1 Materials used by weight or volume
	301-2 Recycled input materials used

Independent Assurance Statement

Independent Assurance Statement



GRI 302: Energy 2016	302-1 Energy consumption within the organization
	302-2 Energy consumption outside of the organization
	302-3 Energy intensity
	302-4 Reduction of energy consumption
	302-5 Reductions in energy requirements of products and services
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts
	303-3 Water withdrawal
	303-4 Water discharge
	303-5 Water consumption
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions
	305-2 Energy indirect (Scope 2) GHG emissions
	305-3 Other indirect (Scope 3) GHG emissions
	305-4 GHG emissions intensity
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts
	306-3 Waste generated
	306-4 Waste diverted from disposal
	306-5 Waste directed to disposal
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria
GRI 401: Employment 2016	401-1 New employee hires and employee turnover
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees
	401-3 Parental leave
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system
	403-2 Hazard identification, risk assessment, and incident investigation
	403-3 Occupational health services
	403-4 Worker participation, consultation, and communication on occupational health and safety
	403-5 Worker training on occupational health and safety
	403-6 Promotion of worker health
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
	403-8 Workers covered by an occupational health and safety management system
	403-9 Work-related injuries
	403-10 Work-related ill health



Independent Assurance Statement



GRI 404: Training and Education 2016	404-1 Average Hours of training per year per employee
	404-2 Programs for upgrading employee skills and transition assistance programs
	404-3 Percentage of employees receiving regular performance and career development reviews
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees
	405-2 Ratio of basic salary and remuneration of women to men
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs
	413-2 Operations with significant actual and potential negative impacts on local communities
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria
GRI 417: Marketing and Labelling 2016	417-2 Incidents of non-compliance concerning product and service information and labelling
	417-3 Incidents of non-compliance concerning marketing communications
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

The Methodology Adopted for Assurance

A multi-disciplinary team from Bureau Veritas conducted the assurance process for HFCL, adopting a risk-based approach focusing on issues of high material relevance to HFCL's business and stakeholders.

Bureau Veritas carried out following activities:


- Reviewed the disclosures under the GRI 2021 standard, as per the requirements of limited level of verification
- Assessed design and implementation of systems, processes, and controls for collecting, managing, and reporting of GRI Standards.
- Conducted walk-throughs and sample-based testing of data sets to ensure adherence to reporting principles and operational control boundaries.
- Gathered extensive evidence through stakeholder engagement, supported by documentary evidence and management representations.
- Performed on-site audits at selected locations, chosen based on contribution to reported indicators, operational complexity, and reporting systems, to verify data accuracy and process uniformity.
- Interviewed senior managers responsible for monitoring, data collation, and reporting, with discretion to select interviewees.

Limitations and Exclusions

The assurance is limited to the above-mentioned scope of work and excludes the information relating to:

- Data related to the Company's financial performance disclosures.

Independent Assurance Statement


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Independent Assurance Statement

- Activities and practices followed outside the defined assurance period stated hereinabove.
- Positional statements, expressions of opinion, belief, aim, or future intention by “HFCL” and statements of future commitment and any of the statements related to company aspects or reputation.
- The assurance does not extend to the activities and operations of “HFCL” outside of the scope and geographical boundaries mentioned in the report as well as the operations undertaken by any other entity that may be associated with or have a business relationship with “HFCL”.
- Compliance with any Environmental, Social, and legal issues related to the regulatory authority.

Our Findings

- Based on the work performed, nothing has come to our attention to indicate that the sustainability disclosure in the Report prepared as per GRI standards 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.
- The sustainability disclosure in the Report provides a fair representation of the Company’s activities during the reporting period.
- 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.

Management Responsibilities

HFCL is completely responsible for the report contents, identification of material topics, and data reporting structure. The selection of reporting criteria, reporting period, reporting boundary, monitoring, and measurement of data, preparation, and presentation of information for the report are the sole responsibility of the management of “HFCL”. Bureau Veritas (BV) was not involved in the drafting or preparation of the report and any other backup data for the reporting period. The responsibility of BV was to provide independent assurance for the sustainability performance of non-financial disclosures as described in the scope of assurance.

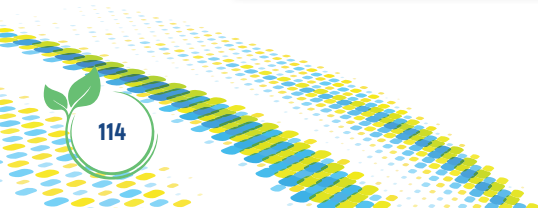
The said assessment is properly based on the assumption that the data and information provided in the report are accurate and free from material misstatement. Bureau Veritas shall not be held liable or responsible for any type of decision a person or entity would make based on this assurance statement. While reading the assurance statement, stakeholders shall recognize and accept the limitations and scope as mentioned above.

Uncertainty

The reliability of assurance is subject to uncertainty(ies) that is inherent in the assurance process. Uncertainties stem from limitations in quantification models used, assumptions, data conversion factors, or assumptions used in the estimation of reported data. Our conclusions with respect to this assurance are naturally subject to any inherent uncertainty(ies) involved in the assurance process.

Statement of Independence, Impartiality, and Competence

Bureau Veritas is an independent professional services company that specializes in Quality, Health, Safety, Social, and Environmental Management with almost 196 years of history in providing independent assurance services. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. We are particularly vigilant in the prevention of conflicts of interest.





Independent Assurance Statement



No member of the assurance team has a business relationship with "HFCL", its Directors, Managers, or officials beyond that required of this assignment. We have conducted this verification independently and there has been no conflict of interest.

Competence

The assurance team has extensive experience in conducting assurance over environmental, social, ethical, and health & safety information, systems and processes, and have an excellent understanding of Bureau Veritas' standard methodology for the Assurance of Sustainability Reports.

Restriction on use of Our Report

Our 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 Firm 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.

Amit Kumar
Lead Assuror
Bureau Veritas (India) Private Limited
Noida, India
Date: Sept. 16, 2025

Munji Rama Mohan Rao
Technical Reviewer
Bureau Veritas (India) Private Limited
Hyderabad, India
Date: Sept. 16, 2025

Annexure III: GRI Content Index

Statement of use	HFCL has reported in accordance with the GRI Standards for the period 1st April 2024 to 31st March 2025.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			PAGE NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	About the Report				4, 5
	2-2 Entities included in the organization's sustainability reporting	About the Report, Annexure-I Our Manufacturing facilities and Offices				4, 109
	2-3 Reporting period, frequency and contact point	About the Report				4
	2-4 Restatements of information	Not applicable- first year of Sustainability Reporting for HFCL				
	2-5 External assurance	About the Report Independent Assurance Statement				4, 110-115
	2-6 Activities, value chain and other business relationships	Introduction				14-17
	2-7 Employees	Talent Growth and Advancement				68
	2-8 Workers who are not employees	Talent Growth and Advancement				68
	2-9 Governance structure and composition	Governance Structure				36-38
	2-10 Nomination and selection of the highest governance body	Governance Structure				37
	2-11 Chair of the highest governance body	Governance Structure				36
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance				38-40
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance				38-40
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance				38-40
	2-15 Conflicts of interest	Governance Structure				40
	2-16 Communication of critical concerns	Sustainability Governance				38-40
	2-17 Collective knowledge of the highest governance body	Governance Structure				37
	2-18 Evaluation of the performance of the highest governance body	Governance Structure				37
	2-19 Remuneration policies	Policy Governance Framework				40-43



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			PAGE NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-20 Process to determine remuneration	Policy Governance Framework				40-43
	2-21 Annual total compensation ratio	Talent Growth and Advancement- Employee Remuneration				70-71
	2-22 Statement on sustainable development strategy	Managing Director's Message				2- 3
	2-23 Policy commitments	Policy Governance Framework Advocating Human Rights and Equity				40-43 74-75
	2-24 Embedding policy commitments	Policy Governance Framework				40-43
	2-25 Processes to remediate negative impacts	Advocating Human Rights and Equity				74-75
	2-26 Mechanisms for seeking advice and raising concerns	Advocating Human Rights and Equity				74-75
	2-27 Compliance with laws and regulations	Sustainability Governance				38-40
	2-28 Membership associations	Covered in BRSR- Principle 7 of HFCL Annual Report				
	2-29 Approach to stakeholder engagement	Stakeholder Engagement				24-25
	2-30 Collective bargaining agreements	Advocating Human Rights and Equity				74-75
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Assessment of Material ESG Topics				24-31
	3-2 List of material topics	Assessment of Material ESG Topics				24-31
Biodiversity Management						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable		Not applicable	HFCL's operational facilities are situated within designated industrial zones and are not owned, leased, managed in, or located adjacent to protected areas or areas of high biodiversity value outside protected areas	
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity and Ecosystem Management				61-62

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			PAGE NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	304-3 Habitats protected or restored	N/A		Not applicable	HFCL does not engage in activities involving habitat protection or restoration	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A		Not applicable	No company operations affect habitats of IUCN Red List or nationally protected species	
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Highlights				18
	201-2 Financial implications and other risks and opportunities due to climate change	Financial Highlights				18
	201-3 Defined benefit plan obligations and other retirement plans	Financial Highlights				18
	201-4 Financial assistance received from government	Financial Highlights				18
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Employee Remuneration				70-71
	202-2 Proportion of senior management hired from the local community	Fostering Diversity and Inclusion				72-73
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Social Development and Positive Impact				83-93
	203-2 Significant indirect economic impacts	Social Development and Positive Impact				83-93
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainable Sourcing and Supply Chain				99
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Policy Governance Framework				41
	205-2 Communication and training about anti-corruption policies and procedures	Policy Governance Framework				41
	205-3 Confirmed incidents of corruption and actions taken	Policy Governance Framework				41



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			PAGE NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Policy Governance Framework				40-43
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 207: Tax 2019	207-1 Approach to tax			Confidentiality constraints	HFCL has established a Group Tax Policy, however, detailed disclosures are not made publicly due to confidentiality considerations	
	207-2 Tax governance, control, and risk management			Confidentiality constraints		
	207-3 Stakeholder engagement and management of concerns related to tax			Confidentiality constraints		
	207-4 Country-by-country reporting			Confidentiality constraints		
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Waste Minimisation and Resource Recovery				54-58
	301-2 Recycled input materials used	Waste Minimisation and Resource Recovery				54-58
	301-3 Reclaimed products and their packaging materials	Waste Minimisation and Resource Recovery				54-58
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Conservation and Efficiency				49-51
	302-2 Energy consumption outside of the organization	Energy Conservation and Efficiency				49-51
	302-3 Energy intensity	Energy Conservation and Efficiency				49-51
	302-4 Reduction of energy consumption	Energy Conservation and Efficiency				49-51
	302-5 Reductions in energy requirements of products and services	Energy Conservation and Efficiency				49-51
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Resource Optimisation and Conservation				59-60
	303-2 Management of water discharge-related impacts	Water Resource Optimisation and Conservation				59-60
	303-3 Water withdrawal	Water Resource Optimisation and Conservation				59-60
	303-4 Water discharge	Water Resource Optimisation and Conservation				59-60

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			PAGE NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	303-5 Water consumption	Water Resource Optimisation and Conservation				59-60
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Action Strategy				52-54
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Action Strategy				52-54
	305-3 Other indirect (Scope 3) GHG emissions	Climate Action Strategy				52-54
	305-4 GHG emissions intensity	Climate Action Strategy				52-54
	305-5 Reduction of GHG emissions	Climate Action Strategy				52-54
	305-6 Emissions of ozone- depleting substances (ODS)	Climate Action Strategy				52-54
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Climate Action Strategy				52-54
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Minimisation and Resource Recovery				54-58
	306-2 Management of significant waste-related impacts	Waste Minimisation and Resource Recovery				54-58
	306-3 Waste generated	Waste Minimisation and Resource Recovery				54-58
	306-4 Waste diverted from disposal	Waste Minimisation and Resource Recovery				54-58
	306-5 Waste directed to disposal	Waste Minimisation and Resource Recovery				54-58
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainable Sourcing and Supply Chain				98-99
	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainable Sourcing and Supply Chain				98-99
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Talent Growth and Advancement				68-69
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Growth and Advancement				71
	401-3 Parental leave	Talent Growth and Advancement				71



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			PAGE NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Talent Growth and Advancement				68-71
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety				79-82
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety				79-82
	403-3 Occupational health services	Occupational Health and Safety				79-82
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety				79-82
	403-5 Worker training on occupational health and safety	Occupational Health and Safety Workforce Skill Development and Capacity Building				76, 79-82
	403-6 Promotion of worker health	Occupational Health and Safety				79-82
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety				79-82
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety				79-82
	403-9 Work-related injuries	Occupational Health and Safety				79-82
	403-10 Work-related ill health	Occupational Health and Safety				79-82
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Workforce Skill Development and Capacity Building				68-71, 76-78
	404-2 Programs for upgrading employee skills and transition assistance programs	Workforce Skill Development and Capacity Building Talent growth and advancement				76-78
	404-3 Percentage of employees receiving regular performance and career development reviews	Workforce Skill Development and Capacity Building				76-78
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			PAGE NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Fostering Diversity and Inclusion				72-73
	405-2 Ratio of basic salary and remuneration of women to men	Fostering Diversity and Inclusion				72-73
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 406: Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Advocating Human Rights and Equity				74-75
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Advocating Human Rights and Equity				74-75
Child labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Advocating Human Rights and Equity				74-75
Forced or compulsory labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Advocating Human Rights and Equity				74-75
Security practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Advocating Human Rights and Equity				74-75
Rights of Indigenous Peoples						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	N/A		Not applicable	HFCL does not operate in regions inhabited by Indigenous Peoples, and there were no reported incidents of violations involving their rights during the reporting period.	
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			PAGE NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social Development and Positive Impact				83-93
	413-2 Operations with significant actual and potential negative impacts on local communities	Social Development and Positive Impact				83-93
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable Sourcing and Supply Chain				98-99
	414-2 Negative social impacts in the supply chain and actions taken	Sustainable Sourcing and Supply Chain				98-99
Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 415: Public Policy 2016	415-1 Political contributions	N/A		Not applicable	HFCL does not make financial or political contributions to political parties, politicians, or related organizations.	
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Eco-Conscious Product Stewardship				100
	416-2 Incidents of non- compliance concerning the health and safety impacts of products and services	Eco-Conscious Product Stewardship				100
Marketing and labeling						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Eco-Conscious Product Stewardship				101
	417-2 Incidents of non- compliance concerning product and service information and labeling	Eco-Conscious Product Stewardship				101
	417-3 Incidents of non- compliance concerning marketing communications	Eco-Conscious Product Stewardship				101
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material ESG Topics				24-31
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Driven and Focused Centricity				104- 105

Annexure IV: Environmental Metrics

Total energy consumption (in GJ)

	FY25	FY24	FY23	FY22
From 'Renewable Sources'				
Total Electricity Consumption (A)	-	-	-	-
Total Fuel Consumption (B)	-	-	-	-
Energy consumption through Other Sources (C)	-	-	-	-
Total Energy Consumption from renewable sources (A+B+C)	-	-	-	-
From 'Non-Renewable Sources'				
Total Electricity Consumption (D)	98,255	111,295	134,331	112,543
Total Fuel Consumption (E)	3,503	6,218	4,929	7,420
Energy consumption through Other Sources (F)	-	-	-	-
Total Energy Consumption from non-renewable sources (D+E+F)	101,758	117,513	139,260	119,963
Total Energy Consumed (A+B+C+D+E+F)	101,758	117,513	139,260	119,963
Energy Intensity				
Energy intensity per rupee of turnover (GJ / ₹)	0.0000027	0.0000028	0.0000032	0.0000028
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (GJ/\$)	0.000055	0.000058	0.000070	
Energy intensity in terms of physical output (Energy consumed GJ per km of the OFC Production)	0.336	0.321	0.470	

GHG emissions (Scope 1 and Scope 2 emissions)

	FY25	FY24	FY23	FY22
Total Scope 1 Emissions MTCO ₂ e	3,572	1,327	539	533
Total Scope 2 Emissions MTCO ₂ e	19,842	22,135	23,295	27,489
Total Scope 1 and Scope 2 emissions per revenue from operations MTCO ₂ e/ Revenue from operations ₹)	0.0000006	0.0000006	0.0000005	0.0000006
Total Scope 1 and Scope 2 emissions per rupee of MTCO ₂ e/\$ turnover adjusted for Purchasing Power Parity (PPP)	0.000013	0.000012	0.000012	
Total Scope 1 and Scope 2 emission intensity in terms (MTCO ₂ e/ per km of of physical output the OFC Production)	0.080	0.060	0.081	



Water consumption (KL)

	FY25	FY24	FY23	FY22
Water withdrawal by source (in kilolitres- KL)				
(i) Surface Water	-	-	-	-
(ii) Groundwater	106,921	6,016	8,256	8,880
(iii) Third Party Water	58,559	82,753	25,200	24,337
(iv) Seawater/ Desalinated water	-	-	-	-
(v) Others (Please specify)	322	19,651	35,701	34,118
Total Volume of water withdrawal (in KL) (i + ii + iii + iv + v)	165,802	108,420	69,157	67,335
Total volume of water consumption (in KL)	165,802	108,420	69,157	67,335
Water intensity per rupee of turnover (KL/₹) (water consumed/ Revenue from operations ₹)	0.0000044	0.0000026	0.0000016	0.0000016
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (KL/\$)	0.000090	0.000054	0.000036	
Water intensity in terms of physical output (Water consumed in KL per km of the OFC Production)	0.55	0.30	0.24	

Water withdrawal, consumption, and discharge in the Water-stress areas

	FY25	FY24
Water withdrawal by source (in kilo litres)		
(i) Surface Water	-	-
(ii) Ground Water	-	-
(iii) Third Party Water	39,168	42,181
(iv) Seawater/ Desalinated Water	-	-
(v) Others	-	-
Total volume of water withdrawal (in KL)	39,168	42,181
Total volume of water consumption (in KL)	39,168	42,181
Water intensity per rupee of turnover (kl/ ₹) (Water consumed/ ₹ Turnover)	0.0000010	0.0000010

Air emissions (other than GHG emissions) by the entity

	FY25	FY24	FY23	FY22
NOx Tons/year	0.06	0.25	0.19	0.27
SOx Tons/year	0.56	1.49	1.83	1.81
Particulate Matter (PM) Tons/year	0.02	0.08	0.05	0.06

Waste management

	FY25	FY24	FY23	FY22
Total Waste Generated (in metric Tonnes)				
Plastic Waste (A)	521	615	351	385
E-Waste (B)	0.10	0.61	0.14	0.11
Bio-medical Waste (C)	-	-	-	-
Construction and Demolition (C&D) Waste (D)	253	167	223	1,112
Battery Waste (E)	0.14	14.00	-	10.00
Radioactive Waste (F)	-	-	-	-
Other Hazardous Waste generated (G) (Please specify, if any)	70	61	83	98
Other Non-Hazardous Waste generated (H) (Please specify, if any)	533	649	1,181	808
Total Waste Generated (A+B+C+D+E+F+G+H)	1,377	1,507	1,838	2,413
Waste intensity per revenue from operations (MT/l) (Total waste generated/ Revenue from operations)	0.00	0.00	0.00	
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (MT/\$)	0.00	0.00	0.00	
Waste intensity in terms of physical output (Waste generated in MT per km of the OFC Production)	0.01	0.00	0.01	

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

Category Waste				
(i) Recycled	1,008	1,268	770	822
(ii) Re-used	-	7	-	-
(iii) Other recovery operations	78	62	-	-
Total	1,086	1,337	770	822

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

Category Waste				
(i) Incineration	2	2	77	96
(ii) Landfilling	293	110	229	1,114
(iii) Other disposal operations	-	58	763	383
Total	295	170	1,069	1,593

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