

ANNEXURE - 7

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L28910PB1979PLC004008
2.	Name of the Listed Entity	Happy Forgings Limited
3.	Year of incorporation	1979
4.	Registered office address	BXXIX-2254/1, Kanganwal Road, P.O- Jugiana, Ludhiana-141120
5.	Corporate address	Happy Forgings Ltd., H.B. No. 220, P.O- Rajgarh, Village- Dugri, Ludhiana-141421
6.	E-mail	complianceofficer@happyforgingsltd.co.in
7.	Telephone	161- 5217162
8.	Website	www.happyforgingsltd.com
9.	Financial year for which reporting is being done	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	Bombay Stock Exchange Limited (BSE) and National Stock Exchange Limited (NSE)
11.	Paid-up Capital	₹ 1,884 Cr.
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Megha Garg, 0161 521 7162 email ID: complianceofficer@happyforgingsltd.co.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures under this report are made on a standalone basis
14.	Name of assurance provider	Not assured
15.	Type of assurance obtained	NA

II. Products/Services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Metal & Metal Products	92%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Steel Forgings Finished Machined Crankshafts, Differential cases, Axle arms	25910 30204 29301	92%

III. Operations

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

Location	Number of plants	Number of offices	Total
National	3	2*	3
International	-	-	-

* Offices are located within plant premises

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Pan India
International (No. of Countries)	9

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

The contribution of exports as a percentage of the total turnover of the entity is 20% in 2023-24.

c. A brief on types of customers

Happy Forgings Limited is the fourth largest engineering led manufacturer of complex and safety critical, heavy forged and high precision machined components in the country selling its products to domestic and international OEMs in commercial vehicles, farm equipment, off-highway, industrials (railways, windmills and oil & gas) and passenger vehicles industry segments. More details on our products and their applications are available at: <https://happyforgingsltd.com/> under the products tab. The major customers of HFL are Tata Motors, JCB, Mahindra, Yanmar, Ashok Leyland, Kubota, American Axle & Manufacturing, Dana, Liebherr, IGW, Same Deutz Fahr, Hendrickson Holdings, Bonfiglioli and SML Isuzu.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	523	506	96.7%	17	3.3%
2.	Other than permanent (E)	6	6	100.0%	0	0.0%
3.	Total employees (D + E)	529	512	96.8%	17	3.2%
WORKERS						
4.	Permanent (F)	2,494	2,494	100.0%	0	0.0%
5.	Other than permanent (G)	151	151	100.0%	0	0.0%
6.	Total workers (F + G)	2,645	2,645	100.0%	0	0.0%

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	-	0	-
2.	Other than permanent (E)	0	0	-	0	-
3.	Total differently abled employees (D + E)	0	0	-	0	-
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	5	5	100.0%	0	0.0%
5.	Other than permanent (G)	0	0	-	0	-
6.	Total differently abled workers (F + G)	5	5	100.0%	0	0.0%

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	2	20.0%
Key Management Personnel	6	2	33.3%

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

22. Turnover rate for permanent employees and workers

	FY 23-24 (Turnover rate in current FY)			FY 22-23 (Turnover rate in previous FY)			FY 21-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.3%	2.1%	18.4%	15.9%	1.1%	17.0%	16.9%	0.0%	16.9%
Permanent Workers	25.1%	0.0%	25.1%	32.1%	0.0%	32.1%	41.7%	0.0%	41.7%

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

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

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	HFL Technologies Private Limited	Subsidiary	100%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover: ₹ 1,358 Cr.

(iii) Net worth: ₹ 1,612 Cr.

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	2023-24 Current Financial Year			2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	The Company has both formal and informal channels for addressing the grievances of all the communities. These are addressed by the top management and senior leadership teams.	Nil	Nil	N/A	Nil	Nil	N/A
Investors (other than shareholders)	NA	N/A	N/A	N/A	N/A	N/A	N/A

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	2023-24 Current Financial Year			2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	The Company has appointed M/s. Link Intime India Private Limited to discharge investor service functions and to handle all share related matters including transmission, transposition, nomination, dividend, change of name/address/signature, registration of mandate/Power of Attorney, replacement/ split/ consolidation of share certificate/ demat/ remat of shares, issue of duplicate certificates, etc. https://happyforgingsltd.com/investors/investor-contacts The Company has designated persons for redressal of shareholders grievances https://happyforgingsltd.com/investors/investor-contacts	2,042 investors grievances were filed between 19th December, 2023 to 31st March, 2024 i.e. at the time of listing and post listing of the Company	Nil	All the complaints were resolved at the close of the 2023-24	Nil	Nil	The Company was unlisted in 2022- 23
Employees and workers	Yes, Grievance Policy	910	Nil	N/A	927	Nil	N/A
Customers	Yes, https://happyforgingsltd.com/contact-us/	Nil	Nil	N/A	Nil	Nil	N/A
Value Chain Partners	Yes, https://happyforgingsltd.com/contact-us/	Nil	Nil	N/A	Nil	Nil	N/A
Other (please specify)	https://happyforgingsltd.com/contact-us/	Nil	Nil	N/A	Nil	Nil	N/A

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity	Rational for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implication of the risk or opportunity (indicate positive/negative implications)
1.	Health, safety and environment	Risk	Any issue with employee health and safety has a direct negative impact on the production activity which eventually affects the business.	- Employee well-being program - Training program on health & safety - Medical check-up, vaccination drive as per Govt. Regulations	The loss of working hours due to accidents and injuries and reduced motivation, combined with unsafe working conditions, leads to a significant decline in productivity and efficiency.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity	Rational for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implication of the risk or opportunity (indicate positive/negative implications)
2.	Energy Management	Opportunity	Energy management planning assists in setting up renewable energy targets.	The Company has decided to install 2-3 MW solar roof-top power project.	These initiatives help in achieving significant cost savings and reducing carbon emissions. These efforts enhance the organisation's reputation and environmental credentials, leading to more business.
3.	GHG Emission	Opportunity	GHG Emission reduction targets will help to improve operational efficiency.	Baseline assessment of Scope 1, 2 and 3 is completed.	Supports compliance with national and international environmental regulations and attracting new business where strong sustainability practices are a key factor in awarding contracts.
4.	Code of Conduct	Risk	A breach in the code of conduct will have a negative influence on the business.	Webinar and induction training sessions for the employee.	Failure to comply with the code of conduct can result in reputational damage, leading to loss of customer's and investor's trust.
5.	Water Management	Opportunity	Reduction in freshwater consumption level will help in saving costs for the organisation.		Judicious use of this critical resource helps in reducing operational costs associated with water use.
6.	Waste Management	Risk	Failure to manage waste will attract fines/penalties from regulating authority and have a negative impact on the environment.		Non-compliance has negative repercussions for the organisation and the environment.
7.	Training and education	Opportunity	Skilled employees and workers are an asset to the Company leading to efficiency improvements and reduction in injuries and accidents.	- Providing a needs-based and innovative range of training courses, notably in forward-thinking fields of expertise like digitalisation - Providing programmes that are specifically designed for roles which require upgraded skills	Enhancing the upskilling and reskilling of employees to address skill-based needs within the plants results in increased productivity.
8.	Sustained performance & quality	Risk	Risk of customers being lost, in the course of business and dissatisfaction amongst the customer due to lack of attention, focus, etc.	- Enhance customer satisfaction - Coefficient-alignment in strategies, partner of choice - Providing end-to-end solutions	Impacts the goodwill and brand reputation of the Company and may lead to loss of business.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	N	N	N	N	N	N	N	Y	N
	c. Web link of the Policies, if available	https://happyforgingsltd.com/investors/corporate-governance/								
2.	Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company has obtained the following certifications, - IATF 16949:2016 for Manufacturing of Forged & Machined Components - ISO 14001:2015 Environment Management System - ISO 45001:2018 Occupational Health & Safety Management System - ISO 9001:2015 Quality Management System								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	50% reduction in Scope 1 & Scope 2 emissions by 2030 100% recycling of wastewater by 2025								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Baseline data has been collected for 2023-24. The Company will prepare an ESG roadmap with specific goals and targets which will be monitored by Director ESG and the Chairman.								

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements									
Statement by Director for ESG									
<i>"We are at a pivotal stage in our organisation's growth path and committed to embrace robust frameworks and procedures that translate our core values into tangible actions marked by measurable goals, showcasing our commitment to delivering sustainable value to all our stakeholders.</i>									
<i>To improve our governance standards, we have prioritised diversity within our Board, ensuring a range of expertise, perspectives, and demographic representation to uphold transparency and accountability across our operations.</i>									
<i>We have established an ESG committee which will develop a comprehensive strategy and execution plan and oversee our progress against set targets and milestones.</i>									
<i>Being conscious of our environmental footprint, we have committed to halving our Scope 1 and Scope 2 carbon emissions by 2030 alongside a commitment to achieve 100% wastewater recycling by 2025. We are focusing on several initiatives including increasing proportion of renewable energy usage and ensuring effective resource management by implementing rainwater harvesting and recharging groundwater.</i>									
<i>We endeavour to create a safe and enabling working environment for our employees. We aim to increase the participation of women in our workforce and are committed to enhancing employee skills through increased training and development programs.</i>									
<i>Furthermore, we continue to increase our investments in a wide range of CSR efforts that focus on empowering vulnerable and marginalised sections of the society.</i>									
<i>As a responsible organisation, we will endeavour to develop and adopt best practices in ESG, striving to become an exemplar in our sector."</i>									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Board of Directors Ms. Megha Garg Whole Time Director (DIN – 07352042)								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes Ms. Megha Garg Whole Time Director								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	The policies are assessed at required intervals by ESG core committee. The effective implementation is assessed and requisite modification/amendments are done with the approval of the Board.																	
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company is compliant with the statutory requirements relevant to the principles.																	

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Yes, policies on Quality, Health & Safety & Environment are subject to internal and external audits as a part of ISO Systems Certification. Other policies are periodically evaluated for their efficacy through the internal and external audit mechanism.
---	---

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1

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

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	ESG Reporting and BRSR Principles	25%
Key Managerial Personnel	1		100%
Employees other than BoD and KMPs	43		53%
Workers	49	POSH, Communication Skills, Code of Conduct, ESG Reporting, Hazard Identification and Risk Assessment, Environment Aspects and Impacts, Company Core Values, Employee Wellbeing-Work-life Balance	41%

2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

No case of fine / penalty / punishment/ award/ compounding fees/ settlement amount reported under regulation 30 of SEBI (LODR) 2015 till 31st March, 2024.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

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

Not applicable.

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

HFL practices zero-tolerance approach to bribery and corruption. It guides all the stakeholders to act professionally, fairly and with utmost integrity. The scope of the policy covers all employees and all third parties of Happy Forgings Limited. As per the policy, third party means any individuals or organisation who has business dealings with the Company.

<https://happyforgingsltd.com/investors/corporate-governance/#>

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

No disciplinary action was taken by any law enforcement agency against any of the Company's Director, KMP, employees or workers for charges of bribery or corruption.

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

No complaints about conflict of interest in the reporting period.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable.

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

	Current Financial Year 23-24	Previous Financial Year 22-23
Number of days of accounts payables	27	28

9. Open-ness of business

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

Parameter	Metrics	Current Financial Year 23-24	Previous Financial Year 22-23
Concentration of purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of sales	a. Sales to dealers / distributors as % of total sales	0.0%	0.0%
	b. Number of dealers / distributors to whom sales are made	0.0	0.0
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers / distributors	0.0%	0.0%
Share of RPTs	a. Purchases (Purchases with related parties / Total Purchases)	0.0%	0.06%
	b. Sales (Sales to related parties / Total Sales)	0.01%	0.02%
	c. Loans & Advances (Loans & Advances given to related parties / Total loans & advances)	0.96%	0.10%
	d. Investments (Investments in related parties / total investments made)	100.0%	0.0%

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

Leadership Indicators

- Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Activities are planned to be undertaken in FY 2024-25 as 2023-24 was the baseline year.

- Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.**

Yes, the Company has processes in place to avoid/manage conflict of interests involving members of the board. This is being managed through the Company's code of conduct for directors and senior management and the terms of letter of appointment of directors.

PRINCIPLE 2

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

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current Financial Year 23-24	Previous Financial Year 22-23	Details of improvements in environmental and social impacts
R&D	0%	0%	-
Capex	0.35%	0.76%	The cost includes the overall expenditure inclusive of expenditure towards environmental and sustainable oriented projects such as emission reduction, renewable energy utilisation.

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

There is no procedure in place currently, but the Company has planned to develop procedures in FY 2024-25. The Company is conscious of the role of sustainability in its business and screens all its suppliers based on social and environmental criteria.

- If yes, what percentage of inputs were sourced sustainably?**

Not applicable.

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Since the product is directly supplied to the OEMs, the Company has limited scope for reclaiming it at the end of its life cycle. However, the Company has waste management SOP in place for use of recyclable packaging, e-waste and hazardous waste in a safe manner. For the disposal of such waste, the Company has agreements with authorised recyclers and files annual returns with the appropriate statutory bodies.

- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

No.

Leadership Indicators

- Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

The Company has not conducted any life cycle assessment for the products to date. However, it is planning to carry out the LCA for products in FY 2024-25.

- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Not applicable.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	2023-24 Current Financial Year	2022-23 Previous Financial Year
Waste water	15%	8%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	2023-24 Current Financial Year			2022-23 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (packaging)	Nil	Nil	Nil	Nil	Nil	Nil
E-waste	Nil	0.5	Nil	Nil	0.0	Nil
Discarded containers	Nil	5,575 Nos	Nil	Nil	5,400 Nos	Nil
Waste & residues containing oil	Nil	6.55 MT	Nil	Nil	3.50 MT	Nil
MS scrap/ scale/ bur	Nil	27,248 MT	Nil	Nil	22,938 MT	Nil

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Since the product is directly supplied to the OEMs, the Company has limited scope for reclaiming it at the end of its life cycle.

PRINCIPLE 3

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

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	506	506	100%	506	100%	-	-	-	-	-	-
Female	17	17	100%	17	100%	17	100%	-	-	-	-
Total	523	523	100%	523	100%	17	100%	-	-	-	-
Other than Permanent employees											
Male	6	0	0%	0	0%	-	-	-	-	-	-
Female	0	0	-	0	-	0	-	-	-	-	-
Total	6	0	0%	0	0%	0	0%	-	-	-	-

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

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

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	2,494	2,494	100%	2,494	100%	-	-	-	-	-	-
Female	0	0	-	0	-	0	-	-	-	-	-
Total	2,494	2,494	100%	2,494	100%	0	0%	-	-	-	-
Other than Permanent workers											
Male	151	151	100%	151	100%	-	-	-	-	-	-
Female	0	0	-	0	-	0	-	-	-	-	-
Total	151	151	100%	151	100%	0	0%	-	-	-	-

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

	2023-24	2022-23
Cost incurred on well-being measures as a % of total revenue of the Company	0.13%	0.09%

2. Details of retirement benefits for the Current Financial Year and Previous Financial Year.

Benefits	2023-24 Current Financial Year			2022-23 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	99.6%	100.0%	Y	93.1%	99.6%	Y
Gratuity	100.0%	100.0%	Y	100.0%	100.0%	Y
ESI	19.1%	94.6%	Y	43.2%	97.8%	Y
Others –please specify	NA	NA	NA	NA	NA	NA

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.
Yes.

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

Yes, we actively support the needs of our employees classified as Persons with Disabilities, ensuring their full integration into the workforce. Our office and factory units are designed with accessibility features such as ramps, lifts, and handrails in stairwells, facilitating seamless mobility for differently-abled individuals. Additionally, we provide transportation facilities to ensure ease of commute for all employees. <https://happyforgingsltd.com/wp-content/uploads/2024/06/Equal-Opportunity-Employer-Policy.pdf> [pagespeed.ce.szDFU-huVD.pdf](https://www.pdfpagespeed.com/DFU-huVD.pdf)

5. Return to work and retention rates of permanent employees and workers that took parental leave.

No case of employees taking parental leave under maternity benefit policy during the current financial year.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

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

	YES/ NO (if Yes, then give the details of mechanism in brief)
Permanent workers	Yes
Other than permanent workers	Yes
Permanent employees	Yes
Other than permanent employees	Yes

HFL has developed a standalone Grievance Redressal Mechanism policy which covers payroll staff and payroll workers. For external stakeholders like Investors, Shareholders, Customers, Value Chain Partners and Community members, who wish to register any Complaints/Grievances can do so by using the contact information and email-id which are available on the Company's website.

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

None.

8. Details of training given to employees and workers:

Category	FY 23-24 Current Financial Year					FY 22-23 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	506	134	26.5%	395	78.1%	383	198	51.7%	310	80.9%
Female	17	1	5.9%	12	70.6%	15	1	6.7%	2	13.3%
Total	523	135	25.8%	407	77.8%	398	199	50.0%	312	78.4%
Workers										
Male	2,494	855	34.3%	2,094	84.0%	2,511	1,234	49.1%	1,304	51.9%
Female	0	0	-	0	-	0	0	-	0	-
Total	2,494	855	34.3%	2,094	84.0%	2,511	1,234	49.1%	1,304	51.9%

9. Details of performance and career development reviews of employees and worker.

Category	FY 23-24 Current Financial Year			FY 22-23 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	506	93	18.4%	383	42	11.0%
Female	17	2	11.8%	15	0	0.0%
Total	523	95	18.2%	398	42	10.6%
Workers						
Male	2,494	49	2.0%	2,511	41	1.6%
Female	0	0	-	0	0	-
Total	2,494	49	2.0%	2,511	41	1.6%

10. Health and safety management system:

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

Yes, Health and Safety Management System (ISO 45001:2018) has been implemented across all sites of Happy Forgings Limited which specifies requirements for an occupational health and safety (OH&S) management systems and provides guidance for its use to enable organisations to provide safe and healthy workplaces by preventing work related injury and ill health, as well as by proactively improving its OH&S performance.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

ISO 45001:2018 helps in establishing, maintaining and implementing an OH&S management system to improve occupational health and safety, eliminate hazards and minimise OH&S risks (including system deficiencies), take advantage of OH&S opportunities, and address OH&S management system non-conformities associated with its activities.

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

As per ISO standards -ISO 14001:2015 & ISO 45001:2018.

The Company continuously initiates measures to promote employee well-being and healthcare, a proper hazard identification risk management system has been put in place to ensure continuous improvement of occupational health and safety of the Company.

Hazard Identification Risk Assessment (HIRA) is carried out regularly at all levels in the following 6 (six) steps by a highly-skilled process owner or a qualified safety coordinator well versed with details of all activities and safety standards:

1. Pre-assessment preparations.
2. Pre-assessment meeting with HSE Leaders.
3. Conducting interviews.
4. Walk-around tour/Quantification of hazards.
5. Evaluation of Hazard/Person/Severity factors.
6. Post evaluation activity.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, Near Miss Reporting, Incident Reporting are the processes for workers to report the work-related hazards and to remove themselves from such risks.

The Company is committed towards open communications and dialogue on workplace health, safety and environmental sustainability issues with its employees and stakeholders and will respond to Environment, Health & Safety concerns and suggestions. The Company establishes proactive Environment, Health & Safety objectives & target and reports publicly on progress and impacts. The Company also provides all necessary PPE to its employees and ensure usage of same. The Company ensures integration of safe ergonomic policies at its workplace.

The Company cooperates with government, industry, academia, and the public in support of regulations, research and programs that address areas of Environment, Health & Safety concerns.

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

Yes, periodic health checkups and preventive health checkups are arranged from time to time other than the mandatory requirement of The Factories Act 1948. We also have tie-ups with leading hospitals nearby which can be accessed by the employees and their family members in case of off-site emergencies.

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

Safety Incident/Number	Category	2023-24		2022-23
		Current	FinancialYear	Previous FinancialYear
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0		0
	Workers	0.55		1.20
Total recordable work-related injuries	Employees	0		0
	Workers	5		13
No. of fatalities	Employees	0		0
	Workers	0		0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0		0
	Workers	0		0

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

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

HFL has adopted various measures to ensure a safe and healthy workplace such as:

1. Daily safety talk with employees/workers
2. Safety training and job specific training
3. Work permit system
4. Safety Audit
5. Safety Committing meeting
6. Necessary measures taken as per Hazard Identification and Risk Assessment & Aspects and Impacts Assessment
7. Mock drill
8. Near Miss identification and compliance
9. 5'S' audit and its compliance maintain inside premises
10. Health checkups of employees/workers

13. Number of Complaints on the following made by employees and workers - (Working Conditions, Health & Safety)

No complaints were made by any employee or worker regarding the working conditions and health & safety.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working conditions	

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

The Company has developed the general corrective and preventive action procedure to address any impacts, issues envisaged.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, a compensatory package is available for both Employees & Workers under various insurances.

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

The Supplier Code of Conduct is in place and all supply chain partners must adhere to it in order to support business responsibility principles and ideals of transparency and accountability.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been/are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable Employment	
	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

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

Yes

5. Details on assessment of value chain partners:

Will be undertaken in FY 2024-25.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

HFL has planned to undertake the assessment of value chain partners in FY 2024-25 as FY2023-24 was a baseline year.

PRINCIPLE 4

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

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Key stakeholders are identified on the basis of material influence they have on company and vice-versa.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half Yearly/ Quarterly/ Others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	- Workshops - Employee Surveys	Periodically	Provide employees with a safe working environment, enhancing their skills through training and providing opportunities for professional growth. Soliciting employee feedback and resolving their issues to ensure their well-being and providing an enabling environment.
Investors	No	- Annual report - Investor presentations - Corporate website - Quarterly & Annual results	Periodically	Protect and increase shareholder value and focus on sustainable growth and profitability.
Customers	No	- Personal Visits - Digital communications - Plant visits	Periodically	To ensure that we are consistently able to deliver high-quality products meeting customer's specifications and timelines to establish ourselves as a trustworthy supplier/business partner for safety critical components.
Suppliers & Service providers	No	- Email Communications - Supplier & Vendor meet - Policies - Official communication letters	Periodically	To establish and maintain mutually beneficial relationships that support the efficient and effective operation of the business. Collaborating with suppliers and service providers to ensure timely delivery of quality goods and service.
Government and Regulatory Bodies	No	- Officials communication channels - Regulatory audits/ inspections - Environmental compliance - Policy intervention - Good governance	Periodically	Adhere to the regulatory framework and ensure compliances. Liaise with Govt. authorities for Govt. schemes and incentives.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half Yearly/ Quarterly/ Others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Communities	No	CSR initiatives and community outreach efforts by our implementation partners	Periodically	To enable sustainable and equitable development of society at large by focusing on the needs of vulnerable and marginalised sections of the society.

Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

ESG Committee was formed in 2023-24 which is tasked with focusing on organisation's ESG initiatives. This committee is required to inform and update the Board of Directors about ESG initiatives, targets, projects and the progress made thereof. The committee is responsible for engaging with stakeholders and developing procedures for consultations and interactions with stakeholders and updating the Board on key issues on a periodic basis.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

ESG Working Committee will develop procedures for stakeholder consultation and identify material environmental, and social topics.

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

HFL through its multiple CSR projects has focused on achieving positive outcomes for vulnerable and marginalised sections of society to ensure equitable development. Company's CSR initiatives are primarily focused on a) improving healthcare facilities through installation of diagnostic machines and medical equipment to provide healthcare access at a cheaper cost b) Adoption of a govt. school and investing in improving the physical infrastructure to provide a conducive environment for underprivileged students c) providing financial support to educational and vocational training institutes focused on differently abled children and underprivileged girls d) Maintenance of public parks and increasing the green cover and e) other various initiatives focused on animal welfare, facilities for defense forces and providing care for senior citizens.

PRINCIPLE 5

Businesses should respect and promote human rights.

Essential Indicators

- 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

Category	2023-24 Current Financial Year			2022-23 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	523	69	13.2%	398	18	4.5%
Other than permanent	6	0	0.0%	3	0	0.0%
Total Employees	529	69	13.0%	401	18	4.5%
Workers						
Permanent	2,494	113	4.5%	2,511	33	1.3%
Other than permanent	151	28	18.5%	0	0	-
Total Workers	2,645	141	5.3%	2,511	33	1.3%

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

Category	2023-24 Current Financial Year					2022-23 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	506	0	0.0%	506	100.0%	383	0	0.0%	383	100.0%
Female	17	0	0.0%	17	100.0%	15	0	0.0%	15	100.0%
Other than Permanent										
Male	6	0	0.0%	6	100.0%	3	0	0.0%	3	100.0%
Female	0	0	-	0	-	0	0	-	0	-
Workers										
Permanent										
Male	2,494	147	5.9%	2,347	94.1%	2,511	366	14.6%	2,145	85.4%
Female	0	0	-	0	-	0	0	-	0	-
Other Than Permanent										
Male	151	148	98.0%	3	2.0%	0	0	-	0	-
Female	0	0	-	0	-	0	0	-	0	-

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (In ₹ Lakhs. p.a.)	Number	Median remuneration/ salary/ wages of respective category (In ₹ Lakhs. p.a.)
Board of Directors (BoD)	3	342.2	1	72.8
Key Managerial Personnel	1	38.4	1	27.9
Employees other than BoD and KMP	502	3.5	15	3.1
Workers	2,494	1.6	0	-

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	2023-24 Current Financial Year	2022-23 Previous Financial Year
Gross wages paid to females as % of total wages	1.7%	1.7%

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

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

Yes, the Chief Human Resources Officer (CHRO) is the Individual focal point responsible for addressing human rights impacts or issues caused or contributed to by the business.

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

Happy Forgings Limited has developed a standalone Grievance Redressal Mechanism policy which covers payroll staff and payroll workers which cover all human rights related issues. Senior management also reviews human rights related grievances on a periodic basis.

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

	2023-24 Current Financial Year			2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child labour	0	0	-	0	0	-
Forced labour/Involuntary labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

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

	2023-24 Current Financial Year	2022-23 Previous Financial Year
Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

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

Our policies related to POSH, Whistle Blower, Equal Opportunities contain provisions to ensure and prevent any adverse consequences for the complainant. We ensure that the identity of the complainant is kept confidential.

9. Do human rights requirements form part of your business agreements and contracts?

No. We have the criteria for assessment of social compliances of our suppliers before onboarding them. The Company will endeavor to develop processes and procedures that enable us to incorporate human rights requirements as part of agreements and contracts.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour Forced/involuntary labour	100%
Sexual harassment/ Discrimination at workplace/ Wages	
Others – please specify	Not applicable

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

No risks/concerned were identified during the assessment hence, not applicable.

Leadership Indicators

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

Nil.

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

Assessment have been conducted as part of ISO audits.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	HFL has planned to undertake the assessment of value chain partners in 2024-25.
Discrimination at workplace	
Child labour	
Forced labour/Involuntary labour	
Wages	
Others – please specify	

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

Not applicable as HFL has planned to undertake the assessment of value chain partners in the 2024-25.

PRINCIPLE 6

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

Essential Indicators

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

Parameter	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
From Renewable Sources		
Total electricity consumption (A)	11,078	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	11,078	0
From Non-Renewable Resources		
Total electricity consumption (D)	4,11,707	3,55,532
Total fuel consumption (E)	1,34,764	1,32,828
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	5,46,471	4,88,360
Total energy consumed (A+B+C+D+E+F)	5,57,549	4,88,360
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations)	4.10 GJ/Lakh Rupees	4.08 GJ/Lakh Rupees
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/ Revenue from operations)	-	-
Energy intensity in terms of physical output (Giga Joules / Production in MT)	7.0 GJ / MT	7.2 GJ / MT

No independent assessment/ evaluation/assurance has been undertaken.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No.

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

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

Parameter	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	2,27,605	2,013,50
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	2,27,605	2,01,350
Total volume of water consumption (in kiloliters)	2,27,605	2,01,350
Water intensity per rupee of turnover (Water consumed / Revenue from operations)	1.68KL/Lakh Rupees	1.68KL/Lakh Rupees
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	-	-
Water intensity in terms of physical output (Kiloliters / Production in MT)	2.8KL / MT	3.0KL / MT

No independent assessment/ evaluation/assurance has been undertaken.

4. Provide the following details related to water discharged:

Parameter	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	24,015	7,613
Total water discharged (in kiloliters)	24,015	7,613

Note: No independent assessment/ evaluation/assurance has been undertaken.

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

The Company has installed Sewage Treatment Plant (STP) and Effluent Treatment Plant at its manufacturing facilities and is in the process to ensure 100% Zero Liquid Discharge by next year.

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

Parameter	Please specify unit	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
NOx	mg/Nm ³	0	25.9

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

SOx	mg/Nm ³	8.7	10.7
Particulate matter (PM)	mg/Nm ³	51	199
Persistent organic pollutants (POP)	mg/Nm ³	0	0
Volatile organic compounds (VOC)	mg/Nm ³	0	0
Hazardous air pollutants (HAP)	mg/Nm ³	0	0
Others – please Specify	mg/Nm ³	0	0

No independent assessment/ evaluation/assurance has been undertaken.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	8,318	7,500
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	93,778	80,983
Total Scope 1 and Scope 2 emission intensity per rupee of turnover – (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)	Metric tonnes of CO ₂ equivalent/Lakhs	0.75MT/Lakh Rupees	0.74MT/Lakh Rupees
Total Scope 1 & Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)		-	-
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Metric tonnes of CO ₂ equivalent / Production in MT)		1.27MtCO ₂ eq/ MT	1.30tCO ₂ eq/ MT

Note: No independent assessment/ evaluation/assurance has been undertaken.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

The Company is constantly evaluating ways to reduce energy consumption at its manufacturing processes and reduce emissions of Green House Gasses (GHG) which are responsible for global warming.

Steps taken during the previous Financial Years: The Company initiated installation of Solar Projects (PV Solar Plants) of 5MW capacity roof-top solar project at its existing plants for captive use at the plants to fulfil its commitment towards achieving carbon neutrality through investment in renewable energy.

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

Parameter	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)	0	0
Bio-medical waste (C)	0.05	0.08
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	6.55 MT	3.05MT
Other Non-hazardous waste generated (H). Please specify, if any. (Metal Scrap)(Break-up by composition i.e. by materials relevant to the sector)	27,248 MT	22,938MT
Total (A+B + C + D + E + F + G + H)	27,255 MT	22,941 MT

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

Parameter	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
Waste intensity per rupee of turnover (Total waste generated / revenue from operations) – (MT / Lakh Rupees)	0.20 MT/Lakh Rupees	0.19/Lakh Rupees
Waste intensity per rupee of turnover adjusted for purchasing power parity (PPP)	-	-
Waste intensity in terms of physical output (Waste in MT/ Production in MT)	0.34	0.34
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0	0
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0

Note: No independent assessment/ evaluation/assurance has been undertaken.

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

As per the current practice the hazardous wastes are disposed via authorised vendors.

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

In all areas of its activities, Happy Forgings Limited is dedicated to regulatory Environmental compliance and ethical conduct. Since the Company operates in industrial areas/estates, its influence on biodiversity is very modest.

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

In all areas of its operations, Happy Forgings Limited is in compliance with the regulatory environmental laws.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

The Company is in compliance with all applicable environmental laws.

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information: (i) Name of the area (ii) Nature of operations (iii) Water withdrawal, consumption and discharge

Not applicable, as we do not have any operations in areas of water stress.

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

Parameter	Unit	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
-----------	------	-------------------------------------	--------------------------------------

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional)		-	-

Data on Scope 3 emissions has not been collected for 2023-24. No independent assessment/ evaluation/assurance has been undertaken.

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

In all areas of its activities, Happy Forgings Limited is dedicated to regulatory environmental compliance and ethical conduct. Since the Company operates in industrial areas/estates, its influence on biodiversity is very modest.

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

No.

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

Yes, the Company recognizes the importance of business continuity in its business and has put in place policies to ensure mission-critical operations continue in the event of an interruption.

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

To be undertaken in 2024-25.

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

To be undertaken in 2024-25.

PRINCIPLE 7

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

Essential Indicators

- 1 a. **Number of affiliations with trade and industry chambers/ associations.**
Happy Forgings Limited is affiliated to 4 trade and industry chambers/ associations.
- b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S . No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Confederation of Indian Industries (CII)	National
2.	Association of Indian Forging Industry (AIFI)	National
3.	Ludhiana Management Association (LMA)	State
4.	Entrepreneurs' Organization	Global

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

There were no incidents of anti-competitive behaviour involving the Company during the reporting period (2023-24).

Leadership Indicators

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

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Web Link, if available
--------	-------------------------	-----------------------------------	--	--	------------------------

The Company directly or through trade bodies puts forth a number of suggestions with respect to the industry in general.

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development.

Essential Indicators

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

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results in public domain communicated (Yes / No)	Relevant Web link
-----------------------------------	----------------------	----------------------	---	--	-------------------

Not applicable.

- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

Not applicable.

- Describe the mechanisms to receive and redress grievances of the community.**

For external stakeholders like Community members, who wish to register any Complaints/ Grievances can do so by using the contact information and email-id which are available on the Company's website.

The web link for contact details of registering any Complaints/Grievances by Communities, is as follows;

<https://happyforgingsltd.com/contact-us/>

- Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	2023-24 Current Financial Year	2022-23 Previous Financial Year
Directly sourced from MSMEs/ small producers	The assessment will be undertaken in next FY	
Directly from within India	100%	

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

Location	2023-24	2022-23
Rural	22.0%	22.4%
Semi-urban	8.6%	9.2%
Urban	33.5%	34.9%
Metropolitan	35.8%	33.5%

Leadership Indicators

- Provide details of actions taken to mitigate any negative social impacts identified in the social impact assessments (Reference: Question 1 of essential Indicators above):**

Not applicable.

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

In the 2023-24, the Company has undertaken CSR projects in the vicinity or local area where the registered office and plants of company are situated.

- (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)**

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

No.

(b) From which marginalised /vulnerable groups do you procure?

Not applicable.

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

Not applicable.

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

Not applicable.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not applicable.

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Environment (maintenance of park and planting of trees)	Community at large	N/A
2	Education support (Noble Foundation)	100 slums students	100%
3	Bal Vikas Trust (construction of college for vocational courses)	Under construction	100% will be from vulnerable and marginalised groups
4	Ludhiana Education Society	85 students	100%
5	Adoption of Government primary School	1,658 students	100%
6	Animal welfare (Dhyan Foundation)	Not applicable	N/A
7	Bharat Vikas Trust (Shelters for armed forces)	20 Shelters	0%
8	X ray machine for charitable hospital	5,143 patients	100%
9	Darpan NGO for specially abled children	850 children	100%
10	Vocational rehabilitation centre for blind	103 visually impaired children	100%
11	Helpful NGO for dialysis machines	350 patients	Mostly vulnerable and marginalised groups
12	Krishan Balram Gaushala	Not applicable	N/A
13	Senior Citizens (Senior Citizen Council of Ludhiana)	250 senior citizens	100%

PRINCIPLE 9

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

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

For external stakeholders like Customers who wish to register any Complaints/Grievances can do so by using the contact information and email-id which are available on the Company's website.

The web link for contact details of registering any Complaints/Grievances/Feedback by Customers is as follows,
<https://happyforgingsltd.com/contact-us/>

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

Environmental and social parameters relevant to the product, safe and responsible usage, recycling and/or safe disposal are not being calculated as percentage of total turnover.

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

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

	2023-24 (Current Financial Year)		Remarks	2022-23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Others	0	0	-	0	0	-

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

No such instances were reported in the reporting period 2023-24.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Information security policy has been implemented which provides support, management direction and documents how information security is managed throughout Happy Forgings. It outlines the appropriate measures through which the Company will facilitate the secure and reliable flow of information, both within the Company and externally.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches - Nil
- Percentage of data breaches involving personally identifiable information of customers - Nil
- Impact, if any, of the data breaches - Nil

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

<https://happyforgingsltd.com/>

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

We supply our products to OEMs, who subsequently utilize them and assemble to manufacture a final product that is delivered to the consumers. Hence, we do not have the ability to directly inform and educate end users about the safe and responsible use of products.

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

Since we do not supply our product directly to end consumers, we do not have any scope for informing the end user about the risk of disruption/discontinuation of its essential service.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Our products typically display details like manufacturer name, heat code, process no, dispatch no and part no. etc.

We usually obtain customer feedback and some customers also rate us on our performance on multiple parameters as per their internal scoring systems.