

HAPPY FORGINGS LIMITED

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) POLICY

Version	Approval date	Description
Version 1	August 4, 2026	Original Policy

1. POLICY OBJECTIVE

Happy Forgings Limited ("HFL" or the "Company") believes that responsible and sustainable business practices support long-term value creation. This Policy sets out the Company's overarching Environmental, Social and Governance ("ESG") principles and provides a guiding framework for integrating sustainability considerations into its business and growth journey.

2. POLICY SCOPE

This Policy applies to all Directors, employees, manufacturing facilities and business operations and business partners of the Company.

3. GUIDING PRINCIPLES

A. Environmental Responsibility

The Company endeavours to conduct its operations in an environmentally responsible manner by:

- promoting the efficient use of energy, water and other natural resources, including renewable energy, where feasible;
- supporting initiatives to reduce greenhouse gas emissions and minimise the environmental impact of its operations;
- promoting responsible waste management and circular resource use through reduction, reuse, recycling and other sustainable practices;
- recognising climate change as an important business consideration and progressively strengthening its approach towards climate resilience and decarbonisation, where appropriate;
- supporting the adoption of appropriate technologies and practices that enhance environmental performance; and
- complying with applicable environmental laws and regulations.

B. Social Responsibility

The Company seeks to conduct its business in a socially responsible manner by:

- promoting fair employment practices and equal opportunity;
- providing a safe, healthy, respectful and inclusive workplace;
- respecting internationally recognised human rights and supporting ethical labour practices;
- promoting employee wellbeing, learning and professional development; and
- contributing positively to the communities in which it operates through responsible corporate citizenship.

C. Governance and Business Ethics

The Company seeks to conduct its business in a responsible and ethical manner by:

- conducting its business with integrity, fairness and accountability;
- maintaining high standards of corporate governance and ethical business conduct;
- complying with applicable laws, regulations and internal policies;
- promoting transparency and appropriate disclosure to stakeholders; and
- considering ESG-related risks and opportunities, where appropriate, in business planning and decision-making.

4. VALUE CHAIN RESPONSIBILITY

The Company recognises that sustainable business extends beyond its own operations. The Company seeks to engage with its value chain partners to promote responsible environmental, social and ethical business practices consistent with applicable laws and recognised standards of responsible business conduct.

5. STAKEHOLDER ENGAGEMENT

The Company values constructive engagement with its employees, customers, suppliers, investors, regulators, local communities and other stakeholders. It shall endeavour to consider stakeholder perspectives while advancing its sustainability objectives and strengthening responsible business practices.

6. ESG GOVERNANCE

The Board of Directors shall provide overall oversight of the Company's ESG philosophy and strategic direction. Management, supported by the ESG Committee, shall facilitate the implementation of this Policy and periodically review ESG priorities, having regard to the Company's business strategy, stakeholder expectations and applicable regulatory requirements.

7. DISCLOSURE & REVIEW

The Company shall endeavour to communicate its ESG initiatives and performance through applicable statutory and voluntary disclosures, as considered appropriate.

This Policy shall be reviewed periodically by the Board of Directors, or its designated committee, and may be revised, where considered necessary, to reflect changes in the Company's business, stakeholder expectations, applicable laws and evolving sustainability practices.

8. DISSEMINATION

This Policy shall be made available on the Company's website for the information of stakeholders.