BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L40109TG1986PLC006745
2	Name of the Listed Entity	HBL Engineering Limited (Formerly HBL Power Systems Limited)
3	Year of incorporation	1986
4	Registered office address	No. 8-2-601, Road No.10, Banjara Hills, Hyderabad - 500034, Telangana, India.
5	Corporate address	8-2-616, Road No.11, Banjara Hills, Hyderabad - 500034
6	E-mail	contact@hbl.in; investor@hbl.in
7	Telephone	Tel - 04023355575
8	Website	https://hbl.in/
9	Financial year for which reporting is being done	FY 2025-26
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE), BSE Limited (BSE)
11	Paid-up Capital	₹27,71,94,946
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	E. Sairam, Chief Financial Officer, Email – sairam.e@hbl.in , Telephone - 04066167777
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 made in this report are on a standalone basis for HBL Engineering Limited (formerly HBL Power Systems Limited).
14	Name of assessment or assurance provider	Bureau Veritas (India) Private Limited (BVIPL)
15	Type of assessment or assurance obtained	Reasonable assurance

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 - Battery	Manufacturing of Batteries for Industrial & Defense applications	41.64 %
2	Manufacturing - Electronic	Manufacturing of Electronic equipment for Railway and Industrial Applications	58.36%

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	Lead Acid Batteries	27,201	41.64 %
	Nickel cadmium Batteries		
	Defense Batteries		
2	Railway Electronics	28,294	58.36%
	TMS/TCAS (KAVACH)		

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	7	22	29
International	NIL		

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Locations – 36 (19 States)
International (No. of Countries)	59

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

15.85%

c. A brief on types of customers

HBL Engineering Limited (formerly HBL Power Systems Limited) offers comprehensive battery and engineering solutions to diverse clients, including prominent system integrators, EPC firms, as well as entities within the railway, aviation, and defense sectors worldwide. The Company's segments include Industrial batteries, Defense and Aviation batteries, and Electronics. The Company operates its business under three primary verticals: battery, electronics and Defense. Its electronics vertical is sub-divided into Railway electronics and electric mobility. Its flagship products in this vertical are the Train Collision Avoidance System (TCAS), which addresses the issue of safety, and Train Management System (TMS).

HBL provides battery and engineering solutions and services to the world's leading system integrators, EPC's, railway, aviation and defense companies. We also enjoy long term relationships with Government customers in India including the Indian Airforce, Indian Navy and MOD labs. HBL has enjoyed a long-term strategic relationship with Indian Railways where we have gained certification to deploy safety critical systems.

HBL takes pride in serving customers in over 50+ countries with products and services tailored to meet their demanding needs. HBL utilizes the depth of our engineering capabilities to provide the most resilient, compliant products expected by customers to run their business efficiently.

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)	2455	2263	92.18%	192	7.82%
2.	Other than Permanent (E)	No Non-Permanent Employees are employed by the Company				
3.	**Total employees (D + E)**	**2455**	**2263**	**92.18%**	**192**	**7.82%**
WORKERS						
4.	Permanent (F)	No Permanent Workers are employed by the Company				
5.	Other than Permanent (G)	5277	4134	78.34%	1143	21.66%
6.	**Total workers (F + G)**	**5277**	**4134**	**78.34%**	**1143**	**21.66%**

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)	9	7	77.78%	2	22.22%
2.	Other than Permanent (E)	No Non-Permanent Employees are employed by the Company				
3.	**Total differently abled employees (D+E)**	**9**	**7**	**77.78%**	**2**	**22.22%**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	No Permanent Workers are employed by the Company				
5.	Other than permanent (G)	32	24	75%	8	25%
6.	**Total differently abled workers (F+G)**	**32**	**24**	**75%**	**8**	**25%**

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	4	50%
Key Management Personnel	2	-	-

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2025-26 (Turnover rate)			FY 2024-25 (Turnover rate)			FY 2023-24 (Turnover rate)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.10%	11.40%	15.8%	12.93%	15.22%	13.08%	13.41%	24.64%	14.07%
Permanent Workers	Not Applicable								

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	HBL America Inc, USA	A wholly owned Company	100%	No
2	HBL Germany, GmbH	A wholly owned Company	100%	No
3	Torquedrive Technologies Private Limited	A wholly owned Company	100%	No
4	TTL Electric Fuel Private Limited	A subsidiary company	60%	No
5	Naval Systems and Technologies Private Limited	Associate Company and Kavita Prasad Aluru and Mr. MSS Srinath are Directors. HBL holds 41% shares in the Company.	41%	No
6	Tonbo Imaging India Private Limited	Associate Company	14.25%	No

VI. CSR Details

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

    (ii) Turnover – ₹3,251.80 Cr.

    (iii) Net worth – ₹2,172.36 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)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints resolved during the year	Remarks	Number of complaints filed during the year	Number of complaints resolved during the year	Remarks
Communities	Yes https://hbl.in/reports/HBL-Policies.pdf	NIL	NIL		NIL	NIL	
Investors (other than shareholders)	Yes https://hbl.in/reports/HBL-Policies.pdf	NIL	NIL		NIL	NIL	
Shareholders	Yes https://hbl.in/reports/HBL-Policies.pdf	5	5		NIL	NIL	
Employees and workers	Yes (Internal policy)	NIL	NIL		NIL	NIL	
Customers	Yes https://hbl.in/reports/HBL-Policies.pdf	0	5	5 out of 7 previous year complaints have been resolved this year; 2 Pending	7*	0	
Value Chain Partners	Yes (Internal Policy)	NIL	NIL		NIL	NIL	
Other (please specify)	-	NIL	NIL		NIL	NIL	

*Customer complaints lodged with State Consumer forums

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 issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy Management	Risk and Opportunity	**Risk:** Purchased electricity constitutes a major share of the energy sources used in the industry and accounts for a significant proportion of the total cost of materials and value added. It also contributes to indirect greenhouse gas (GHG) emissions. **Opportunity:** Effective energy management enables HBL to optimize resource utilization, reduce costs, and minimize environmental impact. By investing in renewable energy technologies and energy-efficient measures, HBL can enhance sustainability performance and promote innovation.	HBL aims to strategically mitigate climate change-related risks and leverage associated opportunities by implementing sustainable practices and reducing greenhouse gas emissions through the following measures: 1. Energy conservation through installation of energy-efficient technologies, machinery, equipment, and DG sets a cross manufacturing facilities. 2. Renewable energy generation and utilization through solar and biomass-based energy sources. 3. Emission and fume control through installation of pollution control equipment, including wet scrubbers. 4. Resource efficiency and energy savings through the commissioning of Energy Efficient DG sets. 5. Solar Panel Installations - 500 kVA rooftop Solar power plan (Vizag); Installation of 1.2 MW and 1.0 MW Solar power plants (Nandigaon). 5. Strengthening environmental and energy management through periodic ISO 14001:2015 audits and the planned adoption of ISO 50001:2018.	Positive/ Negative

S. No.	Material issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Water Management	Opportunity	**Opportunity:** HBL reduces its reliance on freshwater through water conservation strategies, including recycling and reuse of treated wastewater in utilities and minimizing discharge through the Zero Liquid Discharge (ZLD) mechanism.	1. The implementation of ZLD systems helps eliminate wastewater discharge, conserve water resources, and reduce environmental impact, thereby strengthening the Company's sustainability initiatives. 2. Commissioning of an 80 KLD energy-efficient Multiple Effect Evaporator (MEE) at the Effluent Treatment Plant Shamirpet to support Zero Liquid Discharge (ZLD) and water recycling.	Positive
3	Waste management	Risk and Opportunity	**Risk:** 1. Lower recovery rates of battery materials may increase the environmental impact of fuel cells and batteries. 2. Batteries and fuel cells contain potentially hazardous materials that must be disposed of appropriately, as improper disposal may pose risks to human health and the environment. **Opportunity:** Recycling and reusing waste to create products with added value increases revenue and lowers waste disposal expenses and increases the circular economy	1. Integration of innovation in manufacturing to enable effective design for disassembly, reuse, or recycling. 2. HBL is certified by CPCB for Extended Producer Responsibility (EPR). 3. HBL engaged authorized third-party recycler for effective disposal of hazardous waste.	Positive/ Negative

S. No.	Material issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Occupational Health & Safety	Risk	1. Potential risks associated with physical hazards, including machinery-related accidents and electrical shocks, as well as chemical hazards arising from the handling of solvents, lubricants, and battery chemicals. 2. Non-adherence to safety standards may result in legal consequences.	1. Strict adherence to safety standards such as ISO 14001:2015 and ISO 45001:2018. 2. Comprehensive employee training on hazards, safe practices, emergency procedures, and PPE use. 3. Clear safety policies communicated to all staff and contractors. 4. Tested emergency response plans for fires, spills, and medical incidents. 5. Regular audits to ensure safety compliance and address improvements promptly.	Negative
5	Diversity, Equality & Inclusion	Opportunity	Embracing diversity, inclusion, and equal opportunities enhances the Company's performance by leveraging diverse knowledge, perspectives, and ideas. This fosters innovation, strengthens talent attraction, improves retention, and supports adherence to legal and ethical compliance requirements in the workplace.	1. Promote equal opportunity, diversity, and non-discrimination across hiring, training, career development, and workplace practices. 2. Foster an inclusive work environment through employee engagement, awareness programs, and fair HR policies that support diversity and belonging.	Positive
6	Community engagement	Opportunity	Investing in community development programs provides an opportunity to create shared value for both the Company and the communities in which it operates. By aligning CSR programs with community needs, the Company can proactively manage risks by addressing community concerns in a timely manner. This approach also fosters long-term, mutually beneficial relationships and enhances the Company's social standing.	1. Undertake CSR initiatives focused on education, healthcare, nutrition, and community welfare to create sustainable social impact. 2. Partner with NGOs and local stakeholders to implement community development programs and address local needs effectively. 3. Promote environmental stewardship through afforestation, green cover development, and other community-focused sustainability initiatives.	Positive

S. No.	Material issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Data privacy and cyber security	Risk	**Risk:** HBL recognizes that, as it primarily deals with government clients, any data privacy or cybersecurity breach or leakage could result in significant reputational, legal, and financial risks.	1. All privileged system access are reviewed periodically and Data Leakage Prevention (DLP) system are implemented at all critical equipment and touch points 2. Restricted data access control & VPN access for work from home activities have been strictly implemented	Negative
8	Product safety and quality	Risk	**Risk:** As an approved supplier to both Indian Defense and Railways, the Company's products are required to comply with stringent quality protocols prescribed by its customers.	1. The Company is investing in critical and high-cost testing equipment to ensure compliance with international testing standards and meet the stringent quality requirements of its clients. 2. The Company maintains state-of-the art quality infrastructure and also utilizes third party partner agencies to test its products	Negative
9	Compliance	Risk	**Risk:** Being compliant with the laws of the land is vital for us, to ensure that we adhere to laws and regulations, avoiding from legal penalties and reputational damage	The Company has established appropriate systems to ensure compliance with applicable human rights, environmental, and safety laws and regulations.	Negative

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.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	Policies are available on our intranet and publicly : https://hbl.in/reports/HBL-Policies.pdf (ESG Policy)								
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.	Y[*]	Y[#]	Y[$]	Y	Y	Y	Y	Y[&]	Y

5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is currently in the process of establishing goals and commitments based on the material issues identified through its assessment process.
6.	Performance of the entity against specific commitments, goals and targets along-with reasons in case the same are not met.	

The Company has obtained certifications under national and international codes/ certifications/ labels/standards.

*. HBL Code of conduct

#. Quality systems –

- Shamirpet campus is NABL accredited laboratory in India (as per ISO 17025) with the facility and capability of testing all the applicable tests of IEC 60623: 2017, IEC 62259: 2003, IEC 60896:2004 and IEC 61427:2013, IATF 16949:2016.
- ISO 9001-2015, ISO14001-2015, ISO 45001-2018, and ISO 22163-2017 – IRIS- Rev 3 (Railway business) and AS 9100D (Aviation, Space and Defense Organizations).
- HBL's Kavach (Train Collision Avoidance System-TCAS) is certified for SIL4 by ItalCertifer, a European safety assessment agency, empaneled by RDSO in India.
- HBLs Train Management System (TMS) is certified for SIL2 by BVIPL Spain.

$. ISO 45001:2018 (Environment Management System Certification), CPCB certificate No. 452686543742529144.

&. ISO 27001 certification is in progress.

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

At HBL, sustainability is integral to our business strategy and long-term value creation. As we navigate evolving Environmental, Social, and Governance (ESG) challenges, we remain committed to responsible growth, operational excellence, and creating a positive impact for all stakeholders.

The Company continues to strengthen its ESG framework through the oversight of its ESG Committee, which guides sustainability priorities and monitors progress. During the year, we focused on improving energy efficiency through the adoption of energy-efficient technologies and equipment, expanding renewable energy generation through solar and biomass sources, enhancing emission control systems, and promoting resource conservation through initiatives such as Zero Liquid Discharge (ZLD) and effluent recycling. As part of these efforts, the Company invested INR 2.33 crore in the installation of a solar power system and a 600 KVA DG set at its Vizag facility, and INR 6.7 crore in the installation of 1.2 MW and 1.0 MW solar power plants at its Nandigaon facility during FY 2025–26.

We are equally committed to supporting the communities in which we operate through CSR initiatives focused on education, healthcare, nutrition, environmental sustainability, and community development. In addition, we strive to foster a diverse, equitable, and inclusive workplace that provides equal opportunities and supports employee well-being and growth.

While challenges such as climate change, resource efficiency, and changing stakeholder expectations continue to evolve, we remain focused on reducing our environmental footprint, strengthening stakeholder engagement, and embedding sustainable practices across our operations and value chain. We are encouraged by the progress made so far and remain committed to building a resilient, sustainable, and responsible future for generations to come.

8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	E. Sairam, Chief Financial Officer, Email – sairam.e@hbl.in , Telephone - 04066167777
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.	The CFO and the ESG Committee, oversees the decision making on sustainability related issues.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The ESG Committee conducts an annual review of the Company's policies to assess their effectiveness and implementation. As part of this evaluation process, the Committee reviews the successful execution of the policies and adopts any necessary changes to policies and procedures to ensure their continued relevance and effectiveness.									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company has remained compliant with all applicable statutory requirements, and no instances of non-compliance with the National Guidelines on Responsible Business Conduct (NGRBCs) have been identified.									Annually								

11.

Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
Yes. The Policies on Quality, Safety, Health, and Environment are regularly reviewed through internal and external audits conducted as part of the ISO certification process, as well as through ongoing periodic assessments. Other Company policies are periodically evaluated for their effectiveness through the Internal Audit mechanism, ensuring their continued relevance and efficacy.									

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not applicable as all principles are covered by respective policies.								
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 categorized 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 awareness programmes
Board of Directors	1	Regulatory Compliance	100%
Key Managerial Personnel	1	Statutory Compliance	100%
Employees other than BoD and KMPs	82	TCAS - 2 Modules, TMS-2 modules, EDT, Health Awareness, First Aid, Well Being Tax Saving Awareness, POSH and Cyber Crime Awareness	36%
Workers	116	TCAS - 2 Modules, TMS-2 modules, Health Awareness, Wellbeing, POSH and Cyber Crime Awareness	22%

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):

Monetary					
	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL				
Settlement					
Compounding fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL			
Punishment				

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.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

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

HBL remains steadfast in its commitment to integrity and ethical conduct across all aspects of its operations. The Company's Anti-Corruption and Anti-Bribery Policy establishes robust measures to prevent and address all forms of corruption and bribery and applies to employees, subsidiaries, joint ventures, and associates, irrespective of their role or location. HBL expects every individual within the organization to uphold the highest standards of honesty and ethical behavior in the discharge of their professional responsibilities. All facilities operate in strict compliance with applicable anti-corruption and anti-bribery laws and regulations.

Before entering into any business relationship, HBL ensures that agents, suppliers, contractors, and business partners are made aware of its zero-tolerance approach towards bribery and corruption. This unwavering commitment to ethical business practices forms a fundamental pillar of the Company's operations and governance framework.

Anti-Corruption and Anti-Bribery Policy: HBL Policies.

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

	FY 2025-26	FY 2024-25
Directors	NIL	
KMPs		
Employees		
Workers		

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

	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL			
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL			

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.

None

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

	FY 2025-26	FY 2024-25
Number of days accounts payables	42	44

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	FY 2025-26	FY 2024-25
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

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	1.45%	6.1%
	b. Number of dealers / distributors to whom sales are made	70	94
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	56%	59%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.18%	0.005%
	b. Sales (Sales to related parties / Total Sales)	3.06%	5.40%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	9.72%	3.54%
	d. Investments (Investments in related parties / Total Investments made)	41.68%	50.76%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
HBL conducts monthly and quarterly awareness programs, engaging over 2,000 vendors (around 25% of its Suppliers). These sessions focus on key topics such as legal compliance, health and safety, human rights, and ethical business practices, helping strengthen responsible conduct across the Suppliers.		

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

   Yes, the Company has established processes to identify, manage, and avoid conflicts of interest involving Board members. The Board of Directors has adopted a Code of Conduct applicable to Directors and senior management, which requires adherence to principles of care, loyalty, good faith, and the avoidance of conflicts of interest. Under the Code, Directors and senior management are required to abstain from participating in discussions, voting, or decision-making on matters in which they have, or may potentially have, a conflict of interest, thereby ensuring transparency, accountability, and sound corporate governance practices.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

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

S. No.		Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
1	R&D	-	-	-
2	Capex	7.78%	1.26%	The Company reviews its current processes regularly and makes process improvements in areas like energy efficiency. Key Capex investments during FY 2025-26 are listed below: During FY 2025–26, the Company invested INR 2.33 crore in the installation of a solar power system and a 600 KVA DG set at its Vizag facility, and INR 6.7 crore in the installation of 1.2 MW and 1.0 MW solar power plants at its Nandigaon facility as part of its capital expenditure.

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

   b. If yes, what percentage of inputs were sourced sustainably?
   Yes, the Company has established a supplier sustainability process to guide vendor selection. This process incorporates a range of principles and requirements, including safety, health, environmental policies, legal compliance, and adherence to ISO certification standards. Through the implementation of this process, approximately 20% of the Company's inputs were sourced sustainably, reflecting its commitment to responsible and sustainable procurement practices.

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

(a) Plastics (including packaging)

1. Plastic Waste Management:

- **Internal Scrap:** Plastic waste generated during manufacturing processes is classified and collected.
- **Customer Returns:** Plastic materials, such as those from used or expired batteries returned by customers under a buyback policy, are also collected.
- **Reprocessing:** This plastic waste is reprocessed according to standard operating procedures (SOPs) and used as raw material for manufacturing new plastic containers.
- **Non-reusable Plastics:** Any plastic waste that cannot be reused is washed and disposed of through authorized dealers.

(b) E-waste

1. Safe Disposal: All electronic waste generated is systematically handed over to certified vendors. These vendors are responsible for ensuring the e-waste is disposed of safely and in compliance with environmental regulations.

(c) Hazardous Waste

1. Categorization and Disposal: Hazardous waste is meticulously categorized following regulatory guidelines and dispatched to authorized recyclers approved by the Pollution Control Board (PCB).

2. Recycling Facility: HBL operates an internal recycling facility, sanctioned by the PCB, which focuses on recycling Nickel Cadmium, Lead Acid, and Silver Zinc batteries.

(d) Other Waste

1. Non-hazardous Waste:

- This category includes materials such as paper, food waste, packaging materials, and wooden waste.
- These materials are disposed of through recycling channels, and some are repurposed for alternative uses, such as cattle feeding.

Additional Processes for Specific Materials:

1. Batteries:

- There is a procedure in place to reclaim life-expired batteries from customer sites, ensuring safe disposal in accordance with relevant laws and policies.
- **Recycling:** All batteries are bought back and recycled at the HBL plant.
- **Electrolyte Recycling:** KOH (electrolyte) is recycled at the HBL chemical plant.

2. Metal and Other Materials:

- **MS Scrap:** Disposed through authorized dealers.
- **Nickel & Cadmium Recycling:** Nickel and Cadmium hydroxide are recycled back into nickel and cadmium.
- **Graphite Sludge:** Sent to authorized recyclers.

These processes demonstrate a comprehensive approach to managing various types of waste, emphasizing recycling and compliance with regulatory standards to minimize environmental impact.

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

Yes, Extended Producer Responsibility (EPR) is applicable to the Company from FY 2023–24, and its waste collection plan has been developed in alignment with the applicable Extended Producer Responsibility regulations since. This ensures compliance with the relevant regulatory requirements and supports the Company's commitment to responsible waste management practices.

Leadership Indicators

1. 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?

Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Lead Acid Batteries	21.12%	Cradle to Gate	Yes	No
Nickel Cadmium Pocket Plate Battery	20.53%	Cradle to Gate (Rated capacity)	Yes	No

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

Name of Product / Service	Description of the risk / concern	Action Taken
Nickel Cadmium Pocket Plate Batteries	Cadmium hydroxide exposure leads to severe health issues.	Continual disposal of Cadmium Hydroxide in a safe manner through authorized agency

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	
	FY 2025-26	FY 2024-25
Lead (SMB)	6.06%	1.32%
Cadmium Hydroxide	0	0
Nickel Hydroxide	0	0.25%
Silver	0*	0
Recycled Lead	5.46%	2.24%
Recycled Plastic	5.27%	0.84%

*Silver – Life-expired batteries received from government organizations are not considered for the FY

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:

	FY 2025-26			FY 2024-25		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	37.40	61.61	2.26	-	52
E-waste	-	-	-	-	-	1.55
Hazardous waste	-	73.68	113.6	-	73.65	419
Other waste	72.6	-	60.9	98	65.73	94.87

End of lifecycle products are being directly disposed of to authorized recyclers

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Plastic	NA*
Hazardous	
KoH (Electrolyte)	
Others	

*End of lifecycle products are being directly disposed of the authorized recyclers

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

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

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	2263	2263	100%	2263	100%	NA	NA	NA		NA	
Female	192	192	100%	192	100%	192	100%				
Total	2455	2455	100%	2455	100%	192	100%				
Other than Permanent employees											
Male	Not Applicable										
Female											
Total											

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	Not Applicable as we do not have Permanent workers										
Female											
Total											
	Other than Permanent workers										
Male	All are covered under Employee State Insurance Act (ESI), Further benefits depend on the policies of the contractor										
Female											
Total											

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

	FY 2025-26	FY 2024-25
Cost incurred on wellbeing measures as a % of total revenue of the company	0.46%	0.70%

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

Benefits	FY 2025-26			FY 2024-25		
	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	100%	-	Y	100%	-	Y
Gratuity	100%	-	NA	100%	-	NA
ESI	-	100%	Y	-	100%	Y
Others – please specify	-	-	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.

The Company is committed to providing an inclusive and accessible workplace for all employees. In line with the Rights of Persons with Disabilities Act, 2016, its facilities are equipped with accessibility features such as ramps, lifts, and handrails to support the mobility and safety of differently abled employees. These measures help ensure a barrier-free work environment and promote equal access, inclusion, and participation across all locations.

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. HBL is committed to providing equal employment opportunities and fostering an inclusive workplace in accordance with the Rights of Persons with Disabilities Act, 2016. The Company promotes a culture of fairness, respect, and non-discrimination, ensuring that employment-related decisions are based on merit, qualifications, performance, and business requirements.

HBL's Equal Opportunity Policy prohibits discrimination on the basis of age, colour, disability, marital status, nationality, race, religion, sex, sexual orientation, or any other protected characteristic. Through its inclusive workplace practices, the Company seeks to create an environment where all employees can contribute, grow, and realize their full potential.

The Equal Opportunity Policy is at HBL Policies.

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	89%	100%	Not Applicable- No Permanent Workers are employed by the Company	
Female				
Total				

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

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees Other than Permanent Employees Permanent Workers Other than Permanent Workers	The Company has established a Grievance Redressal Policy that provides employees and workers with a structured mechanism to raise workplace-related concerns and seek fair resolution. The policy covers grievances arising from the actions, behavior, or decisions of supervisors, co-workers, or management and ensures that all concerns are addressed in a timely, transparent, and impartial manner by the designated Grievance Committee. Employees are encouraged to initially resolve concerns through discussions with their immediate supervisors. Where issues remain unresolved, employees may formally submit their grievances through the prescribed process under the policy, enabling an independent and fair review and resolution in accordance with the Company's policies and procedures. The Procedure for Informal Grievance Redressal Policy is available at - https://hbl.in/reports/HBL-Policies.pdf

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

Category	FY 2025-26			FY 2024-25		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	No such associations/unions are recognized.					
Male						
Female						
Total Permanent Workers						
Male						
Female						

8. Details of training given to employees and workers:

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	2263	1850	82%	1849	82%	1,989	1593	80%	1598	80%
Female	192	146	76%	146	76%	163	102	63%	139	85%
Total	2455	1996	81%	1995	81%	2152	1695	79%	1737	81%
Workers										
Male	4134	3255	79%	3255	79%	4164	3489	84%	3489	84%
Female	1143	880	77%	880	77%	996	812	82%	812	82%
Total	5277	4135	78%	4135	78%	5160	4301	83%	4301	83%

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

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	2263	1502	66%	1989	1480	74%
Female	192	131	68%	163	101	62%
Total	2455	1633	67%	2152	1581	73%
Workers						
Male	NA*					
Female						
Total						

*Not under the purview of the company

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 such system?**

The Company has implemented the ISO 45001:2018 Occupational Health and Safety Management System (OHSMS) across its operations, covering all employees and workers across divisions. This reflects the Company's commitment to providing a safe and healthy workplace and reinforces the importance of occupational health and safety within its sustainability framework and employee well-being initiatives.

To strengthen workplace safety, the Company has established and implemented a range of safety management practices and controls, including:

1. Hazard Identification, Risk Assessment, and Risk Control (HIRARC)
2. Emergency Plans and Mock Drills
3. Fire Fighting Measures
4. Safety Induction Training
5. Safety Committee Meetings
6. Safety Audits
7. Work Permit Systems
8. Adherence to Material Safety Data Sheets (MSDS) for Chemical Handling
9. Health Check-ups for Employees Working in Hazardous Areas
10. Incident Reporting and Investigation
11. First Aid Training

These measures have enhanced the Company's ability to address regulatory compliance requirements, reduce incident-related costs, and minimize operational disruptions and downtime. The systematic approach to occupational health and safety has contributed to improved risk management and operational efficiency.

Furthermore, certification to the ISO 45001:2018 standard demonstrates compliance with internationally recognized health and safety practices, strengthening stakeholder confidence and reinforcing the Company's commitment to maintaining high standards of employee health, safety, and social responsibility.

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

HBL identifies work-related hazards and assesses risks through a structured Hazard Identification, Risk Assessment and Risk Control (HIRARC) process that is applied to both routine and non-routine activities. HBL has developed, documented, implemented, and maintained a HIRARC methodology that is aligned with its operational scope, nature, and size, ensuring a systematic approach to hazard identification and risk management.

All facilities operate with defined Standard Operating Procedures (SOPs) and operational controls to manage workplace risks. Non-routine activities are carried out through a permit-to-work system, where hazards are identified, risks are evaluated, and appropriate control measures are implemented before work begins. Emergency response plans are regularly tested through mock drills, and employees receive continuous safety training to strengthen hazard awareness and emergency preparedness.

The HIRARC methodology follows a numerical evaluation approach in line with ISO 45001 requirements. Hazards are assessed based on factors such as likelihood of occurrence, severity of consequence, and the number of persons likely to be affected. Risks are then assigned a Risk Rating (RR) and categorized as High, Medium, or Low to facilitate prioritization of mitigation measures. Risks related to Legal and Other Requirements (LOR) are also evaluated as part of the assessment process.

HIRARC assessments are conducted biannually as per the approved plan and additionally whenever new routine or non-routine activities arise. The designated HIRARC team is responsible for conducting these assessments, documenting the results in the prescribed format, and ensuring timely implementation of corrective and preventive actions to effectively manage workplace risks and enhance occupational health and safety performance.

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

Yes, The Company has established formal processes that enable workers to report work-related hazards and remove themselves from situations that may pose a risk to their health and safety. Hazard identification is carried out by a dedicated HIRARC team comprising the Functional Area In-charge, Shift Engineer/Supervisor, and workers (minimum three members) who possess appropriate knowledge of the work activity and competence in hazard identification methodologies. Hazard-specific checklists for work areas, processes, and equipment are also used to support the identification of workplace risks.

Employees are required to report all hazards, near misses, and incidents to their Immediate Supervisor. In the absence of the Supervisor, reports may be escalated to the Manager, Safety Officer, or Security team. All incidents are documented through an Incident Report and Investigation Form, which is reviewed and signed by the employee and manager concerned. Where an employee witnesses an incident, Security is informed immediately through the designated emergency or non-emergency communication channels.

The Company has also established procedures to communicate identified hazards to workers and encourage them to remove themselves from unsafe conditions through the implementation of appropriate risk mitigation action plans. Corrective actions are initiated promptly based on hazards, incidents, and near-miss reports, and their effectiveness is periodically reviewed to ensure risks are adequately controlled. Furthermore, all incidents, near misses, and corrective actions are reviewed during Safety Committee meetings to support continuous improvement in occupational health and safety performance.

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

Yes. The Company is committed to promoting the overall health and well-being of its employees by providing access to a range of non-occupational medical and healthcare services. Employees are covered under comprehensive medical insurance and personal accident insurance schemes, with benefits extending to their immediate family members. Coverage is also provided for dependent parents, offering financial support during medical emergencies and serious illnesses.

In addition, the Company facilitates periodic health check-ups, wellness initiatives, and access to nutritious and subsidized food facilities to support the physical and mental well-being of its workforce. These measures reflect the Company's commitment to fostering a healthy, supportive, and inclusive work environment for all employees.

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

Safety Incident/Number	Category*	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.29	NIL
	Workers	0.31	1.22
Total recordable work-related injuries	Employees	1	3
	Workers	21	19
No. of fatalities	Employees	0	NIL
	Workers	0	NIL
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	NIL
	Workers	0	NIL

*Including the contract workforce

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

HBL recognizes its employees as its most valuable asset and is committed to providing a safe, healthy, and secure work environment across its operations. The Company has implemented comprehensive occupational health and safety measures to protect employees and workers, promote well-being, and ensure compliance with applicable statutory and regulatory requirements.

Key measures undertaken to ensure a safe and healthy workplace include:

- **Occupational Health and Safety Management System (ISO 45001:2018):** HBL has implemented an Occupational Health and Safety Management System supported by clearly defined policies, procedures, and controls to manage workplace health and safety risks effectively.
- **Hazard Identification and Risk Management:** The Company follows a structured Hazard Identification, Risk Assessment, and Risk Control (HIRARC) process to identify workplace hazards, evaluate risks, and implement appropriate control measures. Regular safety audits, inspections, and risk assessments are conducted to strengthen workplace safety.
- **Safe Operating Practices:** Comprehensive safety protocols are implemented, including adherence to Material Safety Data Sheets (MSDS) for chemical handling, Lock Out Tag Out (LOTO) procedures, permit-to-work systems, emergency preparedness plans, and fire safety measures.
- **Training and Awareness:** Employees receive safety induction training at the time of joining, along with periodic refresher programs, toolbox talks, mock drills, and emergency response training. Specialized training is also provided on topics such as hazardous material handling, confined space entry, and other job-specific safety requirements.
- **Emergency Preparedness and Response:** Emergency response plans are established and regularly tested through mock drills to ensure preparedness and effective management of emergency situations. First aid facilities and trained personnel are available across operations.
- **Occupational Health and Well-being:** The Company conducts periodic health check-ups, particularly for employees working in hazardous areas, and promotes preventive healthcare initiatives to support employee well-being.
- **Safety Governance and Employee Participation:** A dedicated Safety Committee works closely with management to address health, safety, and environmental matters, review safety performance, promote awareness, and drive continuous improvement in workplace safety culture.

Through these measures, HBL strives to prevent workplace injuries and illnesses, ensure regulatory compliance, enhance operational safety, and foster a culture of health, safety, and continuous improvement across the organization.

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

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL					
Health & Safety						

14. Assessment of the Year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% of our plants are assessed by Statutory bodies, external customer audits, certification agencies and regulatory authorities. Major plants are compliant to ISO standards.
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.

Corrective actions were undertaken through Operational Control Procedures and Guidelines to address significant risks and concerns identified during health and safety assessments. Based on non-conformities raised by the assessment body, the following actions were implemented:

- **Hazard Identification and Risk Assessment (HIRA):** A detailed HIRA was conducted for newly introduced air-cleaning activities and glovebox installation in the MCD Workshop to identify potential hazards and implement appropriate risk control measures before commencement of operations.
- **Driver Health Assessment:** Vision tests were conducted for bus drivers above 45 years of age to ensure fitness for duty, enhance road safety, and reduce transportation-related risks.
- **Air Quality and Exposure Control:** Fume flow meters were installed, and the effectiveness of the fume extraction system was assessed to ensure adequate ventilation, improve air quality, and minimize employee exposure to workplace contaminants.

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).

No, However, it provides medical and personal accident insurance coverage to employees and workers. In addition, eligible workers are covered under the Employees' State Insurance (ESI) Scheme in accordance with applicable statutory requirements, ensuring access to medical and social security benefits.

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

The Company is committed to ensuring compliance with all applicable statutory requirements across its value chain. The obligation to comply with labour laws, tax regulations, social security contributions, and other statutory dues is clearly outlined in the HBL Supplier Code of Conduct, which serves as a guiding framework for all value chain partners. Compliance with these requirements is mandatory for suppliers and contractors, reflecting the Company's commitment to ethical business practices, transparency, and accountability. Compliance status is reviewed on a periodic basis, including monthly monitoring wherever applicable, to ensure timely deduction and deposit of statutory dues by value chain partners.

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 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	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	NIL			
Workers	NIL			

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

   Yes**,** HBL provides transition assistance to employees during retirement or separation from employment. Employees are provided with applicable statutory and contractual benefits in accordance with Company policies and legal requirements, ensuring a fair and respectful transition while supporting their future well-being and employability.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Currently, HBL does not have a formal mechanism to assess the environmental impacts of its value chain partners. However, the HBL Supplier Code of Conduct requires all suppliers and value chain partners to comply with applicable environmental, social, and regulatory requirements. Through this framework, the Company promotes responsible business practices and encourages alignment with its sustainability and ESG objectives across the value chain.
Working Conditions	

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.

   The Company collaborates with a diverse network of partners and suppliers to ensure the consistent delivery of high-quality products and services to its customers. Through rigorous audits and the review of corrective actions, the Company maintains compliance with all applicable standards and requirements. Based on the assessment of the above-mentioned parameters, no corrective action plan was required.

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.

   The Company identifies key stakeholder groups based on their influence on its operations, strategic decision-making, and long-term success, as well as the extent to which they are impacted by the Company's activities, products, and services.

   Key stakeholder groups include:

   - **Employees**: Contribute to operational excellence, innovation, productivity, and business growth.
   - **Investors/Shareholders**: Provide capital and support the Company's long-term growth and strategic objectives.
   - **Customers**: Influence product development, service quality, and overall business performance through their evolving needs and expectations.
   - **Suppliers, Contractors, and Service Providers**: Support operational continuity, quality, efficiency, and responsible supply chain management.
   - **Business Partners**: Collaborate with the Company to enhance capabilities, expand market reach, and create shared value.

- **Government and Regulatory Authorities**: Provide the regulatory framework and oversight necessary for lawful and responsible business operations.
- **Local Communities**: Are impacted by the Company's operations and contribute to its social licence to operate through ongoing engagement and community development initiatives.

By identifying and engaging with these stakeholder groups, HBL Engineering aims to foster effective collaboration and build mutually beneficial relationships that support long-term success and sustainability.

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 & Marginalized 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	Meetings, workshops, e-mails & reports, Intranet, online portals, employee surveys One-on-one interactions	Quarterly / As and when required	Employee engagement activities. Training, awareness H&S Programmes Performance management and grievance redressal
Investors	No	Annual report, sustainability report, press releases Corporate website Quarterly & Annual results	Annual / s need based	Company Performance Shareholder value creation, dividends and returns
Customers	No	Discussions, personal visits, publications, digital communications, plant visits. Conferences and events	Ongoing / As required	Safe/Responsible Handling of Products. Safe Disposal of used products. Update on improved and efficient products Regulatory compliance and responsible product stewardship Aftersales service
Suppliers & service providers	No	Supplier & vendor meets Workshops & trainings Supplier assessments	Periodically	Supply continuity, quality and delivery performance Compliance with Supplier Code of Conduct and applicable laws Safety requirements. Compliances with laws and regulations
Business Partners	No	Meetings, discussions with dealers, distributors, channel partners	Periodically	Business growth and market expansion opportunities.
Government and Regulatory Bodies	No	Official communication channels Regulatory audits/ inspections Environmental compliance	Regular/ As required	Regulatory compliance and statutory reporting. Obtaining licenses, approvals and permits
Communities	Yes (where applicable, including underprivileged and vulnerable sections of society)	Community Meetings, CSR Programs	As and when required	Understand community needs and expectations. Support education, healthcare, and livelihood development.

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.

   HBL is committed to keeping its Board informed on Environmental, Social, and Governance (ESG) developments while actively seeking and incorporating stakeholder perspectives. Through continuous stakeholder engagement and comprehensive assessments, the company strives to effectively align its business practices with ESG principles. This strategic approach strengthens HBL's ability to create value for its stakeholders while upholding its commitments to environmental sustainability, social responsibility, and strong governance. The Board is periodically updated on stakeholder discussions and related ESG matters.

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.

   Yes, HBL leverages stakeholder consultations to identify and manage key environmental and social topics. The company proactively and regularly engages with its stakeholders, enabling effective collaboration in the development and implementation of its Environmental, Social, and Governance (ESG) strategies.

   By integrating stakeholder feedback, HBL periodically reviews and updates its policies, reflecting its commitment to addressing evolving sustainability priorities and expectations. This approach ensures alignment with applicable regulations while strengthening transparency and fostering stakeholder collaboration in achieving the company's ESG objectives.

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

   During the year, HBL invested ₹5.67 crore in CSR initiatives, positively impacting over 12,000 beneficiaries through programs focused on education, healthcare, nutrition, rural development, and community empowerment.

   Early Childhood Development

   - Supported 181 Anganwadi Centres in FY26 (157 in FY25), benefiting over 3,250 children through early childhood education, nutrition, learning materials, and support for economically disadvantaged families.

   Nutrition

   - Partnered with the Akshaya Patra Foundation to provide nutritious mid-day meals to 5,000 government school students across Telangana and Andhra Pradesh, including 2,720 students in Mahabubnagar and 2,280 students in Visakhapatnam.

   Support for Children in Need

   - Supported NICE in promoting education for underprivileged and out-of-school children, aligned with SDG 4: Quality Education.
   - Supported Jyothi Ashram in providing care, shelter, and educational opportunities for orphaned and vulnerable children.

   Care for the Elderly

   - Supported MEANS, a home for the elderly and mentally challenged, through funding for nutritious meals, healthcare services, and recreational activities.

   Healthcare

   - Sponsored 10 cleft lip and palate surgeries under the Smile Train program.
   - Supported free cataract and eye surgeries through KVR Memorial Trust.
   - Conducted HPV vaccination drives for adolescent girls in Hyderabad and Vizianagaram.
   - Launched a district-wide Thalassemia Carrier Screening Initiative with Blood Warriors and the Medchal–Malkajgiri District Collectorate, promoting early detection, awareness, and genetic counselling.

   Education & Infrastructure Development

   - Established 2 school libraries in Telangana.
   - Set up 5 PCMB laboratories in Government Zilla Parishad High Schools in Vizianagaram.

- Renovated government schools and installed RO drinking water systems.
- Conducted career guidance and counselling for 4,670 students in Medchal–Malkajgiri district.
- Implemented a Digital Literacy Program for 2,500 government school students in collaboration with Digital Equity India.

Rural Development

- Undertook infrastructure development, women's livelihood and empowerment initiatives, digital inclusion, and other community-focused interventions in villages surrounding manufacturing facilities.

Through these initiatives, HBL remains committed to improving education, healthcare, nutrition, and rural development while empowering vulnerable and underserved communities. By creating sustainable opportunities, strengthening community infrastructure, and fostering inclusive growth, HBL continues to create meaningful social impact and contribute towards building a more equitable and sustainable society.

PRINCIPLE 5 Businesses should respect and promote human rights.

Essential Indicators

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

Category	FY 2025-26			FY 2024-25		
	Total (A)	No of employees/ workers covered (B)	% (B/A)	Total (A)	No of employees/ workers covered (B)	% (B/A)
Employees						
Male	2263	1025	45.29%	1989	795	39.77%
Female	192	80	41.67%	163	61	37.42%
Total employees	2455	1105	45%	2152	856	39.78%
Workers						
Male	4134	2105	51%	4164	1865	44.79%
Female	1143	566	49.52%	996	487	48.90%
Total Workers	5277	2671	50.62%	5160	2351	45.56%

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

Category	FY 2025-26					FY 2024-25				
	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	2263	-	-	2263	100%	1989	-	-	1989	100%
Female	192	-	-	192	100%	163	-	-	163	100%
Other than Permanent										
Male	NA									
Female										
Workers										
Permanent										
Male	NA									
Female										

Category	FY 2025-26					FY 2024-25				
	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)
Other than Permanent										
Male	4134	4134	100%	-	-	4164	4164	100%	-	-
Female	1143	1143	100%	-	-	996	996	100%	-	-

3. a. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	2	10874724#		
Key Managerial Personnel	2	7590000	-	-
Employees other than BoD and KMP	2259	480000	192	404946
Workers	4164	218400	1143	193200

*Total Board- 8, Male-4, Female-4; Executive-2; Non-Executive - 6 including 4 Female (No remuneration paid)

Remuneration is annualized to compute the median value; The non-executive board members receive only sitting fees for attending meetings of the board/ committee, excluding board members who have given consent to not take sitting fees for the meetings. Hence, computation of median remuneration is not relevant

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

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	5.84%	4.40%

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)

HBL has established mechanisms to address human rights impacts or concerns arising from its business operations. Employees and associates can report complaints or grievances through the Human Resources department in accordance with the organization's grievance redressal process.

Upon receiving a complaint, a designated internal committee or responsible personnel is assigned to investigate the matter thoroughly and ensure timely resolution. The committee works in coordination with senior management to assess concerns, recommend corrective actions, and oversee their implementation.

HBL is committed to maintaining a workplace that respects and protects human rights and ensures that individuals raising concerns in good faith are protected from retaliation, discrimination, or any form of reprisal. This framework serves as the focal mechanism for addressing human rights-related issues within the organization.

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

HBL has established robust internal mechanisms to address and redress grievances related to human rights issues, ensuring a fair, transparent, and respectful work environment. The key mechanisms include:

- **Grievance Redressal Policy:** Provides a structured framework for employees to raise concerns and seek resolution of workplace grievances in a timely and impartial manner, fostering trust and promoting a positive work culture.
- **Prevention of Sexual Harassment (POSH) Policy:** An Internal Complaints Committee (ICC) is constituted to receive, investigate, and resolve complaints related to sexual harassment, ensuring a safe and inclusive workplace.

- **Whistleblower Policy:** Enables employees and other stakeholders to report unethical, illegal, or inappropriate conduct confidentially and without fear of retaliation.
- **Grievance Redressal Process:**
- Employees and associates can lodge complaints or grievances through the Human Resources department or designated reporting channels.
- Reported human rights concerns are reviewed and investigated by an internal committee or designated authority.
- The committee assesses the complaint, recommends appropriate corrective actions, and works with management to ensure effective resolution.
- HBL maintains strict confidentiality and prohibits retaliation against any individual who raises concerns in good faith.

Through these mechanisms, HBL demonstrates its commitment to respecting human rights, addressing grievances promptly, and fostering an ethical, safe, and inclusive workplace.

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

	FY 2025-26			FY 2024-25		
	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	No complaints filed during the year			No complaints filed during the year		
Discrimination at workplace						
Child Labour						
Forced Labour/Involuntary Labour						
Wages						
Other human rights related issues						

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

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	No Complaints filed during the year	No Complaints filed during the year
Complaints on POSH as a % of female employees / workers		
Complaints on POSH upheld		

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

HBL has established comprehensive mechanisms to protect complainants from adverse consequences in cases of discrimination and harassment, ensuring a safe, fair, and confidential grievance redressal process. The key mechanisms include:

- **Confidentiality Protection:** All complaints and investigations are handled with strict confidentiality. Information related to the complainant, respondent, witnesses, and proceedings is disclosed only on a need-to-know basis to protect privacy and prevent undue influence.
- **Internal Complaints Committee (ICC):** A designated and impartial Internal Complaints Committee is responsible for receiving, investigating, and resolving complaints of discrimination and harassment. The committee conducts fair and unbiased inquiries in accordance with applicable policies and legal requirements.
- **Protection Against Retaliation:** HBL strictly prohibits any form of retaliation, victimization, intimidation, or adverse treatment against individuals who report concerns or participate in grievance investigations. Any retaliatory behavior is treated as a serious violation and is subject to disciplinary action.
- **Fair and Respectful Proceedings:** The organization ensures that all grievance proceedings are conducted in a professional, respectful, and non-discriminatory manner. Harassment, offensive conduct, or intimidation during the investigation process is not tolerated.

- **Corrective and Disciplinary Measures:** Where complaints are substantiated, appropriate corrective and disciplinary actions are implemented to address misconduct and prevent recurrence.

HBL fosters a workplace environment where employees and associates can raise concerns regarding discrimination and harassment without fear of reprisal, ensuring the protection of their rights, dignity, and well-being.

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

Human rights requirements form an integral part of HBL's business agreements and supplier engagement processes through its **Supplier Code of Conduct**. HBL requires suppliers and business partners to comply with internationally recognized human rights principles and applicable laws, and to uphold these standards across their operations and value chains.

Key human rights requirements include:

- **Prohibition of Forced or Compulsory Labor:** Suppliers must not engage in any form of forced, bonded, trafficked, or involuntary labor.
- **Prevention of Child Labor:** Suppliers are required to comply with applicable laws and International Labour Organization (ILO) Conventions 138 and 182, prohibiting child labor and protecting young workers.
- **Fair Wages and Working Hours:** Suppliers must provide fair compensation and comply with applicable wage and working-hour regulations.
- **Equal Opportunity and Non-Discrimination:** Suppliers must promote equal employment opportunities and prohibit discrimination based on race, ethnicity, age, religion, gender, disability, or any other protected characteristic.
- **Safe and Healthy Working Conditions:** Suppliers are expected to provide a workplace that safeguards the health, safety, and well-being of workers.

Compliance with these requirements is a prerequisite for suppliers to be part of HBL's value chain and supports the Company's commitment to ethical business practices, respect for human rights, and responsible sourcing.

For more information, the Company's Supplier Code of Conduct can be accessed via the following link: HBL Supplier Code of Conduct.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% of HBL's plants are assessed by statutory authorities, external customers, certification bodies, and regulatory agencies. Major manufacturing facilities are certified to relevant ISO standards and undergo periodic audits to ensure compliance.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

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

All the Company's plants and offices have been assessed against the specified criteria and no adverse impacts were identified. Accordingly, no corrective actions were required.

Leadership Indicators

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

During the reporting year, HBL did not receive or record any human rights grievances or complaints. Consequently, no business processes were required to be modified or introduced in response to human rights-related issues. HBL's existing policies, procedures, and grievance redressal mechanisms remain effective in promoting and safeguarding human rights across its operations. The Company continues to monitor and strengthen its practices to ensure a respectful, inclusive, and compliant workplace.

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

   HBL integrates human rights considerations into its existing governance, compliance, and audit processes. Human rights-related aspects are currently assessed as part of broader internal reviews and operational audits conducted across the organization. While a standalone human rights due diligence assessment has not yet been undertaken, the Company's policies and management systems are designed to uphold and protect human rights throughout its operations. HBL is committed to strengthening its due diligence framework and plans to further enhance its human rights assessment processes in the coming years.

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. HBL is committed to providing an accessible and inclusive environment for all visitors. The Company's offices and facilities are equipped with accessibility features such as ramps, lifts, and handrails to support differently abled individuals. These provisions are aligned with the requirements of the Rights of Persons with Disabilities Act, 2016, ensuring safe and convenient access to its premises.

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	Currently, HBL does not have a formal mechanism to assess the environmental impacts of its value chain partners; therefore, the percentage of value chain partners assessed on this criterion is not available. However, all suppliers and value chain partners are required to comply with applicable environmental laws and regulations as stipulated in HBL's Supplier Code of Conduct. This requirement supports alignment with the Company's ESG commitments and promotes responsible environmental practices across the value chain.
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.

   Based on the assessments conducted, no significant risks or concerns were identified. Therefore, no corrective actions were required or are currently underway.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

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

Parameter	FY 2025-26	FY 2024-25
From renewable sources		
Total electricity consumption (A)	18.25	7.33
Total fuel consumption (B)	25.77	41.57
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	44.02	48.90
From non-renewable sources		
Total electricity consumption (D)	172.82	196.94
Total fuel consumption (E)	59.64	50.97
Energy consumption through other sources (F)	0	0.87
Total energy consumed from nonrenewable sources (D+E+F)	232.46	248.91
Total energy consumed (A+B+C+D+E+F)	276.49	297.68
Energy intensity per rupee of turnover (Total energy consumption (TJ)/Turnover in Lakhs)	0.00085	0.0015

Parameter	FY 2025-26	FY 2024-25
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total energy consumed / Revenue from operations adjusted for PPP)	0.017	0.03
Energy intensity in terms of physical output	Common physical output is not feasible as the company has diversified product portfolio	
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

* Continuous Improvement efforts by enhanced usage of Renewable energy during the year

**Purchase Power Parity (PPP) source : https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Assured by BVIPL

Additionally, as part of our dedication to continuous improvement, management has directed all manufacturing units to undergo comprehensive energy audits conducted by reputable third-party agencies. These audits will play a pivotal role in identifying areas of excellence and opportunities for optimizing energy performance of equipment and facilities across the organization.

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.

   Not Applicable

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

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kiloliters)		
(i) Surface water	22200	25000
(ii) Groundwater	229798	214843
(iii) Third party water	26,797	21292
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	278,795	261135
Total volume of water consumption (in kiloliters)	278,795	261135
Water intensity per rupee of turnover (Total water consumption in KL / Turnover in Lakhs))	0.85	1.34
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption / Revenue from operations adjusted for PPP)	17.43	27.72
Water intensity in terms of physical output	Common physical output is not feasible as the company has diversified product portfolio	
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Assured by BVIPL.

4. Provide the following details related to water discharged:

Our Manufacturing facilities are Zero liquid discharge plants hence not applicable.

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kiloliters)	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Assured by BVIPL

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

Yes, HBL has implemented a mechanism for Zero Liquid Discharge (ZLD) across all its manufacturing plants. This initiative is part of the company's commitment to sustainable water management practices. Each plant is equipped with both effluent treatment plant (ETP) and sewage treatment plant (STP) facilities, ensuring that all wastewater generated during manufacturing processes is thoroughly treated and recycled. These measures are designed to prevent any liquid discharge into the environment, thereby promoting water conservation and minimizing the environmental impact of HBL's operations.

The ZLD system effectively manages and treats wastewater, enabling the organization to reuse water within its processes and contribute to sustainable resource management. This approach not only ensures compliance with regulatory requirements but also underscores HBL's dedication to environmental stewardship and responsible manufacturing practices.

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

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx*	3MT	3.70	NA*
Sox*	3MT	5.26	NA
Particulate matter (PM)*	3MT	2.36	NA
Persistent organic pollutants (POP)	-	0	NA
Volatile organic compounds (VOC)	-	0	NA
Hazardous air pollutants (HAP)	-	0	NA
Others – Particulate Matter (PM 2.5 and PM 10)**	ug/nm3	5822	NA

*Data is as per air emission monitoring requirement given in consent for operation & in compliance with Pollution Control Board (PCB) norms

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

*Shamirpet (Major Plant) Data is assured by BVIPL, for other plants its under implementation

** The data will be monitored from next year.

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

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	7,457.19	7462.88
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	34,084.02	39770.14
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 CO2 Equivalent	0.12	0.24
Energy intensity per rupee for Purchasing Power Parity (PPP)* (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	-	2.59	5.01
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Common physical output is not feasible as the company has diversified product portfolio		
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Assured by BVIPL

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

HBL is committed to reducing greenhouse gas (GHG) emissions through a combination of renewable energy adoption, energy efficiency improvements, emission control measures, and resource conservation initiatives.

Key initiatives include:

1. **Renewable Energy Integration:** Utilization of solar power systems and biomass-based energy sources to reduce dependence on fossil fuels and lower the Company's carbon footprint.
2. **Energy Efficiency Improvements:** Installation of energy-efficient technologies, machinery, equipment, and DG sets to optimize energy consumption and reduce emissions across operations.
3. **Emission Control Measures:** Upgradation of pollution control systems, including wet scrubbers and modern DG sets, to improve environmental performance and reduce emissions.
4. **Resource Conservation and Circularity:** Commissioning of a Multiple Effect Evaporation (MEE) plant to support Zero Liquid Discharge (ZLD), enabling effluent recycling, reducing energy consumption, and lowering biomass fuel usage.
5. **Green Cover Enhancement:** Maintenance and expansion of green cover around manufacturing facilities, contributing to environmental conservation and carbon sequestration.

These initiatives reflect HBL's commitment to enhancing energy efficiency, increasing the use of renewable energy, reducing GHG emissions, and promoting sustainable operations.

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

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	119	142
E-waste (B)	4	1.55
Bio-medical waste I	0.05	0
Construction and demolition waste (D)	0	0
Battery waste I	2100.88	2282.73
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	3073.63	2632.65
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	181.17	157
Total (A+B + C + D + E + F + G + H)	5478.73	5216.19
Waste intensity per rupee of turnover (Total waste generated (MT) / Turnover in Lakhs)	0.02	0.03
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total waste generated / Revenue from operations adjusted for PPP)	0.34	0.55
Waste intensity in terms of physical output	Common physical output is not feasible as the company has diversified product portfolio	
Waste intensity (optional) – the relevant metric may be selected by the entity		
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	1596.06	1448.95
(ii) Re-used	1230.04	1341.14
(iii) Other recovery operations	4	3.67
Total	2826.1	2793.76
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	344.58	0
(iii) Other disposal operations	2266.83	2422.43
Total	2611.43	2422.43

*Includes Safely disposed to Authorized recyclers for landfilling closing stock of hazardous waste was 40.3 MT, generated in March at the Nandigaon plant, and will be disposed of within 90 days.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Assured by BVIPL

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.

HBL has adopted comprehensive waste management and pollution control practices to minimize environmental impact, promote resource efficiency, and ensure compliance with applicable environmental regulations. The Company follows a systematic approach towards waste reduction, recycling, reuse, and safe disposal of waste generated from its operations.

1. **Waste Segregation and Disposal:** Waste is categorized into hazardous and non-hazardous streams and managed through appropriate treatment, recycling, and disposal methods in accordance with statutory requirements.
2. **Waste Reduction Initiatives:** Focused Improvement Projects (FIPs) and process optimization initiatives are implemented to reduce waste generation at source and improve resource efficiency.
3. **Effluent Treatment and Water Reuse:** Wastewater is treated through Effluent Treatment Plants (ETP), Reverse Osmosis (RO), and DM systems. Treated water is recovered and reused through the Company's Zero Liquid Discharge (ZLD) system, while treated effluents from ETPs and STPs are recycled within operations.
4. **Scrap and Hazardous Waste Management:** Manufacturing facilities maintain centralized scrapyards and dedicated scrap management systems to ensure proper segregation, storage, and disposal of waste. Hazardous waste, including sludge generated from treatment processes, is disposed of through authorized recyclers and Common Waste Management Facilities.
5. **Air Pollution Control:** Wet scrubbers, dust collectors, and cyclone separators are installed across manufacturing facilities to control emissions and minimize particulate pollution.
6. **Governance, Awareness and Training:** Comprehensive Standard Operating Procedures (SOPs), dedicated waste management oversight, and regular employee training and awareness programs support responsible waste handling and environmental compliance.
7. **Third-Party Waste Accountability:** The Company maintains transparency and accountability by tracking waste transferred to authorized recyclers and disposal agencies to ensure environmentally sound disposal practices.

Reduction of Hazardous and Toxic Chemicals

HBL is committed to reducing the use of hazardous and toxic chemicals through safer manufacturing practices, process improvements, and efficient resource utilization. The Company continuously evaluates opportunities to minimize chemical consumption, reduce waste generation, and improve environmental performance. Hazardous wastes are handled, transported, and disposed of through authorized facilities in compliance with applicable regulations. These initiatives are supported by robust environmental management systems and ISO-certified manufacturing facilities, reflecting HBL's commitment to environmental stewardship and sustainable operations.

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

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable, The Company does not have operations in Ecologically sensitive areas.			

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective taken, if any	action
Not Applicable. The Company is compliant with all applicable environmental laws/regulations/guidelines.					

Leadership Indicators

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

   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 in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kiloliters)		
(i) Surface water	HBL manufacturing units are not located in water stress areas.	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kiloliters)		
Total volume of water consumption (in kiloliters)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water	HBL manufacturing units are not located in water stress areas.	
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into 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		
Total water discharged (in kiloliters)		

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

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

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Not Available	Not Available
Total Scope 3 emissions per rupee of turnover	-		
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

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.

Not Applicable, The Company does not have operations in ecologically sensitive areas.

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

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Fume Control through Wet Scrubbers (Vizag)	Reconditioning and enhancement of wet scrubber systems to improve capture and treatment of process fumes.	Improved control of fumes and reduction in air pollutant emissions.
2	Renewable Energy Generation through Solar Power	Installation of a 600 kVA rooftop solar power plant at Vizag and a 2.2 MW solar power plant in Nandigaon to increase the use of renewable energy and reduce dependence on conventional power sources.	Increased utilization of clean energy, reduced grid electricity consumption, lower power costs, and reduced greenhouse gas emissions.
3	Energy-Efficient DG Set Modernization and Emission Reduction	Procurement, installation, and commissioning of energy-efficient DG sets at Vizag and Shamirpet, including replacement of older DG sets with modern equipment to improve fuel efficiency, optimize load sharing, enhance reliability, and reduce emissions.	Improved energy reliability and operational efficiency, enhanced fuel efficiency (from 2.1 units/litre to 3.4 units/litre at Shamirpet), reduced fuel consumption and emissions, and strengthened overall environmental performance.
4	Multiple Effect Evaporator (MEE) for Zero Liquid Discharge (Shamirpet)	Commissioning of an 80 KLD energy-efficient Multiple Effect Evaporator (MEE) at the Effluent Treatment Plant to support Zero Liquid Discharge (ZLD) and water recycling.	Recycled 8,853 KL of effluent (Sep 2025 to Mar 2026), achieving power savings of 35,412 kVAh (approximately ₹3.05 lakh) and biomass fuel savings of 177,060 kg (approximately ₹17.71 lakh). Enhanced water recovery, reduced resource consumption, and strengthened environmental performance.
5	Effective Utilization of Treated Sewage Water	Replacement and upgrading of pipeline networks to prevent leakages and improve the utilization of treated sewage water.	Improved water conservation through the effective use of treated water for gardening and greenbelt development.

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

   The Company has established a Business Continuity Plan (BCP) to ensure the safety of employees, protection of assets, and continuity of operations during emergencies and unforeseen disruptions. Each operating unit maintains site-specific emergency preparedness and response plans that identify potential risks and define actions to be taken in the event of accidents, fire incidents, natural disasters, pandemics, or other business disruptions.

   Regular mock drills, emergency response training, and awareness programs are conducted to enhance preparedness and ensure effective crisis management. Any incident is thoroughly investigated to identify root causes, and appropriate corrective and preventive actions are implemented to mitigate risks and prevent recurrence. These measures strengthen organizational resilience and support the uninterrupted functioning of business operations.

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

   HBL has not identified any significant adverse environmental impacts arising from its value chain. The Company expects its suppliers and value chain partners to comply with applicable environmental laws and regulations and to operate in an environmentally responsible manner. Through its Supplier Code of Conduct, HBL encourages value chain partners to establish measurable environmental objectives and targets, monitor performance, and periodically review their environmental practices. These measures help promote sustainability, minimize environmental impacts, and support continuous improvement across the value chain.

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

   Currently, HBL does not have a formal mechanism specifically dedicated to assessing the environmental impacts of its value chain partners. However, all suppliers and value chain partners are required to comply with applicable environmental and socio-environmental laws and regulations, as stipulated in HBL's Supplier Code of Conduct. The Company encourages its value chain partners to adopt responsible environmental practices and align with its commitment to sustainability and environmental stewardship across the value chain.

8. How many Green Credits have been generated or procured by the listed entity?

   The Entity did not generate or procure any Green Credits during the financial year under review.

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.

      Three

   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	The Federation of Telangana Chamber of Commerce Industry [FTCCI]	State
2	Engineering Export Promotion Council [EEPC INDIA]	National
3	Indian Battery Manufacturers Association [IBMA]	National

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

Name of authority	Brief of the case	Corrective action taken
There were no incidents of anti-competitive conduct involving the Company during FY 2025–26. Consequently, no adverse orders were received from any regulatory authority, and no corrective actions were required or undertaken.		

Leadership Indicators

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

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Not Available					

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. 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 communicated in public domain (Yes / No)	Relevant Web link
Not applicable as there were no projects undertaken that required an SIA in the current financial year.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

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

   The Company has established a grievance redressal mechanism to receive, address, and resolve concerns raised by community members in a fair and timely manner. Community stakeholders may submit grievances to the unit's CSR team, which is responsible for documenting the concern and obtaining the necessary details or written complaint. The grievance is then reviewed and addressed by the Plant Head in consultation with the Corporate Office, as appropriate. This mechanism ensures effective engagement with local communities and facilitates the timely resolution of concerns in a transparent and responsible manner.

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

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs	29.92%	34.24%
Directly from within India	82.20%	73.79%

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

Location	FY 2025-26*	FY 2024-25
Rural	61.00%	48.74%
Semi-urban	0.00%	10.12%
Urban	2.00%	0.97%
Metropolitan	37.00%	40.17%

*Workings based on **RBI** Classification

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable, HBL has not conducted a Social Impact Assessment of its projects currently	

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

S. No.	State	Aspirational District	Amount spent (In ₹)
1	Telangana & Andhra Pradesh	Vizianagaram, Vizag Districts	₹109 Lakhs (as of March 31, 2026)

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

   (b) From which marginalized /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:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
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 marginalized groups
1	Early Childhood Development through Anganwadi centers	3250+ Anganwadi children across all locations benefited through early childhood education, nutrition, and developmental support	100%
2	Mid-Day Meal Program through Akshaya Patra Foundation	5000 students in Government Schools across Vizag and Mahabubnagar received nutritious meals supporting health and learning outcomes	100%
3	Education Initiatives (Digital Literacy & Career Guidance	7170 students in Government Schools across Medchal–Malkajgiri equipped with digital and career-readiness skills	100%
4	Educational Infrastructure Support (Labs, Libraries, Civil Works, RO Water Plants & Student Aids)	3000+ students across Vizianagaram, Medchal–Malkajgiri and Narasaraopet benefited from improved learning infrastructure and facilities	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.

   The Company has established robust mechanisms to receive, address, and respond to consumer complaints and feedback, with a strong focus on customer satisfaction and continuous improvement. HBL actively engages with customers through direct interactions, customer portals, service channels, and regular feedback mechanisms to understand their expectations and concerns.

   Customer feedback and complaints are collected, reviewed, and addressed through structured processes. Appropriate corrective and preventive actions are implemented to resolve issues effectively and enhance product and service quality. Customer satisfaction trends are monitored periodically and reviewed by management to identify improvement opportunities and drive continual enhancement of customer experience. This systematic approach enables HBL to remain responsive to customer needs and strengthen long-term customer relationships.

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

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

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

Aspects	FY 2025-26			FY 2024-25		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	NIL					
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other		7	0			

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

Aspects	Number	Reasons for recall
Voluntary recalls	NIL	Not Applicable
Forced recalls		

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

   Yes**,** HBL has established appropriate measures for data security and cyber risk prevention. These measures are periodically reviewed to assess their adequacy and effectiveness. The Company is also in the process of developing an Information Security Policy that will provide management direction and define the framework for managing information security across the organization. This policy will support the protection of information assets and strengthen the Company's overall cyber security and data protection practices.

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:

   a. Number of instances of data breaches along-with impact - None

   b. Percentage of data breaches involving personally identifiable information of customers- NIL

   c. 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).

   HBL's website has information about all the products it offers. Please refer to weblink http://cs.hbl.in/nologinsmsourservices.asp for more details.

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

   HBL harnesses our extensive engineering expertise to deliver highly resilient and compliant products that meet the expectations on efficiency of our customers.

   To ensure the safe usage of HBL products, we provide comprehensive precautions along with the products, in compliance with necessary regulations. The battery labels provide necessary information about safe and responsible usage of batteries. Additional user manuals with detailed instructions of unpacking, safety measures/cautions, and equipment installation are provided to customers.

   Furthermore, additional details on the safe handling of our products are available through the weblink - http://cs.hbl.in/docs/batteries/lead/dosdonts.pdf/ https://cs.hbl.in/docs/batteries/nicd/dosdonts.pdf .

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

   The Company provides services to the Defence & Aviation Industry and maintains regular communication with its customers through multiple channels, including emails, web-based platforms, customer care support, and channel sales dealers. These channels are used to provide timely updates and relevant information to customers. In the event of any potential disruption or discontinuation of essential services related to the Company's products, customers are promptly informed through the appropriate communication channels to ensure transparency, minimize inconvenience, and facilitate necessary support and coordination.

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)

   The Company provides mandatory product information on product labels in accordance with applicable local laws and regulatory requirements. Such information includes the product name, batch number, expiry date (where applicable), manufacturer details, and other prescribed information, which is displayed in a clear and readable format.

   The Company does not conduct formal consumer satisfaction surveys. However, it actively gathers customer feedback through ongoing interactions and compiles the inputs into periodic reports to identify areas for improvement and address customer concerns. Additionally, the Company undertakes targeted customer research and feedback assessments based on specific business needs and requirements, enabling continuous enhancement of its products and services.

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

To
The Board of Directors of
HBL Engineering Limited
Introduction and objectives of work

The Board of Directors of **HBL Engineering Limited** (HBL) have engaged Bureau Veritas to provide Assurance on identified sustainability information in the Business Responsibility & Sustainability Report (BRSR) of the Company for the year ended March 31, 2026.

Our scope of work consists of Reasonable Assurance on BRSR Core indicators in the BRSR Report, as described in the SEBI) vide Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026.

Intended User

The Assurance Statement is made solely for "**HBL Engineering Limited (HBL)** and its stakeholders" as per the governing contractual terms and conditions of the assurance engagement contract between "HBL" 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 "HBL" for the work we have performed for this assurance report, or our conclusions stated in the paragraph below.

Scope of Work

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

The reporting boundaries considered for this reporting period are as follows:

- HBL Engineering Limited – Shamirpet, Telangana.
- HBL Engineering Limited – Thumkunta, Telangana.
- HBL Engineering Limited – Nandigaon, Telangana.
- HBL Engineering Limited – Vizianagaram, Andhra Pradesh.
- HBL Engineering Limited – Visakhapatnam (SEZ), Andhra Pradesh.

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

The assessment of BRSR (Core) data was conducted through physical site visits at the Corporate Office – Hyderabad and manufacturing facilities based in Telangana (Nandigaon, Thumkunta & Shamirpet) and Andhra Pradesh (Vizianagaram & Visakhapatnam (SEZ)).

Bureau Veritas interviewed personnel from relevant departments and reviewed supporting documentation and evidence shared electronically during the assessment process.

- The assurance process involved carrying out an Assessment by experienced Assessors from Bureau Veritas.
- Data on various BRSR (core) were assessed for the location mentioned above. Later, it was confirmed that the same assessed data went into preparation of the final data within the BRSR Report 2025-26.

Management Responsibility

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

Our Findings

On the basis of our methodology and the activities described above,

- Nothing has come to our attention to indicate that the BRSR disclosures are inaccurate or that the information included therein is not fairly stated.
- It is our opinion that Company has established appropriate systems for the collection, aggregation, and analysis of data on Sustainability/Non-Financial performance disclosures in the BRSR.
- The BRSR Report provides a fair representation of the Company's activities as included therein.
- The information is presented in a clear, understandable, and accessible manner, and allows readers to form a balanced opinion over the Company and status during the reporting period.

Limitations and Exclusions

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

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

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

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

Statement of Independence, Integrity, and Competence

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

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

Bureau Veritas has implemented and applied a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA), across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behavior, and high ethical standards in their day-to-day business activities. The assurance team for this work does not have any involvement in any other Bureau Veritas projects with HBL Engineering Limited.

Competence

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

Restriction on use of Our Report

Our Reasonable assurance report has been prepared and addressed to the Board of Directors of the HBL Engineering Limited 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 addresses 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.

Ahamed Mohiuddin SYED
Lead Assuror
Bureau Veritas (India) Private Limited
Hyderabad, India
Dt: 25.08.2026

Rupam BARUAH
Technical Reviewer
Bureau Veritas (India) Private Limited
Mumbai, India
Dt: 26.08.2026