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CORPORATE OFFICE

ಹಿಂದೂಸ್ತಾನ್ ಏರೋನಾಟಿಕ್ಸ್ ಲಿಮಿಟೆಡ್

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HINDUSTAN AERONAUTICS LIMITED

CO/SEC/4(7)/2024-25/ BSE & NSE Filing/37

2nd August, 2024

BSE Limited Listing Department Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	National Stock Exchange of India Ltd Listing Department Exchange Plaza, 5 th Floor, Plot No C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051
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Dear Sir/ Madam,

Sub: Business Responsibility and Sustainability Report (BRSR)

Ref: BSE Scrip Code: 541154, NSE Symbol: HAL

Please find attached herewith Business Responsibility and Sustainability Report (BRSR) for the Financial Year 2023-24.

2. This is for information and record, please.

Thanking you,

Yours Faithfully

For Hindustan Aeronautics Ltd

(Shailesh Bansal)

Company Secretary & Compliance Officer

15/1, ಕಬ್ಬನ್ ರೋಡ್, ಬೆಂಗಳೂರು - 560 001, ಕರ್ನಾಟಕ, ಭಾರತ, 15/1, ಕಬ್ಬನ್ ರೋಡ್, ಬೆಂಗಳೂರು - 560 001, ಕರ್ನಾಟಕ, ಭಾರತ

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CIN: L35301KA1963GOI001622

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Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the Listed Entity:

1.	Corporate Identity Number (CIN) of the Listed Entity	L35301KA1963GOI001622
2.	Name of the Listed Entity	Hindustan Aeronautics Limited
3.	Year of incorporation	16/08/1963
4.	Registered office address	15/1, Cubbon Road, Bengaluru - 560001
5.	Corporate address	15/1, Cubbon Road, Bengaluru - 560001
6.	E-mail	cosec@hal-india.co.in
7.	Telephone	080-22320001
8.	Website	www.hal-india.co.in
9.	Financial year for which reporting is being done	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	1. National Stock Exchange of India Ltd (NSE) 2. BSE Ltd (BSE)
11.	Paid-up Capital	₹334,38,75,000/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri Shailesh Bansal Company Secretary & Compliance Officer Hindustan Aeronautics Limited 15/1, Cubbon Road, Bengaluru – 560 001. Karnataka Phone: (080) 2232 0001, Email: cosec@hal-india.co.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis
14.	Name of assurance provider	Sustainability Actions Private Limited, Gurgaon
15.	Type of assurance obtained	Reasonable Assurance

II. Products/services

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

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Manufacture of Aircraft, Helicopters and its Engines, Accessories	20
2.	Services	Repair, Overhaul and Maintenance, Upgrade of Aircraft, Helicopters and its Engines, Accessories	72



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

Sl. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacture of Aircraft, Helicopters	30301, 30302 & 30305	20
2	Repair and Maintenance of Aircraft, Helicopters and Engines	3315	72

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	29 (20 Production & 9 R&D)	5	34
International	0	3	3

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	HAL produced aircraft are being operated by Indian Defence Services and other operators across the country.
International (No. of Countries)	Over the years HAL has sold its products to more than 25 Countries

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

Approx. 1.1%

c. A brief on types of customers

The Company supplies to both national and international customers catering to the Defence as well as Civil operations. However majority of the company's supplies are for the Indian Defence Services namely Indian Air Force (IAF), Indian Navy (IN), Indian Army (IA) and Indian Coast Guard (ICG).

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	22655	20564	90.77	2091	9.23
2.	Other than Permanent (E)	1111	1044	93.97	67	6.03
3.	Total employees (D + E)	23766	21608	90.92	2158	9.08
WORKERS						
4.	Permanent (F)	15344	13995	91.21	1349	8.79
5.	Other than Permanent (G)	956	914	95.61	42	4.39
6.	Total workers (F + G)	16300	14909	91.47	1391	8.53



b. Differently abled Employees and workers:

Sl. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	570	522	91.58	48	8.42
2.	Other than Permanent (E)	18	17	94.44	1	5.56
3.	Total differently abled employees (D + E)	588	539	91.67	49	8.33
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	423	385	91.02	38	8.98
5.	Other than permanent (G)	16	15	93.75	1	6.25
6.	Total differently abled workers (F + G)	439	400	91.12	39	8.88

21. Participation / Inclusion / Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	13
Key Management Personnel	5	0	NA

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	0.21	0.05	0.26	0.23	0.05	0.28	0.18	0.06	0.24
Permanent Workers	0.11	-	0.11	0.07	-	0.07	0.01	0.04	0.05

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

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

Sl. 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	BAeHAL Software Ltd.	Joint Venture	49	No
2	Indo Avia Services Ltd., (IASL) (Erstwhile Indo-Russian Aviation Ltd)	Joint Venture	48	No
3	Safran HAL Aircraft Engines Pvt. Ltd.	Joint Venture	50	No
4	Samtel HAL Display System Ltd.	Joint Venture	40	No
5	HAL-Edgewood Technologies Pvt. Ltd.	Joint Venture	50	No
6	HALBIT Avionics Pvt. Ltd.	Joint Venture	50	No
7	Infotech HAL Ltd.	Joint Venture	50	No



Sl. 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)
8	HATSOFF Helicopter Training Pvt. Ltd.	Joint Venture	50	No
9	International Aerospace Manufacturing Pvt. Ltd.	Joint Venture	50	No
10	Multi-Role Transport Aircraft Ltd.	Joint Venture	50	No
11	Aerospace & Aviation Sector Skill Council (AASSC)	Joint Venture	50	No
12	Helicopter Engines MRO Private Ltd.	Joint Venture	50	No
13	Defence Innovation Organisation	Joint Venture	50	No
14	SAFHAL Helicopter Engines Pvt Ltd	Joint Venture	50	No
15	Indo Russian Helicopters Limited	Subsidiary	50.5	No
16	Naini Aerospace Limited	Subsidiary	100	No

VI. CSR Details

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

(ii) Turnover (in ₹) : 28,16,185 Lakh

(iii) Net worth (in ₹) : 29,04,642 Lakh

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) <i>(If Yes, then provide web-link for grievance redress policy)</i>	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, Centralised Public Grievance Redress and Monitoring System (CPGRAMS) under the Ministry of Personnel, Public Grievances & Pensions, the Department of Administrative Reforms & Public Grievances (www.pgportal.gov.in)	77	2	Two pending grievance were received on the last week of the financial year and both these grievances were addressed within a week.	823	1	One pending grievance was received on the last day of financial year which was addressed within a week.



Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) <i>(If Yes, then provide web-link for grievance redress policy)</i>	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Investors (other than shareholders)	NA	-	-	-	-	-	-
Shareholders	Yes*	152	0	-	173	0	-
Employees and workers	Yes (Service related matters) - Web Link**	2	1	-	0	0	-
Customers	Yes [§]	197 [#]	0	-	171 [#]	0	-
Value Chain Partners	Yes	10	NIL	-	14	NIL	-
Other (please specify)	-	-	-	-	-	-	-

* Shareholders queries / complaints are being handled by the Company both directly and with the support of RTA. Further, the Company has Stakeholder Relationship Committee to redress the complaints received from the shareholders as per SEBI Listing Regulations. Though there is no web-link. However, the Company has specifically dedicated email ID for receiving shareholder's complaints.

** www.hal-india.co.in → About us → Human Resources → HRD → HR Manuals → Book 6 → Page No. 169

[§] HAL deals with Defence Customers and therefore all the communication are through confidential mode as per the requirement of Customer. So there is no web link.

[#] The issues have been deliberated in structured meeting with Customers and have been attended.

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

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Emission reduction and energy management	Opportunity	Opportunity to move towards energy efficiency, use of renewable energy, more efficient use of materials, biofuels, and hybrid technology to address climate change	Not Applicable	Positive



Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Corporate Governance	Risk	HAL being a CPSE, the appointment of Directors are made by Govt. of India (GoI) and the Company has no control over filling up of the vacancy within the stipulated time frame specified under the Act/ Rules / Regulations, to comply the same.	Continuous follow up made with Administrative Ministry, GoI, for appointment.	Negative
3	Health and Safety	Risk	Health & safety is an integral part of managing a business. Risk assessment is necessary to put measures in place to effectively control them to ensure that the hazards and risks do not cause harm to employees and workers.	Training/ awareness/ technological upgradation/ review at senior level	Negative
4	Waste Management	Opportunity	Opportunity to move towards reduction in waste generation, meeting statutory requirements and improving resource usage	Not Applicable	Positive
5	Positive labour practices	Opportunity	Opportunity towards improving industrial relations leading to improvement in productivity	Not Applicable	Positive
6	Human capital development	Opportunity	Opportunity towards talent development & retention leading to improvement in productivity and intellectual property.	Not Applicable	Positive
7	Cyber Security	Risk	Privacy and Data Security is becoming a major risk due to increasing digitisation	The Company has implemented measures as per IT Security Policy for protecting from Cyber attacks & threats.	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	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	Policies of the Company are available at https://www.hal-india.co.in/investors/code-and-policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
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.									
AS 9100 / 9110: Quality Management System requirements for Aviation, Space and Defence Organizations	√	√	√	√	-	√	-	-	√
CAR-21 / CAR-145 (DGCA): Civil Aviation Requirements for Production / Maintenance Organization	√	√	-	-	-	-	-	-	-
AFQMS: Approval of Firm and its Quality Management System by DGAQA	√	√	-	√	-	-	-	-	√
AS 7003 (Nadcap): Aerospace Standard document / requirements for implementing industry consensus-based accreditation / certification Program for specific services (Special Processes)	-	√	-	-	-	-	-	-	√
ISO 14001: Environmental Management System Requirements	-	-	-	√	-	√	-	-	-
ISO 45001: Occupational Health & Safety Management System (OHSMS) Requirements	-	-	√	√	-	-	-	-	-
ISO 50001: Energy Management System Requirements	-	-	-	√	-	√	-	-	-
HAL Production centres, Offices & R&D centres have been certified with ISO 27K for Information Security Management System (ISMS). HAL Data Centre is certified with ISO 27K and ISO 20K for IT Service Management.	√	√	√	√	-	-	-	-	√
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	MoU has been signed between HAL & Ministry of Defence for Financial, non-financial targets and compliance parameters for the year 2023-24 with weightage of 100 marks.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The MoU for the year 2023-24 is under evaluation. On completion of evaluation, the same will be submitted to MoD/DPE for further evaluation and award of rating.								



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 HAL, we have a long history of embedding sustainability in our operations. Over the years, we have made investments to adopt renewable energy, conserve natural resources, responsibly treat and dispose solid and liquid waste, and optimize the use of water.

We have also made process improvements and worked towards installation of energy efficient Temperature & Humidity Chamber and Thermal Shock Chamber with improved GHG (Green House Gas) value, Sand Washing Facility to reclaim sand from burnt sand, Effluent Treatment plant with Zero Liquid Discharge (ZLD) System, Fume Extractors, chillers / Air Conditioners, and LED lights.

To reduce the emissions of our products, we are testing the use of biofuels.

On the Social pillar, we have robust practices to address issues such as human rights, human capital development, and health and safety of our employees, contractors, and customers. HAL is also certified for ISO 14001-2015 Environment Management System and ISO 45001-2018 OHSMS (Occupational Health and Safety Monitoring System).

On the Governance pillar, being a CPSE, we are compliant with the various rules, regulations, and best practices prescribed by local and national regulatory bodies and have robust governance mechanisms to address any governance-related issues.

Further, we are committed to driving sustainability and best in class environmental and social practices across our supply chain and in the communities we serve.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Director (Human Resources)

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

Yes, Management Committee (MC)

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Directors									As and when required.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Complied except with respect to composition of the Board of Directors under SEBI (LODR) Regulations, due to non-appointment of requisite numbers of Independent Directors. Since, the Company is a CPSE, the appointment of directors has to be made by the concerned Administrative Ministry. Hence, the matter has been referred to the MoD for filling up the post and the same is pending with MoD/ DPE									As and when required								



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.	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9

No

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

Questions	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
The entity does not consider the Principles material to its business (Yes/No)									
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)									Not Applicable
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 the awareness programmes
Board of Directors	2	<ul style="list-style-type: none"> Master Class on Building Better Boards, Kochi Orientation Programme for functional Directors of CPSEs at Guwahati 	25%
Key Managerial Personnel	2	<ul style="list-style-type: none"> Orientation Programme for functional Directors of CPSEs at Guwahati Effective functioning of Boards of CPSEs 	40%
Employees other than BoD and KMPs	241 (For Officers)	(1) Training / awareness Programme pertaining to CDA, Safety & Wellness of the employees, environment & sustainability)	86%
Workers	106 (for Workmen)	(2) These trainings / awareness Programmes will enable the employees acquire knowledge / skills for enhancement of their capabilities.	88%



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	-	NIL	-	-	-
Compounding fee	-	NIL	-	-	-

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	-	NIL	-	-

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.

Yes, The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Towards this end, the Company has adopted the Code of Conduct, which lays down the principles and standards that should govern the actions of the Company and its employees. Accordingly, Whistle Blower Policy has been formulated in the Company with a view to provide a mechanism for employees of the Company for any potential violation of the code, to approach the Chairman of the Audit Committee / Director (HR) / Head of Systems Audit of the Company.

Web link of the policy is <https://hal-india.co.in/backend/wp-content/uploads/2023/02/Whistle-Blower-Policy.pdf>

Further, integrity pacts are being signed with the vendors for procurement value beyond ₹5 Crore.

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 2023-24	FY 2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0



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

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

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

Not Applicable

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

	FY 2023-24	FY 2022-23
Number of days of accounts payables	94	129

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 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NIL*	NIL*
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	NIL	NIL
	b. Number of dealers / distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.62%	0.88%
	b. Sales (Sales to related parties / Total Sales)	0.06%	0.04%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	5.83%	4.87%
	d. Investments (Investments in related parties / Total Investments made)	8.05%	7.97%

***Note:** HAL material procurement is made through qualified suppliers, i.e., either directly through OEMs or their authorized distributor/ stockiest.



Leadership Indicators

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

Total number of awareness programmes	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
31	<p>Primarily our product category, technology requirement, etc. are deliberated in such meets. Even general requirement of extending facility to MSME such as Principle of inclusive growth is discussed.</p> <p>In respect of MSMEs, specifically it was taken up with MSME Ministry to remove all on-boarding charges to on-board on TReDS platform and it was also informed to make TReDS registration mandatory requirement against Udyam Registration for ease of operations.</p>	<p>The indicated Awareness Program is done for engaging identifying new vendors.</p> <p>For the existing domestic vendors including MSME's as and when new improvements, major changes are implemented in the company special sessions are conducted, these sessions are made to make them aware of such developments. For example: Transaction through TReDS Portal has been a major subject in the last two years. For MSME vendors special sessions were held w.r.t carrying out transaction on TReDS Portal which involves the Authorised TReDS platform companies such RXIL and Mynd Solutions. These sessions are done periodically to bring in better awareness amongst domestic industries to take part in Gol initiatives.</p> <p>Payment to MSME vendors to be done within 45 days of supply of item.</p>

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 Related Party Transaction Policy is in place to manage conflict of interest through Audit Committee and Board. Furthermore, in case of conflict of interest situation arise, no interested director are allowed to participate in the decision making process.

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.

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	Not tracked	Not tracked	-
CAPEX	0.006% (₹174 Lakh)	0.31 % (₹565 Lakh)	HAL has made investments towards rain water harvesting systems, energy efficient air-conditioners, sewage treatment plants, energy efficient pumps, bio-gas plant and energy efficiency lighting.



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

No

b. If yes, what percentage of inputs were sourced sustainably?

Though such condition of sustainable sourcing is not sought for compliance by our vendors, many of the vendors have already adopted the same in practice, in the procurement for items placed during FY 2023-24 to the extent of 42% of value of procurement is sourced from such supply chain partner who have already adopted such conditions.

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.

The main products of the Company are Aircraft, Helicopters, Engines and other accessories for use in strategic/national security applications. Once the products are sold they would not come back to the company. Hence, Company is not in a position to reclaim the products. However, HAL has a defined process in place for reuse, recycle and safe end-of-life disposal for the products used in its operations.

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.

No

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?

Not Applicable

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
-	-	-	-	-	-

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.

NIL

Name of Product / Service	Description of the risk / concern	Action Taken
-	-	-

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).

NIL

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
-	-	-



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 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

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
-	-

Note: The main products of the Company are Aircraft, Helicopters, Engines and other accessories for use in strategic/national security applications. Once the products are sold they would not come back to the Company.

PRINCIPLE 3:

BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS ESSENTIAL INDICATORS

Essential Indicators

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

Category	% of Employees covered by										
	Total	Health Insurance		Accident Insurance [#]		Maternity Benefits ⁵		Paternity Benefits ⁵		Day Care Facilities ⁵	
	(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees											
Male	20564			20323	98.82%	NA	-	499	2.43%	NA	-
Female	2091			1995	95.40%	54	2.58%	NA	-	104	4.97%
Total	22655			22318	98.51%	54	2.58%	499	2.43%	104	4.97%
[% w.r.to eligible Nos.]											
Other than Permanent Employees											
Male	1044			694	66.48%	NA	-	1	0.10%	NA	-
Female	67			38	56.72%	4	5.97%	NA	-	3	4.48%
Total	1111			732	65.89%	4	5.97%	1	0.10%	3	4.48%
[% w.r.to eligible Nos.]											



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

Category	% of Employees covered by										
	Total	Health Insurance		Accident Insurance [#]		Maternity Benefits ⁵		Paternity Benefits ⁵		Day Care Facilities ⁵	
	(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Workers											
Male	13995			13960	99.75%	NA	-	312	2.23%	NA	-
Female	1349	Ref Note. (i)		1315	97.48%	51	3.78%	NA	-	19	1.41%
Total	15344			15275	99.55%	51	3.78%	312	2.23%	19	1.41%
[% w.r.to eligible Nos.]											
Other than Permanent Workers											
Male	914			691	75.60%	NA	-	0	0.00%	NA	-
Female	42	Ref Note. (ii)		36	85.71%	4	9.52%	NA	-	3	7.14%
Total	956			727	76.05%	4	9.52%	0	0.00%	3	7.14%
[% w.r.to eligible Nos.]											

Notes for 1 (a) & (b):

- (i) Medical needs of permanent employees / workers have been taken care by Company Industrial Health Centers (IHC) set up in the Divisions / Offices. In case of specialized treatment, employees / workers are referred to empaneled Hospitals. Since medical needs of the permanent employees / workers have been taken care by the Company, no separate Health Insurance is taken.
- (ii) In respect of other than permanent workers (a) Management Trainees / Design Trainees : Medical facilities extended as at (i) above; (b) Tenure based : a lumpsum amount is paid every month to take care of the Medical needs and emergency care at Industrial Health Centers. Hence, no separate medical insurance is taken.

[#]Purely voluntary basis and premium is borne by the employees.

⁵Nos. actually availed the facilities during the year have been indicated.

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

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.42%	0.87%

Note: For FY 2022-23, the cost includes additional expenditure on stressed investment loss of PF Trust, expenditure on financial assistance scheme and expenditure on uniform provided to employees.

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

Benefits	FY 2023-24			FY 2022-23		
	No. of employee 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%	100%	Y	100%	100%	Y
Gratuity	100%	100%	NA	100%	100%	NA
ESI	Nil	Nil	NA	Nil	Nil	NA



Benefits	FY 2023-24			FY 2022-23		
	No. of employee 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.)
Others:	100%	100%	Y	100%	100%	Y
1. Defined Contribution Pension Scheme						
2. Post Superannuation Group Health Insurance Schemes						

3. Accessibility of workplaces

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

Yes

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

Yes,

The web-link to the Policy is <https://hal-india.co.in/human-resources>

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	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

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

	Yes / No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes.
Other than Permanent Workers	Three Stage Grievance Procedure i.r.of Workmen exists in the Company. Upon exhausting all the 3 Stages, option is available to the Workmen for making petition to the General Manager if not satisfied with the decision of the Grievance Redressal Committee. Thereafter, if not satisfied with the decision of the General Manager, option for preferring Appeal to the CEO/Director concerned through the Recognized Union also exists wherein the decision of the CEO/Director will be final.



	Yes / No (If Yes, then give details of the mechanism in brief)
Permanent Employees	Yes. In addition to the Grievance Procedure i.r.of Workmen as above, there also exists Grievance Procedure i.r.of Officers (upto Gr. VI) as indicated below: (i) Representing to the Dept. Head in the 1 st Stage. (ii) Thereafter, representing to the Grievance Redressal Committee, wherein, based on the recommendations of the Committee, General Manager would communicate his decision. (iii) In exceptional cases, if not satisfied with the decision of the General Manager, the Officer concerned may Appeal to the CEO / Director concerned, whose decision shall be final and binding on aggrieved Officer.
Other than Permanent Employees	

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

Category	FY 2023-24			FY 2022-23		
	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	22655	21636	95.50%	23450	22936	97.81%
- Male	20564	19651	95.56%	21345	20870	97.78%
- Female	2091	1985	94.93%	2105	2066	98.15%
Total Permanent Workers	15344	14578	95.01%	15980	15539	97.24%
- Male	13995	13283	94.91%	14617	14180	97.01%
- Female	1349	1295	96.00%	1363	1359	99.71%

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	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	20564	11385	55.36%	7864	38.24%	21345	13219	61.93%	8678	40.66%
Female	2091	1252	59.88%	778	37.21%	2105	1554	73.82%	759	36.06%
Total	22655	12637	55.78%	8642	38.15%	23450	14773	63.00%	9437	40.24%
Workers										
Male	13995	7643	54.61%	7526	53.78%	14617	9541	65.27%	8138	55.67%
Female	1349	790	58.56%	735	54.48%	1363	1034	75.86%	701	51.43%
Total	15344	8433	54.96%	8261	53.84%	15980	10575	66.18%	8839	55.31%



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

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees (Officers)						
Male	6587	5165	78.41%	6920	5656	81.73%
Female	769	601	78.15%	767	617	80.44%
Total	7355	5766	78.38%	7687	6273	81.61%
Workers						
Male	13995	Not Applicable		14617		
Female	1349			1363		Not Applicable
Total	15344			15980		

Notes:

The Total Number indicated in column (A) of part-I above (i.e. Employees (Officer)) refers to Performance Appraisal Reports (PARs) (including Annual, Probationary (Regular & Extended), Split, Special Reports) raised during the Year. 02 Nos. of Probationary PARs are raised for Officers under Probation.

The Company's Policy provides for conduct of Performance Review Board for moderation of Annual PARs. The numbers indicated in column (B) above refers to the total number of Annual PARs raised and the Numbers indicated in the Percentage column indicates the percentage against the total number of PARs (i.e. Annual, Probationary, Split, Special PARs together) raised.

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?

Yes. The Divisions are certified with ISO 45001:2018 (Occupational Health & Safety Management System). The scope of the system is "The Occupational Health activities and Supporting Processes associated with Design, Manufacturing, Maintenance, Repair and Overhaul of Aircrafts / Helicopters".

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

- (a) Hazard Identification and Risk Assessment (HIRA) process is used to identify work related Hazards;
- (b) Walk Through Survey, Plant Safety Inspection, Aspect & Impact Register, Complaints Registers, Internal Audits & External Audits and Conducting Safety Committee Meetings;
- (c) Work related Hazards and Risk Assessment are carried out through Shop Floor Inspection by the respective Shop In-charge alongwith the Safety Officer.

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

Yes

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

Yes



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

Safety Incident / Number	Category ⁽¹⁾	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.29	0.29
	Workers	0.36	0.33
Total recordable work-related injuries	Employees	15	19
	Workers	14	19
No. of fatalities ⁽²⁾	Employees	2	0
	Workers	2	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	1	1
	Workers	1	1

Note:

(1) Contract workforce engaged through Contractors are also included.

(2) Detail on fatalities, are as under:

- Labour engaged by an Outsourced Agency while erecting temporary pandal structure for an official function had fallen down and sustained injury. Later on, succumbed to injuries after a weeks' time, while under treatment.
- Labour engaged by a Construction Agency, while working at height unhooked the safety belt to move forward lost balance resulting in fatality.

Steps taken for non-occurrence of such incidents, amongst others, includes Contractors to report to Safety Dept. before commencement of any work; engaging only trained & experienced labour to carry out work at heights; ensure wearing PPE's; use of mobile elevated work platforms as far as possible; & conduct of frequent safety awareness training.

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

To establish a goal of zero accident, Divisions have carried out the following major activities during the year:

- (a) Regular Safety Inspection are being carried out to ensure safe working condition at work place. The observation are discussed and action is planned to take effective corrective and preventive action.
- (b) Divisions have Safety Work Permit System to ensure the contract workmen are safely performing the work.
- (c) Divisions have installed large-size LED screen for displaying various Safety & Health related topics to create an awareness.
- (d) Safety Visual Display System - Safety Sign Boards at prominent places in Offices and Shop Floor is displayed to create awareness on Safety.
- (e) Divisions are equipped with Occupational Health Center under the supervision of Medical Practitioner. OHC has a dedicated Ambulance for the Divisions.
- (f) Divisions have taken steps for removal of Hazardous & Non-Hazardous waste from the Division. The wastes are collected and sent out through authorized Vendor.
- (g) Divisions have identified certain critical Personal Protective Equipment's to be procured for the Health & Safety of the employee. These PPE's are best in class in terms of quality and safety of the employee.
- (h) The Divisions are carrying out Air Monitoring on monthly basis to analyze the quality of ambient air and stack which emits fumes from pollution sources.
- (i) Safety Day is being celebrated widely in the divisions to promote safety culture.
- (j) Periodical Medical Examination is carried out to monitor the Health of the employees.
- (k) The Divisions are equipped with Fire Alarm System for all the hangers along with Fire Hydrant System to protect from any fire emergency.



- (l) Daily walk-through survey.
- (m) Health & Safety Training to employees to create Awareness among all the employees including Contract Labour.
- (n) Conducting Fire Mock Drills on regular basis.
- (o) Display of Safety Posters, Safety Bulletins and messages via Intranet system to create awareness
- (p) Testing of Tools & Tackles, Pressure vessels etc., by competent persons.
- (q) Conducting Safety Committee Meetings regularly.
- (r) Noise level survey.
- (s) Provision of good ventilation & lighting systems & Dust Extraction Systems.
- (t) Preventive maintenance of Machineries.
- (u) Installation of smoke detectors & fire alarms and Portable Fire Extinguishers.
- (v) Conducting Occupational Health & Safety Management Audit through 3rd Party.
- (w) Regular shop-floor inspection by Safety Officer along with Shop In-charge.
- (x) Conduct of Awareness Sessions on Meditation and Mental Health.
- (y) Awareness on importance of millets on health.

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

	FY 2023-24			FY 2022-23		
	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	5	1	-	3	Nil	-
Health & Safety	4	1	-	2	Nil	-

14. Assessments for the year:

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

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

The details of action taken to address safety-related incidents and on significant risks / concerns arising from assessments of health & safety practices and working conditions are as under:

- (a) Awareness is given on wearing Personal Protective Equipment's (PPEs);
- (b) Organized Safety Training Programmes to create awareness on Safety;
- (c) Work Instructions and Safe Work Practices were made and readily available in the intranet for reference;
- (d) Electrical safety Audit & Arc Flash Assessment were carried out;
- (e) Implementation of Log Out & Tag Out (LO & TO);



- (f) Personal Protective Equipment Assessment;
- (g) Evaluation of Building Stability;
- (h) Provision of Acoustic Enclosure for Air Service trolley;
- (i) Safety Barricades for the Electrical panel;
- (j) Provision for Waste Management Bins;
- (k) Various Machine Guards are provisioned to the rotating components of the Machines to eliminate the risk while at work;
- (l) Emergency Doors are replaced with doors opening outwardly as per the standards;
- (m) Periodical Inspection and Maintenance of Tools & Machinery;
- (n) Celebration of Health Day as part of Health Awareness Campaign viz. World Heart Day, World Mental Health Day, World Diabetics Day & World Obesity Day;
- (o) Clear passages for movement of persons & materials.
- (p) Ambient Air & Ambient Noise Quality Monitoring Test, Work Zone Air & Work Zone Noise Monitoring Test through External Agency.

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).

(A) Employees (Y/N) – Yes.

(B) Workers (Y/N) – Yes.

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

The Bills of the value chain partners are cleared after ensuring remittance of applicable statutory dues to the concerned authorities by verifying deposit / remittance Challans submitted alongwith the Bills.

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

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	3	1	Nil	1
Workers	3	1	Nil	1

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)

No



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	100%
Working Conditions	100%

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.

NIL

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 has robust system for identification of key stakeholders. Stakeholder engagement at HAL is an ongoing process wherein the Company interacts with its stakeholders at different levels to understand and address their expectations and collaborates with them for creating shared value. The Company has built a constructive relationship with all its stakeholders based on mutual trust, transparency, ethics and accountability. Continuous two-way dialogue process with stakeholders along with their feedbacks on various issues concerning the Company's operations has enabled us to establish sustainable relationships with the stakeholders. Apart from Customers, Suppliers, Employees, Shareholders, Government, Regulatory & Statutory Bodies, Auditors, Bankers, Collaborators and JV Partners, all community members within 50 Kms radius from the location of the plant / Divisions of the Company are considered as key stakeholder of the Company.

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), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Email, Letters, Meeting	Monthly, Quarterly, Half Yearly	Sorting out Technical & Logistic Issues
Vendors / Suppliers	No	Website, Emails, HAL e-Portal, GeM Portal	Against specific Tender Monthly.	Tender are hosted in Website. Summary report of Order Placed Nomination Procurement Procurement Plan for the interest of MSE vendors Procurement Plan for the interest of GeM vendors Open Tender available for Participating.
Shareholders	No	Website, Email, Letters, Meetings, Newspaper Publications, Annual Reports	As and when required	Shareholders meeting and Resolution of grievance
Employees	No	E-Newsletter	Monthly, Weekly, Occasionally and Fortnightly	Information on Company activities



Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Industry bodies, Regulators	No	Email, Letters, Meeting	As and when required	Ensure 100% compliance to all local laws
Auditors	No	Email, Letters, Meeting	Quarterly and Annual Audit	Audit
Governments; NGOs; local communities; media, industry analysts, society at large	No	As needed: Governance RFI/ RFPs; presentations; project meetings; reviews; due diligence; calls and meetings; conferences and seminars; surveys; press releases; press conferences; media interviews and quotes; sponsored events, Analyst Meet	Monthly, Quarterly, Half Yearly	<ul style="list-style-type: none"> Communicate HAL performance and strategy; Share and contribute to insight into public and business concerns; Discuss HAL response to responsible business issues.

Leadership indicators

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

ESG priorities in the Company are driven from the uppermost level i.e., the Board of Directors. Board provides the strategic oversight and monitors the ESG progress. The Board of Directors has delegated the process of undertaking consultations with stakeholders to the management. The outcomes from such consultations are shared with the Board.

- During the year, HAL has initiated a comprehensive materiality assessment and stakeholder engagement exercise to identify environmental, social and governance (ESG) topics of significance to its business.
- As a part of this exercise, HAL along with an external agency, with requisite experience, engaged with the key internal and external stakeholders to understand their concerns and incorporate their views into materiality assessment, for prioritizing ESG topics.
- Insights gathered through stakeholder engagement were analyzed to develop the materiality matrix and arrive at the final list of ESG focus areas. Result of this assessment was presented to the Management and the Board. The outcome is being considered for defining ESG targets and initiatives of the Company.

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

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

HAL believes that every business entity needs to have a mechanism for giving back to the Society in which it operates. The Company's Business principles dovetail with its CSR initiatives to ensure that the society surrounding it grows along with the Company. In-line with this thought, activities / projects are being undertaken to address concerns of society, which also comprises of the vulnerable/ marginalized stakeholder groups. Some of the Projects in this direction, are:

- Provisioning of Medical equipment to Govt. Hospitals to boost the Healthcare;
- Entrepreneurship & Skill Development Programme / training to enhance the employability of youth;



- Infrastructure development at Govt. School;
- Providing education to Financially Underprivileged Students;
- Women Empowerment - Construction of Health Care & Rehabilitation Centre for Homeless & Mentally Challenged Women at Aspirational District, Koraput;
- Plant for conversion of Bio Waste to Compressed Natural Gas (CNG);
- Training / Coaching for aspiring youths in Sports in Tribal Area;
- Construction of Sewage Systems at Labour colonies, Roads with culverts & Drainages in rural areas;
- Provisioning of Vehicles for boosting Sanitation and Swacchta;
- Livelihood enhancement project for Particularly Vulnerable Tribal Groups (PVTGs) at Aspirational District, Asifabad;
- Distribution of Aids & Assistive Appliances to Divyangjan (PWDs);

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 2023-24			FY 2022-23		
	Total (A)	No. of employees workers covered (B)	% (B / A)	Total (C)	No. of employees workers covered (D)	% (D / C)
Employee						
Permanent	22655	865	3.63%	23450	753	3.07%
Other than permanent	1111			1007		
Total Employees	23766	865		24457	753	
Workers						
Permanent	15344	330	2.02%	15980	360	2.12%
Other than permanent	956			927		
Total Workers	16300	330		16907	360	

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

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal Minimum Wage		More than Minimum Wage		Total (D)	Equal Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	22655	-	-	22655	100%	23450	-	-	23450	100%
Male	20564	-	-	20564	100%	21345	-	-	21345	100%
Female	2091	-	-	2091	100%	2105	-	-	2105	100%



Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal Minimum Wage		More than Minimum Wage		Total (D)	Equal 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	1111	-	-	1111	100%	1007	-	-	1007	100%
Male	1044	-	-	1044	100%	955	-	-	955	100%
Female	67	-	-	67	100%	52	-	-	52	100%
Workers										
Permanent	15344	-	-	15344	100%	15980	-	-	15980	100%
Male	13995	-	-	13995	100%	14617	-	-	14617	100%
Female	1349	-	-	1349	100%	1363	-	-	1363	100%
Other than Permanent	956	-	-	956	100%	927	-	-	927	100%
Male	914	-	-	914	100%	888	-	-	888	100%
Female	42	-	-	42	100%	39	-	-	39	100%

3. Details of remuneration/salary/wage

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/salary/ wages of respective category (in ₹)	Number	Median remuneration/salary/ wages of respective category (in ₹)
(a) Board of Directors (BoD)				
Functional Directors	4	57,00,854	-	-
Govt. Nominee Director	2	-	-	-
Independent Director	1	-	1	-
(b) Key Managerial Personnel	5	56,82,279	-	-
(c) Employees other than BoD and KMP	21,603	17,54,924	2,158	17,35,896
(d) Workers	14,909	13,25,069	1,391	12,39,703

Note:

- Board of Directors and KMPs as on 31.03.2024 has been considered. Median salary arrived based on Salary & perquisite as per Section 17(1) & 17(2) of the Income Tax Act, 1961 for the year 2023-24.
- Key Managerial Personnel includes 4 Functional Directors and Company Secretary.
- Remuneration details of Board of Directors and KMPs are as covered under Corporate Governance Report, which is part of the Annual Report 2023-24.
- Government Nominee Director does not receive any remuneration from the Company.
- Independent Director receives the sitting fees for attending the meeting of Board and its committees.

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

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	8.99%	8.44%



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)

HR Heads of the Company and the respective Divisions of HAL are responsible.

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

Company has a robust grievance redressal system. Refer Q.No.6 under Principle-3. Contracts with value chain partners which involve deployment of labour include specific conditions towards health & safety, working hours, and remuneration. Company complies with applicable labour Laws and a compliance report is submitted by Heads of Divisions.

For contractual employees, the Engineer-in-Charge / Office-in-Charge / Dept. concerned handling the Contracts in the Divisions / Offices looks after issues related to remuneration, health & safety within the premises and working hours.

Further, Internal Complaints Committee under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, is constituted in the Divisions / Offices of HAL to deal with Complaints related to Sexual Harassment and conduct enquiries on such issues.

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

	FY 2023-24			FY 2022-23		
	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	1	0	-	1	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human Rights related issues	0	0	-	0	0	-

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

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	1
Complaints on POSH as a % of female employees / workers	0.03%	0.03%
Complaints on POSH upheld	1	Nil

Note: Female Contract workforce engaged through Contractors are also taken into account for percentage calculation.

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

It is ensured that no work related adverse consequences are meted out to the Complainant by placing the Complainant & Respondent in different work places, in case both were in the same work place. Moreover, the Complainant is encouraged to report any such incidences to the higher authorities for appropriate action.

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

No



10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Nil
Forced/involuntary labour	Nil
Sexual harassment	Nil
Discrimination at workplace	Nil
Wages	Nil
Others – please specify	Nil

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

Not Applicable

Leadership Indicators

1. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Not Applicable
Discrimination at workplace	Not Applicable
Child Labour	Not Applicable
Forced Labour/Involuntary Labour	Not Applicable
Wages	Not Applicable
Others – please specify	Not Applicable

2. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 1 above.

Not Applicable

PRINCIPLE 6:

BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

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

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A)	336,409 GJ	317,006 GJ
Total fuel consumption (B)	-	-
Energy consumption – through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	336,409 GJ	317,006 GJ
From non-renewable sources		
Total electricity consumption (D)	451,604 GJ	459,458 GJ



Parameter	FY 2023-24	FY 2022-23
Total fuel consumption (E)	415,831 GJ	445,078 GJ
Energy consumption – through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	867,435 GJ	904,536 GJ
Total energy consumed (A+B+C+D+E+F)	1,203,844 GJ	1,221,542 GJ
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	39.63 GJ per ₹ Crore	45.36 GJ per ₹ Crore
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	10.88 GJ per ₹ Crore	12.63 GJ per ₹ Crore
Energy intensity in terms of physical output	-	-
Energy intensity (<i>optional</i>) – 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, Sustainability Actions Pvt Ltd
- The energy from fuels has been derived based on conversion factors in Table 1.2 of 2006 IPCC Guidelines for National Green House Gas Inventories. Intensity of FY 2022-23 are updated.

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

No

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

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	3,533,690	1,816,716
(iii) Third party water	9,957,210	10,836,222
(iv) Seawater / desalinated water	-	-
(v) Others	2,586	854
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	13,493,486	12,653,792
Total volume of water consumption (in kilolitres)	13,493,486	12,653,792
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	444.14 KL per ₹ Crore	469.91 KL per ₹ Crore
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	121.90 KL per ₹ Crore	130.78 KL per ₹ Crore
Water intensity in terms of physical output		
Water intensity (<i>optional</i>) – 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, Sustainability Actions Pvt Ltd
- Data includes consumption of HAL Township. Intensity of FY 2022-23 are updated.



4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	66,257	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	66,257	-

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, Sustainability Actions Pvt Ltd
- All the production locations of HAL have captive STPs/ETPs for treating the waste/effluent water. The treated water is used for non-potable purposes and to some extent in process. Offices discharge the waste water to local utility for further treatment. The discharge is estimated assuming 80% of the water withdrawn reaches the treatment plants.
- The data is reported from FY 2023-24 onwards only.

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

HAL has made investments in an effluent treatment plant with Zero Liquid Discharge (ZLD) system.

STPs and ETPs have been installed at all our production locations for treating waste water/effluent. The treated water is used for gardening and other non-potable uses.

HAL disposes used oil, e-waste and Hazardous waste such as ETP Sludge, Paint Sludge, Waste water soluble coolant, Used Grease, Oil soaked cotton waste through Pollution Control Board authorized agencies.

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

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	Metric Tonnes	37.50	52.85
SOx	Metric Tonnes	17.27	21.52
Particulate matter (PM)	Metric Tonnes	96.67	99.33
Persistent Organic Pollutants (POP)	Metric Tonnes	-	-
Volatile Organic Compounds (VOC)	Metric Tonnes	-	-
Hazardous Air Pollutants (HAP)	Metric Tonnes	-	-
Others – (CO, Acid mist, alkali mist)	Metric Tonnes	8.58	13.22

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, Sustainability Actions Pvt Ltd



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

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	48,876	46,496
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	89,066	90,615
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		4.54	5.09
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		1.25	1.42
Total Scope 1 and Scope 2 emission intensity in terms of physical output		-	-
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, M/Is.Sustainability Actions Pvt Ltd
- The Scope 1 emissions from fuel use have been derived based on conversion factors in Table 2.3 of 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
- The Scope 2 emissions from electricity use have been derived based on conversion factor published by Central Electricity Authority Document Version 17 & 18.
- FY 2023-24 values, the sources of scope 1 emissions includes emissions from fuel consumed in processes, emissions from fuel consumed in vehicles and fugitive emissions. Intensity of FY 2022-23 are updated.

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

Yes.

HAL has made investments towards installation of energy efficient chillers / Air Conditioners and ceiling fans.

The Company also uses renewable energy for captive consumption at production sites. Details of the renewable energy are:

- Rooftop solar: HAL has installed a total of 7.57 MW capacity Rooftop based Solar Energy Systems, till date. Projects are in progress for installing another 1.4 MW roof top solar power plants.
- Ground mounted solar: HAL has installed a total of 26.50 MW capacity Solar power plants, till date.
- Wind Energy: HAL has installed 14.7 MW capacity wind power plants in Karnataka.



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

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	7.24	48.19
E-waste (B)	15.96	30.57
Bio-medical waste (C)	25.66	23.75
Construction and demolition waste (D)	857.28	2,664.29
Battery waste (E)	34.99	21.99
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)		
(i) ETP/Paint/Magnesium sludge	57.53	41.25
(ii) Used Oil/Coolant oil (KL)	815.00	192.33
(iii) Waste residue containing oil	11.00	6.16
(iv) Spent hardening salt/grease/chemicals	7.75	3.86
(v) Others	641.98	192.26
Sub-total (G)	1533.26	435.86
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
(i) Metal Scrap	806.68	344.68
(ii) Non-Metal Scrap	2177.93	180.00
(iii) Mixed waste	5601.62	1583.00
(iv) Others (Cu.m)	-	234.00
Sub-total (H)	8586.23	2341.68
Total (A + B + C + D + E + F + G + H)	11060.62	5566.33
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.36 MT per ₹ Crore turnover	0.21 MT per ₹ Crore turnover
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.10 MT per ₹ Crore turnover	0.06 MT per ₹ Crore turnover
Waste intensity in terms of physical output		
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 (Plastic waste)		
(i) Recycled	0	11.44
(ii) Re-used	0	0.1
(iii) Other recovery operations	0	0
Total	0	11.54
Category of waste (E-waste)		
(i) Recycled	15.96	0.149
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	15.96	0.149



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

Category of waste (Bio-medical waste)		
(i) Recycled	0	7.27
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0	7.27
Category of waste (Construction and demolition waste)		
(i) Recycled	0	0
(ii) Re-used	0	175
(iii) Other recovery operations	0	22
Total	0	197
Category of waste (Battery waste)		
(i) Recycled	13.75	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	2.83
Total	13.75	2.83
Category of waste (Used/Coolant Oil)		
(i) Recycled (KL)	34.20	16
(ii) Re-used	0	0
(iii) Other recovery operations	0	6
Total (KL)	34.20	22
Category of waste (Other Hazardous waste)		
(i) Recycled	0	48
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0	48
Category of waste (Other Non-Hazardous waste)		
(i) Recycled	0	184.32
(ii) Re-used	0	607.00
(iii) Other recovery operations	0	0
Total	0	791.32

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

Category of waste (Plastic waste)		
(i) Incineration	0	0
(ii) Landfilling	0.02	20.63
(iii) Other disposal operations	7.22	16.02
Total	7.29	36.65
Category of waste (E-waste)		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	23.75
Total	0	23.75



For each category of waste generated, total waste disposed by nature of disposal method (in Metric tonnes)		
Category of waste (Bio-medical waste)		
(i) Incineration	20.98	0.13
(ii) Landfilling	0.73	3.56
(iii) Other disposal operations	3.95	0
Total	25.66	3.69
Category of waste (Construction and demolition waste)		
(i) Incineration	0	0
(ii) Landfilling	536.95	2267.29
(iii) Other disposal operations	320.33	200.00
Total	857.28	2,467.29
Category of waste (Battery waste)		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	21.24	13.86
Total	21.24	13.86
Category of waste (Used/Coolant Oil)		
(i) Incineration (KL)	20.00	29.80
(ii) Landfilling	0	0
(iii) Other disposal operations	760.80	405.53
Total (KL)	780.80	435.33
Category of waste (Other hazardous waste)		
(i) Incineration	0	115.15
(ii) Landfilling	0	34.24
(iii) Other disposal operations	718.26	81.84
Total	718.26	231.23
Category of waste (Other Non-hazardous waste)		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	8586.23	1316.35
Total	8586.23	1316.35
Category of waste (Other Non-hazardous waste)		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations (cu.m)	0	234
Total (cu.m)	0	234

Note:

- 1) Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? Yes, Sustainability Actions Pvt Ltd.
- 2) The various waste generated are disposed by auction/contractors. Hazardous waste is disposed through Pollution Control Board authorized agencies either for recycling/incineration/other disposal as per applicable waste management rules. Non-hazardous waste such as metal and non-metal scrap is disposed by auction through MSTC portal. Mixed waste consisting of municipal waste is disposed through local authorized agencies. Intensity of FY 2022-23 are updated



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.

The Company has adopted a strong waste management system to meet the compliance with respect to local regulations. The well-established system is supporting our operations to properly segregate the waste at source & adopt the 3R concept to reduce, reuse & recycle. The waste generated within our premises is recycled through authorized recyclers and on-site composting machines (in facilities and residential establishments) and remaining waste is disposed through State Pollution Control Board approved landfill/incineration facilities.

HAL is governed by various Acts and Rules like the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, Solid Waste Management Rules, 2016, Air Prevention and Control of Pollution Act (1981), Environment (Protection) Act, 1986, Water (Prevention and Control of Pollution), Act, 1974 etc.

All the Divisions are ISO 14001 certified and comply with the rules prescribed by respective State Pollution Control Boards. All emissions and waste generation is monitored as prescribed by the Pollution Control Boards.

Municipal Solid Waste (MSW) generated from Townships and Factories is segregated at source in Townships and Factories (Wet, Dry, Garden, Sanitary and Rejects). Through the process of Vermi-Composting, the Bio-degradable waste comprising of domestic waste and horticulture waste is being converted to manure. For better utilization of biodegradable waste generated from HAL Estates, the Company has installed Solid Waste Management Units like Organic Waste Converters and Bio Gas Plants at select places. At Bangalore, 1.5 Tons per day capacity bio-gas plants are installed.

The Divisions which use and generate hazardous effluents such as chrome, acid/alkali, cyanide etc. have independent Effluent Treatment Plants (ETPs) for treatment.

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:

Sl. 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.
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HAL does not have any operations/ offices in/ around 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
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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). – Yes

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

Sl. 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 action taken, if any
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NA



Leadership Indicators

1. 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

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

The risks related to business continuity and disaster management are covered as part of the Risk Management Policy. The policy is available at the following link: https://hal-india.co.in/backend/wp-content/uploads/2023/07/Risk_Management_Policy_20.pdf

3. 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.

No assessment made.

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

Nil

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.

The Company has taken Corporate Membership with five (5) Nos. of trade and industry chambers/ associations.

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
2	The Associated Chambers of Commerce & Industry of India (ASSOCHAM India)	National
3	Confederation of Indian Industry (CII)	National
4	Engineering Export Promotion Council India (EETPC)	National
5	Society of Indian Defence Manufacturers (SIDM)	National

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

Name of authority	Brief of the case	Corrective action taken
	NIL	



Leadership Indicators

1. Details of public policy positions advocated by the entity: – No

Sl. No.	Public resorted 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
-	-	-	-	-	-

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
NIL					

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

Sl. 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 INR)
NIL						

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

Complaints can be received through Public Grievance Portal (www.pgportal.gov.in).

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

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/small Producers*	44.53%	44%
Directly from within India**	20%	22%

* The value of procurement made from MSMEs/Total Domestic Procurement

** Local material consumption/ Total material consumption.

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 2023-24	FY 2022-23
Rural	3%	3%
Semi-urban	23%	23%
Urban	2%	2%
Metropolitan	72%	72%

(Places are categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)



Leadership Indicators

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

Details of negative social impact identified	Corrective action taken
Not Applicable	

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

Sl. No.	State	Aspirational District	Amount spent (₹ in lakh)
1	Odisha	Koraput	1,487.47
2	Telangana	Asifabad	21.98
3	Uttarakhand	Udham Singh Nagar	178.20
Total			1,687.65

Note: Asifabad and Udham Singh Nagar Districts are not a designated Aspirational District for HAL. Based on the requirement/need, the projects were undertaken during FY 2023-24 at Asifabad and Udham Singh Nagar.

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

Yes

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

Social Category (SC/ST) and Companies owned by Women.

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

	FY 2023-24	FY 2022-23
% Procurement Social Category (SC/ST) Entrepreneurs	0.67 %	0.50 %
% Procurement from Women Entrepreneurs	3.34 %	4.46 %

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:

Sl. No.	Intellectual Property based on traditional knowledge	Owned / Acquired (Yes / No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1	NIL	No	No	NA

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

Name of authority	Brief of the Case	Corrective action taken
-	-	-



6. Details of beneficiaries of CSR Projects:

The beneficiaries of CSR Projects for which the Impact Assessment was carried out during the year:

Sl. No.	CSR Project	No. of persons benefitted from CSR Projects (Approx.)	% of beneficiaries from vulnerable and marginalized groups
1.	Establishment of skill development center for experimental learning in Smart Manufacturing and Industry 4.0, at Bangalore, Karnataka (Estd: 2022).	9480	Approx. 29%
2.	Establishment of Centralized kitchen for mid-day meal program at Bangalore, Karnataka.	9100	Approx. 49%
3.	Construction of Toilets in Govt. Schools in Chikkaballapur/ Doddaballapur, Karnataka.	2000	Approx. 28%
4.	HAL Football Academy, Bangalore, Karnataka. (Estd: 2016).	250	Approx. 25%
5.	Provisioning of Garbage picking vehicles at Serligampally, Hyderabad, Telangana.	10000	Approx. 39%
6.	Infrastructural Development at Kasturba Gandhi School, Barabanki, Uttar Pradesh.	1000 – 1200	Approx. 100%
7.	(a) Training of Apprentices over and above the Statutory Limits under CSR, Lucknow, Uttar Pradesh (FY 2021-22).	325	Approx. 58 %
	(b) Training of Apprentices over and above the Statutory Limits under CSR, Lucknow, Uttar Pradesh (FY 2020-21).	375	Approx. 58%
8.	Project for Management & Containment of COVID-19: Ambulances, High Flow Nasal Canula (HFNC) & Ventilators through Dist. Magistrate Lucknow, Uttar Pradesh (FY 2020-21).	2000	Approx. 48%
9.	Establishment of COVID-19 Care Hospital at Lucknow, Uttar Pradesh FY 2021-22	275000	Approx. 45%
10.	Construction of Road & Culvert - Chamrahi & Banauga Villages, Uttar Pradesh	7000	Approx. 80%
11.	Construction, Maintenance and upkeep of Roads for improving healthcare & hygiene in Narsinghbhanpur & Bahorikpur Villages, Uttar Pradesh	6000 -6500	Approx. 29%
12.	Provisioning for Drinking Water facilities, upgradation of waiting room toilet block facilities for easy access for Divyangjan / Women,etc at Railway Stations: Amethi, Gauriganj and Mushafirkhana, Uttar Pradesh	7550 -8000	Approx. 27%
13.	Construction of Hostels, Computer Lab, Smart Class Rooms, etc. in Kasturba Gandhi Residential Girls Schools (KGRG) at Amethi District, Uttar Pradesh.	900	Approx. 36%

Note: Beneficiaries are on daily basis [Sl. No: 2, 3, 5, 6 and 10-13].



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.

Defence forces have a well-established, structured and periodic meetings for raising issues. Same is being followed and complied by HAL. These documents are treated as confidential by Defence forces. Internally, the issues are being monitored at Corporate level and a monthly updates on the same are being forwarded to the Customers.

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	The main products of the Company are Aircraft, Helicopters, Engines and other accessories for use in strategic/national security applications. Hence, Not Applicable
Safe and responsible usage	100%
Recycling and/or safe disposal	The main products of the Company are Aircraft, Helicopters, Engines and other accessories for use in strategic/national security applications. Once the products are sold they would not come back to the Company. Hence not applicable.

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

	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	197 [#]	0	-	171 [#]	0	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other						

[#] The issues have been deliberated in structured meeting with Customers and have been attended

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

	Number	Reason for recall
Voluntary Recalls	NIL	NA
Forced Recalls	NIL	NA

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. Web link of the cyber security policy is https://hal-india.co.in/backend/wp-content/uploads/2023/03/Cyber_Security_Policy.pdf

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.

HAL's customers being the defence forces, the information is confidential.



7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

There are no instances of data breaches

b. Percentage of data breaches involving personally identifiable information of customers:

Not Applicable

c. Impact, if any, of the data breaches:

Not Applicable

Leadership Indicators

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

Information on products and services are available at HAL website www.hal-india.co.in

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

The main products of the Company are Aircraft, Helicopters, Engines and other accessories for use in strategic/national security applications by Indian Armed Forces. HAL provides training and all the necessary documents pertaining to all products of the Company to Customers.

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

The main products of the Company are Aircraft, Helicopters, Engines and other accessories for use in strategic/national security applications by Indian Armed Forces. HAL is committed to provide support to Indian Armed Forces till our product is in service.

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

Not Applicable



Independent Assurance Statement

To,
The Board,
Hindustan Aeronautics Limited
15/1, Cubbon Road,
Bengaluru – 560 001, Karnataka.

Scope and Approach

Sustainability Actions Private Limited (“SAPL”) has been engaged by management of Hindustan Aeronautics Limited (“HAL” or “the Company”), to perform an independent reasonable assurance engagement of the Company’s Business Responsibility and Sustainability Report (BRSR) Core Matrices (refer to Annexure 1) for the FY 23-24.

Reporting Criteria

The Report is prepared based on BRSR Core Framework (Annexure I of the SEBI circular SEBI/HO/CFD/CFD-SEC-2/P/ CIR2023/122 dated July 12, 2023 and “Guidance Note for Business Responsibility and Sustainability Reporting Format” by Securities and Exchange Board of India (SEBI)

Management Responsibilities

The Company’s Management is responsible for identification of key aspects, content and presentation of the Business Responsibility and Sustainability Report in accordance with the Criteria mentioned above. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Business Responsibility and Sustainability Report and measurement of BRSR Core Matrices which are free from material misstatement, whether due to fraud or error.

Independence and Quality Control

We are independent from the entity in accordance with the requirements of independence and quality assurance set out in BRSR provisions and professional pronouncements and have fulfilled our additional professional obligations in accordance with these requirements.

Our assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith and free from material misstatements. We were not involved in the preparation of any statements or data included in the report except for Assurance Statement.

Our firm applies International Standard on Quality Management 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.

Our Responsibility

Our responsibility is to express a reasonable assurance conclusion on the BRSR Core Matrices, based on the procedures we have performed and the evidence we have obtained. We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (“ISAE 3000”), and the terms of reference for this engagement as agreed with HAL. Those standards require that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Basis of our Opinion

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion and the process did not involve engagement with external stakeholders. We carried out one-to-one discussions, onsite and remote assessments.

As part of our assurance process, a multi-disciplinary team of sustainability and assurance specialists reviewed the disclosures presented within the Report and referenced information, and sampled the disclosures and were reviewed through the HAL’s customised sustainability information management system.

We undertook the following activities:

- Obtained an understanding of the BRSR core matrices ;
- Interviewed selected senior managers responsible for management of sustainability topics and reviewed selected evidences to support issues disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility to deliver HAL’s sustainability objectives;
- Reviewed processes and systems for aggregating site level sustainability information, that is, reviewed sustainability disclosures for selected sites as well as the overall data aggregated and consolidated at the Corporate level from the Company’s sustainability management system;
- Review of the processes for gathering and consolidating the selected performance data related to identified material topics and, for a sample, checking the data consolidation in context under the Principle of Completeness.



Based on the above understanding and the risks that the matrices may be materially misstated, determined the nature, timing and the extent of further procedures, reviewed records and performed testing including recalculation of sample data to establish an audit trail.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the company's identified sustainability criteria as per BRSR core framework (refer to Annexure 1) for the year ended 31st March 2024 are not prepared, in all material respects, in accordance with the Reporting Criteria.

Inherent Limitations

We have relied on the information, documents, records, data, and explanations provided to us by the Company for the purpose of our review. The assurance scope excludes:

- Any disclosure other than those mentioned in the scope section above
- Data and information outside the defined reporting period
- Data related to Company's financial performance, strategy and other related linkages expressed in the Report.
- The reported financial data are based on audited financial statements issued by the Company's statutory auditors which is subject to a separate audit process. We were not involved in the review of financial data from the Annual Report.

- The Company's statements that describe expression of opinion, belief, aspiration, expectation, forward looking statements provided by the Company and assertions related to Intellectual Property Rights and other competitive issues.
- Mapping of the Report with reporting frameworks other than those mentioned in Reporting Criteria above.
- While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.
- The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

For and behalf of Sustainability Actions Pvt. Ltd.

(CIN – U74999HR2021PTC093811)



Saket Sinha

(Director)

Date: 27/05/2024

Place: Gurgaon, India



Annexure – 1

BRSR Core attributes

	BRSR Indicator	Type of Assurance
P1 E8	Number of days of accounts payable	Reasonable
P1 E9	Concentration of purchases & sales done with trading houses, dealers and related parties Loans and advances & investments with related parties	Reasonable
P3 E1c	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company	Reasonable
P3 E11	Details of safety related incidents including lost time injury frequency rate, recordable work-related injuries, no. of fatalities	Reasonable
P5 E3b	Gross wages paid to females as % of wages paid	Reasonable
P5 E7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, including complaints reported, complaints as a % of female employees and complaints upheld	Reasonable
P6 E1	Details of total energy consumption (in Joules or multiples)	Reasonable
P6 E1	Details of total energy intensity	Reasonable
P6 E3	Provide details of water withdrawal by source	Reasonable
P6 E3	Provide details of water consumption	Reasonable
P6 E4	Provide details of water discharged	Reasonable
P6 E6	Details of Air Emissions (Other than GHG emissions)	Reasonable
P6 E7	Provide details of greenhouse gas emissions (Scope 1)	Reasonable
P6 E7	Provide details of greenhouse gas emissions (Scope 2)	Reasonable
P6 E7	Provide details of greenhouse gas emissions (Scope 1 and Scope 2) intensity	Reasonable
P6 E9	Provide details related to waste generated by category of waste	Reasonable
P6 E9	Provide details related to waste recovered through recycling, re-using or other recovery operations	Reasonable
P6 E9	Provide details related to waste disposed by nature of disposal method	Reasonable
P8 E4	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs / small producers and from within India	Reasonable
P8 E5	Job creation in smaller towns	Reasonable
P9 E7	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events	Reasonable