ಪ್ರಧಾನ ಕಛೇರಿ
मुख्यालय
CORPORATE OFFICE
ಹಿಂದೂಸ್ತಾನ್ ಏರೋನಾಟಿಕ್ಸ್ ಲಿಮಿಟೆಡ್
हिन्दुस्तान एरोनॉटिक्स लिमिटेड
HINDUSTAN AERONAUTICS LIMITED

CO/SEC/4(7)/2026-27/ BSE & NSE Filing/25 4th August, 2026

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

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 2025-26.

2. This is for information and record, please.

Thanking you,

Yours Faithfully

For Hindustan Aeronautics Ltd

SHAILESH BANSAL

Digitally signed by SHAILESH BANSAL
DN: c=IN, o=Personal, title=9169, 2.5.4.20=d1120e1c3f72cf7097012ef928be08804d3090934487ff7b7b572cbd825a37a3, postalCode=560093, st=Karnataka, serialNumber=2fa74fb29e5b22e3f69ce9f4b2744722d3b2e10640bec0245509ef4767c45738, cn=SHAILESH BANSAL
Date: 2026.08.04 08:59:31 +05'30'

(Shailesh Bansal)
Company Secretary & Compliance Officer

15/1, ಕಬ್ಬನ್ ರೋಡ್, ಬೆಂಗಳೂರು – 560 001, ಕರ್ನಾಟಕ, ಭಾರತ, 15/1, कब्बन रोड, बेंगलूर - 560 001, कर्णटक, भारत
15/1, Cubbon Road, Bangalore - 560 001, Karnataka, India
ದೂರವಾಣಿ (दूरभाष) Ph. : +91-80-2232 0001, 2232 0475, ಫ್ಯಾಕ್ಸ್ (फैक्स) Fax : +91-80-2232 0758
ಇ ಮೇಲ್ (ई) Email : cosec@hal-india.co.in
CIN: L35301KA1963GOI001622

www.hal-india.co.in

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 office address**	15/1, Cubbon Road, Bengaluru - 560001
6.	**E-mail**	investors@hal-india.co.in
7.	**Telephone**	080-22320001
8.	**Website**	www.hal-india.co.in
9.	**Financial year for which reporting is being done**	2025-26
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: investors@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 assessment or assurance provider**	Sustainability Actions Private Limited, Gurgaon
15.	**Type of assessment or 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	30
2.	Service	Repair, Overhaul and Maintenance, Upgrade of Aircraft, Helicopters and its Engines, Accessories	65

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	30
2	Repair and Maintenance of Aircraft, Helicopters and Engines	3315	65

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	30	5	35
International	0	3	3

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	36 (including 8 Union Territories)
International (No. of Countries)	During the FY 2025-26, HAL has exported its platforms/ Products to 13 countries. Over the years HAL has exported its platforms/products to 30 countries.

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

1.58%

c. A brief on types of customers

HAL supports both national and international Defence Customers as well as Civil Customers. Indian Air Force, Indian Navy, Indian Army and Indian Coast Guard are the primary Customers of the Company for supplies of aircraft, helicopters, engines, accessories and repair & maintenance services.

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)	21444	19395	90.44	2049	9.56
2.	Other than Permanent (E)	2058	1903	92.47	155	7.53
3.	**Total employees (D + E)**	**23502**	**21298**	**90.62**	**2204**	**9.38**
WORKERS						
4.	Permanent (F)	14122	12820	90.78	1302	9.22
5.	Other than Permanent (G)	2049	1899	92.68	150	7.32
6.	**Total workers (F + G)**	**16171**	**14719**	**91.02**	**1452**	**8.98**

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)	560	511	91.25	49	8.75
2.	Other than Permanent (E)	23	21	91.30	2	8.70
3.	**Total differently abled Employees (D + E)**	**583**	**532**	**91.25**	**51**	**8.75**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	411	372	90.51	39	9.49
5.	Other than permanent (G)	23	21	91.30	2	8.70
6.	**Total differently abled workers (F + G)**	**434**	**393**	**90.55**	**41**	**9.45**

21. **Participation/ Inclusion/ Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	2	22
Key Management Personnel*	1	0	0

**Since, CMD and Director (Finance) & CFO has been covered under Board of Directors, Company Secretary has only been considered under Key Managerial Personnel.*

22. **Turnover rate for permanent employees and workers**

(Disclose trends for the past 3 years)

	FY 2025-26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	0.17	0.06	0.23	0.21	0.04	0.25	0.21	0.05	0.26
Permanent Workers	0.02	0.02	0.04	0.05	–	0.05	0.11	–	0.11

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

23. **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)	Joint Venture	48	No
3	Safran HAL Aircraft Engines Pvt. Ltd.	Joint Venture	50	No
4	Samtel HAL Display Systems Ltd.	Joint Venture	40	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)
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
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	Helicopter Engines MRO Private Ltd.	Joint Venture	50	No
12	SAFHAL Helicopter Engines Pvt Ltd	Joint Venture	50	No
13	Aerospace & Aviation Sector Skill Council (AASSC)	Joint Venture	50	No
14	Defence Innovation Organisation	Joint Venture	50	No
15	UAS Testing Foundation	Joint Venture	33.33	No
16	Electronic Warfare (Defence) Testing Foundation	Joint Venture	20	No
17	Communication (Defence) Testing Foundation	Joint Venture	25	No
18	Advanced Materials (Defence) Testing Foundation	Joint Venture	20	No
19	System Testing and Research for Advanced Materials Foundation (STREAM)	Joint Venture	20	No
20	Indo-Russian Helicopters Limited	Subsidiary	50.5	No
21	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 ₹) : 31,79,183 Lakh

(iii) Net worth (in ₹) : 40,86,251 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) (If Yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints 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, Centralized Public Grievance Redress and Monitoring System (CPGRAM) under the Department of Administrative reforms & Public Grievance (www.pgportal.gov.in). The web-link is provided at*	127	01	-	127	-	-
Investors (other than shareholders)	NA	-	-	-	-	-	-
Shareholders	Yes, https://kprism.kfintech.com/ Email: investors@hal-india.co.in	535	5	-	522	20	-
Employees and workers	Yes**	210#	0	-	36	35	-
Customers	NA$	77	13	-	158	0	-
Value Chain Partners	Yes, The web-link is provided at ***. In addition, MSME Champion & Samadhaan Portals on MSME website (www.msme.gov.in) can be used for redressal for grievance.	15	Nil	-	14	Nil	-
Other (please specify)	-	-	-	-	-	-	-

** https://pgportal.gov.in/Home/Preview/Q29tcHJlaGVuc2l2ZUd1aWRlbGluZXNGb3JlYW5kbGluZ1RoZVB1YmxpY0dyaWV2YW5jZXMucGRm*

*** Officers – HAL Single Sign On → Personal → Grievance*

Workmen - Employee Self Service → Other Application → Grievance

 # Since the grievance portal link was under ESS portal, all the attendance and payroll related queries were raised under Grievance Portal.

$ 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.

****https://hal-india.co.in/backend/wp-content/uploads/2026/04/Purchase-Manual-with-Amdt-3_website-ver.pdf.*

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	Health and Safety	Risk	Since, health & safety issues may affect operational efficiency, it has been identified as risk.	Training/ Awareness/ technological upgradation/ review at senior level.	Negative
2	Positive labour practices	Opportunity	Opportunity towards improving industrial relations leading to improvement in productivity.	Not applicable	Positive
3	Human Capital Development	Opportunity	Opportunity towards talent development and retention leading to improvement in productivity and intellectual property.	Not applicable	Positive
4	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
5	Corporate Governance	Risk	Lack of required number of Independent Directors In the Company.	Continuous follow up are being made with Administrative Ministry, GoI, for filling up of vacant posts.	Negative
6	Waste Management	Opportunity	Opportunity to move towards reduction in waste generation, meeting statutory requirements and improving resource usage	Not Applicable	Positive
7	Cyber Security	Risk	As a strategic defence organization undergoing rapid digitization, the Company is vulnerable to targeted cyber-attack that may adversely affect privacy, data protection and information security.	Implemented measures as per IT Security Policy for protecting the Company from Cyber-attacks and continuously strengthening its information security framework.	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, Trustee) 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 / CAR-147 (DGCA): Civil Aviation Requirements for Production / Maintenance / Training 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	-	-	-	√	-	√	-	-	-
ISO/IEC 17025: General requirements for the competence of Testing & Calibration Laboratories	√	-	-	√	-	-	-	-	-
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Usage of 100% electricity from renewable energy sources by 2030 by the Company.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	During the FY 2025-26, the Company has achieved around 40% electricity usage from renewable energy sources.								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9

Governance, leadership and oversight

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

At HAL, we are conscious of the impact of our operations on environment & stakeholders and endeavor to make them sustainable by addressing the material issues and feedback from stakeholders. 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.

Our renewable energy portfolio has increased to 50.13MW capacity with more solar plants installed during the current year. During the year, we have consumed around 40% of our electricity requirement from our captive power plant and other RE sources. We intend to increase the share of Renewable Energy in our operations over the next few years. We also continue to make investments in energy efficient equipment such as LED lighting, star rated Air-conditioners and other star rated equipment. We are investing in building in-house waste management facilities to reduce the disposal outside our premises.

On social front, 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 certified for ISO 14001-2015 Environment Management Systems and ISO 45001-2018 OHSMS (Occupational Health and Safety Monitoring System).

On the governance front, being 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 related issues. Further, to enhance better governance practices in the Company, various policies are implemented in the Company in letter and spirit.

We are committed for ensuring sustainable environment 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).	Shri M. G. Balasubrahmanya, Director (Human Resources) (DIN : 11048733)
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, BRSR Committee

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	The Board and its Committee									As and when required.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Board and its Committee									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 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 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 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities to 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	8	➢ Review of the Company's product and its processes including indigenization programme and quality assessment. ➢ Amendments in SEBI (LODR) Regulations, 2015 ➢ Internal Financial Controls ➢ Related Party Transactions (RPTs) ➢ Corporate Social Responsibility (CSR) ➢ Training on Corporate Governance	100%
Key Managerial Personnel	3		

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
Employees other than BoD and KMPs	340 (For Officers)	(1) Training / Awareness Programme pertaining to CDA Rules, Safety & Wellness of the Employees, Leadership, Cyber Security, Industry 4.0, Quality Management, Lean Manufacturing, Environment & Sustainability Concepts, Labour Codes. (2) These trainings / awareness Programmes will enable the employees acquire knowledge / skills for enhancement of their capabilities.	88%
Workers	124 (for Workmen)		89%

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	Principle 3 & 4	XXIX Additional Chief Judicial Magistrate, Mayo Hall, Bangalore	30,000/-	Death of one of the contract labour Mr. Durgesh Gupta from M/s Bharuka Constructions Pvt. Ltd. while working in clean room facility at the new production building at HAL Aerospace Composite Division.	No
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

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

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

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
-	

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 behavior. Towards this end, the Company has adopted the Code of Conduct which is part of the Service Rules, which lays down the principles and standards that should govern the actions of the employees of the Company. Further, Whistle Blower Policy has been formulated in the Company with a view to provide a mechanism for employees of the Company to bring the unethical practices, actual or suspected fraudulent transactions or violation of the Company's Code of Conduct or Ethics in the organization to the notice of 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/2023/07/Whistle-Blower-Policy-28.04.2025-1.pdf

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

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

	FY 2025-26	FY 2024-25
Directors	**0**	0
KMPs	**0**	0
Employees	**0**	0
Workers	**0**	0

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

	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	**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 2025-26	FY 2024-25
Number of days of accounts payables	**66**	94

9. Open-ness of business:

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

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	**NIL***	NIL*
	b. Number of trading houseswhere 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)	**0.52%**	0.46%
	b. Sales (Sales to related parties / Total Sales)	**0.12%**	0.10%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	**0.82%**	0.00%
	d. Investments (Investments in related parties / Total Investments made)	**8.47%**	8.68%

*** Note:** HAL procures materials either directly from OEMs or their authorized distributor/stockiest i.e., qualified suppliers and not from any trade houses.

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 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D	**Not tracked**	Not tracked	HAL's R&D expenditure is primarily directed toward development of indigenous aerospace platforms in support of national defence requirements. To list few important parameters which help in making Environment & Social impact are: • Weight reduction / structural efficiency designs: Lighter airframes reduce fuel burn and emissions over an aircraft's lifecycle. • Noise and emission reduction aerodynamic design: Better aerodynamic design reduces engine noises and improves fuel efficiency of platforms. • Digital/simulation investments: Moving from physical prototype testing to digital simulation (CFD, FEM analysis tools) reduces material waste and energy, this has a safety and environmental dimension.
Capex	**0.48%**	0.25%	As part of Energy conservation efforts, energy efficient transformers, HVAC equipment, LED lighting, energy monitoring systems etc have been procured.

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

   Yes, the sustainability aspects that are to be complied by the supply chain partners are indicated in Tender documents and Purchase orders.

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

   In FY 2025-26, the Company has sourced 75% of inputs by value, through vendors who declared adopting sustainable processes in delivering the goods or rendering the services. The balance 25% are sourced from business units whose reports are not in public domain.

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 product is sold, it does 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 (Refer reply to Q. 3).

PRINCIPLE 3

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

Essential Indicators

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

Category	% of Employees covered by										
	Total (A)	Health Insurance		Accident Insurance #		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees											
Male	19395	100% Ref Note. (i)		19261	99.30%	NA	-	19395	100%	NA	-
Female	2049			2007	97.95%	2049	100%	NA	-	2049	100%
Total	**21444**			**21268**	**99.17%**	**2049**	**9.55%**	**19395**	**90.44%**	**2049**	**9.56%**
Other than Permanent Employees											
Male	1903	100% Ref. Note (i)		1714	90.06%	NA	-	1903	100%	NA	-
Female	155			133	85.81%	155	100%	NA	-	155	100%
Total	**2058**			**1847**	**89.74%**	**155**	**7.53%**	**1903**	**92.47%**	**155**	**7.53%**

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

Category	% of Workers covered by										
	Total (A)	Health Insurance		Accident Insurance #		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Workers											
Male	12820	100% Ref Note. (i)		12809	99.91%	NA	-	12820	100%	NA	-
Female	1302			1281	98.38%	1302	100%	NA	-	1302	10%
Total	**14122**			**14090**	**99.77%**	**1302**	**9.22%**	**12820**	**90.78%**	**1302**	**9.22%**
Other than Permanent Workers											
Male	1899	100% Ref. Note (i)		1713	90.20%	NA	-	1899	100%	NA	-
Female	150			130	86.66%	150	100%	NA	-	150	100%
Total	**2049**			**1843**	**89.94%**	**150**	**7.32%**	**1899**	**92.68%**	**150**	**7.32%**

Notes for (i) :

(i) Medical needs of permanent employees / workers have been taken care by the 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.

 # On voluntary basis and premium is borne by the employees.

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

	FY 2025-26	FY 2024-25
Cost incurred on well- being measures as a % of total revenue of the company	**0.48%**	0.55%

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

Benefits	FY 2025-26			FY 2024-25		
	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
Others –						
1. Defined Contribution Pension Scheme	**100%**	**100%**	**Y**	100%	100%	Y
2. Post Superannuation Group Health Insurance Schemes	**100%**	**100%**	**NA**	100%	100%	NA

3. **Accessibility of workplaces.**

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

Yes

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

Yes

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.**

<table>
<tr><th></th><th>Yes/No
(If Yes, then give details of the mechanism in brief)</th></tr>
<tr><td>Permanent Workers</td><td>Yes</td></tr>
<tr><td>Other than Permanent Workers</td><td>Three Stage Grievance Procedure i.r.of Workmen exists in the Company.
(i) Stage 1: Representing to the Section Head in the 1st Stage;
(ii) Stage 2: If not satisfied / beyond the prescribed time limit, the grievance is directed to Department Head;
(iii) Stage 3: If not satisfied then grievance is addressed to Grievance Redressal Committee.
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.</td></tr>
<tr><td>Permanent Employees</td><td rowspan="2">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 1st 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.</td></tr>
<tr><td>Other than Permanent Employees</td></tr>
</table>

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

Category	FY 2025-26			FY 2024-25		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	**21444**	**20168**	**94.04**	**22033**	**20944**	**95.06**
- Male	**19395**	**18209**	**93.89**	19954	18977	95.10
- Female	**2049**	**1959**	**95.60**	2079	1967	94.61
Total Permanent Workers	**14122**	**13115**	**92.87**	**14662**	**13945**	**95.11**
- Male	**12820**	**11859**	**92.5**	13337	12662	94.94
- Female	**1302**	**1256**	**96.47**	1325	1283	96.83

8. **Details of training given to employees and workers:**

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
					Employees					
Male	**19395**	**14387**	**74.18**	**8414**	**43.38**	19954	13449	67.40	7597	38.07
Female	**2049**	**1523**	**74.33**	**1189**	**58.03**	2079	1472	70.80	570	27.42
Total	**21444**	**15910**	**74.19**	**9603**	**44.78**	**22033**	**14921**	**67.72**	**8167**	**37.07**
					Workers					
Male	**12820**	**9897**	**77.20**	**7069**	**55.14**	13337	9305	69.77	7574	56.79
Female	**1302**	**998**	**76.65**	**1009**	**77.50**	1325	938	70.79	570	43.02
Total	**14122**	**10895**	**77.15**	**8078**	**57.20**	**14662**	**10243**	**69.86**	**8144**	**55.54**

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

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
				Employees		
Male	**6579**	**5276**	**80.19**	5860	5084	86.76
Female	**755**	**590**	**78.15**	645	573	88.83
Total	**7334**	**5866**	**79.98**	**6505**	**5657**	**86.96**
				Workers		
Male	**12820**			13337		
Female	**1302**			1325		
Total	**14122**			**14662**		

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.

In case of workers, the figures indicate the workers covered under the Performance Appraisal System for non-executives of the Company. Annual and Probationary Performance Appraisal Reports are raised for workers. However, no performance appraisal report is raised where-in the duration of service in the Assessment year is less than 03 months.

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 Company has an Occupational Health & Safety Management System (OHMS) in place, aligned with ISO 45001:2018 standards and implemented across its divisions. The system covers all operational areas, including manufacturing, maintenance, and support functions, and extends to employees, contract workers, and trainees.

The Occupational Health & Safety Management System is monitored through defined action plans, audits, training, and compliance mechanisms. The OHMS framework is institutionalized and has established processes, certification, and governance mechanisms.

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 Safety Directory is maintained wherein all operational areas have been mapped and hazardous activities identified, covering mechanical, electrical, chemical, ergonomic and fire hazards, as well as process-specific and equipment-specific risks.

Risk Assessment is carried out through Hazard Identification and Risk Assessment (HIRA). Internal audits and periodic surveillance audits are conducted to evaluate the effectiveness of hazard identification and risk control measures, along with regular shop floor monitoring and supervisory checks.

The Plant Safety Committee meetings are conducted periodically with equal participation of workers and management ensuring a structured and participative approach to continuous improvement in workplace safety.

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

Yes. Established processes for workers is available in the Company, to report work-related hazards to protect themselves from unsafe conditions. The Safety surveys are conducted periodically and the recommendations from such surveys are implemented in a time-bound manner.

Complaint Registers are kept in the Shop Floor for reporting the Work-related Hazards.

Safety Officers are appointed in accordance with the provisions of the Factories Act, 1948/ Labour Code.

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

Yes. The Company has in-house dispensary facility which provides access to non-occupational medical and healthcare services. In addition, various Multi/Super-speciality hospitals have been empanelled to provide comprehensive medical facilities and healthcare support to employees/workers.

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

Safety Incident/Number	Category*	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	**0.19**	0.17
	Workers	**0.24**	0.2
Total recordable work-related injuries	Employees	**15**	12
	Workers	**15**	11
No. of fatalities	Employees	**0**	-
	Workers	**0**	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	**0**	-
	Workers	**0**	2

***Note:**

(1) The number reported against Employees are total incidents covering all Officers, workmen and contract labours as per the definition of "Employees". Out of total numbers shown against Employees, Workmen numbers are shown separately against worker category under LTIFR and total recordable work related injuries.

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

- A robust Occupational Health, Safety and Environment (OHSE) management system is in place in line with applicable statutory requirements and internationally recognized standards to ensure a Safe & Healthy Workplace.
- Safety Audits, Inspections, Risk Assessments and Hazard Identification studies are conducted to identify and mitigate workplace risks, regularly.
- Large size LED screens are installed in the Divisions to display various Safety & Health related topics for creating awareness. Safety Sign Boards are displayed in prominent places in offices/shop floor.
- Periodical Health and Safety Training viz., Health Awareness programmes, toolbox talks, mock drills, fire safety exercises are conducted to create awareness amongst all employees including Contract Labour.
- Well Equipped Occupational Health Centres under the supervision of Medical Practitioner is established in Divisions with dedicated Ambulance.
- Periodical Medical examination is carried out to monitor the health of the employees.
- Safety Officers and qualified safety professionals are appointed as per the provisions of the Factories Act, 1948/ Labour Code.
- Standard Operating Procedures (SOPs), work permits and safe work practices are implemented for hazardous and critical activities.
- Best in class PPEs are procured and provided to the employees and Steps for removal & disposal of Hazardous & Non-Hazardous waste are taken by the Divisions.
- Safety Committee meetings are conducted on regular basis.
- Safety Day is celebrated widely in the Divisions to promote Safety Culture.
- Measures to reduce the consumption of energy by changing over hangar lights from HPMV to LED is taken.
- Rain Water Harvesting is constructed in Divisions, to conserve water.
- The Divisions are equipped with Fire Alarm System for all the hangars along with Fire Hydrant System to protect from any fire emergency.
- Daily Walk-through Surveys are carried out.

- Fire Mock Drills are conducted on regular basis.
- Testing of Tools and Tackles, Pressure Vessels etc., is carried out by Competent Persons.
- Employee participation is encouraged in safety suggestion schemes, reporting of unsafe conditions and regular interaction with management on safety-related matters.
- Continuous monitoring of workplace conditions such as noise, illumination, ventilation, air quality and ergonomics is undertaken to maintain a healthy working environment.

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

	FY 2025-26			FY 2024-25		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Working Conditions	**0**	**0**	**-**	2	2	-
Health & Safety	**0**	**0**	**-**	-	-	-

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	100%

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.

(a) Hazard identification and Risk Assessment is being carried out in each Department for identifying the hazards and implementing the mitigation plans or suitable controls are established;

(b) Safety Walk / Audit, accident investigations are being carried out for further study and for improving of working conditions;

(c) Awareness is given on wearing Personal Protective Equipment's (PPEs);

(d) Organized Safety Training Programmes to create awareness on Safety;

(e) Work Instructions and Safe Work Practices were made and readily available in the intranet for reference;

(f) Electrical safety Audit & Arc Flash Assessment were carried out;

(g) Implementation of Log Out & Tag Out (LO & TO);

(h) Personal Protective Equipment Assessment;

(i) Evaluation of Building Stability;

(j) Safety Barricades for the Electrical panel;

(k) Emergency exit stairs are provisioned in Commission building;

(l) Celebration of Health Day as part of Health Awareness Campaign viz. World Asthama Day, World No-Tobacco Day, World Hepatitis Day, World Alzheimer's Day, World Mental Health Day & World Cancer Day.

PRINCIPLE 4:

BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

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

   The Company identifies its key stakeholder group through a structured and continuous engagement process that considers the interests, influence, expectations and impact of various internal and external stakeholders on the Company's operation and strategic objectives. The process involves mapping stakeholders such as Customers, employees, shareholders, vendors, regulatory authorities, industry and academic partners, Joint Ventures, Auditors, Bankers, Collaborators, subsidiaries, all community members within vicinity of the Division and Government agencies based on their level of interaction and significance to business sustainability. Inputs are gathered through meetings, consultations, performance reviews, surveys, audits, statutory compliance interactions, and CSR engagements to understand stakeholders concern and expectations. The identified stakeholder groups are periodically reviewed and prioritized to ensure effective communication, transparency, risk management and alignment with HAL's organizational goals and national aerospace objectives.

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	As and when required	Sorting out Technical & Logistic Issues
Employees	No	Notice Board, E-Newsletter	As and when required	Information on Company Activities
Shareholders	No	Website, Email, Letters, Meetings, Newspaper Publications, Annual Reports	As and when required	Timely disclosure of all the information necessary for the Shareholders and resolution of their grievances
Vendors / Suppliers	No	a) Website b) Email c) HAL e-procurement portal, d) Govt e-Marketplace CPP Portal	As and when required	• Details of Open and Limited Tenders Published • Summary of Orders placed during each month • Summary of Payments made during each month • Details of Procurement made on nomination basis
MSME	Yes	a) Website b) Email c) HAL e-procurement portal d) Govt e-Marketplace CPP Portal	As and when required	• Details of Tenders Published • Summary of Orders placed during each month • Summary of Payments made during each month • Procurement made on nomination basis • Nodal Officer for MSME

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
Governments, Regulators and Industry bodies	No	Email, Letters, Meeting	As and when required	• Communicate HAL performance and strategy; • Share and contribute to insight into public and business concerns; • Discuss HAL response to responsible business issues; • Compliance of applicable laws.
Auditors	No	Website, Email, Letters, Meeting	As and when required	Audit
NGOs; local communities; media, industry analysts, society at large	No	Website, Advertisement, Email, Letters, Meeting	As and when required	Information about CSR and other activities carried out by the Company and their impact assessment for furtherance.

PRINCIPLE 5

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

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

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	**21444**	**708**	**3.33%**	22033	687	3.09%
Other than permanent	**2058**	**74**		1966	56	
Total Employees	**23502**	**782**		**23999**	**743**	
Workers						
Permanent	**14122**	**188**	**1.57%**	14662	182	1.43%
Other than permanent	**2049**	**66**		1947	56	
Total Workers	**16171**	**254**		**16609**	**238**	

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

Category	FY 2025-26					FY 2024-25				
	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	**21444**	**-**	**-**	**21444**	**100**	22033	-	-	22033	100
Male	**19395**	**-**	**-**	**19395**	**100**	19954	-	-	19954	100
Female	**2049**	**-**	**-**	**2049**	**100**	2079	-	-	2079	100
Other than Permanent	**2058**	**-**	**-**	**2058**	**100**	1966	-	-	1966	100
Male	**1903**	**-**	**-**	**1903**	**100**	1845	-	-	1845	100
Female	**155**	**-**	**-**	**155**	**100**	121	-	-	121	100
Workers										
Permanent	**14122**	**-**	**-**	**14122**	**100**	14662	-	-	14662	100
Male	**12820**	**-**	**-**	**12820**	**100**	13337	-	-	13337	100
Female	**1302**	**-**	**-**	**1302**	**100**	1325	-	-	1325	100
Other than Permanent	**2049**	**-**	**-**	**2049**	**100**	1947	-	-	1947	100
Male	**1899**	**-**	**-**	**1899**	**100**	1834	-	-	1834	100
Female	**150**	**-**	**-**	**150**	**100**	113	-	-	113	100

3. **Details of remuneration/salary/wages**

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	5	67,01,464	-	-
	Govt. Nominee Director	-	-	2	-
	Independent Director	2	-	-	-
(b)	Key Managerial Personnel	1	49,36,140	-	-
(c)	Employees other than BoD and KMP	21,292	19,76,273	2,204	18,77,860
(d)	Workers	14,719	14,90,585	1,452	13,55,679

Note:

a. Board of Directors and KMPs as on 31.03.2026 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 2025-26.

b. Since, remuneration of CMD and Director (Finance) & CFO has been covered under Functional Director, remuneration of Company Secretary has only been considered under Key Managerial Personnel.

c. Remuneration details of Board of Directors and KMPs are as covered under Corporate Governance Report, which is part of the Annual Report 2025-26.

d. Government Nominee Director does not receive any remuneration from the Company.

e. 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 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	**8.95%**	9.00%

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)

Yes. 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 2025-26			FY 2024-25		
	Filed during the year	Pending Resolution at the end of the year	Remarks	Filed during the year	Pending Resolution at the end of the year	Remarks
Sexual Harassment	**2**	**0**	**-**	5	2	2 Cases pending at the end of the previous year were disposed in 2025-26
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 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	**2**	5
Complaints on POSH as a % of female employees / workers	**0.06%**	0.14%
Complaints on POSH upheld	**0**	1

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)**

   Yes, HAL being a DPSU follows all rules and regulations set by the Government.

10. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%. Internal Assessment done by the Entity and other statutory authorities.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

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

    No significant risks / concerns were reported.

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 2025-26	FY 2024-25
From renewable sources		
Total electricity consumption (A)	**347,037 GJ**	312,044 GJ
Total fuel consumption (B)	**-**	-
Energy consumption – through other sources (C)	**-**	-
Total energy consumed from renewable sources (A+B+C)	**347,037 GJ**	312,044 GJ
From non-renewable sources		
Total electricity consumption (D)	**524,437 GJ**	527,423 GJ
Total fuel consumption (E)	**760,250 GJ**	834,656 GJ
Energy consumption – through other sources (F)	**-**	-
Total energy consumed from non-renewable sources (D+E+F)	**1,284,687 GJ**	1,362,079 GJ
Total energy consumed (A+B+C+D+E+F)	**1,631,724 GJ**	**1,674,123 GJ**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	**49.31 GJ per ₹ Crore**	**54.04 GJ per ₹ Crore**
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	**100.30 GJ per Million USD**	**111.64 GJ per Million USD**
Energy intensity in terms of physical output	**-**	**-**
Energy intensity per rupee of Value of Production (Total energy consumed/ Value of Production)	**39.02 GJ per ₹ Crore**	**44.37 GJ per ₹ Crore**

Note:

(a) 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.**

(b) The information on consumption of various sources of energy is collected from all the Divisions of the HAL through a centralized portal and consolidated.

(c) 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. For electricity, conversion factor of 3.6Million Joules per unit of electricity is used.

(d) The PPP adjusted revenue is derived based on the PPP rate published by IMF at https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC

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 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	**-**	-
(ii) Groundwater	**3,620,626**	3,398,807
(iii) Third party water	**10,111,900**	11,278,126
(iv) Seawater / desalinated water	**-**	-
(v) Others	**-**	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**13,732,526**	**14,676,933**
Total volume of water consumption (in kilolitres)	**13,679,322**	**14,620,304**
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	**413.40 KL per ₹ Crore**	**471.91 KL per ₹ Crore**
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	**840.86 KL per Million USD**	**974.97 KL per Million USD**
Water intensity in terms of physical output	**-**	**-**
Water intensity per rupee of Value of Production (Total water consumption /Value of Production)	**327.11 KL per ₹ Crore**	**387.51 KL per ₹ Crore**

Note:

(a) 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**

b) The information on consumption of various sources of water is collected from all the Divisions of the HAL based on water bills, meter readings, log books etc through a centralized portal and consolidated.

c) Data includes consumption of HAL Township.

d) The PPP adjusted revenue is derived based on the PPP rate published by IMF at https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC

4. **Provide the following details related to water discharged:**

Parameter	FY 2025-26	FY 2024-25
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	**53,204**	56,629
- With treatment – please specify level of treatment	**-**	-
(v) Others		
- No treatment	**-**	-
- With treatment – please specify level of treatment	**-**	-
Total water discharged (in kilolitres)	**53,204**	**56,629**

Note:

(a) 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/s Sustainability Actions Pvt Ltd.

b) 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.

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 effluent treatment plant with Zero Liquid discharge (ZLD) system.

STPs and ETPs have been installed at all our major 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 2025-26	FY 2024-25
NOx	Metric Tonnes	**37.98**	58.88
SOx	Metric Tonnes	**16.76**	31.28
Particulate matter (PM)	Metric Tonnes	**65.95**	139.05
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	**9.54**	10.86

Note:

a) 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**

b) The air emissions from production processes are derived based on the specific Gas Concentration from actual testing of exhaust gases and period of operation at each Division.

c) The information on air emissions is then collected from all the Divisions of the HAL through a centralized portal and consolidated.

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

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	**67,396**	75,808
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	**103,431**	106,510
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tones of CO_2 Equivalent per ₹ Crore	**5.16**	5.88
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)	Metric tones of CO_2 Equivalent per US Million Dollars	**10.50**	12.16

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 and Scope 2 emission intensity in terms of physical output		**-**	-
Total Scope 1 and Scope 2 emission intensity per rupee of Value of Production (Total Scope 1 and Scope 2 GHG emissions /Value of Production)	Metric tones of CO_2 Equivalent per ₹ Crore	**4.08**	4.58

Note:

a) 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**

b) The information on emission of GHG is derived based on the consumption date of fuels, electricity and refrigerants collected from all the Divisions of the HAL through a centralized portal and consolidated.

c) 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.

d) The Scope 2 emissions from electricity use have been derived based on conversion factor published by Central Electricity Authority Document Version 21.

e) The PPP adjusted revenue is derived based on the PPP rate published by IMF at https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC

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

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 8.53 MW capacity Rooftop based Solar Energy Systems.
- **Ground mounted solar:** HAL has installed a total of 26.95 MW capacity solar power plants.
- **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 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	**15.65**	30.54
E-waste **(B)**	**13.61**	17.48
Bio-medical waste **(C)**	**27.62**	26.37
Construction and demolition waste **(D)**	**1,585.79**	4,638.97
Battery waste **(E)**	**21.39**	55.02
Radioactive waste **(F)**	**0**	0
Other Hazardous waste. Please specify, if any. **(G)**		
(i) ETP/Paint/Magnesium sludge	**68.44**	63.71
(ii) Used Oil/Coolant oil (KL)	**500.75**	504.02
(iii) Waste residue containing oil	**20.04**	5.38
(iv) Spent hardening salt/grease/chemicals	**145.65**	18.55
(v) Others	**53.89**	194.61
Sub-total (G)	**788.87**	786.27
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		

Parameter	FY 2025-26	FY 2024-25
(i) Metal Scrap	**762.38**	1,585.18
(ii) Non-Metal Scrap	**1,737.01**	2,636.28
(iii) Mixed waste	**4,728.55**	8,510.15
(iv) Others (Cu.m)	**-**	-
Sub-total (H)	**7,227.94**	12,731.61
Total (A + B + C + D + E + F + G + H)	**9,680.77**	**18,286.26**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	**0.29 MT per ₹ Crore**	**0.59 MT per ₹ Crore**
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	**0.60 MT per Million USD**	**1.22 MT per Million USD**
Waste intensity in terms of physical output	**-**	**-**
Waste intensity per rupee of Value of Production (Total waste generated /Value of Production)	**0.23 MT per ₹ Crore**	**0.48 MT per ₹ Crore**

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	2.14
(ii) Re-used	0	0
(iii) Other recovery operations	1.02	3.50
Total	**1.02**	**5.64**
Category of waste (E-waste)		
(i) Recycled	0.26	2.18
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0.26**	**2.18**
Category of waste (Bio-medical waste)		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
Category of waste (Construction and demolition waste)		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
Category of waste (Battery waste)		
(i) Recycled	7.10	13.75
(ii) Re-used	0	0
(iii) Other recovery operations	0	1.40
Total	**7.10**	**15.15**
Category of waste (Used/Coolant Oil)		
(i) Recycled (KL)	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total (KL)	**0**	**0**

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste (Other Hazardous waste)		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
Category of waste (Other Non-Hazardous waste)		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**

For each category of waste generated, total waste disposed by nature of disposal method (in Metric tonnes)		
Category of waste (Plastic waste)		
(i) Incineration	0	0
(ii) Landfilling	0.12	2.30
(iii) Other disposal operations	14.50	22.60
Total	**14.62**	**24.90**
Category of waste (E-waste)		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	13.35	15.30
Total	**13.35**	**15.30**
Category of waste (Bio-medical waste)		
(i) Incineration	24.82	22.72
(ii) Landfilling	0	0
(iii) Other disposal operations	2.81	3.65
Total	**27.63**	**26.37**
Category of waste (Construction and demolition waste)		
(i) Incineration	0	0
(ii) Landfilling	879.06	3067.61
(iii) Other disposal operations	706.72	1571.36
Total	**1585.78**	**4638.97**
Category of waste (Battery waste)		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	14.29	39.87
Total	**14.29**	**39.87**
Category of waste (Used/Coolant Oil)		
(i) Incineration (KL)	35.8	38.80
(ii Landfilling	0	0
(iii) Other disposal operations	464.95	465.22
Total (KL)	**500.75**	**504.02**
Category of waste (Other hazardous waste)		
(i) Incineration	17.81	171.39
(ii) Landfilling	0	0
(iii) Other disposal operations	270.26	110.86
Total	**288.07**	**282.25**

For each category of waste generated, total waste disposed by nature of disposal method (in Metric tonnes)		
Category of waste (Other Non-hazardous waste)		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations (cu.m)	7227.94	12,918.12
Total	**7227.94**	**12,918.12**

Note:

(a) Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? **Yes, Sustainability Actions Pvt Ltd.**

b) The information on disposal of various types of waste is collected from all the Divisions of the HAL through a centralized portal and consolidated.

c) 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.

d) The PPP adjusted revenue is derived based on the PPP rate published by IMF at https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC

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 Trans boundary Movement) Rules, 2016, Solid Waste Management Rules, 2016, Air Prevention and Control of Pollution Act (1981), Environment (Protection) Act, 1986, Water Act 1974 (Prevention and Control of Pollution), 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.

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.
The Company 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
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
NOT APPLICABLE				

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 eight (8) 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 (EEPCI)	National
5	Society of Indian Defence Manufacturers (SIDM)	National
6	Standing Conference of Public Enterprises (SCOPE)	National
7	Society of Defence Technologists (SODET)	National
8	Indian National Academy of Engineering (INAE)	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	-	-

PRINCIPLE 8

BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

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

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

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)
NOT APPLICABLE						

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

Centralised Public Grievance Redress and Monitoring System (CPGRAMS) which is available through the web link pgportal.gov.in and also through standalone mobile application downloadable through Google Play store and mobile application integrated with UMANG is an online platform available to the citizens to lodge their grievances to the public authorities including HAL. It is a single portal connected to all the Ministries /Departments /PSU's of Government of India and States.

The portal can be used by the citizens to lodge their grievance on any subject related to service delivery. However, issues concerning RTI matters, Court related / Subjudice matters, Religious matters, Suggestions, Grievances of employees concerning their service matters including disciplinary proceedings etc. are not taken up for redress in the portal.

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

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/small Producers*	**49%**	53%
Directly from within India**	**24%**	23%

** Procurement from MSME/ 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 2025-26	FY 2024-25
Rural	**2%**	3%
Semi-urban	**23%**	22%
Urban	**2%**	2%
Metropolitan	**73%**	73%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

PRINCIPLE 9

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

Essential Indicators

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

   The Company has a well-established, structured and periodic meeting schedule, with all our customers, for discussions on issues pertaining to various Projects, Effective and efficient operationalization of Air assets, MRO, Upgrade etc. The issues are swiftly resolved to the satisfaction of the customers.

   All the Divisions of the Company are having full-fledged Customer services department. They engage with all the stakeholders for time bound resolution of issues. Divisional heads convene regular meetings to review the customer complaints. In addition, customer issues are being monitored at Complex & Corporate level also. Moreover, a monthly update is also 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	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

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

	FY 2025-26		Remarks	FY 2024-25		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	**0**	**0**	**-**	0	0	-
Advertising	**0**	**0**	**-**	0	0	-
Cyber-security	**0**	**0**	**-**	0	0	-
Delivery of essential services	**0**	**0**	**-**	0	0	-
Restrictive Trade Practices	**0**	**0**	**-**	0	0	-
Unfair Trade Practices	**0**	**0**	**-**	0	0	-
Other (Complaints related to products and services from customers)	**77**	**13**	**-**	158	0	-

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

	Number	Reasons 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

   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.**

   Nil

7. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches :** Nil

   b. **Percentage of data breaches involving personally identifiable information of customers:** Not Applicable

   c. **Impact, if any, of the data breaches:** Not Applicable

Independent Assurance Statement

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

Scope and Approach

Sustainability Actions Private Limited ("SAPL") has been engaged by the management of Hindustan Aeronautics Limited ("HAL" or "the Company"), to perform an Independent Reasonable Assurance Provider of the Company's Business Responsibility and Sustainability Report ("BRSR") Core Matrices (refer to annexure 1) for the Financial Year 2025-2026.

Reporting Criteria for Reasonable Assurance Opinion

Identified Sustainability Information subject to assurance	Period subject to assurance	Level of assurance	Reporting Criteria
BRSR Core Attributes	From 1st April, 2025 to 31st March, 2026	Reasonable Assurance	• Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR) • Guidance note for BRSR format issued by SEBI • Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standard) (Revised) developed by World Resources Institute (WRI) / World Business Council for Sustainable Development (WBCSD) • SEBI/HO/CFD/PoD-1/P/CIR/2024/177 dated December 20, 2024 – Industry Standards Note on Reporting of BRSR Core. • SEBI/HO/CFD/PoD-1/P/CIR/2025/42 dated 28th March 2025 - Measures to facilitate ease of doing business with respect to framework for assurance or assessment, ESG disclosures for value chain, and introduction of voluntary disclosures on green credits.

Reasonable Assurance Opinion

Based on our review and procedures followed for a reasonable level of assurance and evidence obtained, we are of the opinion that, the information covered by Reasonable Assurance in the Business Responsibility and Sustainability Report for the FY25-26 is prepared, in all material respects, in accordance with the Reporting Criteria and the Reporting Boundary as set out in Section A: General Disclosures 13 of the Business Responsibility and Sustainability Report.

Basis For Opinion and Conclusion

We conducted our engagement in accordance with Standard on Sustainability Assurance Engagements (ISAE - Revised) 3000. 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. The procedures conducted were based on professional judgement and included inquiries, observation of processes performed, inspection of documents, evaluation of quantification methods and reporting policies, analytical procedures, and reconciliation with underlying records.

We interviewed with selected senior managers responsible for management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.

Given the circumstances of the engagement, in executing the procedures outlined above, we:

- Reviewed the disclosures under BRSR Core, encompassing the framework for assurance consisting of a set of Key Performance Indicators (KPIs) under 9 ESG attributes.
- Evaluation of the design and implementation of key systems, processes and controls for collecting, managing and reporting the BRSR Core indicators. Assessment of operational control and reporting boundaries.
- Seek extensive evidence across all relevant areas, ensuring a detailed examination of BRSR Core indicators. Engaged directly with stakeholders to gather insights and corroborative evidence for each disclosed indicator.
- The audit team conducted on-site audits for data testing and also, to assess the uniformity in reporting processes and also, quality checks at different locations of the Company. Sites for data testing and reporting system checks were selected based on the percentage contribution each site makes to the reported indicator, complexity of operations at each location (high/low/medium) and reporting system within the organization.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

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 and other Matrices, which are free from material misstatement, whether due to fraud or error.
- Selecting or developing suitable criteria for preparing the Assured Sustainability Information and appropriately referring to or describing the criteria.
- Ensuring compliance with law, regulation or applicable contracts.
- Making judgements and estimates that are reasonable in the circumstances.
- Identifying and describing any inherent limitations in the measurement or evaluation of information covered by assurance in accordance with the reporting criteria.

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. We apply SQC 1 for quality control in assurance and related services.

Our Responsibility

Our responsibility is to express a reasonable assurance opinion and limited assurance conclusion on the identified sustainability indicators, 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 the Company. Those standards require that we plan and perform our engagement to obtain assurance about whether, in all material respects, the Identified Sustainability Subject Information 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.

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)

Place: Gurgaon
Date: 17th June 2026

Annexure – I

BRSR Core attributes - Reasonable assurance for financial year 2025-26

BRSR CORE Indicator	Description of Indicator
Section C - Principle 1 - E8	Number of days of accounts payable
Section C - Principle 1 - E9	Concentration of purchases & sales done with trading houses, dealers and related parties Loans and advances & investments with related parties
Section C – Principle 3 - E1(c)	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company
Section C – Principle 3 - E11	Details of safety related incidents including lost time injury frequency rate, recordable work-related injuries, no. of fatalities
Section C – Principle 5 - E3(b)	Gross wages paid to females as % of wages paid
Section C – Principle 5 - 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
Section C – Principle 6 - E1	Details of total energy consumption (in Joules or multiples) and its intensity
Section C – Principle 6 - E1	Details of total energy intensity
Section C – Principle 6 - E3	Details of water withdrawal by source
Section C – Principle 6 - E3	Details of water consumption and its intensity
Section C – Principle 6 - E4	Details of water discharged by destination and level of treatment
Section C – Principle 6 - E6	Details of Air Emissions (Other than GHG emissions)
Section C – Principle 6 - E7	Details of greenhouse gas emissions (Scope 1)
Section C – Principle 6 - E7	Details of greenhouse gas emissions (Scope 2)
Section C – Principle 6 - E7	Details of greenhouse gas emissions (Scope 1and Scope 2) and its intensity
Section C – Principle 6 - E9	Details related to waste generated by category of waste
Section C – Principle 6 - E9	Details related to waste recovered through recycling, re-using or other recovery operations
Section C – Principle 6 - E9	Details related to waste disposed by nature of disposal method
Section C – Principle 8 - E4	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India
Section C – Principle 8 - E5	Job creation in smaller towns
Section C – Principle 9 - E7	Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events