

Sharp & Tannan Associates

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Monday, June 17, 2024

To,

The Company Secretary,

Bharat Forge Limited,

Mundhwa, Pune Cantonment, Pune-411036

Dear Sirs,

Subject: Independent review report on Compliance with Human Rights Standards ('the Questionnaire') for FY 2023-24.

We, Sharp and Tannan Associates, Chartered Accountants, have conducted a review of the human rights standards at Bharat Forge Limited ("the Company"). The review is based on the Management's responses to a human right due diligence questionnaire, aiming to collate information on the provided checklist.

Scope of the Review:

The scope of this review encompasses the collation and compilation of information regarding human rights protocols, as outlined in the due diligence questionnaire. These questionnaires pertain to areas such as child labour, forced labour, occupational safety, discrimination and harassment, working conditions, adherence to labour regulations, and supervision of contractors. Notably, no audit or independent validation was undertaken regarding the furnished responses.

Management's Responsibility:

The management of the Company is responsible for the integrity and accuracy of the information and data provided to us during the course of our engagement. The management understands and acknowledges its responsibility for maintaining compliance with applicable laws and regulations, including internal controls to support their claims related to the engagement and also regarding prompt notification to us of any changes to these representations and policies.

Reviewer's Responsibility:

Our responsibility was limited to obtaining responses to the human rights questionnaire from the Company's management. We did not undertake an audit or independent verification of these responses. Our review was planned and executed with due diligence; however, it did not constitute an audit, and as such, we do not express an audit opinion.

Yours faithfully,

Sharp & Tannan Associates

Chartered Accountants

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Following are the responses received from the HR Department on Human Rights Due Diligence Questionnaire.

- The site has an established human rights policy, and both employees and contractors are aware of it.
- Child labour and forced labour are strictly prohibited in the Company's operations.
- All statutory records, including payroll, timecards, age documentation, and training records, are maintained for employees and contract workers.
- The Company complies with minimum wage laws for all employees, including contract workers.
- Work hours, overtime, and rest day requirements are adhered to for all employees, including contract workers.
- Essential facilities such as restrooms, canteen, and first aid kits are provided and accessible to all employees and contract workers.
- The Company enforces a strict no-discrimination and no-harassment policy in the workplace. There is a Grievance Redressal Committee to handle any grievances.
- Training on the prohibition of discrimination and harassment is provided to all employees.
- Personal protective equipment, such as safety shoes, goggles, helmets, and gloves, is supplied to all employees, including contract workers.
- Health and safety training is offered to all employees, including contract workers.
- Employee information is used strictly for business purposes and not for discrimination.
- A verification process is in place for contracting agencies, ensuring business licenses and legal compliance. In sensitive areas like defence and aerospace, police verification and checks on Labour License, PF, and ESI registration are conducted before engaging employees.
- Contracting agencies maintain documentation for age verification, minimum wage, overtime payment, rest days, working hour limits, and non-discrimination.
- Contracting agencies are responsible for making all government-required pension, social security, and provident fund payments on behalf of contract workers.
- The facility conducts periodic, informal audits of contractor supplier practices.
- No human rights violations have been reported in the last year.

