

3 September 2024

BSE Limited
Corporate Relationship Department
1st Floor, P. J. Towers,
Dalal Street, Fort,
Mumbai 400 001.

BSE Scrip Code: 500243

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C -1, Block G,
Bandra-Kurla Complex, Bandra (E),
Mumbai 400 051.

NSE Scrip Code: KIRLOSIND

Sir / Madam,

Subject: Business Responsibility and Sustainability Report

Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the relevant SEBI Circular(s) as issued from time to time, we are submitting herewith the Business Responsibility and Sustainability Report for Financial Year 2023-2024, which forms an integral part of the Annual Report for Financial Year 2023-2024, submitted to the Exchanges dated 3 September 2024.

You are kindly requested to take the same on your record.

Thanking you

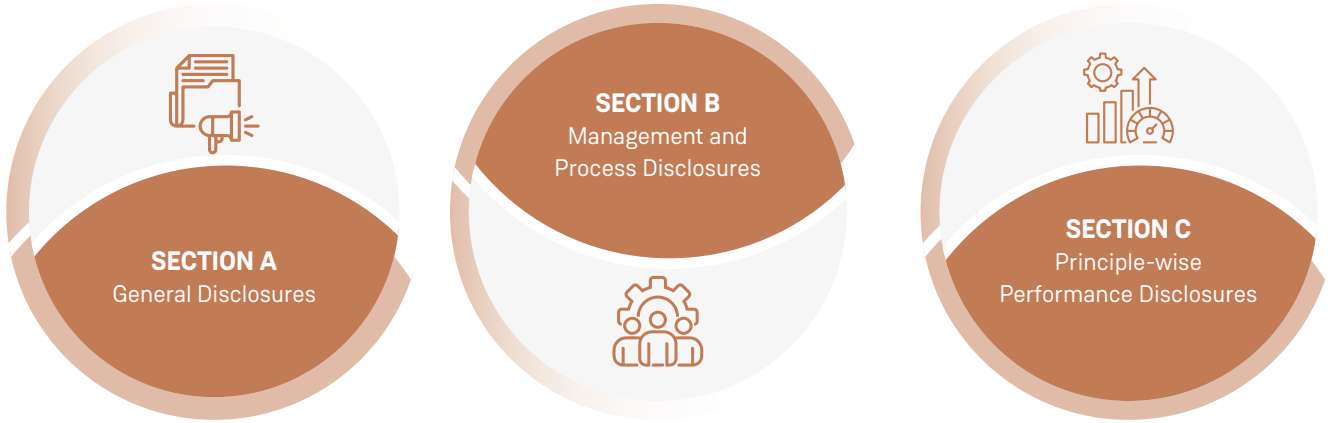
Yours faithfully,

For Kirloskar Industries Limited

Ashwini Mali
Company Secretary &
Compliance Officer

Encl.: As above

Business Responsibility and Sustainability Report (BRSR)



At Kirloskar Industries Limited (KIL), sustainability means building a shared future for greater success and a more equitable society. KIL is committed to making a positive impact on the environment, society, and the economy with conviction and care. The Business Responsibility and Sustainability Report (BRSR) exemplifies this commitment, transparently communicating KIL's performance to stakeholders.

As a responsible corporate citizen, KIL believes in inclusive growth. The Company strives to accelerate India's transition to a developed economy and create value for the nation by elevating the quality of life across the entire socio-economic spectrum. This report conforms to the Business Responsibility and Sustainability Report (BRSR) requirements of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) and the National Guidelines on Responsible Business Conduct (NGRBC) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs (MCA), India.

Principle 1		Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
Principle 2		Businesses should provide goods and services in a manner that is sustainable and safe.
Principle 3		Businesses should respect and promote the well-being of all employees, including those in their value chains.
Principle 4		Businesses should respect the interests of and be responsive to all its stakeholders.
Principle 5		Businesses should respect and promote human rights.
Principle 6		Businesses should respect and make efforts to protect and restore the environment.
Principle 7		Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
Principle 8		Businesses should promote inclusive growth and equitable development.
Principle 9		Businesses should engage with and provide value to their consumers in a responsible manner.

Business Responsibility and Sustainability Report (BRSR)

Section A: General Disclosures

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Company	L70100PN1978PLC088972
2.	Name of the Company	Kirloskar Industries Limited (KIL)
3.	Year of Incorporation	1978
4.	Registered office address	Office No. 801, Cello Platina, 8th Floor, Fergusson College Road, Shivajinagar, Pune 411005
5.	Corporate office address	Office No. 801, Cello Platina, 8th Floor, Fergusson College Road, Shivajinagar, Pune 411005
6.	E-mail	investorrelations@kirloskar.com
7.	Telephone	020-29704374
8.	Website	www.kirloskarindustries.com
9.	Financial year for which reporting is being done	2023-2024
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital	₹ 9.93 Crores
12.	Name and contact details (telephone, email address) of the person for BRSR Reporting	Name: Mrs. Ashwini Mali, Company Secretary and Compliance Officer Telephone: 020-29704374 Email: ashwini.mali@kirloskar.com
13.	Reporting boundary	The disclosures under this Report are made on a standalone basis. The BRSR Report of Kirloskar Ferrous Industries Limited (KFIL), a material subsidiary of the Company, is available at https://www.kirloskarferrous.com/ . Notes in this Report contain additional information about Avante Spaces Limited (Avante), a Wholly-Owned subsidiary of the Company.
14.	Name of the assurance provider	BDO India LLP
15.	Type of assurance obtained	Limited Assurance for select BRSR indicators

II. Products/Services

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

Sr. No.	Description of Main Activity	Description of Business Activity	% Of Turnover of the entity
1	Investments (Properties and Securities)	Investing in group companies, securities, and leasing of the properties	97.71
2	Wind Power Generation	The Company sells its generated wind power units to third-party consumers.	2.29

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

Sr. No.	Product/Services	NIC Code	% Of total turnover contributed
1	Investments (Properties and Securities)	-	97.71
2	Wind Power Generation	400	2.29

III. Operations**18. Number of locations where plants and/or operations/offices of the entity are situated:**

Sr. No.	Location	Number of plants	Number of offices	Total
1. National		2	2	4
	Office:			
	1. Registered Office:			
	Office No. 801, 8th Floor, Cello Platina, Fergusson College Road, Shivajinagar, Pune			
	2. Mumbai Office			
	Plant:			
	Bopodi Plant:			
	Laxmanrao Kirloskar Road, Khadki, Pune 411003			
	Windmill Plant:			
	Tirade Village, Tal. Akole, Dist. Ahmednagar			
2. International		0	0	0

19. Markets served by the entity**a. Number of locations served:**

Sr. No.	Locations	Number
1.	National (Number of states)	1
2.	International (Number of countries)	0

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

Nil

c. Briefly explain the types of customers:

The Company hold stakes in various businesses within the Kirloskar Group, including two subsidiaries viz., Avante Spaces Limited, a Wholly-Owned Subsidiary of the Company and Kirloskar Ferrous Industries Limited, a material subsidiary of the Company, which are engaged in real estate, steel, alloy, and tube manufacturing. This diverse portfolio, coupled with a strategic emphasis on leveraging investments and diversification efforts, enables us to enhance the performance and growth of these companies.

The Company owns lands and buildings thereon and offices in Pune, Jaipur and Delhi. The Company has given most of these lands and buildings and offices on a leave and license basis to group companies and others.

To focus on the real estate business of the Company and that of its Wholly-Owned Subsidiary and aiming to optimize returns on its investment portfolio, the Company has sold its windmill business on a going concern basis to ISMT Limited. The necessary approvals and permissions are being procured to complete the aforesaid transaction. While the Company awaits requisite statutory approvals to finalise the sale, the windmill business operations have been categorised as discontinuing operations in accordance with the Accounting Standards.

IV. Employees

20. Details as at the end of the Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	16	9	56%	7	44%
2.	Other than Permanent (E)	1	NA	0	1	100%
3.	Total employees (D + E)	17	9		8	
WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total workers (F+G)	0	0	0	0	0

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently abled Employees						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total Differently abled employees (D+E)	0	0	0	0	0
Differently abled Workers						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total Differently abled workers (F+G)	0	0	0	0	0

21. Participation/Inclusion/Representation of women

	Total	No. and percentage of Females	
	No. (A)	No. (B)	% (B/A)
Board of Directors	11	2	18.18
*Key Management Personnels (KMPs)	4	2	50.00

* 2 out of 4 KMPs are also Board Members.

22. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

Category	FY 2024			FY 2023			FY 2022		
	(Turnover rate in current FY)			(Turnover rate in previous FY)			(Turnover rate in the year prior to the previous FY)		
	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)	Total (%)
Permanent employees	0	6.3	6.3	0	7.7	7.7	7.7	0	7.7
Permanent workers	NA	0	0	NA	NA	NA	NA	NA	NA

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

23. Names of holding / subsidiary / associate companies / joint ventures

Sr. 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	Kirloskar Ferrous Industries Limited	Subsidiary	*46.08	No
2	Avante Spaces Limited	Subsidiary	100.00	NA
3	Kirloskar Brothers Limited	Associate	23.91	No

*The Hon'ble National Company Law Tribunal, Mumbai vide its Order [C.P.(CAA) 57 / MB / 2024 C/w CA (CAA) 238 / MB / 2023] dated 24 July 2024, has sanctioned the Scheme of Arrangement and Merger of ISMT Limited (Transferor Company) with Kirloskar Ferrous Industries Limited (Transferee Company) and their respective shareholders pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, ("Scheme"). After filing the certified true copy of the aforesaid Order along with a copy of the Scheme with the Registrar of Companies, Pune on 8 August 2024, the Scheme has become operative, effective from 1 April 2023 (Appointed Date).

VI. CSR details

24.

- Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
- If yes, Turnover – ₹ 133.51 Crores
- Net worth - ₹ 1,423.99 Crores

VII. Transparency and Disclosure Compliances

25. Complaints/Grievances on any of the principles (principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGBRC):

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 2024			FY 2023			FY 2022		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0		0	0		0	0	
Investors (other than shareholders)	Yes	0	0		0	0		0	0	
Shareholders	Yes	2	0		2	0		0	0	
Employees and workers	Yes	0	0		0	0		0	0	
Customers	Yes	0	0		0	0		0	0	
Value Chain Partners	Yes	0	0		0	0		0	0	

All the above-mentioned stakeholders can lodge a complaint through the Company's Whistle-Blower Policy – Vigil Mechanism

(weblink - <https://www.kirloskarindustries.com/documents/779558/c94cc8ad-c8f7-50e4-f606-5474d08a3f10>) or through

Grievance Redressal Policy

(weblink - <https://www.kirloskarindustries.com/documents/779558/6fbd7f67-ba84-b985-4a3d-84449d838e94>).

26. Overview of the entity's material responsible business conduct issues

The key material issues for our business have been listed below:

Sr. 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 (Measures for enhancing opportunities are also indicated)	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Employee health and safety	Risk	<ul style="list-style-type: none"> Employee health and safety is a non-negotiable aspect for the Company to ensure that its human capital is provided with a working environment that places utmost emphasis on their mental and physical well-being. Health and Safety has an impact on employee's well-being (ill health) and overall productivity apart from decreased in the Company image and customer confidence. 	<ul style="list-style-type: none"> To promote occupational health and safety and a conducive work environment, numerous efforts are adopted. The Company is having office protocols in place to ensure safety and hygiene practices are followed. Our employee health annual checkups identify health issues early, establishing a baseline for health and promote healthy habits. 	<p>Neutral-</p> <ul style="list-style-type: none"> Cost put towards employee health and safety improvement will yield positive results in the long term though it may have financial impact on the Company. Continuous safety improvement will increase confidence of current and prospective employees.
2.	Business ethics	Opportunity	<ul style="list-style-type: none"> Helps in alignment with the business's core values and operating in an ethical manner, as per governing laws as well. It also helps in reducing fines and improving our brand and reputation. 	<ul style="list-style-type: none"> The Company follows ethical practices for its business conduct that guides all the employees for fair and responsible behavior and enables a culture of compliance. The Company has adopted Code of Conduct for the Board of Directors and Senior Management of the Company and all members of the Board, and all senior management sign a declaration agreeing to follow the Code. 	<p>Positive-</p> <ul style="list-style-type: none"> Improves workplace culture, and strengthens legal compliance and public reputation. Reinforces customer, partner, supplier and local communities' engagement and loyalty. Better work environment leads to overall business reputation, success, and development of employees.

Sr. 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 (Measures for enhancing opportunities are also indicated)	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				<ul style="list-style-type: none"> To promote the values of the Company, the top management of the Company communicates with its employees via email and speak outs on a frequent basis. 	<ul style="list-style-type: none"> Drives the Company to evolve as a good corporate citizen by implementing the highest degree of transparency, integrity, accountability, and corporate social responsibility.
3	Circular economy	Risk and Opportunity	<ul style="list-style-type: none"> Adopting circular economy will have long term impact on sustainable use of resources and may lead to cost saving in some cases. It helps in reducing the environmental impact of the industrial processes, such as Greenhouse gases Improves brand value and can bring in more investment. 	<ul style="list-style-type: none"> The Company, through its Environment, Social and Governance Policy is committed to promote a circular economy by reutilization of resources and thereby reduce waste generation at source. 	<p>Positive-</p> <ul style="list-style-type: none"> By reducing waste and keeping resources in use for longer the Company may reduce their reliance on costly virgin material and minimize disposal cost thus improving profit.
4	Talent Management	Opportunity	<ul style="list-style-type: none"> Employees are contributors to value creation. Attracting talented people and training them adequately to build their competencies and skills is critical to driving Company's future growth by providing a quality differentiator. 	<ul style="list-style-type: none"> The selected candidates are on boarded into the organization and the Company has 'buddy system', each candidate gets a buddy for a few months to guide them during this transition. To promote learning and developing, the Company has recently launched 'Employee Development Policy' to encourage our employees to pursue higher education. 	<p>Positive-</p> <ul style="list-style-type: none"> Ensures retention of talent, improves efficiency and productivity in achieving strategic goals and enhancing business performance.

Sr. 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 (Measures for enhancing opportunities are also indicated)	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Community relations	Opportunity	<ul style="list-style-type: none"> Business must be rooted in community and be aligned with its larger interests. Any negative impact can inhibit the Company's ability to create long-term value. 	<ul style="list-style-type: none"> The Company recognizes consistent performers. through a quarterly recognition programme, in which it felicitates the winners as 'Value Champions'. The Company implements program focusing on local community development on initiatives like employment generation, education, healthcare, and hygiene. Have supported youth skill development through initiatives run by the S L Kirloskar CSR Foundation. 	<p>Positive -</p> <ul style="list-style-type: none"> Creating balanced relationships with the community provides a secure, social environment to operate. Also, being socially responsible, the Company believes in the holistic improvement of the ecosystem.
6	Human rights	Risk	<ul style="list-style-type: none"> Changing regulations around human rights pose a challenge Violation can lead to damaging the reputation and brand image. It also impacts workers health and well-being. It can lead to legal cases. 	<ul style="list-style-type: none"> The Company's Human Rights Policy meets national regulatory requirements such as International Bill of Human Rights and other relevant Acts and standards, wherever applicable. The Company is not complicit in any human rights violation by its contractors and suppliers. The Company ensures that there is no discrimination at workplace through its Human Rights Policy. 	<p>Negative -</p> <ul style="list-style-type: none"> Any violation can lead to severe reputational and financial risk.

Sr. 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 (Measures for enhancing opportunities are also indicated)	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				<ul style="list-style-type: none"> The Company is having a strong policy in place to prevent sexual harassment of employees to provide a conducive work environment and ensure that employees at all levels collaborate in an atmosphere free of gender discrimination, violence, and harassment. 	
7	Climate action	Risk and Opportunity	<ul style="list-style-type: none"> Climate change offers opportunities arising from innovations in emissions, energy efficiency and renewable energy. 	<ul style="list-style-type: none"> The Company is committed to ensure environmental protection and safety and is fully aware of global environmental issues. 	<p>Neutral-</p> <ul style="list-style-type: none"> Additional cost to be incurred to prevent / mitigate the impact of climate change in the short-term to medium term. Benefits will accrue in the medium / long-term to the Company as well as the stakeholders.
8	Sustainable innovation	Opportunity	<ul style="list-style-type: none"> In the view of global climate issues, innovative solutions offered by business will help create more value across the stakeholders. 	NA	<p>Positive -</p> <ul style="list-style-type: none"> Commitment to provide consistently high-quality products and services in a responsible and timely manner.

Sr. 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 (Measures for enhancing opportunities are also indicated)	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Data privacy	Risk	<ul style="list-style-type: none"> Risk of malicious exploitation or intrusion impacts on financial cost, and loss of confidence from stakeholders, it also puts the Company's as well as the customer's data at risk. Inadequate prevention, detection, and remediation of data security threats can damage the Company's reputation and thus influence customer acquisition and retention, resulting in decreased market share and lower demand for the Company's products / services. 	<ul style="list-style-type: none"> Implemented operational technology network, monitoring and threat detection, incident response process. Implemented multiple controls to ensure data security and privacy including user awareness and training programs. 	<p>Neutral-</p> <ul style="list-style-type: none"> Provides adequate assurance and confidence to the customers and employees for the Protection of their sensitive data. Greater confidence of its customers and partners in its supply chain and products.
10	Responsible supply chain	Risk and Opportunity	<ul style="list-style-type: none"> Lack of sustainable sourcing, approaches and efforts to build resilient supply chain can lead to supply / business disruptions due to unforeseen circumstances. Responsible supply chain may lead to cost savings and efficient usage of resources, reduction in transport related emissions. 	<ul style="list-style-type: none"> The Company has integrated environmental, ethical social performance factors in to the process of selecting and periodically evaluating its key suppliers. 	<p>Positive-</p> <ul style="list-style-type: none"> Creating multiple opportunities for local and small entrepreneurs, to boost local economy. In the long run, this may result in efficient supply chain and cost saving.
11	Corporate Governance	Opportunity	<ul style="list-style-type: none"> It ensures a transparent communication and sound relationship among the Company's stakeholders. It also assists the Senior Management team to handle the Company's business in an ethical and transparent manner. 	NA	<p>Neutral-</p> <ul style="list-style-type: none"> This ensures alignment with the Company's philosophy of being a responsible corporate citizen ensuring the best interest of all its stakeholders across the value chain.

Sr. 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 (Measures for enhancing opportunities are also indicated)	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12	Transparent Disclosures	Risk	<ul style="list-style-type: none"> Transparent disclosures are essential for communicating the Company's operations, progress, and challenges. It is crucial to balance sharing key information with protecting sensitive details that could benefit competitors. The Company's management and board regularly review disclosure guidelines and take appropriate actions to ensure the best interests of all stakeholders are upheld. 	<ul style="list-style-type: none"> The Company makes sure that all pertinent information is accurately and immediately conveyed to its shareholders, investors, employees, and other stakeholders in order to keep its commitment to transparent disclosures. 	Neutral - <ul style="list-style-type: none"> Publicly available disclosures to ensure long-term sustainability.

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. These are briefly as under:

Sr. No.	Principle Description
P1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Policy and Management processes

Points	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.(a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
1.(b) Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
1.(c) Web Link of the Policies, if available	Policies are uploaded on the Company's website at https://www.kirloskarindustries.com/investors/policies and on the Company's intranet. ESG policy: https://www.kirloskarindustries.com/documents/779558/5a9c4dfa-fbbf-f546-0a7d-7552b8b1da63 . Stakeholder Engagement Policy: https://www.kirloskarindustries.com/documents/779558/3c48654b-8913-dd55-38c6-d54ed18aa5e3 .								

	Points	P1	P2	P3	P4	P5	P6	P7	P8	P9	
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y	
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y	
		<p>The Company strives to influence its Partners in the value chain to participate in responsible and sustainable business conduct depending upon their means and resources. All policies have been developed based on industry practices, as per the regulatory requirements and through appropriate consultation with relevant stakeholders.</p>									
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.	<p>Policies have been developed considering relevant Acts like The Companies Act, 2013, The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Acts, Rules and Regulations.</p> <p>Avante Spaces Limited (Avante), our Wholly-Owned Subsidiary has received a precertification of 'Platinum Rating' from the Indian Green Building Council (IGBC) for our first project 'One Avante'. The term "Platinum IGBC Green Building Rating" refers to the highest level of certification awarded by the IGBC for green buildings in India. The IGBC offers a rating system for evaluating the sustainability and environmental performance of buildings, which includes various criteria such as site selection, water efficiency, energy efficiency, materials used, indoor environmental quality, and innovation.</p> <p>Avante has already received a Platinum rating for the construction of its first project, demonstrating its commitment to leading environmental conservation and being a responsible real estate company. The Leadership in Energy and Environmental Design (LEED) Gold certification, which signifies leadership in energy and environmental design and is awarded by the USGBC, is currently being pursued for Avante's second project as well. Additionally, Avante ensures full compliance with the guidelines set by the National Buildings Construction Corporation (NBCC) and the Indian Green Building Council (IGBC).</p>									
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>KIL is a part of the Kirloskar group, which primarily operates in the engineering and manufacturing sectors. As an unregistered Core Investment Company (CIC), KIL invests in group companies that have set ambitious targets in key ESG areas, such as energy management, emission control, water conservation, and waste recycling. At the group level, these companies are committed to aligning with the national goal of achieving carbon neutrality by 2070. Given the nature of its operations, KIL supports its subsidiary companies and their capital commitments toward a sustainable future. Details of each subsidiary's targets are available in their respective annual reports.</p>									
6.	Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Not Applicable									
	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)	Please refer to message from the Leadership Desk (Chairman and Managing Director)									

	Points	P1	P2	P3	P4	P5	P6	P7	P8	P9
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>Mr. Mahesh Chhabria, Managing Director DIN 00166049 020-29704374 mahesh.chhabria@kirloskar.com</p> <p>Mr. Mahesh Chhabria, Managing Director oversees the implementation of Business Responsibility policies and reports to the Board on the progress made by the Company in its ESG journey.</p>								
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.	<p>Yes. The Company has formulated ESG Governance Structure within the Company which is overlooked by Independent Directors Committee at the Kirloskar Group level. The Company Management is also a part of the ESG Core Committee of the Company. The details are mentioned on page no. 28.</p>								

10. Details of Review of NGRBCs by the Company:

Sr. No.	Subject of Review	a. Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Performance against the above policies and follow-up action	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y

Sr. No.	Subject of Review	b. Frequency (Annually/ Half yearly/ Quarterly / Any other – please specify)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Performance against the above policies and follow-up action	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y

As a practice, all the policies of the Company are reviewed periodically or on a need basis and placed before the Board of Directors, as and when required. During the evaluation, the effectiveness of these Policies is examined, and any necessary adjustments to the policies and procedures are put into place.

The Company follows the extant regulations as applicable.

11.	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Has the entity carried out an independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.									

The Company has evaluated its policies internally. They are reviewed on a periodic basis as mentioned above.

Y-Yes, N-No, NA-Not Applicable

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

	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The entity does not consider the principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

Section C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities that aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

1 PRINCIPLE

Business 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

Sr. No.	Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
1	Board of Directors	5	All Board Members are made aware of all the latest applicable legal, regulatory and business developments / updates, by way of presentations where Directors have an opportunity to interact with Key Management Personnel. Presentations cover, inter alia, quarterly and annual results, budgets, review of internal audit report, information on business performance, operations, financial parameters, senior management change, major litigations, compliances, risk assessment and minimisation procedures and regulatory scenarios and such other areas as may arise from time to time. The details about information on business performance, operations and financials of subsidiary companies are also forming part of the presentation.	100
2	Key Managerial Personnel*	5		100
3	Employees other than BOD and KMPs	2	Further, awareness was created on ESG initiative progress, ESG vision and roadmap and BRSR statutory updates. Training and Familiarization Programme for Directors: https://www.kirloskarindustries.com/documents/779558/b1292916-b21e-1223-ad11-2b65eb2601ba	100
4	Workers	NA	Training and awareness programs covered POSH (Prevention of Sexual Harassment) and Regulatory Compliances.	NA

*2 Out of 4 KMPs are also Board Members

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by its directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions in the financial year:

There were no such instances during the Financial Year 2023-2024.

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

Not applicable (refer to Principle 1 Essential Indicator No. 2 above).

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

The Company and its subsidiaries have zero tolerance for unethical business practices, and through the necessary policies and codes, they forbid bribery and corruption in all of their commercial operations.

The Company has Whistle-Blower Policy – Vigil Mechanism (Policy) to govern its operations. The Policy expects employees and any person dealing with the Company to be ethical, accountable and transparent in their conduct with discharging their respective duties. It also addresses issues such as Unpublished Price Sensitive Information (UPS). The whistle-blower has access to the Ethics Committee / Ombudsman / Counsellor of the Company.

5. No of Directors / KMPs / Employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption

Sr. No.	Segment	FY 2024	FY 2023
1	Directors	0	0
2	Key Managerial Personnel	0	0
3	Employees	0	0
4	Workers	0	0

6. Details of complaints with regard to conflict of interest

	FY 2024		FY 2023		
	Number	Remarks	Number	Remarks	
1	Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
2	Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

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 (refer to Principle 1 Essential Indicators No. 5 and 6).

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

	FY 2024	FY 2023
Number of days of accounts payables	12 days	16 days

9. Openness of business

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

Parameter	Metrics	FY 2024	FY 2023
Concentration of Purchases	a. Purchases of trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers / distributors as %	NA	NA
	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

Parameter	Metrics	FY 2024	FY 2023
Share of RPTs in	a. Purchases (Purchases with related parties / total purchases)	0.03	0.03
	b. Sales (Sales to related parties / total sales)	0.89	0.89
	c. Loans and Advances (Loans and Advances given to related parties / total loans and advances)	1.00	1.00
	d. Investments (Investments in related parties / total investments made)	0.97	0.95

LEADERSHIP INDICATORS

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

Total number of awareness programmes held	Topics / principles covered under the training	% Of value chain partners covered (by value of business done with such partners) under the awareness programmes
0	0	0

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

Yes, the Company and its subsidiaries ensure adherence to pertinent standards, particularly those relating to conflict of interest, and have zero tolerance for unethical business practices.

The Company has a Code of Conduct for Directors and Senior Management as well as a Whistle Blower Policy -Vigil Mechanism.

The Managing Director gives a declaration confirming all the Directors and SMP adherence to the Code of Conduct in the Corporate Governance Report of the Annual Report.

2 PRINCIPLE

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.

Sr. No.	Segment	FY 2024	FY 2023	Details of improvements in environmental and social impacts
1	R & D	NA	NA	NA
2	Capex	NA	NA	NA

Note: The Company is an unregistered Core Investment Company and has the principle business of investing in the group companies, including its Wholly-Owned Subsidiary Company viz., Avante Spaces Limited (Avante). Avante and other investee companies actively use and invest in new technologies in their business and the R&D expenses of those companies are reflected in their respective Annual Accounts.

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

Not applicable.

Since the Company's primary operations include investments (properties and securities), sourcing is not a major portion of daily business operations. However, the Company nurtures a culture of conservation of resources and encourages innovation that aid in reducing the dependence on natural resources.

Avante Spaces Limited (Avante), a wholly-owned subsidiary company of the Company, is committed to sustainable sourcing practices. Avante is developing commercial real estate and is adhering to IGBC norms which gives greater emphasis on sustainable sourcing. Based on the practices followed by Avante, IGBC has pre-certified Platinum rating for the first project "One Avante".

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

Not applicable

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 Company safely disposes its E-waste for recycling at Green India E-waste and Recycling OPC Pvt. Ltd. Hazardous and other wastes are not applicable for its business 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.

Considering the nature of business of the Company, the above is not applicable.

LEADERSHIP INDICATORS**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format.**

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

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

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

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024	FY 2023
NA	NA	NA

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2024			FY 2023		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	0.025	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other Waste	NA	NA	NA	NA	NA	NA

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in the respective category
NA	NA

3 PRINCIPLE

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

ESSENTIAL INDICATORS

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

Category	Total (A)	% Of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	9	9	100%	9	100%	-	-	7	100%	-	-
Female	7	7	100%	7	100%	7	100%	-	-	-	-
Total	16	16	100%	16	100%	7	100%	7	100%	-	-
Other than Permanent Employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	1	1	100%	1	100%	-	-	-	-	-	-
Total	1	1	100%	1	100%	-	-	-	-	-	-

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

Category	Total (A)	% Of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

	FY 2024	FY 2023
The cost incurred on well-being measures (insurances etc. refer 1a and 1b above) and other welfare measures (preventive health care, canteen and transport subsidy, attire etc.) as a % of total revenue of the Company	0.07 %	0.06%

2. Details of retirement benefits for Current FY and Previous FY:

Benefits	FY 2024			FY 2023		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	NA	Y	100	NA	Y
Gratuity	100	NA	Y	100	NA	Y
ESI	NA	NA	NA	NA	NA	NA
Superannuation	18	NA	Y	30	NA	Y

3. Accessibility of workplaces - Are the premises / offices of the entity accessible to differently-abled employees, 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, the Company is providing required supports to make its offices accessible to differently-abled employees.

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.

The Company through its policies is committed to equal opportunity without discrimination on any grounds.

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

Gender	Permanent Employees		Permanent Workers	
	Return to work Rate (%)	Retention Rate (%)	Return to work Rate (%)	Retention Rate (%)
Male	NA	NA	NA	NA
Female	NA	NA	NA	NA
Total	NA	NA	NA	NA

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

Yes

The Company has a Whistle Blower – Vigil Mechanism Policy and Policy for Prevention of Sexual Harassment Policy at workplace of the Company for its employees to report their concerns confidently and anonymously, and without fear of any retaliation.

In addition to the existing mechanism, recently a Kirloskar Ethics Helpline which is managed by the independent external agency is introduced. Employees across all locations can lodge grievances through a toll-free number, voicemail, independent website, email or by post. Employee have freedom to share their identity or remain anonymous.

	Yes/No (If yes, then give details of the mechanism in brief)
1 Permanent Workers	NA
2 Other than Permanent Workers	NA
3 Permanent Employees	Yes, the Company strives to create a culture which is fair, open and transparent and where employees can openly present their views. The Company transparently communicates its Policies and practices such as performance metrics, variable pay metrics, compliance and other processes. The Company enables employees to work without fear of prejudice, gender discrimination and harassment. It has zero tolerance on non-compliance of these principles. The Company has an independent helpline number for employees to report their concerns.
4 Other than Permanent Employees	

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

Category	FY 2024			FY 2023		
	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						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Total Permanent Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA

8. Details of training given to employees and workers:

Category	FY 2024					FY 2023				
	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	9	-	-	9	100%	7	-	-	6	86%
Female	7	-	-	7	100%	7	-	-	4	57%
Total	16	-	-	16	100%	14	-	-	10	71%
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

Category	FY 2024			FY 2023		
	Total (A)	No (B)	% (B/A)	Total (C)	No (D)	% (D/C)
Employees						
Male	9	6	67%	7	5	71%
Female	7	6	86%	6	4	67%
Total	16	12	75%	13	9	69%
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

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 is committed to provide a safe and healthy workplace by minimizing the risk of accidents, injury and exposure to health risks and it complies with applicable laws and regulations with respect to safety at workplace. Various facilities are available at the Company's offices such as proper ventilation, hygiene and sanitation, emergency exits, first aid box, etc.

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

Considering the nature of business, this is not directly applicable.

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

No. Considering the nature of business, this is not directly applicable.

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

Yes, the Company has insured its employees under medical hospitalization, accident, and term insurance. Periodic e-wellness communications address the health awareness needs across the Company. Annual Employee Wellness (Preventive) Health Checkups followed by counseling and Health and Lifestyle Risk Assessment to promote well-being at the individual level.

11. Details of Safety related incidents

Sr. No.	Safety Incident/Number	Category	FY 2024	FY 2023
1	Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	*Employees	0	0
		Workers	NA	NA
2	Total recordable work-related injuries	*Employees	0	0
		Workers	NA	NA
3	No. of fatalities	*Employees	0	0
		Workers	NA	NA
4	High consequence work-related injury or ill-health (excluding fatalities)	*Employees	0	0
		Workers	NA	NA

*Including the contract workforce

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

In addition to initiatives and actions taken as mentioned in response to disclosure no. 10 above, measures that were taken by the Company include the provision of flexi timing, the requirement of compulsory availing 20 days leave annually, maternity leave for women, paternity leave for male employees, birthday leave provision, promotes a healthy work-life balance. Employee health is critical for Company's sustainable growth and in keeping with this, annual health check-up is conducted for employees as per the prescribed protocol.

13. Number of Complaints on the following made by employees

Category	FY 2024			FY 2023		
	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	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year

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

*The Company strives to keep the workplace environment safe, hygienic, and humane, upholding the dignity of the employees.

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 and safety practices and working conditions.

The Company takes steps / actions to prevent any mishaps. Therefore, there have not been any complaints about working conditions, health, or safety.

LEADERSHIP INDICATORS**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?**

(A) Employees: Yes. All employees are covered under term insurance in the event of death.

(B) Workers: NA

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

The Company mandates that statutory dues are deducted and deposited regularly by the value chain partners. Statutory compliances are reviewed every quarter by obtaining a compliance report.

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

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024	FY 2023	FY 2024	FY 2023
Employees	0	0	0	0
Workers	NA	NA	NA	NA

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

Not applicable.

5. Details on assessment of value chain partners:

	% Of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices Working Conditions	Considering the nature of business of the Company, this is not directly applicable.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable as no significant risks / concerns were identified.

4

PRINCIPLE

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.

Individual or group concerned or interested with or impacted by the activities of the businesses and vice versa, now or in the future are identified as key stakeholders by the Company. Based on this, the key stakeholders are shareholders, investors, customers, government and regulators, employees, and society.

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
Employees	No	<ul style="list-style-type: none"> Emails, Notices, Displays, Meetings, intranet, website Review Meetings, Get-togethers Employees Engagement Activities KORE Platform (e-Learning Management System), Training, Theme Based Virtual Round Tables Performance Appraisal Dialogues MD's Address Employee Engagement Survey 	<ul style="list-style-type: none"> Continuous / frequently Weekly / Monthly / Quarterly / Annually Annually Quarterly As per annual training / events calendar Annually Annually Annually 	<ul style="list-style-type: none"> Employee morale and productivity Employee health, safety and wellbeing. Learning, development and growth Policies, processes and performance Employee satisfaction, engagement and benchmarking
Customers	No	Multiple channels - physical and digital	Frequent and need based	Servicing throughout the tenure of the customer and address queries / grievances that customer may have.
Investors	No	<ul style="list-style-type: none"> Annual General Meetings Quarterly Results, Annual Reports, Press Releases, Media Interactions Investors Presentations Stock Exchange Filings, Notices to shareholders, Postal Ballots, Advertisements, Emails, Website 	<ul style="list-style-type: none"> Annually Quarterly Need based at the time of investor interactions Continuous / Frequently 	<ul style="list-style-type: none"> Corporate Governance, Transparency in disclosures and Enhancing enterprises Value. Performance and Financial Results Report on CSR inform about performance, major developments, and other relevant updates regarding the Company.

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
Vendors	No	Multiple channels - physical and digital	Frequent and need-based	To establish strategic alliances, communicate requirements and expectations, and generate appreciate and spread technology. Also, interact throughout the service tenure of the vendor and address queries / grievances that vendors may have.
Contractors	No	Multiple channels - physical and digital	Frequent and need - based	Interact throughout the service tenure of the Contractor and address queries / grievances that Contractor may have. Also, to further strengthen relations by regular interaction.
Regulatory authorities	No	Multiple channels - physical and digital	On-going and Need bases	To discuss various rules, modifications, checks, and approvals.
Technical partners	No	Email	Need-based	Interact throughout the association tenure and strengthen relations by regular interaction. To strengthen relationships by creating win-win situations, by utilizing mutual strength.

LEADERSHIP INDICATORS

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

The Company maintains a pro-active engagement with its key stakeholders as mentioned in the table above.

The Company to the extent considered necessary and permitted by regulations, ensures transparent communication and access to relevant information about its decisions that impact relevant stakeholders, keeping in mind the need to protect confidential competitive plans and information. Engagement with stakeholders is a continuous process. Such engagement is generally driven by Group Investors Relations Officer, with senior executives also participating based on the need of the engagement.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes

The Company’s Materiality Assessment was conducted in consultation with its key identified stakeholder groups. The Company engaged with its stakeholder groups (both internal and external stakeholders) through a comprehensive confidential third-party survey and gathered their inputs to determine and prioritize the sustainability issues that matter most to the sustainability of its business operations.

The Company personnel interact with various stakeholders to understand the evolvement and relevance of ESG topics, their impact, and expectations from the Group.

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

The Company through its CSR Policies have taken up various initiatives and activities for the benefit of different segments of society, with a focus on the marginalized, poor, needy, deprived, underprivileged persons. The Youth Skilling Initiative is designed towards imparting future-ready skills (like Diploma in Mechatronics) and ensuring sustainable employability gives opportunities to the most vulnerable and deprived sections of society (e.g. 37% of 100 students supported currently are girls out of whom 10 are orphans and another 9 have only single mothers).

5
PRINCIPLE

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 2024			FY 2023		
	Total (A)	No. of employees /workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	16	16	100	13	13	100
Other than permanent	1	1	100	1	1	100
Total employees	17	17	100	14	14	100
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total workers	NA	NA	NA	NA	NA	NA

2. Details of minimum wages paid to employees and workers:

Category	FY 2024					FY 2023				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	9	-	-	9	100%	6	-	-	6	100%
Male	7	-	-	7	100%	7	-	-	7	100%
Female										
Other than permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	1	-	-	1	100%	1	-	-	1	100%
Workers										
Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD) (excludes 2 Directors who are included in KMPs)	8	0.14	1	0.13
Key Managerial Personnel (includes 2 Directors)	2	2.74	2	1.22
Employees other than BoD and KMP	7	0.08	5	0.08
Workers	0	NA	0	NA

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

	FY 2024	FY 2023
Gross wages paid to females as % of total wages	28%	31%

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, there is Human Rights Policy in place. The Ethics Committee, Ethics Ombudsman and Ethics Counsellors are responsible for addressing issues by following the Whistle-Blower Policy and Vigil Mechanism thereon. Whistle-Blower Policy web link is given below:

<https://www.kirloskarindustries.com/documents/779558/c94cc8ad-c8f7-50e4-f606-5474d08a3f10>.

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

In addition to existing mechanisms like Whistle-Blower, a Kirloskar Ethics Helpline which is managed by independent external agency is introduced to receive and redress employee grievances.

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

Category	FY 2024			FY 2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

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

	FY 2024	FY 2023
Total complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/workers	0	0
Complaints on POSH upheld	0	0

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

The Company evolved a comprehensive policy for the Prevention of Sexual Harassment of Employees in line with the law passed by the Government of India in this regard.

In addition to this, the Kirloskar Ethics Helpline has a mechanism for anonymous reporting and assurance of 'no retaliation' for the complainants in harassment and discrimination cases.

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

Yes

The Company strives to follow all the norms / standards of human rights in all its business deals and agreements.

10. Assessments for the year

Section	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	100%
Discrimination at workplace	100%
Child Labour	100%
Forced Labour/ Involuntary Labour	100%
Wages	100%
Others - please specify	100%

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above

Not applicable. As there were no human rights related risks / concerns identified by the Company during the Financial Year 2023-2024, no corrective actions were required to be taken.

LEADERSHIP INDICATORS

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

Not applicable as no grievances / complaints were received regarding violation of Human Rights Policy during the Financial Year 2023-2024.

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

The Company has a Code of Conduct, Human Rights Policy, POSH Policy and Grievance Mechanism like Whistle-blower, Kirloskar Ethics Helpline etc which are communicated and implemented covering the entire organisation including internal and external stakeholders that ensure non-violations of any human rights.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes.

The Company is constantly working towards inclusive working culture which can take care of needs of differently abled people, including, employees or visitors. The office has lifts with backup, railing for staircase, adequate space for wheelchair movement. The Company plans to priorities special attention to make its new premises accessible to differently-abled employees as per requirements of The Rights of Persons with Disabilities Act, 2006.

4. Details on assessment of value chain partners:

	% Of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The Company seeks to encourage its value chain partners to uphold the same values, principles, and business ethics as it does in all its operations. It also expects them to do so. We have not conducted specific evaluation of any value chain partners, however, while appointing the partners, we emphasize on they being compliant with all the parameters.
Discrimination at workplace	
Child Labour	
Forced Labour / Involuntary Labour	
Wages	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable as no grievances / complaints were identified regarding violation of Human Rights Policy during the Financial Year 2023-2024.

6 PRINCIPLE

Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

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

Parameter	FY 2024	FY 2023
From Renewable Sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumption from renewable sources (A+B+C)	0	0
From Non-Renewable Sources		
Total electricity consumption (A)	112.57	106.64
Total fuel consumption (B)	148.8	116.9
Energy consumption through other sources (C)	0	0
Total energy consumption from non-renewable sources (A+B+C)	261.45	223.62
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.00000028658	0.0000002573256

Parameter	FY 2024	FY 2023
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.00000635273	0.0000058086113
Energy intensity in terms of physical output	0.00000095403	0.0000008224744
Energy intensity (optional) - the relevant metric may be selected by the entity	NA	NA

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

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, considering the scope of the business of the Company, the same is not applicable.

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

Parameter	FY 2024	FY 2023
Water withdrawal by source (in kiloliters)		
(i) Surface water	The Company being an investment Company, has limited water usage and uses water supplied by the municipal corporation.	
(ii) Groundwater	The Company being an investment Company, has limited water usage and uses water supplied by the municipal corporation.	
(iii) Third party water	Water is procured by a group company and is commonly used by the Company.	
(iv) Seawater / desalinated water	The Company being an investment Company, has limited water usage and uses water supplied by the municipal corporation.	
(v) Others	-	
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	Water consumption is commonly used between a group company and the Company and the volume of total withdrawal is very negligent.	
Total volume of water consumption (in kiloliters)	9	10
Water intensity per rupee of turnover (Total water consumed / Revenue from operations)	0.000000098652	0.000000115075
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.0000002186814	0.0000002597583
Water intensity in terms of physical output	0.0000000328409	0.0000000367807
Water intensity (optional) - the relevant metric maybe selected by the entity	-	-

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

4. Provide the following details related to water discharged:

Parameter	FY 2024	FY 2023
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	The Company being an investment Company, has limited water usage and uses water supplied by the municipal corporation.	The Company being an investment Company, has limited water usage and uses water supplied by the municipal corporation.
- 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		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

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

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

No. The Company being an investment Company, has no liquid discharge, except the regular office environment liquid discharge.

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

Parameter	Please specify unit	FY 2024	FY 2023
NOx	NA	0	0
SOx	NA	0	0
Particulate matter (PM)	NA	0	0
Persistent organic pollutants (POP)	NA	0	0
Volatile organic compounds (VOC)	NA	0	0
Hazardous air pollutants (HAP)	NA	0	0

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

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

Parameter	Please specify units	FY 2024	FY 2023
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric terms of CO ₂ equivalent	10.80	8.44
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric terms of CO ₂ equivalent	22.38	21.06
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	NA	0.000000363788	0.000000339514
Total Scope 1 and Scope 2 emissions per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	NA	0.000008064080	0.000007663860
Total Scope 1 and Scope 2 emission intensity in terms of physical output	NA	0.000001211039	0.000001085170
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	NA	NA	NA

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

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

No, considering the nature of business, it is not applicable to the Company.

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

Parameter	FY 2024	FY 2023
	Total Waste generated (in MT)	
Plastic waste (A)	NA	NA
E-waste (B)	Nil	0.025
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
Total (A+B + C + D + E + F + G + H)	Nil	0.025
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	Nil	Nil
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	Nil	Nil
Waste intensity in terms of physical output Waste intensity (optional) – the relevant metric may be selected by the entity	Nil	Nil
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	Nil	Nil
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	Nil	Nil
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Nil	Nil
(ii) Landfilling	Nil	Nil
(iii) Other disposal operations	Nil	Nil
Total		

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

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.

Given the nature of business, there is no usage of hazardous and toxic chemicals by the Company. The Company has systems in place to manage e-waste and engages with certified e-waste handlers for disposal of e-waste.

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:

Sr. 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 offices in the vicinity of any ecologically sensitive area.

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
NA	NA	NA	NA	NA	NA

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr. 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
-	-	-	-	-

The Company is fully comply with the applicable environmental laws / regulations / guidelines of the country.

LEADERSHIP INDICATORS 

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

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: Not applicable
- (ii) Nature of operations: Not applicable

Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2024	FY 2023
Water withdrawal by source (in kiloliters)		
(i) To Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kiloliters)	NA	NA
Total volume of water consumption (in kiloliters)	NA	NA
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	Na
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water		
- No treatment	NA	NA
(ii) To Groundwater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) To Seawater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA

Parameter	FY 2024	FY 2023
(iv) Sent to third parties		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kiloliters)	NA	NA

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

Parameter	Unit	FY 2024	FY 2023
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent		
Total Scope 3 emissions per rupee of turnover		Not Applicable	
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		Not Applicable	

3. With respect to the ecologically sensitive areas reported in Question 10 of Essential Indicators above, provide details of the significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Not applicable.

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

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
	NA	NA	NA

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

The Company recognizes the importance of ensuring a sustainable business and has developed the Business Continuity Policy to manage and mitigate the risks and uncertainties that may disrupt our business as usual. This Policy ensures that the Business Continuity Management systems are developed and in place to safeguard the interests of our stakeholders and reduce economic and other losses to the business.

The Company has uploaded the policy on its website - <https://www.kirloskarindustries.com/documents/779558/a2815d8f-f78c-42aa-8c11-39b8152a5758>.

The Company's Risk Management Policy emphasizes business continuity.

The Company has deployed a risk management process that includes risk identification, assessment and its treatment, mitigation, monitoring, and reviewing actions. The Company prioritises and manages the risks identified through its Risk Registers.

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

The Company primarily operates as an unregistered CIC, focusing on investing in the shares of Kirloskar group companies. Although this business activity itself does not directly affect the environment, the subsidiary companies regularly evaluate the environmental impact of their operations and disclose all pertinent data. Links to the subsidiary companies' reports are available on the Company's website.

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

As the Company is an un-registered CIC, the scope of business does not have dependency on value chain partners. So, as of now, the value chain partners are not assessed for environmental impacts. However, as a part of supplier code of conduct for the Company as well as its subsidiaries, detailed evaluation is followed to check that suppliers do not violate any environmental norms as applicable by the respective regulatory authorities.

7 PRINCIPLE

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:

2

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

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry	National
2	CREDAI	National

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

There were no issues related to anti-competitive conduct by the Company or adverse orders from regulatory authorities during the Financial Year 2023-2024.

LEADERSHIP INDICATORS

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

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
	NA	NA	NA	NA	NA

8 PRINCIPLE

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 FY 24

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
NA	NA	NA	NA	NA	NA

As per applicable laws, SIA is not applicable for any of the projects undertaken by the Company.

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

Sr. 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 ₹)
	NA	NA	NA	NA	NA	NA

Not applicable as the Company does not have any projects for which on-going Rehabilitation and Resettlement (R&R) is required to be undertaken.

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

The Company has various mechanisms to receive and redress the grievances of various stakeholders. Grievance Redressal Policy addresses and provides relevant links for community members to lodge a grievance or a concern.

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

Category of waste	FY 2024	FY 2023
Directly sourced from MSMEs/ small producers	3.8%	0.31%
Sourced directly from within India	100%	100%

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 2024	FY 2023
Rural	0	0
Semi-Urban	0	0
Urban	0	0
Metropolitan	100%	100%

LEADERSHIP INDICATORS

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

Details of negative social impact identified	Corrective action taken
NA	NA

Not applicable (refer to Principle 8 Essential Indicator No.1)

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

Sr. No.	State	Aspirational District	Amount spent (in ₹)
	NA	NA	NA

Not applicable

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

No

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

Not applicable

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

Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No.	Intellectual Property based on traditional knowledge	Owned / Acquired (Yes / No)	Benefit shared (Yes / No)	Basis of calculating benefit share
-	-	-	-	-

The Company has not derived any benefits from intellectual properties owned or acquired based on traditional knowledge.

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

Name of authority	Brief of the case	Corrective action taken
NA	NA	NA

Not applicable.

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% Of beneficiaries from vulnerable and marginalized groups
1	Promoting education through Kirloskar Institute of Advanced Management Studies	240	-
2	Sponsoring students to promoter employability - oriented education / skilling (NTTF Diploma; Mechatronics) through S.L. Kirloskar CSR Foundation	100	100%

9

PRINCIPLE

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 in place a grievance redressal policy and is also rolling out an ethics line to address consumer complaints.

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

State	As a percentage to total turnover
Environmental and social parameters relevant to the product	Considering the scope of our business the same is not applicable.
Safe and responsible usage	
Recycling and/or safe disposal	

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

	FY 2024			FY 2023		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive trade practices	0	0	NA	0	0	NA
Unfair trade practices	0	0	NA	0	0	NA
Others	0	0	NA	0	0	NA

4. Details of instances of product recalls on accounts of safety issues

	Number	Reasons for recall
Voluntary recalls	NA	NA
Forced recalls	NA	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

Group Policy on cyber security is adopted by the Company.

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

No penalties / regulatory action has been levied or taken on the above- mentioned parameters.

7. Provide the following information relating to data breaches:

- a. **Number of instances of data breaches - 0**
- b. **Percentage of data breaches involving personally identifiable information of customers - 0**
- c. **Impact, if any, on the data breaches - Not applicable**

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

Information relating to the business of the Company is available on the Company's website viz., www.kirloskarindustries.com.

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

This is not applicable, considering the scope of the business of the Company.

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

This is not applicable, considering the scope of the business of the Company.

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

Not Applicable

Note: All the percentages mentioned in the report are rounded off.

Independent Assurance Statement

To,
Kirloskar Industries Limited
 Office No. 801, Cello Platina,
 8Th Floor, Ferguson College Road,
 Shivajinagar, Pune, 411005

Independent Assurance Statement to Kirloskar Industries Limited on select non-financial disclosures in the Business Responsibility & Sustainability Report for the financial year 2023-24.

Introduction and objective of engagement

Kirloskar Industries Limited (the 'Company') has developed its Business Responsibility and Sustainability Report (BRSR) (the 'Report') based on the BRSR reporting guidelines prescribed by SEBI for listed entities. The reporting criteria have been derived from the Principles of National Guidelines on Responsible Business Conduct, 2018 (NGRBC), and Greenhouse Gas (GHG) Protocol - A Corporate Accounting and Reporting Standard. The BRSR will be part of the Company's Annual Report 2023-24.

BDO India LLP (BDO) was engaged by the Company to provide independent limited assurance on select non-financial information in the Report for the financial year 2023-24.

The Company's responsibilities

The Report content and its presentation are the sole responsibilities of the management of the Company. The Company management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement, whether due to fraud or error.

BDO's responsibilities

BDO India LLP responsibility, as agreed with the management of the Company, is to provide assurance on the Report content as described in the 'Scope & boundary of Assurance' section below. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance a third party may place on the Report is entirely at its own risk.

Assurance standard

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and ISAE 3410, "Assurance Engagements on Greenhouse Gas Statement" issued by the International Auditing and Standards Board. We applied the criteria of 'Limited' assurance.

Scope & boundary of assurance to

We have assured the select indicators in the Report pertaining to the Company's non-financial performance covering its operations for the period 1st April 2023 to 31st March 2024. The indicators under the scope of assurance are listed in Appendix 1.

Assurance methodology

Our assurance process entails conducting procedures to gather evidence regarding the reliability of the disclosures covered in the assurance scope. We conducted a review and verification of data collection, collation, and calculation methodologies, and a general review of the logic of inclusion / omission of relevant information / data in the Report. Our review process included:

- Evaluate and assess the appropriateness of the quantification methods used to arrive at the non-financial sustainability information of the select BRSR indicators in the Report;
- Review of consistency of data / information within the Report as well as between the Report and source;
- Engagement through discussions with personnel at the corporate level who are accountable for the data and information presented in the Report;
- Execution of an audit trail of claims and data streams, to determine the level of accuracy in collection, transcription, and aggregation;
- Review of data collection and management procedures, and related internal controls.

We used our professional judgement as Assurance Provider and applied appropriate risk-based approach, for determining sample for review of non-financial information for verification. The reviews were conducted through virtual mode, where information and evidence were made available to us.

Limitations and exclusions:

There are inherent limitations in an assurance engagement, including, for example, the use of judgement and selective testing of data. Accordingly, there are possibilities that material misstatements in the Report may remain undetected.

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2023 to 31st March 2024)
- Review of the 'economic and/or financial performance indicators' included in the Report or on which reporting is based; we have been informed by the Company that these are derived from the Company's audited financial records;

- The Company’s statements and claims related to any topic other than those listed in the ‘Scope & boundary of assurance’ and the indicators listed in Appendix-1;
- The Company’s statements that describe qualitative/quantitative assertions, expression of opinion, belief, inference, aspiration/targets, expectation, aim or future intention.

Our observations

We have reviewed the disclosures in the “Report” for the reporting period from 1st April 2023 through 31st March 2024. The disclosures of the Company, covered under the ‘Scope and boundary of assurance’, are fairly reliable.

Our conclusions

Based on the procedures performed and evidence obtained as defined under the ‘Scope & boundary of assurance’, nothing has come to our attention that causes us not to believe that the disclosures of the Company is presented fairly in accordance with the relevant reporting guidelines/standards.

Our assurance team and independence

BDO India LLP is a professional services firm providing services in Advisory, Assurance, Tax, and Business Advisory Services, to both

domestic and international organizations across industry sectors. Our non-financial assurance practitioners for this engagement are drawn from a dedicated Sustainability and ESG Team in the organization. This team is comprised of multidisciplinary professionals, with expertise across the domains of sustainability, global sustainability reporting standards and principles, and related assurance standards. This team has extensive experience in conducting independent assurance of sustainability data, systems, and processes across sectors and geographies. As an assurance provider, BDO India LLP is required to comply with the independence requirements set out in the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. Our independence policies and procedures ensure compliance with the Code.

For BDO India LLP

Indra Guha

Partner | Sustainability & ESG Business Advisory Services

Gurugram, Haryana
14 August 2024

Appendix 1 (to be read as part of ‘Scope and boundary of assurance’)

The sustainability indicators/disclosures considered during the engagement are presented below:

Section/Principle	Indicator
Section A: General Disclosures	Employees and workers (including differently abled) Differently abled Employees and workers Participation/Inclusion/Representation of women Turnover rate for permanent employees and workers
Principle 1: Essential Indicator 8	Number of days of accounts payables
Principle 1: Essential Indicator 9	Open-ness of business
Principle 3: Essential Indicator 1	Details of measures for the well-being of employees Spending on measures towards well-being of employees and workers (including permanent and other than permanent)
Principle 3: Essential Indicator 8	Details of training given to employees and workers
Principle 3, Essential Indicator 9	Details of performance & career development reviews of employees & workers
Principle 3: Essential Indicator 11	Details of safety related incidents
Principle 5: Essential Indicator 3	Gross wages paid to females as % of total wages paid by the entity
Principle 5: Essential Indicator 7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
Principle 6: Essential Indicator 1	Energy Footprint
Principle 6: Essential Indicator 3	Water Footprint
Principle 6: Essential Indicator 7	Greenhouse Gas (GHG) Footprint
Principle 6: Essential Indicator 9	Embracing circularity - details related to waste management by the entity
Principle 8: Essential Indicator 4	Percentage of input material (inputs to total inputs by value) sourced from suppliers
Principle 8: Essential Indicator 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
Principle 9: Essential Indicator 7	Number of instances of data breaches and percentage of data breaches involving personally identifiable information of customers