

11th July 2023

BSE Limited
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort
Mumbai 400 001

Stock Code: 513375

National Stock Exchange of India Ltd.
Plot No. C/1, G Block
Bandra - Kurla Complex, Bandra (E)
Mumbai 400 051

Stock Code: CARBORUNIV

Dear Sir/Madam,

Sub: Submission of Business Responsibility and Sustainability Report

Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Business Responsibility and Sustainability Report for the FY 2022-23.

Thanking you.

Yours faithfully,
For **Carborundum Universal Limited**

Rekha Surendhiran
Company Secretary

ANNEXURE C

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L29224TN1954PLC000318
2. Name of the Listed Entity	Carborundum Universal Limited
3. Year of incorporation	1954
4. Registered office address	43, Parry House, Moore Street, Chennai-600001
5. Corporate address	43, Parry House, Moore Street, Chennai-600001
6. E-mail	investorservices@cumi.murugappa.com
7. Telephone	044-30006161
8. Website	https://www.cumi-murugappa.com/
9. Financial year for which reporting is being done	2022-2023
10. Name of the Stock Exchange(s) where shares are listed	BSE Limited, National Stock Exchange of India Limited
11. Paid-up Capital	₹189943974
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Rekha Surendhiran, Company Secretary, 044-30006141, rekhas@cumi.murugappa.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures in this report is made on Standalone basis

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacture of other non-metallic mineral products - Abrasives	Manufacture, Sale and Marketing of abrasives for various applications including Bonded, Coated & Super Abrasives	44.62
2	Electrominerals - Abrasives Grains	Manufacture, Sale and Marketing of abrasives for various applications including Bonded, Coated & Super Abrasives	21.73
3	Refractories & Ceramics	Design and Manufacturing of Refractories, Ceramics, Anti Corrosives and Polymers	33.65

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

S.No.	Products/Services	NIC Code	% of total Turnover contributed
1	Abrasives	23993	44.62
2	Electrominerals	729	21.73
3	Ceramics	23939	33.65

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of locations where plants and/or operations/offices of the entity are situated	Number of offices	Total
National	20	13	33
International	Nil	Nil	Nil

Note 1: The list of Subsidiary and Associate Companies in India and outside the Country is given in the questionnaire Sl. No. 21 of this report. This report is made on a standalone basis (i.e. only for the entity) and only contains information related to the entity.

Note 2: The environmental data presented in this report only represents consolidated data from 20 plants in India. Human resource and social data cover the whole entity data (i.e. 20 plants and 13 office locations).

17. Markets served by the entity

a. Number of locations

Locations	Number
National (No. of States)	Pan India (28 states and 8 Union territories)
International (No. of Countries)	41 Countries (directly) (Multiple countries across Asia/Europe/North America. Predominantly Europe, South-East Asia, Middle East, and America)

Note: The Company distributes its products internationally by working with our network of channel partners and we have international subsidiaries across multiple locations in Asia, Europe, America and Asia-Pacific.

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

Total turnover contribution from exports is 26%.

c. A brief on types of customers

The Company caters to a diverse range of customers across various industries, including Iron & steel, Bearing, Automotive, Auto OEM, Metalworking, Construction, Aerospace, Railways, General engineering, Cement, Mineral processing, Coal, Pharmaceuticals, and Food Processing. In addition, the Company serves both retail and industrial customers through a distribution channel across India. The Company sells its products through multiple channels, including distributors, direct sales, and digital marketing.

IV. Employees

18. Details as at the end of Financial Year

a. Employees and workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1	Permanent (D)	936	864	92%	72	8%
2	Other than Permanent (E)	39	35	90%	4	10%
3	Total employees (D + E)	975	899	92%	76	8%
Workers						
1	Permanent (F)	1185	1172	99%	13	1%
2	Other than Permanent (G)	3303	3036	92%	267	8%
3	Total employees (F + G)	4488	4208	94%	280	6%

b. Differently abled Employees and workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1	Permanent (D)	3	2	67%	1	33%
2	Other than Permanent (E)	0	-	-	-	-
3	Total employees (D + E)	3	2	67%	1	33%
Workers						
1	Permanent (F)	1	1	100%	0	0
2	Other than Permanent (G)	0	-	-	-	-
3	Total employees (F + G)	1	1	100%	0	0

Note: We have employed differently-abled workers in our IC Hosur, Abrasives - Tiruvottiyur & Hosur. Our office space is equipped with elevators, accessible restrooms, and adjustable chairs to accommodate employees with disabilities. In addition, the majority of our plants also have facilities in place to support employees with disabilities.

19. Participation/Inclusion/Representation of women

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	1	12.5
Key Management Personnel	2	1	50

20. Turnover rate for permanent employees and workers

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	4.3	1.9	5.3	4.7	0.0	4.7	3.8	0.0	3.8
Permanent Workers	2.9	0.0	2.9	2.2	0.0	2.2	1.5	0.0	1.5

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

21. Name of the holding/subsidiaries/associate companies/joint ventures

S.No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Net Access India Limited	Subsidiary	100	No
2	Southern Energy Development Corporation Limited	Subsidiary	84.76	No
3	Pluss Advanced Technologies Limited	Subsidiary	72.73	No
4	Sterling Abrasives Limited	Subsidiary	60	No
5	Cumi (Australia) Pty Limited	Subsidiary	51.22	No
6	Cumi International Limited	Subsidiary	100	No
7	Volzhsky Abrasive Works	Subsidiary	98.07	No
8	Foskor Zirconia (Pty) Limited	Subsidiary	51	No
9	Cumi America Inc.	Subsidiary	100	No
10	Cumi Middle East FZE	Subsidiary	100	No
11	Cumi Abrasives & Ceramics Company Limited	Subsidiary	100	No
12	Cumi Europe s.r.o	Subsidiary	100	No
13	Cumi Awuko Abrasives GmbH	Subsidiary	100	No
14	Rhodium Abrasives GmbH	Subsidiary	100	No
15	Pluss Advanced Technologies B.V., Netherlands	Subsidiary	72.73	No
16	Rhodium Schleifwerkzeuge Verwaltungsgesellschaft Mbh	Subsidiary	100	No
17	Rhodium Nederland B.V	Subsidiary	100	No
18	Rhodium France S.A.R.L.	Subsidiary	100	No
19	Rhodium Korea Inc.	Subsidiary	100	No
20	Rhodium South America Limited	Subsidiary	100	No
21	Ciria India Limited	Associate/ Joint Venture	30	No
22	Wendt (India) Limited	Associate/ Joint Venture	37.5	Yes
23	Murugappa Morgan Thermal Ceramics Limited	Associate/ Joint Venture	49	Yes

Note: This report does not contain ESG information related to Subsidiaries and Associate Associate/Joint Venture Companies of CUMI. This is a Standalone report (i.e only for the entity: 20 plants and 13 office locations).

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes
(ii) Turnover (in ₹): 25098.59 Million
(iii) Net worth (in ₹): 19719.00 Million

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
		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	Nil	-	Refer Note 1 No complaints received from communities.	Nil	-	-
Investors (other than shareholders)	Yes	Nil	0	Refer Note 2 No complaints received.	Nil	-	-
Shareholders	Yes	2	0	Refer Note 2 Two complaints received from Investors were resolved. No complaints from shareholders are pending for resolution.	Nil	-	-
Employees and workers	Yes	1	0	Refer Note 3 One complaint received in the fiscal year has been resolved. Awareness program on POSH was conducted to eliminate such complaints in the future.	Nil	-	-
Customers	Yes	73	10	Refer Note 4 Ten complaints from customers are pending for resolution at end of reporting year. The respective team is responsible to resolve customer complaints.	401	8	-
Value Chain Partners	Yes	Nil	-	Refer Note 3	Nil	-	-
Others (Please Specify)	-	-	-	-	-	-	-

Note 1: Community Grievance Mechanism - we have implemented several measures to receive and address grievances from various stakeholders, including a Stakeholder forum comprising local body members and other community representatives, as well as need-based community interventions.

Note 2: Shareholder and Investor Grievances: <https://www.cumi-murugappa.com/contact-us/>

Note 3: Employees, Workers and Value Chain: <https://www.cumi-murugappa.com/wp-content/themes/CUMI/pdf/policies/Whistle-Blower-Policy.pdf>

Note 4: Customer Grievances <https://www.cumi-murugappa.com/contact-us/>

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

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change and Climate action obligations	Risk	<p>Climate change is resulting in increasing frequency and intensity of extreme weather events, which can disrupt our operations, damage our infrastructure and equipment, and lead to supply chain disruptions. In addition, water scarcity is already a significant concern in India, and climate change is expected to exacerbate this issue, which could lead to production disruptions and increased costs.</p> <p>We are in a phase where Climate obligations are rapidly evolving. The Indian government is taking steps to address climate change and we can expect more regulations to be introduced in the future. The risk could potentially increase our operating costs through carbon taxes or emissions caps. Additionally, our customers, investors, and other stakeholders are increasingly concerned about climate change and are demanding that we take action to address it. Failure to take action may result in reputational damage and loss of business.</p>	<p>To mitigate our exposure to these risks, we are taking proactive measures such as investing in energy-efficient technologies, reducing greenhouse gas emissions, increasing water efficiency, plan to diversify our supply chains, and developing contingency plans for extreme weather events. By implementing these methods, we can reduce our exposure to climate change risks and enhance our long-term sustainability.</p> <p>As a part of our sustainability efforts we are focusing on a significant reduction in water, energy and waste in the next few years.</p>	Negative
2	Environmental risks	Risk	<p>Environmental risks, such as air and water pollution, waste generation and disposal, climate change, and resource scarcity, have the potential to affect our operations, reputation, and financial performance. Failure to comply with environmental regulations and standards could result in fines, legal action, and reputational damage. Dependence on fossil fuels and increasing energy costs could affect our profitability and competitiveness in the long run.</p>	<p>We have made sincere efforts to reduce our environmental risks by transitioning from fossil fuels to LPGs and increasing our use of renewable power sources across most of our plants. We have also installed Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP) to treat, reuse or discharge water in accordance with the norms set by the Pollution Control Board (PCB). As per our obligations under the EPR (plastic) regulation, we ensure the collection of plastic waste generated through third-party engagement.</p> <p>To monitor our compliance with environmental regulations, we use the KOMRISK tool, which enables us to track and report on our environmental performance on a monthly basis. Additionally, we conduct regular environmental monitoring to ensure that we pose no threat to the environment and prevent any potential disruption to our business operations.</p>	Negative

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Employee turnover and Skills	Risk	<p>High turnover rates can lead to increased recruitment and training costs, loss of knowledge and expertise, reduced productivity, and lower employee morale.</p> <p>Moreover, we operate in a highly competitive industry, where access to skilled talent is essential for our success. Our ability to attract, retain, and develop skilled employees is critical to our ability to innovate, meet customer demands, and achieve our business objectives. Failure to do so could result in a shortage of skilled labor, which could limit our growth potential and put us at a competitive disadvantage.</p>	<p>The Murugappa group places a great emphasis on human capital as being essential for sustainable business operations and growth. To achieve this, the Company provides training and development programs to allow employees to enhance and refine their skills. By doing so, employees can pursue career advancement while simultaneously contributing towards the organisation's objectives. We have implemented various HR practices throughout the employment cycle, including performance-based rewards and recognition mechanisms. Job rotation and training are employed to develop employee capacity, and regular employee engagement activities are conducted.</p>	Negative
4	Market Preference	Risk/opportunity	<p>We operate in a highly competitive industry where customer preferences and expectations are constantly evolving. Failure to understand and adapt to these changing market preferences could result in declining sales and market share, impacting our financial performance and ability to meet the needs of our stakeholders.</p> <p>Moreover, we operate in a global market where customers are increasingly focused on sustainability and ethical business practices. Failure to align our business practices with these changing market preferences could result in reputational damage, lost business opportunities, and legal liabilities.</p>	<p>We regularly conduct market research and analysis to understand customer preferences and expectations and adapt our products and services accordingly. We will also strengthen the integration of sustainability into our business strategy, operations, and decision-making, reflecting our commitment to responsible and ethical business practices that meet the evolving needs of our stakeholders.</p>	Negative/ Positive
5	Technology Risk	Opportunity	<p>Technology plays a vital role in our operations, from process automation and quality control to supply chain management and customer engagement. Failure to keep up with the latest technological trends and innovations could put us at a competitive disadvantage and impact our ability to meet customer demands and expectations.</p> <p>Moreover, our operations are becoming increasingly reliant on digital systems and networks, which are vulnerable to cyber threats and disruptions. Cyberattacks and data breaches could result in financial losses, reputational damage, and legal liabilities, which could impact our brand reputation and stakeholder trust.</p>	<p>We have implemented various initiatives to mitigate the risk of technology-related threats. We regularly invest in research and development to enhance our technological capabilities, improve our processes, and develop innovative solutions that meet the evolving needs of our customers. We also planning to strengthen our cybersecurity measures in place to protect our digital assets and ensure the confidentiality, integrity, and availability of our data.</p>	Positive

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Data Security	Risk	We understand that data security breaches can lead to significant reputational damage, financial losses, and legal penalties. The Company often stores sensitive information such as customer data, supplier information, and intellectual property. If this information is breached or compromised, it can result in a loss of trust with stakeholders and damage to the Company's reputation.	We have implemented various measures, such as regular cybersecurity assessments, data security policies and procedures, and employee awareness to mitigate this risk. By proactively identifying and addressing this risk, we are committed to operating in a socially responsible and sustainable manner, protecting our reputation, and maintaining the trust of our stakeholders.	Negative
7	Data Privacy	Risk	The rapid digitalisation of the economy has made data privacy a significant concern. As a responsible and ethical Company, we are committed to protecting the privacy of our stakeholders and complying with applicable regulations and laws. The unauthorised use or disclosure of personal information can lead to significant reputational damage, financial losses, and legal penalties.	Implementing Access Controls: We have implemented access controls to ensure that only authorised personnel have access to sensitive information. Regular Training and Awareness: We conduct regular training and awareness programs for employees to educate them on data privacy best practices, including how to handle sensitive information, how to spot phishing attempts, and how to report suspicious activity.	Negative
8	Corporate Governance (Transparency and Disclosures)	Opportunity	Corporate governance is a fundamental element of sustainable business operations. The identification of risks and opportunities, policies and operating procedures, implementation, monitoring, checking, and verification of systems and procedures help the organisation to ensure business continuity, and build trust and reputation in the market. Failure to implement adequate Corporate Governance policies can lead to legal and financial penalties, as well as damage to our reputation and brand image.	The corporate business conduct policy which encompasses governance principles has been implemented across all operations. The leadership team and operations staff are trained to have zero tolerance toward any breach of the code of conduct.	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBCs) as prescribed by the Ministry of Corporate Affairs advocates nine principles as given below:

- 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.

CUMI has implemented a rigorous governance mechanism to ensure sustainable business operations. We have adopted the Plan, Do, Check, and Act (PDAC) process to achieve ongoing improvement in our systems. As part of our sustainability journey, we have identified material aspects such as climate action obligation, environmental risks, supply chain disruptions,

regulatory changes, technology risks, customer data privacy, organisation data security, employee turnover and skills, community engagement etc

To mitigate these material aspects, we have conducted an enterprise risk analysis and identified various opportunities, such as market research, Corporate Governance, HR policies, innovation and technology adaptation, data and information security systems, stakeholder grievance mechanism and engagement processes. The Company has also established various policies, such as the Murugappa Five Lights, Code of Conduct, Human Resources enabling policies, Privacy policy, Business Responsibility policy, Sustainability policy, Stakeholders engagement and grievances Redressal policy, Whistle-blower policy, and Corporate Social Responsibility policy etc.

All leadership and operational team members have been trained on these policies, and various awareness programs have been undertaken. The adherence to the Code of Conduct and an annual confirmation to the same at the beginning of every financial year reiterates our commitment to governance process and non-negotiable ethical behaviour. The Company has established a robust internal and external communication system to ensure the effective implementation of these policies across their facilities. While the respective business heads are primarily responsible for policy implementation, the Business Group Core Management committee and Audit Committee regularly monitor the overall governance aspects. All major material incidents are reported to the Board, along with corrective and preventive programs. Overall, we have demonstrated a strong commitment to responsible and sustainable business practices.

The following policies/standards/procedures are being implemented under each principle:

Principle 1: (1) Responsible business code of conduct (OECD or Equivalent), (2) Policies and procedures to meet the SEBI listing guidelines (Business Responsibility policy), (3) Board governance structure, (4) Regulatory compliance tracking and assurance policy, and (5) Anti-corruption and anti-bribery (covered under CUMI Right Path document and contractual agreements) (6) Conflict of Interest Policy (7) Transparency and Disclosure Policy.

Principle 2: We have procedures/policies in place that already address some of the important objectives of a supply chain sustainability policy. (1) Sustainability policy and (2) Product safety policy demonstrates our commitment to environmental and social responsibility. However, we are always striving to do better, and we believe that developing a dedicated supply chain sustainability policy can help us ensure that all of our suppliers and vendors uphold the same high standards.

Principle 3: (1) HR policies (lifecycle) (2) Equitable and Inclusive Work Place (3) Occupational health and safety policy, (4) Gender equality and diversity policy (5) Leave pool policy (6) Fair employee appraisal process (7) Group health and medical insurance, accident insurance.

In addition to the above, the Company also offers various career development programs to support employees in their professional growth and advancement. We also have reward and recognition programs in place to acknowledge and appreciate the contributions of our employees. Moreover, we regularly conduct employee engagement surveys to gather feedback and insights from our employees, which helps us to continuously improve and create a positive work environment for our staff. We have awarded Certificate for Significant Achievement in HR Excellence for the 13th CII National HR Excellence Award 2022-23 and it can be viewed at <https://www.cumi-murugappa.com/awards/>.

Principle 4: (1) Procedures for identifying stakeholders (concerns and opportunities), (2) Feedback mechanism (3) Whistle-blower Policy.

Principle 5: (1) Human rights policy - Non-discrimination Policy, Minimum Wage Policy, POSH Policy, Privacy Policy, Child Labour Policy etc. (2) Business code of conduct.

Principle 6: (1) Sustainability Policy (2) Health, Safety and Environment Policy.

Principle 7, Principle 8 and Principle 9: Code of Ethics and Conduct, Corporate Social Responsibility Policy, Responsible Marketing and Advertising Policy, Product Quality and Safety Policy, Privacy Policy, Social Media Policy, CUMI's Right Path and Code of Conduct besides the Whistle Blower policy and POSH policy etc.

Policy and Management Process

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. a. Whether your entity's policy or policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://www.cumi-murugappa.com/policies-disclosure/ Certain policies of the Company are only available to internal stakeholders or employees.								
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)	The Company endeavors to encourage its value chain partners to engage in responsible and sustainable business practices, taking into account their respective capabilities and resources. To enable this, we have Fair trade practice, Whistle-blower policy, Grievance mechanism and value chain engagement process etc.,								
4. Name of the national and international codes/certifications/labels/standards	-	-	Y ¹	-	Y ²	Y ³	-	-	-
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<ul style="list-style-type: none"> • Ensure 100 per cent compliance against all regulatory and statutory requirements. • Ensure 100 per cent compliance with respect to human rights. • Effectively address all stakeholder grievances in a satisfactory manner that meets their needs and expectations. • The Company has set a dedicated sustainability target to reduce its environmental footprint, which includes specific targets for reducing water consumption, emissions, waste, and energy consumption. Performance of each of the BRSR principles is reviewed periodically by various Committees led by the Board of Directors and Management. 								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	<ul style="list-style-type: none"> • We have achieved 100 per cent compliance against all applicable regulations and statutory requirements. • We have successfully achieved 100 per cent compliance with respect to human rights, demonstrating our commitment to upholding ethical and responsible business practices that respect the dignity and rights of all individuals. • Achieved tremendous progress in sustainability through the installation of Renewable Power, Switching to cleaner fuels, innovation in technology etc. 								

Y¹: IS 45001, Y²: -SA 8000, Y³: ISO 14001 & ISO 50001

GOVERNANCE, LEADERSHIP AND OVERSIGHT

7. Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements

We recognise the importance of Environmental, Social, and Governance (ESG) factors in creating a sustainable future for our business and society as a whole. We believe that by prioritising ESG considerations, we can better manage risk, drive long-term value creation, and contribute to a more equitable and prosperous world. ESG principles are embedded into every aspect of our operations, right from our business strategy and decision-making processes to our daily practices and interactions with stakeholders. Our Board is made up of individuals with diverse backgrounds and experiences, including expertise in ESG issues, which enables us to effectively manage these considerations in our decision-making processes. We have established multiple

committees within the Board, including but not limited to the Audit Committee, Risk Management Committee, Stakeholders' Relationship Committee, and Corporate Social Responsibility Committee. These committees play a vital role in ensuring effective governance, risk management, and sustainable development of our organisation (Please refer Sl. No. 9 for more details on their roles and responsibilities under ESG).

As a Company committed to ESG principles, we have adopted a set of policies and practices that align with our values and goals this includes the Company's Code of Conduct, Human rights policy, Code of Conduct for Prevention of Insider Trading, Diversity policy, Policy on prevention of sexual harassment, ethical guidelines on stakeholder dealing, Whistle Blower policy, Anti-corruption and anti-bribery, corporate social responsibility policy, Sustainability policy, Privacy policy, stakeholder engagement etc.

We are steadfast in our commitment to sustainability, and we have set a bold target of reducing our water consumption, emissions, waste, and energy consumption. To achieve this goal, we have implemented a range of measures, including increasing our renewable energy capacity, implementing water consumption reduction programs, and transitioning to climate-friendly fuels. In addition to these efforts, we recognise our responsibility to society, and we are dedicated to making a positive impact through our Corporate Social Responsibility (CSR) activities. We understand that our success is intricately linked to the health and prosperity of the communities in which we operate, and we are committed to engaging in meaningful CSR initiatives that contribute to the well-being of these communities.

Overall, our commitment to sustainability and responsible corporate citizenship is an integral part of our business strategy, and we believe that by pursuing these goals, we will not only create long-term value for our stakeholders but also contribute to a more sustainable and equitable world.

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

Name: Mr. N Ananthasheshan

Designation: Managing Director

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

Yes, The Board and its Committees bear the primary responsibility for overseeing the strategy, governance, compliance, stakeholder interest, risk management, and sustainability practices of the Company, including the identification, mitigation, and management of ESG risks and other material issues. We have established several Board committees to address business concerns, such as the Audit Committee, Risk Management Committee, Stakeholders'

Relationship Committee, and Corporate Social Responsibility Committee.

1. Risk Management Committee: The Risk Committee is responsible for identifying and assessing Environmental, Social, and Governance (ESG) risks that may impact the Company's operations or reputation. The committee analyses these risks and recommends appropriate strategies and actions to mitigate them. By proactively addressing ESG risks, we can better protect its stakeholders and improve its long-term sustainability.
2. ESG Committee: The ESG Committee is responsible for implementing the Company's ESG policies and strategies. This involves coordinating with various departments and stakeholders to ensure that ESG considerations are integrated into business operations and decision-making processes. The committee also monitors progress towards ESG goals and identifies areas for improvement, enabling the Company to continuously enhance its ESG performance.
3. Audit Committee: The Audit Committee is responsible for reviewing the Company's financial performance and ensuring that it complies with legal and regulatory requirements. In addition, the committee reviews the Company's ESG performance and sustainability reporting, ensuring that they are accurate, transparent, and provide relevant information to stakeholders. Through this oversight, the committee helps to maintain our reputation and build trust with its stakeholders.
4. Stakeholder Committee: The Stakeholder Committee is responsible for monitoring and addressing grievances from all Stakeholders, including Customers, Employees, Suppliers, and Communities. The committee ensures that stakeholder concerns are heard and addressed in a timely and effective manner, enhancing stakeholder satisfaction and loyalty. Through this approach, we build stronger relationships with its stakeholders and improve its reputation as a responsible and ethical business.

10. Details of Review of National Guidelines on Responsible Business Conduct (NGRBCs) by the Company

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (Annually/Half yearly/Quarterly/Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow-up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Q	Q	Q	Q	Q	Q	Q	Q	Q
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Q	Q	Q	Q	Q	Q	Q	Q	Q

Note: As part of a regular process, the department heads, business leaders, functional heads and senior management staff review the Company's policies to ensure their continued relevance and effectiveness. Any necessary adjustments to the policies and processes are made during this assessment, and the policies are presented to the Board of Directors as needed. The Company and its subsidiaries ensure adherence to applicable regulations and have established compliance management system to this effect.

Aspect	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	<p>The leadership team has developed various policies and procedures on material aspects of CUMI. Although we have not undergone external Environmental and Social assessments, we have established a robust internal mechanism to ensure compliance with relevant standards and regulations. This mechanism includes site-level audits as well as corporate-level audits to assess our performance in areas such as environment, health, safety, and quality management.</p> <p>We have implemented various integrated management systems, including ISO 9001 for quality management, IS 45001 for occupational health and safety management, and ISO 50001 for energy management. These systems are audited by reputable organisations. We have also partnered with ESG specialists to assess our existing maturity levels and draw up plans to minimise the gap to benchmarked practices and processes in ESG.</p>								

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

All principles are covered in the policies.

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT, AND ACCOUNTABLE

Carborundum Universal Limited (“CUMI”), a constituent of the Murugappa Group, is committed to the highest standards of Corporate Governance in all its activities and processes. CUMI’s value systems are aligned with the Murugappa Group’s Values and Beliefs guided by the Five Lights - spirit of the Murugappa Group: Integrity, Quality, Passion, Respect and Responsibility towards all stakeholders and the communities that the Company operates in and serves. The Company as well as all companies within the CUMI Group - its Subsidiaries, Associates or Joint Ventures are governed by this philosophy in addition to the requirements of their local jurisdictions. The Board recognises that governance expectations are constantly evolving and is committed to keeping its governance framework under continuous review to meet both letter and spirit of the law and its own demanding levels of business ethics.

Our key elements in Corporate Governance are transparency, internal controls, risk management, internal/external communications and good standards of safety, health, environment and quality. The Corporate Governance philosophy of the Company is driven by the fundamental principles of: Adhering to the governance standards beyond the letter of law; Maintaining transparency and high degree of disclosure levels; Maintaining a clear distinction between personal and corporate interest, Having a transparent corporate structure driven by business needs; and Ensuring compliance with applicable laws.

The Board has been constituted in an appropriate manner, to preserve its independence and to separate the Board functions of Governance and Management. The Board members are eminent persons and have collective experience in diverse fields of technology, engineering, banking, foreign affairs, management, legal and compliance. The Company’s day-to-day affairs are managed by the Managing Director and Whole-time Director, assisted by a competent management team under the overall supervision of the Board. The Company’s commitment to ethical and lawful business conduct is a fundamental shared value of the Board, Senior Management and all its employees.

Consistent with its Values and Beliefs represented by the Five Lights - spirit of the Murugappa Group, the Company has formulated a Code of Conduct applicable to the Board and Senior Management which is posted on the Company’s website (<https://www.cumi-murugappa.com/policies-disclosure/>). The Board meets at regular intervals and has a formal schedule of matters reserved for its consideration and decision to ensure that it exercises full control over significant, strategic, financial, operational and compliance matters. These include setting performance targets, reviewing operational and financial performance against set targets, evolving strategy, approving investments, ensuring adequate availability of financial resources, overseeing risk management and reporting to the shareholders.

Various committees have been constituted by the Boards of the respective group companies in terms of regulatory requirements and to oversee operational/strategic matters thereby supporting the Board in discharging its duties efficiently. The Committees of the Board are Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, and CSR committee. The Board at the time of the constitution of committees approves the terms of reference of each committee. Recommendations of the committees on various matters are placed before the Board for approval.

CUMI’s Right Path, a corporate manual setting out the corporate culture lays down the guidelines required to be adhered by every employee both in letter and spirit. This manual was prepared with a view to give clarity on ethical issues, maintaining transparency in all dealings and to practice ethics in a dynamic business environment. It is required to be adhered by all employees, the Company’s Code of Conduct, Code of Conduct for Prevention of Insider Trading, Diversity policy, Policy on prevention of sexual harassment, ethical guidelines on stakeholder dealing, Whistle Blower policy which are also enshrined in the Right Path serve as a guiding norm in matters relating to ethics, anti-bribery and anticorruption for all employees. The anti-bribery clauses are made part of its contractual arrangements with suppliers, vendors etc., The Company has also put in place transparent

processes for dealing with confidential and sensitive information of the Company, legitimate purposes for which it can be shared and the manner to conduct enquiry in case of a violation etc., beyond the mandate of law.

In line with the Companies Act, 2013, Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has in place policies for determining 'materiality' for disclosure of events/information to stock exchanges, policy for preservation and archival of documents, dividend distribution policy, business responsibility policy, whistle blower policy, the corporate social responsibility policy and policy for the prevention of sexual harassment at workplace. The above policies are periodically reviewed by the Board. Due to the adoption of a robust governance mechanism, no material incidents were reported during FY 2022-23.

The Company ensures that its Directors are kept up-to-date on sustainability initiatives and regulatory changes through quarterly meetings. This practice helps the Directors to make informed decisions that align with the latest industry standards and requirements. Key managerial and other employees/workers are trained on various policies and work-related material aspects such as ethical guidelines on stakeholder dealing, health & safety, environment and climate change. A series of training programs and workshops are being conducted for the employees to ensure that the Murugappa Five lights spirit is embraced across the Company. No incidents related to corruption and bribery were reported either by internal, or external stakeholders including the whistle-blower mechanism for the FY 2022-23.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

The Company exercises due diligence in the selection of suppliers/contractors/others who are aligned with our value system. True to our purpose of 'Making Materials Matter,' we harness the properties of the rare resources of nature to maximise their efficiencies for the best possible material science solutions for an enduring planet. One of our long-term objectives within the sustainability space is to promote and facilitate the implementation of sustainable practices among our supply chain partners, vendors, and communities, with a focus on encouraging and providing support for these efforts.

We look at sustainability in all aspects of our business operations with a focus on innovation & process upgradation through purposeful Research & Development and collaboration with leaders in Materials Technology. Our research and product design has always centered on the sustainability of making 'more with less', extending product life cycles, enhancing efficiencies, improving processes, reducing cost, and minimising.

The Company strives for sustainable resource exploitation through its integrated operations. Collaborative project opportunities among the various business units lead to increased efficiencies in sourcing and product development. We adopt Total Productivity Maintenance (TPM) practices

to improve operational efficiencies while also promoting sustainable operations and energy conservation.

In the Abrasives business which is the main business segment of the Company, sustainable sourcing is incorporated in the processes and procedures as follows: 1. Energy Management initiatives are captured in our Supplier addition checklist. 2. Focused Sustainability projects like reducing the weight of packing materials, water consumption, energy consumption etc are reviewed. 3. Procurement of paper is undertaken only from FSC-certified mills. Also, we have plans to promote/support SA 8000, ISO 14001, and OHSAS 45001 certified vendors in our supply chain as a way to integrate ESG aspects. The long-term plan is to conduct an ESG assessment of key suppliers and communicates areas of further improvements to reinforce ESG principles.

We continuously innovate and strive for optimal resource use over the life cycle of the products it manufactures. The Company has sustainable processes in place to recycle the products and waste, post-completion of the manufacturing life cycle. As part of our initiative towards reducing our GHG emissions over our product life cycle, we have migrated towards natural gas in both Industrial Ceramics & Bonded Abrasives and promote renewable energy consumption through the installation of solar energy at our plant locations. We have estimated our carbon footprint and net-zero strategy by engaging the Confederation of Indian Industries in certain businesses. We are further planning to undertake a life cycle assessment of major products.

The EPR regulations require us to manage our plastic waste from Abrasives Business. We have recycled 313 metric tons of plastic packaging waste during the year by engaging third-party services. There are many other initiatives to reduce waste such as use of rejected material back into the product manufacturing mix, including maximum recycling mix in products to ensure high recyclability etc.

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

The organisation remained committed to prioritising the well-being of its employees. The Company has adopted employee-oriented policies covering areas such as employee contract policy, employee and worker wage policy, PF/Gratuity policy, career development policy, fair employee appraisal process, 360 Degree feedback process, employee grievance redressal mechanism, leave policy, travel policy, paternity and maternity leave policy, group health and medical insurance, accident insurance, policy on fairness to participating in open forums, prevention of sexual harassment workplace policy and great places to work policy.

The current workforce comprises 975 employees and 4488 workers, all of whom receive comprehensive health, accident, maternity, and retirement benefits. Our return to work and retention rates of permanent employees and workers over the last year is 100%. Unit level grievance committee/IC committee

is responsible to address any grievances that employees or workers (both permanent and contractual) may have. There were, no pending grievances for the fiscal year 2022-23 due to the effective employee and worker engagement process implemented by the organisation.

Employee Safety and Health Safety continues to be the key area of focus for the Company. Most of the manufacturing locations of the Company are certified ISO 14001 (Environment Management System), QMS - ISO 9001 (Quality Management System), and ISO 45001. Some of the plants are also certified EnMS ISO 50001:2011. Behaviour-based training both in-person as well as virtual was conducted to promote a culture of safe working. The Behaviour-based safety model has been piloted in select units of Electrominerals, Industrial Ceramics and Abrasives Businesses. We conduct HIRA assessments in all of our plants, and for certain units, we also perform working condition assessments based on the REBA model. Our risk register encompasses all work-related hazards, demonstrating our commitment to comprehensive risk management. Safety awareness sessions continued on a regular basis to bring in more awareness of safety. Separate kiosks have been set up at select units to provide virtual training on safety and to issue a work passport on the successful completion of safety orientation.

We prioritise regular awareness sessions, training on the proper use of protective equipment, and identifying and eliminating any hazardous conditions. CUMI places great importance on workplace safety and has made sustained efforts to train our employees on safe work practices. Over the last year, 100 per cent of our employees and workers have been trained in health and safety. We remain committed to promoting and empowering women through initiatives such as our friendly workplace policies, policies for the prevention of sexual harassment, and the establishment of internal complaints and women welfare committees. Some of our plants have already taken measures to benchmark their safety protocols. Furthermore, the organisation has entered and emerged victorious in many competitions for exemplary safety practices over the past year. Throughout the previous financial year, we are pleased to report that we did not receive any complaints related to health, safety, or the environment (HSE) from our employees or workers. This indicates that our organisation's efforts to prioritise HSE and implement effective measures to promote a safe and healthy workplace have been successful.

- EMD was awarded the IEI Industry Excellence Award 2022
- EMD has been recognised with GOLD Award for Energy Management and Conservation by Society of Energy Engineers & Managers (SEEM)
- EMD was awarded the Kerala State Energy Conservation Award 2022 in appreciation of the commendable achievements towards energy conservation and management in the category of Large-Scale Energy Consumers
- Three of our units have won Safety Award this instituted by Government of Kerala and National Safety Council

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

CUMI strongly believes in order to deliver services that are relevant to the market; stakeholder engagement is essential. The major stakeholders are shareholders and investors, employees, customers, suppliers, local communities, regulators, and government agencies.

The most critical material topics that are having some interest or influence on the stakeholders are regulations, technology risk, market preference risk, environmental risk, climate action obligation, employee turnover and skills, customer data privacy, organisation data security, corruption and bribery, and supply chains.

The Company management regularly interacts with key stakeholders. The consultation with the Board on key stakeholder concerns is largely facilitated by different organisational functions which are responsible for the respective stakeholders. This is facilitated through periodic Board reviews held at least once a quarter. The Company conducts a customer satisfaction survey on a periodic basis. The Company puts the customers at the fulcrum of its business strategy. The Company understands the requirements of the customers and provides holistic solutions rather than merely supplying materials.

The Company on a periodical basis undertakes dedicated activities as a part of its CSR initiatives for the disadvantaged, vulnerable and marginalised stakeholders in and around the Company's factories/plants. Education, sports and health aids are provided to schools in rural/underdeveloped areas and to schools supporting differently abled children. The Company's Corporate Social Responsibility (CSR) policy drives the initiatives undertaken by the Company towards the benefit of the disadvantaged, vulnerable, and marginalised stakeholders. The Company has spent ₹378.33 Lakhs on CSR activities benefiting more than 80 per cent from marginalised and weaker sections of the society during the FY 2022-23.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

CUMI has a strong commitment to upholding human rights in all of its business operations. The Company recognises that human rights are universal, inherent, interdependent, and indivisible. To integrate this aspect with its operations, the Company takes conscious efforts to understand the regulatory aspects of human rights both nationally and internationally. CUMI respects the human rights of all relevant stakeholders and groups, including communities, consumers, vulnerable and marginalised groups, and business units within their sphere of influence. They strive to promote awareness and realisation of human rights across their value chain.

The Company is committed to providing equal opportunities during employment and recruitment, regardless of gender, race, caste, religion, disability, creed, etc., CUMI also prioritises maintaining a safe, hygienic, and humane workplace

environment that upholds the dignity of employees. This includes regular training and communication.

To ensure high standards of ethical, moral, and legal business conduct, the Company has established a whistle-blower mechanism that provides an avenue to raise concerns. The grievance mechanism also provides adequate safeguards against employee victimisation. Awareness campaigns organised by the Internal Complaints Committee, set up under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, help promote a safe and respectful workplace. In the previous year, two referrals were received under the policy for the prevention of sexual harassment, which were resolved after due inquiry.

All permanent and non-permanent employees at CUMI are paid more than minimum wages. About 99.66 per cent of permanent workers and 8.9 per cent of other than permanent workers are paid more than the minimum wages.

No disputes or legal cases related to HR-related incidents or human rights were filed or pending against the organisation. The corporate HR head is primarily responsible for the overall implementation of various human rights-related policies and addressing grievances. We have following policies/framework in place to promote human rights.

- Compliance with the Code of Wages 2019 and other applicable regulations,
- Employee contract or agreement,
- Equal and fair wages policy,
- Employee and staff leave policy,
- Timely disbursement of salaries,
- Compliance with provident fund and gratuity,
- Leave policy,
- Parental leave, and come back to work policy,
- Employee and staff health protection policy,
- Occupational health and safety at workplace policy,
- Employee freedom of expression and participation policy,
- Employees separation and notice period policy,
- Promoting inclusiveness and equal opportunities,
- Non-discrimination and protection against sexual harassment,
- Employee information and privacy policy,
- Grievance redressal mechanism for employees and service providers,
- Employee awareness programs on HR policies and human rights,
- Fairtrade practices with service providers.

No complaints regarding child labor, forced labor, bonded labor, or involuntary labor were reported in the last financial year, and

all plants and offices undergo third-party audits for compliance with human rights aspects. CUMI requires all its value chain partners to comply with their supplier code of conduct, which insists on 100 per cent compliance with human rights aspects such as child labor, forced/involuntary labor, sexual harassment, and wages.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

We at CUMI have implemented robust mechanisms to ensure compliance with applicable environmental laws and regulations. We are dedicated to being an environmentally friendly organisation and have established an extensive Environmental and Sustainability Policy that is followed across all our business units. Additionally, the Company actively participates in initiatives to address environmental issues and promote sustainable development. Almost all of our plants are certified for both ISO 14001 certification for Environment Management Systems and ISO 9001 certification for Quality Management Systems. The Company's environment policy can be viewed at <https://www.cumi-murugappa.com/wp-content/themes/CUMI/pdf/Sustainability-Policy-2023.pdf>.

Our sustainability vision for 2025 aims to reduce our environmental footprint significantly. To achieve this, we plan to lower our specific water consumption, emissions, and energy consumption. We also intend to incorporate renewables into our power mix and reduce waste considerably. As part of our commitment towards sustainability, we have progressed across different components of the environment in the following ways as underlined below.

Throughout the year, the Company's various businesses demonstrated a significant commitment to energy conservation with a strong focus and dedication. The details of energy conservation initiatives and investments are available in Annexure D. The primary energy conservation measures undertaken involved identifying and optimising power consumption in power-intensive equipment, modifying the manufacturing process, replacing legacy equipment with efficient and energy-conserving alternatives, improving cycle time, and sourcing alternate fuels (fuel oil to LNG/CNG). As a result, we achieved several efficiency improvements in furnace operations, commissioned solar power units at multiple factory locations, realised fuel savings through automation and heat recovery, and made improvements in combustion efficiency and specific fuel consumption. Our energy intensity has come down by 6 per cent in the reporting fiscal year and we met a total of 11 per cent of total power consumed from renewable energy with a total specific power consumption rate of 0.053 TJ/turnover in Rupees million.

As part of our commitment to reducing greenhouse gas emissions, we have enlisted the services of a third party to assess our overall carbon footprint. We are presently developing customised carbon reduction strategies for each of our plants, taking into account the specific requirements of each business.

To reduce our Scope 1 emission, we have successfully replaced fuel oil with carbon-effective LNG at most of our plants. Furthermore, we are committed to achieving a renewable energy mix of at least 25 per cent by integrating our renewable energy blend into our power supply. Accordingly, our total Scope 1 and Scope 2 emissions intensity have been reduced by 13 per cent from the last fiscal year with 8.2 Mt CO₂e (Scope 1 and Scope 2)/turnover in Rupees million.

The total volume of water consumed during the preceding financial year amounted to 375229 KL, characterised by a specific consumption rate of 15 KL per turnover in Rupees million. In an effort to curtail water usage, a range of water-saving initiatives has been implemented, such as refining the treatment process, incorporating a jet aeration system, reusing rejected reverse osmosis (RO) water as feedwater for boilers, and effectively recycling rainwater. At all of our facilities, we have installed both Sewage Treatment Plants and Effluent Treatment Plants, which are in compliance with the applicable discharge norms as established by the pollution control board. Moreover, several of our plants operate as Zero Liquid Discharge plants.

All of our business units follow the "reduce, reuse, and recycle" approach to manage waste. We have implemented various initiatives to support this approach, including selling fired rejects from our Industrial Ceramics business to Super Refractories, maximising the reuse of waste generated within our internal system or among group companies, and implementing a bio-treatment system for food waste. As per the EPR regulations, we are responsible for managing our plastic waste. To fulfil this responsibility, we have recycled 313 metric tons of plastic packaging waste through third-party services this year. In the reporting fiscal year, we have recycled/reused about 39 per cent of the waste we have generated.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

CUMI is an active member of several national and international trade and industry chambers and associations. As part of these groups, we provide recommendations and representations to regulators and associations to advance and improve the industrial climate in India. Additionally, we regularly participate in forums and discussions related to energy security and management, water and food security, and sustainable business practices to share our views and opinions. However, during the previous fiscal year, the Company did not engage in any public policy advocacy.

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Prior to the mandatory implementation of Corporate Social Responsibility (CSR) provisions under the Companies Act of 2013, we had already made it a tradition to allocate a portion of our profits to fulfill social responsibilities in accordance with the Murugappa Group's value system. The Company views social responsibility as more than a mere obligation, but rather

as a moral duty in line with one's spiritual beliefs. Therefore, our philanthropic endeavours reflect our ethical principles and provide us with a means of fulfilling our obligations to various segments of society.

To effectively implement our well-defined CSR policy, a dedicated CSR Committee has been established to oversee the allocation of funds towards specific projects. The CSR policy outlines the Company's responsibility towards CSR, the guiding principles of our initiative, the method of implementation, and a corresponding reporting process. With a focus on Skill Development, Education, and Healthcare, these priority areas are at the forefront of the Company's CSR endeavours.

The Company is committed to promoting inclusive growth through a comprehensive Corporate Social Responsibility (CSR) Policy, which can be viewed at the link [CSR-Policy-2021.pdf](https://www.cumi-murugappa.com/wp-content/uploads/2021/04/CSR-Policy-2021.pdf) (<https://www.cumi-murugappa.com/wp-content/uploads/2021/04/CSR-Policy-2021.pdf>). In the previous fiscal year, we implemented several projects in the areas of Child and Youth Empowerment, Elderly Care, Health Services, and Sustainability, with a total CSR spend of 378.33 Lakhs. These projects have benefitted approximately 24,529 individuals, with 80 per cent of the beneficiaries being from marginalised or vulnerable communities.

CUMI is committed to promoting social inclusion and economic empowerment, particularly for marginalised groups. As part of this commitment, we have exclusively engaged suppliers from these groups for the supply of manpower to our various plants. This not only supports our manufacturing processes but also helps to ensure the livelihoods of these suppliers. In the previous fiscal year, 1 per cent of our annual procurement of goods and services are from marginalised suppliers.

We have implemented several measures to receive and address grievances from various stakeholders, including a Stakeholder forum comprising local body members and other community representatives, as well as need-based community interventions.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

We, at CUMI place great importance on addressing customer complaints and recognise the need to be agile, transparent, and solution-oriented in order to resolve them effectively to the satisfaction of our customers. We believe that commitment to transparency is vital to build trust and credibility with our customers, by demonstrating honesty and openness in handling complaints.

Customers can communicate their complaints via email or phone calls to the regional salesperson, who will send an immediate acknowledgment of the complaint via email. The complaint is then registered in the Company's Enterprise Resource Planning (ERP) system. To ensure efficient resolution of complaints, technical complaints are handled by the quality

control team, while commercial complaints are managed by the Marketing team. The Company has set a target of resolving complaints within 30 days, in cases where the return of material is necessary for analysis. Through the ERP we have streamlined the complaint resolution process by routing the complaint to the appropriate team and tracking its progress. By centralising complaint management in the ERP system, the Company ensures that complaints are addressed efficiently and effectively.

During the previous fiscal year, we did not receive any complaints related to data privacy, advertising, cybersecurity, delivery of essential services, restrictive trade practices, or unfair trade practices. However, we have received 73 complaints under other category, and we were able to resolve 86 per cent of those complaints to the satisfaction of our customers. The Company encourages our customers to prioritise safety by providing instructions (instruction labels) regarding the handling, storage,

use of its products and disposal mandated as per the local laws. Also, in order to promote the safe and responsible usage of our products, we have made available Material Safety Data Sheets (MSDS) on our website. These sheets contain detailed information about the potential hazards associated with our products and provide guidance on how to handle, store, and dispose of our products in a safe manner. We also make the decision to voluntarily recall our products due to issues with material breakage in interest of ensuring the safety and satisfaction of our customers.

The Company conducts consumer surveys and monitors satisfaction trends periodically. Surveys are often carried out during customer plant visits, allowing us to gather firsthand insight into their experiences with our products and services. No cases of customer data breaches have been reported in the previous fiscal year.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in a respective category covered by the awareness programmes
Board of Directors	<p>Throughout the fiscal year 2022-23, a range of awareness programs, and discussion meetings were conducted for the Board and its various Committees. These programs comprehensively covered various aspects of the BRSR 9 principles highlighted in the Business Responsibility and Sustainability Reporting, and were delivered in the form of quarterly presentations covering topics such as SEBI listing guidelines, difference between BRR and BRSR reporting, Corporate Governance, Regulatory Changes, domestic and global corporate and industry developments, sustainability and ESG updates, policy awareness, grievance mechanism, occupational health and safety aspects, and risk management and mitigation measures.</p> <p>We strongly believe that discussing and addressing critical aspects of Economic, Environment, Social, and Governance aspects during the meetings enables the Board to make informed and timely decisions. Board members frequently interact with each other to review progress made in material aspects and take decisive decisions to align with the set targets (one such example is CSR spending).</p> <p>Moreover, the Chairman and Board of Directors periodically visit the manufacturing facilities. In the last fiscal year, the Board visited plants in Kochi, Kerala, to gain an understanding of the various initiatives implemented in Environment and Sustainability, in line with our Sustainability Goals. These initiatives include new investments in the modernisation of the fused alumina facility, efforts to reduce GHG gas emissions through quantification, the implementation status of GHG mitigation projects, and the development of new sustainable products.</p>		100%

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in a respective category covered by the awareness programmes
Key Managerial Personnel Employees other than BoD and KMPs	An array of awareness sections/training programs for KMPs and employees as listed below have been conducted in the last fiscal year. <ul style="list-style-type: none"> Awareness on Whistleblowing and raising complaints under the Policy of the Company Sustainability practices of the Company Awareness session on POSH Awareness session on Values workshop Training program on GHG accounting and mitigation measures Workshop on guiding principles and beliefs which define organisation culture and serve as a reference for our decision-making processes Online and Offline training programs on occupational health and safety Awareness sessions on SEBI (PIT) Regulations, 2015 		KMP-100% Employees-71%
Workers	<ul style="list-style-type: none"> Awareness on Whistleblowing and raising complaints under the Policy of the Company Awareness session on POSH Occupational Health and Safety 		26%

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

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

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

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

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

CUMI's Right Path, a corporate manual setting out the corporate culture lays down the guidelines required to be adhered by every employee both in letter and spirit. This manual was prepared with a view to give clarity on ethical issues, maintaining transparency in all dealings and to practice ethics in a dynamic business environment. It is required to be adhered by all employees, the Company's Code of Conduct, Code of Conduct for Prevention of Insider Trading, Diversity policy, Policy on prevention of sexual harassment, ethical guidelines on stakeholder dealing, Whistle Blower policy (<https://www.cumi-murugappa.com/wp-content/themes/CUMI/pdf/policies/Whistle-Blower-Policy.pdf>) which are also enshrined in the Right Path serve as a guiding norm in matters relating to ethics, anti-bribery and anti-corruption for all employees.

The Company strictly prohibits its employees and representatives from engaging in any form of bribery or corruption in any business dealings involving government officials, customers, vendors, or employees. This includes offering, accepting, paying, or authorising any form of bribe or corrupt payment. Our code of conduct includes a provision that prohibits employees from making any payments, directly or indirectly, to any individual or entity in exchange for business or any other favourable action. The anti-bribery clauses are made part of its contractual arrangements with suppliers, vendors etc. The Company has also put in place transparent processes for dealing with confidential and sensitive information of the Company, legitimate purposes for which it can be shared and the manner to conduct enquiry in case of a violation etc., beyond the mandate of law. Wherever feasible the contractual agreements with third parties also include provisions for adherence to the anti-bribery policy of the Company.

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

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors		
KMPs	NIL	NIL
Employees		
Workers		

6. Details of complaints with regard to conflict of interest

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors				
Number of complaints received in relation to issues of Conflict of Interest of the KMPs		NIL		NIL

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

Not Applicable

Leadership Indicators

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

Total number of awareness programmes held	Topics/principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
The Company is in the process of developing and institutionalising a program for the value chain partners.		

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

Yes, the Company has instituted a Code of Conduct that serves as a guiding framework for its Board of Directors and Senior Management personnel, elucidating clear directives on abstaining from and disclosing actual or potential conflicts of interest that may arise in connection with the Company's business operations. To reinforce the adherence to these directives, the Company mandates an annual declaration from its Board of Directors and Senior Management personnel, disclosing any interests that they may hold in other entities. Additionally, the Company undertakes necessary measures to procure requisite approvals, in compliance with the relevant laws and regulations, before entering into any transactions with such entities.

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

Essential Indicators

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

	Current Financial Year (FY 2022-23)	Previous Financial Year (FY 2021-22)	Details of improvements in environmental and social impacts
R&D	3.58%	-	Environmental improvement, Product recycling, New Product development, 'Disclosure on Conservation of Energy and Technology Absorption'.
Capex	8.06%	16.2%	

2. a) Does the entity have procedures in place for sustainable sourcing? (Yes/No)
 b) If yes, what Percentage of inputs were sourced sustainably?

The Company exercises due diligence in the selection of suppliers/contractors/others who are aligned with its value system. True to our purpose of 'Making a Material Difference,' we harness the properties of the rare resources of nature to maximise their efficiencies for the best possible material science solutions for an enduring planet. One of our long-term objectives within the sustainability space is to promote and facilitate the implementation of sustainable practices among our supply chain partners, vendors, and communities, with a focus on encouraging and providing support for these efforts.

Sustainable sourcing is incorporated in the processes and procedures as follows: 1. Energy Management initiatives are captured in our Supplier addition checklist. 2. Focused Sustainability projects like reducing the weight of packing materials, water consumption, energy consumption etc. are reviewed. 3. Procurement of paper is undertaken only from FSC-certified mills. Also, we have plans to promote/support SA 8000, ISO 14001, and OHSAS 45001 certified vendors in our supply chain as a way to integrate ESG aspects. The long-term plan is to conduct an ESG assessment of key suppliers and communicates areas of further improvements to reinforce ESG principles.

As a Company, we have implemented a process where we only engage with suppliers who are marginalised to provide us with manpower for our various plants. This is done in order to support our manufacturing process while also ensuring that these marginalised suppliers are able to earn a livelihood. We have committed to procuring 1 per cent of our annual goods and services from these suppliers as part of our commitment to support marginalised communities.

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.**

We are already implementing sustainable practices in our operations. Firstly, we are reusing materials to minimise waste. Secondly, any waste generated on-site is either recycled within our facility or given to recycling vendors. Thirdly, a significant percentage of our Abrasives products are covered under Extended Producer Responsibility (EPR) regulations as required by Indian law. Lastly, we are adhering to Local Government policies by avoiding the use of single-use plastics.

The EPR regulations require us to manage plastic waste from our Abrasive units. We have collected and recycled 313 metric tons of plastic packaging waste by engaging third-party services as part of EPR obligation in the reporting fiscal year. We recover more than 50 per cent of the gross loss of skeleton waste from the Abrasives Business in the form of marketable products. There are many other initiatives to reduce waste such as the use of rejected material back into the product manufacturing mix, including maximum recycling mix in products to ensure high recyclability etc.,. Therefore, plastic waste generated from our products and their packaging is safely managed under EPR obligation through third-party engagement which undertakes recycling and coprocessing to effectively manage waste.

E-waste and Hazardous Waste: Most of our products before and after use do not contribute to the generation of E-Waste and Hazardous waste. However, the usage of Prodorite leads to the generation of hazardous chemicals, which are informed to the customers for safe management and handling by customers based on Material Safety Data Sheet (MSDS) sheet provided along with the product.

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

Yes, it is applicable to our Abrasive units. Our EPR compliance obligation for the last fiscal year was 313 MT of plastic waste (70 per cent of the plastic packaging which we purchased and introduced in the market) and we have achieved the target. The details are summarised in the below.

Collection City	Material Type	PWP Type	Volume (MT)
Dindigul	Category I	Recycler	21
Kumbakonam	Category II	Co-processing	
Karaikudi	Category II	Co-processing	286
Elapully	Category II	Co-processing	
Elapully	Category III	Co-processing	6
Total Volume			313

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.
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While formal life cycle assessments have not yet been undertaken, we continuously innovate and strive for optimal resource use over the life cycle of the products we manufacture. The Company has sustainable processes in place to recycle the damaged products and waste, post-completion of the manufacturing life cycle. As part of our initiative towards reducing our GHG emissions over our product life cycle, we have migrated towards natural gas in both Industrial Ceramics & Bonded Abrasives and promote renewable energy consumption through the installation of solar energy at our plant locations. We have estimated our carbon footprint and net-zero strategy by engaging with CII. We are further planning to undertake a life cycle assessment of our major products.

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
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No major concerns were identified. However, the usage of Prodorite leads to the generation of hazardous chemicals, which are handled and disposed of by customers based on the MSDS sheet provided along with the product. Also, for the waste generated from premature failure of products shall be disposed of by customers as per the MSDS sheet provided.

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).

Presently, we do not use any virgin recycled or reuse material from the markets in our products. We are exploring possibilities for alternative sourcing and sustainable materials. However, we reuse and recycle waste generated from our operations within our plant and through authorised third party vendors. The below table list gives details of wastes that have been generated during the process operation and reused within our system itself. This data does not provide details on virgin recycle/reuse input materials coming from the market used in our production process.

Indicate input material*	Recycled or re-used input material to total material	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Reclaim (100 % of reclaim generated recycled)	26.92% (2708 MT)	27.71% (2823 MT)
Wooden Pallet recycle	100.0%	100.0%
Ceramics scrap (100 % generated waste recycled in SR)	10.4% (1045.62 MT)	15.98% (1627.63MT)
Ceramics Sludge (100 % generated waste recycled in SR)	1.85% (185.9MT)	2.38% (242.03MT)
Mullite-refractory (100 % generated waste recycled in SR)	27.97% (78.09MT)	25.91% (64.79MT)
Sic-refractory (100 % generated waste recycled in SR)	44% (39.61MT)	49.84% (33.73MT)
Abrasive Grains from crushed wheels & recovered from Coated abrasive trimmings	1%	0.75%
Secondary material (refractories)	2832 MT	-

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.

Please refer answer to "Essential Indicators, Sl. No. 4"

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

Our Abrasives units have the obligation of 70 per cent of the plastic packaging which we purchased and introduced in the market to be collected and recycled under EPR regulation. Our Refractory products are tailor-made to fit the specific needs of our clients and are put together on-site. As a result, there is minimal packaging involved and the amount of waste generated is negligible. We provide customised refractory solutions that are assembled directly at the client's location, which greatly reduces packaging waste. We prioritise sustainable waste management practices by striving to repurpose any waste generated in our production processes back into the same processes. We have also taken steps to ensure that all of our facilities have partnered with authorised vendors from the

Pollution Control Board (PCB). Our authorised vendors are responsible for recycling or reusing the waste whenever possible, thereby minimising the amount of waste that goes to landfills or incinerators. However, in instances where certain waste cannot be feasibly reintroduced into the circular economy, we make sure that it is properly disposed of through either incineration or safe landfills.

Please refer answer to “Essential Indicators, Sl. No. 4” for EPR compliance details.

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS.

Essential Indicators

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

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity		Day care Facilities	
		No.	% (B/A)	No.	% (C/A)	No.	% (D/A)	No.	% (E/A)	No.	% (F/A)
Permanent Employees											
Male	864	864	100%	864	100%	864	100%	864	100%	864	100%
Female	72	72	100%	72	100%	72	100%	72	100%	72	100%
Total	936	936	100%	936	100%	936	100%	936	100%	936	100%
Non-Permanent Employees											
Male	35	35	100%	35	100%	35	100%	35	100%	35	100%
Female	4	4	100%	4	100%	4	100%	4	100%	4	100%
Total	39	39	100%	39	100%	39	100%	39	100%	39	100%

Note: We have many employee-friendly policies in place such as (1) HR policies (lifecycle), (2) Equitable and Inclusive Work Place (3) Occupational health and safety policy, (4) Gender equality and diversity policy (5) Leave pool policy (6) Fair employee appraisal process (7) Group health and medical insurance, accident insurance. Also, most of our plants are ISO 45001 certified.

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

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity		Daycare Facilities	
		No (B)	% (B/A)	No (C)	% (C/A)	No (D)	% (D/A)	No (E)	% (E/A)	No (F)	% (F/A)
Permanent Workers											
Male	1172	1172	100%	1172	100%	1172	100%	-	-	1172	100%
Female	13	13	100%	13	100%	13	100%	-	-	13	100%
Total	1185	1185	100%	1185	100%	1185	100%	-	-	1185	100%
Non-Permanent workers											
Male	3036	3036	100%	3036	100%	3036	100%	-	-	3036	100%
Female	267	267	100%	267	100%	267	100%	-	-	267	100%
Total	3303	3303	100%	3303	100%	3303	100%	-	-	3303	100%

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

Benefits	Financial year 2022-2023			Financial year 2021-2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	NA	100	Y	NA	100	Y
Others -Specify	NA	NA	NA	NA	NA	NA

NA- Not applicable

3. Accessibility of workplaces

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

Our office space is equipped with elevators, accessible restrooms, and adjustable chairs to accommodate employees with disabilities. In addition, the majority of our plants also have facilities in place to support employees with disabilities.

Disabled employees who are part of various business units have been mapped with roles that can be performed with ease and based on this assessment, further evaluation is done to identify roles that can be performed remotely/home. Present work locations of differently abled employees are accessible to them. Efforts are in progress to prepare other locations also accessible to our 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.

Yes, covered as part of Diversity and Inclusion Policy under Right Path. CUMI is an equal opportunity employment provider. The Company encourages inclusive growth and supports equal employment opportunities for all job applicants and prospective employees, without discrimination about sex, caste, community, religion, age, disability, sexual orientation etc. Discrimination based on caste, colour, religion, or gender is considered a strict offence against the Company's principles. Equality of opportunity and merit is the sole criteria for selection.

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

Gender	Permanent employees		Non-Permanent employees	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

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

Yes/No (If Yes, then give details of the mechanism in brief)	
Permanent Workers	Unit-level grievance committees are existing at each location. For any Sexual harassment grievance, the IC committee under POSH exists for redressal. Workers can also reach out to the Ombudsman under the whistleblower mechanism.
Other than Permanent Workers	The first point of contact to resolve the grievance is the contractor through whom the worker is employed. The IC committee under POSH is available for any contract employee who can raise any grievance related to sexual harassment.
Permanent Employees	A dedicated mail id cumiposhcomplaints@cumi.murugappa.com is available to receive and resolve grievances. Employees can reach out to IC Committee constituted under POSH for Sexual harassment complaints. The whistle-blower channel is open to all employees for raising grievance or issues with confidentiality. Local & corporate HR units also have grievance redressal mechanism.
Other than Permanent Employees	Employees can raise their grievance through the contractor. If not resolved, can be escalated to the Unit HR, & also through the whistle blower mechanism.

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

Category	Current Year (FY 2022-23)			Previous Year (FY 2021-22)		
	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	864	-	-	851	-	-
Female	72	-	-	70	-	-
Total Permanent Workers						
Male	1172	544	46%	1188	480	40%
Female	13	-	-	12	-	-

8. Details of training given to employees and workers

Category	FY 2022-23					FY 2021-2022				
	Total (A)	On health and safety		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	899	899	100%	650	72%	864	864	100%	673	78%
Female	76	76	100%	44	58%	75	75	100%	44	59%
Total	975	975	100%	694	71%	939	939	100%	717	76%
Workers										
Male	4208	4208	100%	1136	27%	4385	4385	100%	1214	28%
Female	280	280	100%	9	3%	328	328	100%	12	4%
Total	4488	4488	100%	1145	26%	4713	4713	100%	1226	26%

Note: We have provided various awareness and training programs such as safe use of equipment and machinery, identification of risk and mitigation measures in the workplace, how to respond in case of an emergency etc., under Occupation, health and safety programs. We have also conducted skill development programs such as on the Job awareness programs, first aid, ergonomics etc.

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	899	772	86%	864	785	91%
Female	76	60	79%	75	63	84%
Total	975	832	85%	939	848	90%
Workers						
Male	1172	913	78%	1034	950	92%
Female	13	10	77%	11	11	100%
Total	1185	923	78%	1045	961	92%

Note: While performance and career development review of employees and workers are undertaken every year. Where as above referred data depicts as at position. However as the above referred data points pertain to the year end position, 100% adherence is not being depicted owing to the changes in the employees/workers during the year making them ineligible for a performance review during that year.

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, most of our manufacturing locations of the Company are ISO 45001 certified. Our organisation has adopted the ISO 45001 Plan-Do-Check-Act cycle to continuously improve our management system for occupational health and safety. We have recognised all possible safety hazards and risks arising from our business activities by conducting both internal and external safety audits.

Behaviour-based training both in-person as well as virtual was conducted to promote a culture of safe working. The Behaviour-based safety model has been piloted in select units of Electrominerals, Industrial Ceramics and Abrasives Businesses. We conduct Hazard Identification and Risk Assessment (HIRA) in all of our plants, and for certain units, we also perform working condition assessments based on the Rapid Entire Body Assessment (REBA) model. The enterprise risk management framework mandates maintenance of risk registers across businesses and this enables identification and mitigation of all work-related hazards, demonstrating our commitment to a comprehensive risk management. Safety awareness sessions continued on a regular basis to bring in more awareness of safety. Separate kiosks have been set up at selected units to provide virtual training on safety and to issue a work passport on the successful completion of safety orientation.

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

As detailed above the Company has implemented the ISO 45001 cycle that follows the Plan-Do-Check-Act framework to continually enhance our management system for occupational health and safety. At all plants, a Hazard Identification and Risk Assessment (HIRA) is conducted to identify potential hazards and risks related to occupational health and safety. Additionally, a working condition assessment is performed at select units based on the Rapid Entire Body Assessment (REBA) model. This assessment helps to evaluate the ergonomic risk factors and improve the working conditions for employees.

To ensure that all risks related to work-related hazards are identified and managed, a risk register is maintained. This register covers all the potential risks that have been identified during the HIRA and REBA assessments, and is updated regularly to reflect any changes or new risks that may arise. By maintaining a comprehensive risk register, the organisation can effectively monitor and manage all risks related to occupational health and safety, and take appropriate measures to mitigate these risks and prevent accidents or injuries in the workplace.

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

We actively promote a culture of reporting near-miss incidents/unsafe act among our employees through various digital platforms (safety tree). These incidents are analysed from a central repository to identify potential hazards and take appropriate corrective measures. Our sites have well-defined procedures in place for reporting work-related hazards, injuries, unsafe conditions, and unsafe acts. By encouraging reporting and maintaining strict procedures for identifying and reporting incidents, we can effectively manage and mitigate risks related to occupational health and safety across our organisation. We also formulated safety meetings for each plant comprising of workers & management representatives. The forum provides an avenue to workers to raise any work-related hazards, and implement corrective actions.

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

Yes, all employees/workers are covered under the health insurance scheme. Regular Annual Health check-up for employees/workers at external reputed hospitals/diagnostic centres for checking both occupational & non-occupational medical tests are provided.

11. Details of safety related incidents

Safety Incident/Number	Category	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR (per one million-person hours worked))	Employees	0	0
	Workers	3.85	3.67
Total recordable work-related injuries	Employees	0	0
	Workers	9	14
No. of fatalities	Employees	0	0
	Workers	0	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

The safety and health of employees are of utmost importance for the Company, and we have implemented a comprehensive safety management system to ensure a safe working environment at all our factory locations. The measures are summarised below:

- Company has implemented ISO 45001 PDCA to continuously improve our health and safety management system.
- Safety hazards: we have identified all the potential risks and hazards that can emerge from our business operations through internal and external safety audits.
- Risk mitigation measures have developed health and safety policies, machinery and equipment safety provisions, only authorised entry to hazard areas, and supply of personnel protective equipment.
- Safety SOPs covering procedures to adhere to safe work practices.
- Training and awareness: monthly meetings by the site head and plant safety specialist with all employees on safe work place practices, potential hazard, worker behaviour and PPEs.

At each unit, we have appointed a safety officer who is responsible for monitoring workplace safety. The safety office at each site reports to the Corporate Safety head. We have also established safety committees comprising of workers and management representatives to oversee safety practices and raise concerns regarding any work-related hazards. We actively promote a culture of reporting near-miss incidents/unsafe act among our employees through various digital platforms (safety tree). To prioritise safety at the management level, the Board reviews safety tracks and corrective actions as the first item in each Board meeting.

In the event of an accident, we conduct a root-cause analysis and take corrective actions to prevent future incidents. We also provide safety training to all employees before they enter the plant premises, and implement behavior-based safety training to install safety practices as a culture among our workforce. Additionally, we conduct Hazard Identification and Risk Assessment (HIRA) and working condition assessments based on the Rapid Entire Body Assessment (REBA) model at select units to identify potential hazards and improve working conditions for employees.

To effectively manage and mitigate risks related to occupational health and safety, we maintain a risk register that covers all potential risks identified during the HIRA and REBA assessments. By promoting a culture of reporting near-miss incidents and maintaining strict procedures for identifying and reporting hazards and unsafe conditions, we can effectively manage and mitigate risks across our organisation.

We have also participated in the best safety practices competition and won awards for our safety practices, which is a testament to our commitment to ensuring the safety and well-being of our employees.

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

Category	FY 21-22 (Current Financial Year)			FY 21-22 (Previous Financial Year)		
	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			No complaints reported			
Health & Safety			No complaints reported			

Note 1: We monitor indoor air quality, worker room temperature, ergonomics, and provide adequate ventilation to ensure safe working conditions. To further ensure the safety of our workers, we provide machine guards and personal protective equipment (PPE) to all our employees and workers.

Note 2: Most of our plants are certified under the ISO 45001 standard. We prioritise the health and safety of our workers by conducting regular health check-ups (including respiratory, vision, blood, and ECG tests for employees working in high-emission zones). We have visiting doctors and OH centers with first aid available in all our plants. Monthly meetings are held to discuss health and safety measures, and daily monitoring is done to maintain the best working conditions possible.

14. Assessments for the year

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

Note: Please refer to the footnote of Sl. No. 13

- Some of our plants were inspected/audited by safety experts from external agencies like National Safety Council-Kerala Chapter & Dept of Factories & Boilers, Government of Kerala for Safety Award Assessment.
- All Major plants of EMD underwent ISO 45001-2018 in March 2023 for Recertification audit and were recommended for Certification.
- All our EMD plants are inspected annually by Dept of Factories & Boilers, Government of Kerala and Electrical Inspectorate as per statutory requirements.
- Regular third-party inspections by competent person approved by the Dept of Factories & Boilers, Government of Kerala for all lifting tools & Tackles, Air Compressors etc are done and certificate of fitness maintained by respective plants.
- Periodic inspection by local factory inspectors/their representatives were conducted at all other units.

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

Please refer to Essential Indicator number 12 for information regarding the steps taken by our organisation to ensure a safe and healthy workplace. ISO 45001:2018 Occupational Health and Safety (OHS) Management Systems have been successfully implemented and verified by authorised bodies. The process of ISO 45001 includes Plan-Do-Check-Act (PDCA) methodology, which involves identifying risks, conducting hazard analysis, and developing risk mitigation plans with both passive and active measures. Standard Operating Procedures (SOPs) have been developed and communicated to employees through training programs. Individual department heads are responsible for implementing the OHS Management System, while OHS committees have been constituted at each site to supervise and audit the system's implementation.

We actively encourage our employees to report any instances of unsafe acts or near-misses through our safety digital platform. An OHS dashboard has been developed and regularly reviewed by the plant head, providing a clear picture of the OHS performance at each site. A tracking mechanism has been established to monitor the OHS management system's effectiveness and ensure compliance with the ISO 45001:2018 standard. To identify potential unsafe practices, we have implemented a safety tree that provides valuable insights into incidents and helps us to take appropriate corrective actions. We also take into account the inputs from the safety tree to

identify any potential risks and implement corrective actions at the respective locations to ensure a safe working environment. Some of our day-to-day activities to reduce accidents are listed below:

- Personal Protective Equipment compliances. The Company provides all necessary PPEs to employees and insists on wearing them inside the factory.
- Regular Safety related Training Programmes - classroom, online, shopfloor talk, mock drills etc., are carried out to ensure a safe & healthy workplace.
- Improving Plant safety through planned investment in technology upgrades to reduce manual activities identified as risky, improve the environmental & plant ambience and improve working conditions inside the plant are undertaken in a programmed manner.
- Emergency Mock drills are conducted to create awareness among workmen at periodic intervals.
- Continuous improvements like Kaizen, a suggestion scheme focusing on safety is undertaken to make the plant more safe place to work.
- Safety studies like HAZOP, HAZID, What-If are conducted to improve the safety systems inside the plant.
- First Aid Training are imparted to employees through external and internal training programs.

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).

All employees are covered through the Employee Deposit Linked Insurance as part of the Provident Fund scheme. The Company provides coverage for all its workers in accordance with the regulations stated in the Factories Act. Additionally, all the contractors we hire are covered by ESI scheme. As per the Employee Deposit Linked Insurance scheme, the family will continue to get the last drawn salary of the employee up to 48 months and continued health insurance coverage for 2 years.

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

All our payment process is fully digitalised and integrated to the GST system. In order for payment to be processed, the service provider must submit proof of remittance from the previous month along with their invoice. Failure to provide this proof will result in their service payment being withheld, until the compliances are met.

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

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 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Employees			Nil	
Workers			Nil	

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

No

5. Details on assessment of value chain partners

Aspect	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	None
Working Conditions	None

We have not conducted any assessment of our value chain partners in the previous fiscal year on employee well-being such as SHE and working conditions. However, we intend to conduct such audits as part of our ESG goals in the near future.

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 (Please refer answer to “Leadership Indicator SI. No. 5”

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS**Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the entity.**

We place a strong emphasis on stakeholder engagement as a means of delivering relevant services to the market. We believe that responsiveness to stakeholder requirements is fundamental to our success, as reflected in our Corporate Values & Beliefs of Integrity, Passion, Quality, Respect, and Responsibility.

The key stakeholders include shareholders and investors, employees, customers, suppliers, local communities, regulators, and government agencies. We have implemented a stakeholder identification process to classify the major stakeholders who have an impact on our business, as well as the impact our business has on them. To lead our stakeholder engagement efforts, we have established a Stakeholder Relationship Committee. Our management team regularly engages with key stakeholders, and different organisational functions are responsible for facilitating consultation with the Board on important stakeholder concerns. The Board conducts regular reviews of stakeholder engagement activities at least once a quarter.

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 & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website)	Frequency of engagement (Annually/ Half yearly/ Quarterly)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholder	No	Annual General Meeting, Shareholder meets, Email, Stock Exchange (SE) intimations, investor/analysts meet/conference calls, annual report, quarterly results, media releases, Company/SE website etc.	Ongoing	Share price appreciation, dividends, Profitability and financial stability, Robust governance growth prospects and shareholder value creation.
Employees	No	Senior leader's communication/talk/forum, Quarterly communication meeting, weekly communication from Managing Director "Thinking aloud", goal setting and performance appraisal meetings/review, exit interviews, arbitration/union meetings, wellness initiatives, engagement survey, email, intranet, flat screens, websites, poster campaigns, house magazines, circulars, quarterly publication and newsletters etc.	Ongoing	Operational efficiencies, improvement areas, long-term strategy plans, training and awareness, responsible marketing, brand communication, health, safety and engagement initiatives, women empowerment and leadership programmes.
Customers	No	Website, distributor/retailer/direct customer/achievers meets, senior leader customer meets/visits, customer plant visits, customer audits, club, key account management, trade body membership, Exhibitions, complaints management, help desk, plans, customer surveys etc.	Ongoing	Product quality and availability, responsiveness to needs, after sales service, responsible guidelines/manufacturing, customisation, alignment with the mission/vision/goals of the Company.
Suppliers/ Partners	No	Prequalification/vetting/introduction/communication and the partnership meets, plant visits, MoU and framework agreements, trade association meets/seminars, professional networks, contract management/review, product workshops/on-site presentations, satisfaction surveys.	Ongoing	Quality, timely delivery and payments, (sustainability, safety checks, compliances, ethical behaviour), ISO and OHSAS standards, collaboration and opportunities, effective supply chain management.
Government (MCA, SEBI, PCB, Ministry of Labour and Employment)	No	Advocacy meetings with local/state/national government and ministries, seminars, media releases, conferences, membership with industry bodies (CII, SICCI etc).	Ongoing	Changes in regulatory frameworks, skill and capacity building, employment, environmental measures, policy advocacy, timely contribution to exchequer/local infrastructure, proactive engagement.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website)	Frequency of engagement (Annually/ Half yearly/ Quarterly)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Communities	Yes	Meets (of community/local authority and town council/committee/location head), community visits and projects, partnerships with local charities, volunteerism, seminars/conferences.	ongoing	Communication of Disaster Management Program and Emergency response plan, Also, we have discussed issues like the transportation of heavy vehicles and mitigation measures undertaken to reduce dust levels in the plant neighboring community areas, Monitoring plans to minimise environmental impact in nearby villages. We have consulted with the community to establish various CSR programs such as Social welfare activities, Waste management, integrated water management, clean water, climate change impacts, community development, self-sustainability, livelihood support, and disaster relief.

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.

Various organisational functions at the Company are responsible for different stakeholders, and they facilitate the consultation process with the Board regarding key stakeholder concerns. This process involves periodic Board reviews that are held at least once a quarter, during which the Board engages in discussions with the Managing Director and other senior leaders who represent these functions. This approach ensures that the Board is informed about important stakeholder issues and is able to provide input and guidance on how the Company can best address them. We discuss the aspects listed in “Sl. No. 6 of essential indicators” with the respective stakeholders. A brief of items that are being discussed in the meetings are listed below.

- Investors: Screening of ESG, discussions to understand Company's operations are aligned with its ESG obligations and to mitigate any potential risks.
- Leadership team and employees: Consultation revolves around ESG/sustainability implementation aspects and ongoing activities to keep them informed and involved in the Company's efforts to improve its ESG performance.
- Contractors: Consultation on OHS (Occupational Health and Safety) requirements at the site, as well as facility environmental requirements on waste handling and disposal, to ensure that they are aware of their responsibilities towards ESG.
- Channel partners: Consultation on product delivery standards and requirements, market requirements, and other relevant inputs to ensure that they are aware of the Company's ESG expectations.
- Community: Consultation on disaster management plans, environmental monitoring plans etc., We have installed display boards at the entrance gate to ensure transparent communication of our environmental information to the community. This helps to build trust and demonstrates our commitment to environmental and social responsibility.

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.

We recognise the importance of stakeholder consultation in our decision-making process, particularly in matters concerning environmental and social issues. Through these consultations, we gained valuable insights into the needs of the community, especially those from marginalised or vulnerable groups, which helped us develop our Corporate Social Responsibility programs.

In some cases, our customers and suppliers may conduct ESG audits to evaluate our performance in ESG areas. By clearing these audits, we demonstrate our commitment to sustainable business practices and ethical behaviour. This enables us to establish and maintain positive relationships with our stakeholders, which ultimately contributes to our long-term success as a responsible and trusted business partner. As a responsible Company, we also acknowledge the growing demand from stakeholders to address various evolving frameworks in the ESG (Environmental, Social, and Governance) world. We are committed to keeping up with these developments and plan to address them in the near future.

Moreover, to achieve the Company's sustainability target we partnered with third-party agencies to identify the environment and social ESG materiality and calculate our carbon footprints and GHG mitigation strategies. We also partnered with agencies to assess maturity levels in this evolving frame work.

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

The majority of our manufacturing sites are situated within industrial estates. Despite operating in these areas for many years, we have not negatively impacted the surrounding community. Additionally, all of our contract workers are sourced from marginalised communities. As described in the previous section, we have implemented CSR programs in the communities surrounding our plant locations based on their needs. Our CSR initiatives have helped approximately 24,529 individuals in the past fiscal year, with 80 per cent of the beneficiaries belonging to vulnerable or marginalised communities. Additionally, we have made efforts to support marginalised suppliers by procuring 1 per cent of our annual goods and services from them.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

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

Category	Current Financial Year 2022-23			Previous Financial Year 2021-22		
	Total (A)	No. employees workers covered (B)	% (B/A)	Total (c)	No. employees workers covered (D)	% (D/C)
Employees						
Permanent	936	936	100	921	921	100
Other than permanent	39	39	100	18	18	100
Total Employees	975	975	100	939	939	100
Workers						
Permanent	1185	1185	100	1200	1200	100
Other than permanent	3303	3303	100	3513	3513	100
Total Workers	4488	4488	100	4713	4713	100

Note: All our employees have been trained on the spirit of the Murugappa group's five lights i.e. integrity, quality, passion, respect and responsibility towards all stakeholders and communities. Awareness campaigns regarding these aspects were held periodically. These aspects are communicated through notice boards, posters, email communication and regular meetings.

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

Category	FY 2022-23					FY 2021-22				
	Total	Equal to minimum wage		More than minimum wage		Total	Equal to minimum wage		More than minimum wage	
		No.	%B/A	No. (C)	%C/A		No.	%(E/D)	No.	%(F/D)
Employees										
Permanent										
Male	864	-	-	864	100%	851	-	-	851	100%
Female	72	-	-	72	100%	70	-	-	70	100%
Other than permanent										
Male	35	-	-	35	100%	13	-	-	13	100%
Female	4	-	-	4	100%	5	-	-	5	100%
Workers										
Permanent										
Male	1172	-	-	1172	100%	1188	-	-	1188	100%
Female	13	4	31%	9	69%	12	-	-	12	100%
Other than permanent										
Male	3036	2757	91%	279	9%	3197	2707	85	483	15%
Female	267	251	94%	16	6%	316	270	85	46	15%

Note: We follow minimum wages act and ensure that all our employees and workers are paid wages that is equal or exceeding the minimum wage prescribed by the law. All of our employees are paid more than minimum wages. 99.66 per cent of permanent workers and 8.9 per cent of other than permanent workers in the last fiscal year received wages higher than the salary as per the Minimum Wages Act. We ensure the timely disbursement of salaries, and all payments are made through net banking to both contractors and workers for greater transparency.

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

(₹ in lakhs)

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)	7	23.20	1	17
Key Managerial Personnel	3	219	1	71.47
Employees other than BoD and KMP	1859	6.5	59	8.39

Note: 1. The Nomination and Remuneration Committee of the Board will decide the matters related to the remuneration of the Board. The key result areas of the Board are also decided by the committee and there is an annual evolution programme.

2. Employees who were in employment for the whole of FY 2022-23 considered for this purpose.

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, the Company has appointed HRSPoCS at each site. Employees can reach out to the HRSPoCS for any complaints related to human rights, discrimination, etc. The Corporate HR will conduct a thorough fact-finding investigation and take appropriate action based on the findings. The complainant will be informed of any actions taken as a result of the investigation.

Permanent Workers: Unit-level grievance committees are existing at each location. For any sexual Harassment grievance, the Internal complaints (IC) committee under POSH exists for redressal. Workers can also reach out to the Ombudsman for any whistle-blower matters.

Other than Permanent workers: Workers can raise their grievance through the contractor. If not resolved, can be escalated to the Unit HR.

Permanent Employees: A dedicated mail id cumiposhcomplaints@cumi.murugappa.com is available to receive and resolve grievances. Employees can reach out to IC Committee constituted under POSH for Sexual harassment complaints. The whistle-blower channel is open to all employees for raising grievance or issues with confidentiality.

Other than Permanent Employees: Employees can raise their grievance through the contractor. If not resolved, can be escalated to the Unit HR.

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

Employees can reach out to the Ombudsman for any complaints related to human rights, discrimination, etc., under whistle blower mechanism or even to the Corporate HR/Unit HR. Absolute confidentiality will be maintained for all complaints. Ombudsman can set up an enquiry to find out the facts and violations, if any. Based on the enquiry report, appropriate action will be taken.

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

Category	FY 2022-23			FY 2022-21		
	Filled during the year	Pending resolution at end of the year	Remarks	Filled during the year	Pending resolution at end of the year	Remarks
Sexual harassment	1	-	-	2	-	-
Discrimination at workplace	Nil	-	-	Nil	-	-
Child labour	Nil	-	-	Nil	-	-
Forced labour/involuntary labour	Nil	-	-	Nil	-	-
Wages	Nil	-	-	Nil	-	-
Other human related methods	Nil	-	-	Nil	-	-

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

The Company has several mechanisms in place to prevent discrimination and harassment at workplace. These mechanisms are listed below.

- We have business Code of Conduct policy that clearly defines our commitment to provide a safe and inclusive work environment for all employees and stakeholders. We follow the Murugappa five lights, which serve as a framework to guide our decision-making processes and ensure ethical and responsible business practices.
- Our HR policies specifically aim to eliminate discrimination and harassment in the workplace. These policies are regularly reviewed and updated as needed to ensure compliance with relevant laws and regulations.
- In order to monitor and ensure compliance with our HR policies, we conduct periodic audits of our individual plants. These audits are conducted by our Corporate HR team to identify any gaps or areas of improvement in our HR practices.

- To raise awareness and promote a culture of respect and inclusivity, we conduct regular training and awareness programs on topics such as Prevention Of Sexual Harassment (POSH) and workplace HR policies. We believe that these mechanisms work together to prevent adverse consequences to complainants in cases of discrimination and harassment and promote a safe and respectful work environment for all.

If an employee feels he/she has experienced any form of discrimination, they can confidentially contact the Ombudsman/HR for assistance. The Ombudsman will conduct a thorough fact-finding investigation and take appropriate action based on the findings. The complainant will be informed of any actions taken as a result of the investigation.

The Company has a gender-neutral policy to prevent sexual harassment in the workplace, and an Internal Complaints Committee (ICC) has been established to lead awareness campaigns on creating a safe and harassment-free environment. The ICC meets quarterly to review the progress of these programs. Any employee who has been wronged can file a complaint with the ICC, and all complaints will be investigated with the utmost confidentiality. The committee will make appropriate decisions based on the investigation's findings.

8. Do human rights requirements form part of your business agreements and contracts?

Yes, Murugappa group's five lights i.e. Integrity, Quality, Passion, Respect and Responsibility forms integral part of all our businesses. Wherever possible all our business agreements and contracts will contain clauses related to compliance with respect to human rights.

9. Assessments for the year

Category	% of your plants and units assessed by (entity or statutory authorities or third party)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others- please specify	None

Note: We have various HR policies to prevent and protect human rights of our employees and workers such as (1) Human rights policy - Non-discrimination Policy, Minimum Wage Policy, POSH Policy, Privacy Policy, Child Labour Policy, forced and involuntary labour etc. (2) Business code of conduct.

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

We have developed a process which respects human rights of our value chain starting from raw material receipt to processing and dispatch. Majority of activities involved in our operations involve unskilled, semi-skilled, skilled and advanced level resources. Through awareness sessions and training on human rights, we eliminate human rights grievances. There have been no grievances or complaints received in regards to human rights violations that require modifications of the existing procedures in place to address the grievances. The Company's grievance redressal mechanisms for human rights violations have always been efficient and comprehensive upholding human rights principles.

Leadership Indicators

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

There have been no grievances or complaints received in regards to human rights violations that required modifications of the existing procedures in place to address the grievances. The Company's grievance redressal mechanisms for human rights violations have been efficient and comprehensive upholding human rights principles.

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

Please refer Sl. No. 9 of essential indicators.

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, most of our offices and plants are accessible to differently abled visitors. In other locations steps are being taken to make them also accessible.

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	Murugappa group's five lights i.e. Integrity, Quality, Passion, Respect and Responsibility forms integral part of all our businesses. Wherever possible all our business agreements and contracts will contain clauses related to compliance with respect to human rights. Nonetheless, there has been no official assessment of the value chain partners.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others - please specify	

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

Please refer to answer of Sl. No.4 of Leadership Indicator.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A) (in Tera Joules TJ)	729	747
Total fuel consumption (B) (in Tera Joules TJ)	612	505
Energy consumption through other sources (C) (in Tera Joules TJ)	-	-
Total energy consumption (A+B+C) (in Tera Joules TJ)	1341	1252
Energy intensity per rupee of turnover (TJ/turnover in ₹ Million)	0.053	0.057

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

We currently have a significant number of plants within our organisation that have achieved ISO 14001 certification, demonstrating our commitment to implementing effective environmental management systems. Additionally, a few of our plants have also obtained ISO 50001 certification demonstrating our commitment to optimising energy efficiency, reducing energy consumption, and minimising our carbon footprint. Building upon our successful implementation of these certification programs, we are now in the process of extending these initiatives to the remaining plants within our organisation. By doing so, we aim to enhance environmental sustainability and energy efficiency across our entire operations, ensuring that all plants adhere to the highest standards of environmental and energy management.

Note: We have done significant efforts to improve our energy efficiency, reduce energy consumption, and minimise our carbon footprint through switching to cleaner fuels, installation of solar power, energy optimising programs, and purchase of green electricity. Our energy intensity has come down by 6 per cent in the reporting fiscal year and we met a total of 11 per cent of total power consumed from renewable energy.

2. (a) 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)
- (b) If yes, disclose whether targets set under the PAT scheme have been achieved.
- (c) In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable. CUMI has no facilities or sites that have been categorised as designated consumers under the Performance Achieve and Trade (PAT) scheme of the Indian government.

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in Kilitres)		
(i) Surface water (KL)	93079	102841
(ii) Groundwater (KL)	153434	166185
(iii) Third party water (KL)	128716	129369
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in KL) (i + ii + iii + iv + v)	375229	398395
Total volume of water consumption (in KL)	375229	398395
Water intensity per rupee of turnover (Water consumed/turnover) KL/₹ million	15	18
Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (YES/NO)	We are ISO 14001 certified, water consumption and its management are integral parts of our environmental management system. As an ISO 14001-certified organisation, we have implemented comprehensive measures to monitor and manage our water consumption and minimise the environmental impact of our operations. These efforts are in line with the requirements of the ISO 14001 standard, which encompasses various aspects of environmental management, including water management.	
If yes, name of the external agency	While we have not engaged in an exclusive external water audit assessment, our ISO 14001 certification underscores our dedication to responsible water management and environmental stewardship as a whole.	

Note: All of our sites have valid Consent to Operate (CTO) under the Water Prevention and Control Act, 1974. To accurately monitor the water flow, we have installed flow meters at the inlet and outlet lines, and these meters are regularly calibrated to maintain their accuracy. Our absolute water consumption for the reporting fiscal year has been reduced by 6 per cent and we have achieved an intensity water consumption reduction of 17 per cent from FY 2021-22.

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

We have obtained valid Consent to Operate (CTO) under the Water Prevention and Control Act, 1974, for all our sites. In order to ensure precise measurement of water flow, we have installed flow meters at both the inlet and outlet lines. These flow meters undergo regular calibration to uphold their accuracy and reliability. Our wastewater generation is well within the consented levels. We are taking steps to decrease freshwater usage by implementing water reuse practices. This is achieved through the installation of Sewage Treatment Plants (STPs) and Effluent Treatment Plants (ETPs) at each plant location. These systems enable the Company to reuse and recycle water and utilise it again within the plant premises such as for process reuse, gardening, flushing etc. Thus, CUMI has implemented a mechanism for zero liquid discharge (all our plants adopt complete reuse/recycling treated wastewater in the plant and no wastewater is discharged into the open drains).

5. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	µg/m ³	26	27
SOx	µg/m ³	17	14
Particulate matter	µg/m ³	35	28
Persistent organic pollutants*	-	-	-
Volatile organic compounds*	-	-	-
Hazardous air Pollutants*	-	-	-
Others -Please specify	-	-	-
Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (YES/NO)	-	Ambient air quality monitoring is conducted through third-party NABL-accredited laboratories and submitted to Pollution Control Board	
If yes, name of the external agency	-		

Note: The data provided pertains to annual average ambient air quality at our plant locations, which is monitored periodically through NABL-accredited third-party laboratories. Our monitoring is conducted to ensure that the National Ambient Air Quality Standards (NAAQS) are met, and to prevent harm to our workers and the surrounding community. Please note that our consent to operate does not require us to monitor PoP, VOCs, and hazardous air pollutants.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
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)	MtCO ₂ e	48896	54978
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)	MtCO ₂ e	156799	153579
Total Scope 1 and Scope 2 emissions per rupee of turnover	MtCO ₂ e	205695	208557
Emission intensity (optional) - the relevant metric may be selected by the entity - MT CO ₂ / ₹ Million Turnover	Mt CO ₂ e/₹ Million Turnover	8.2	9.4

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, we have undertaken a comprehensive Green House Gas (GHG) emission assessment of Scope 1 and Scope 2 through the Confederation of Indian Industries (CII). By engaging with CII for this assessment, we ensured that our GHG emission calculations followed internationally recognised methodologies and protocols. This has helped us in creating accurate and credible measurements of our carbon emissions, enabling us to establish a baseline and set targets for reducing our environmental impact.

Note: We have taken steps to reduce our Scope 1 and Scope 2 emissions in line with our sustainability goals for reduction in GHG emissions from our baseline data. In the reporting fiscal year, we have undertaken projects such as switching to cleaner fuels, increasing renewable energy capacity, purchase of green electricity, and energy optimisation programs through technology innovation etc. Accordingly, our total Scope 1 and Scope 2 emissions intensity have been reduced by 13 per cent from the last fiscal year.

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

This year, we have implemented several programs aimed at reducing our Green House Gas (GHG) emissions. Across all of our business units, we have integrated solar energy into our power mix, with an increase in solar capacity this year. For instance, we have boosted the solar capacity for our EMD business unit by 735 kWp. Additionally, we have reduced our reliance on carbon-intensive fuels like SKO and kerosene, and have instead increased the use of fuels with lower carbon emissions such as LPG and CNG.

We have also installed solar systems at our Abrasive plant in Hosur, Tiruvottiyur, and Sriperumbudur. Additionally, we have implemented a Green Gas Refrigerant system for fifty air conditioning units. A detailed list of works undertaken under the carbon reduction program is outlined below.

At Abrasives Business, we successfully implemented ISO 50001 to improve energy management and optimize energy usage. We have invested ₹185 lakhs in fuel conversion and have a fuel switching project underway, which will help reduce carbon emissions. To reduce energy consumption, we implemented heat loss reduction projects and improved the layout for better air conditioning. Additionally, we have taken various energy conservation measures such as installing LED lights, making VFD changes, and implementing idle load programs. EMD Business is working on a clean fuel project to eliminate 157 tons of CO₂ emissions and has implemented energy-saving projects like installing efficient pumps and motors. At Refractories Business, we have optimised kiln fuel usage through a heat recovery system and energy-efficient kilns. We have also introduced battery-operated forklifts and installed solar panels to reduce Scope 1 and Scope 2 emissions in all our units. In the previous fiscal year, the fuel mix for our IC unit was led by PNG, and we have also nearly doubled our use of PNG in our Abrasive plant. Moreover, our EMD plant uses renewable hydro power and a mix of green energy purchased from grid to run our plant. We are actively working on developing an action plan in partnership with CII-GBC to further reduce our GHG emissions.

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in Metric Tonnes)		
Plastic waste (A)	473	373
E-waste (B)	4	2
Bio-medical waste (C)	2	0
Construction and demolition waste (D)	25	40
Battery waste (E)	15	10
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	125	112
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	13188	12169
Total (A+B + C + D + E + F + G + H)	13832	12706
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	5161	5499
(ii) Re-used	307	200
(iii) Other recovery operations	0	0
Total	5468	5699
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	13	3
(ii) Landfilling	24	10
(iii) Other disposal operations	8328	6995
Total	8364	7008

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

Most of our plants have implemented an environmental management system and have undergone an external audit by a certification body to achieve ISO 14001 certification. As part of waste management, proper procedures are practiced to ensure appropriate handling and disposal of waste materials through PCB-authorized vendors.

9. 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.

We have adopted various waste management practices to ensure proper handling and disposal of different types of waste. Our waste management strategy focuses on reducing the usage of hazardous and toxic chemicals in our products and processes, as well as effectively managing the waste generated.

- **Waste Inventory Process:** We have implemented a waste inventory process in accordance with ISO 14001 standards. This process allows us to track and document the types and quantities of waste generated in our facilities.
- **Segregation and Storage of Hazardous Waste:** We strictly segregate and store hazardous waste as per the guidelines outlined in the Hazardous Waste Management (HWM) 2016 regulations. This ensures that hazardous waste is properly isolated and handled to prevent any adverse environmental impact.
- **E-Waste Segregation and Disposal:** Electronic waste (e-waste) is segregated separately and disposed of through authorised vendors who specialise in e-waste recycling and proper disposal methods. This helps us adhere to the regulations and prevent any potential harm from electronic waste.
- **Plastic Waste Management:** To manage plastic waste, we follow the guidelines provided by the Central Pollution Control Board (CPCB) and the Extended Producer Responsibility (EPR) framework. This includes proper collection, segregation, and disposal of plastic waste through authorised recycling channels. Our Abrasives Business is obligated under EPR regulation and we have achieved the target to collect and recycle 313 metric tons of plastic packaging waste through third-party services this fiscal year.

- **Management of Other Solid Waste:** Solid waste generated in our establishments is collected and categorised into two parts: wet waste and dry waste. Wet waste, such as canteen waste, is sent for composting, while other solid waste is disposed of through authorised recycling vendors to ensure proper waste management practices.
10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Tiruvottiyur Chennai Unit	Bonded abrasives	The facilities we operate do not fall within notified ecologically sensitive locations such as Wildlife Sanctuaries or Biosphere Reserves. However, it is important to note that our Tiruvottiyur facility is situated near a Coastal Regulation Zone (CRZ) area. However, this facility was established prior to the CRZ notification, 1991.

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

No Environmental impact assessments was conducted for the current financial year.

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

S. No.	Specify the law/regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
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Our business units operate under the purview of the Environmental Protection Act and hold valid Consent to Establish and Consent to Operate certificates from Pollution Control Boards. These certificates are regularly renewed as per the Board's directives. To ensure compliance with environmental regulations, we regularly submit environmental monitoring reports and update our practices in accordance with new guidelines or regulations. We have maintained a clean record with no instances of violation in the previous fiscal year.

Leadership Indicators

1. Provide a break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources (Tera Joules)		
Total electricity consumption (A)	144	150
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	144	150
From non-renewable sources (Tera Joules)		
Total electricity consumption (D)	585	598
Total fuel consumption (E)	612	505
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	1197	1103

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	We currently have a significant number of plants within our organisation that have achieved ISO 14001 certification, demonstrating our commitment to implementing effective environmental management systems. Additionally, a few of our plants have also obtained ISO 50001 certification demonstrating our commitment to optimising energy efficiency, reducing energy consumption, and minimising our carbon footprint. Building upon our successful implementation of these certification programs, we are now in the process of extending these initiatives to the remaining plants within our organisation. By doing so, we aim to enhance environmental sustainability and energy efficiency across our entire operations, ensuring that all plants adhere to the highest standards of environmental and energy management.	

2. Provide the following details related to water discharged: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The Company has implemented effective water management strategies by installing Sewage Treatment Plants (STPs) and Effluent Treatment Plants (ETPs) at all plant locations. Through these systems, we have established a Zero Liquid Discharge (ZLD) mechanism, which enables us to reuse and recycle water within the plant premises for various purposes such as process reuse, gardening, flushing, and others. As a result, we have significantly reduced freshwater usage and minimised the discharge of waste water outside the premises.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres). For each facility/plant located in areas of water stress, provide the following information:

- i. Name of the area
- ii. Nature of operations
- iii. Water withdrawal, consumption and discharge in the following format

Not Applicable. Our plant locations are not in water-stressed areas.

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

Parameter	Unit	FY (Current Financial Year)	FY (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)		We have partnered with CII to establish our GHG emissions baseline, including Scope 1 and Scope 2 emissions. Although we did not estimate our Scope 3 emissions for the last fiscal year, we now recognise the data requirements for this category. As a result, we plan to conduct a thorough screening of relevant material categories within Scope 3 emissions that pertain to our business type. We will then proceed to collect the necessary data and estimate these emissions accordingly in the near future.	
Total Scope 3 emissions per rupee of turnover Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.			

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

Our plant, which is located in Tiruvottiyur and produces Bonded Abrasives, is subject to the Coastal Zone Regulation (CRZ) though the plant was established decades before the Regulation was enforced. As a responsible Company, we have taken measures to ensure that we comply with these regulations. One of the steps we have taken is to plant a good amount of green cover on the sea-facing side of the plant. This not only helps us comply with the CRZ regulations but also adds to the aesthetics of the area.

Furthermore, we are committed to monitoring the quality of the air and water in and around our plant. We take the necessary steps to ensure that we do not discharge any untreated water into the coastal zone, which helps us to minimise any potential impact on the biodiversity of marine habitats. Overall, we can proudly say that our operations have a negligible impact on the biodiversity of marine habitats in the area.

6. 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
Refractories			
1	Total Productive Maintenance (TPM)	TPM is practised through CII-TPM Club, two plants have achieved TPM Strong Commitment Award	Improves the OEE%, manufacturing cost optimisation, improving 5S, overall improvement in PQDSCM.
2	Integrated Management system	ISO 9001-2105, ISO14000-2015, ISO 45001-2018; EN 9100-2018	Plant operation optimisation, resource optimisation, business growth & sustainability
3	Quick Response Manufacturing Technique (QRM)	Reducing lead-times across all functions and efftely using the White space	Reducing internal and external lead times, resulting in competitive advantage.
4	Lean Six Sigma	Energy optimisation & Yield improvement Projects	Reduction in process variation & removal of operation waste & hence increases the velocity of value creation in business process.
Electromineral			
1	Water reduction	Rain water recycling Projects at Boehmite 200 T & AzureS	Successfully conserved 2600 KL of water.
2	Carbon reduction	1.8 MW solar power installation	Reduce reliance on fossil fuels and significantly lower our carbon footprint (by 2180 tonnes), contributing to a cleaner and more sustainable energy future.
3	Energy reduction	Installation of energy efficient motors, pumps, LEDs etc.	Improve fuel efficiency and reduce energy consumption, leading to cost savings and a more sustainable manufacturing process.
Abrasives			
1	Water reduction	Implementation of ZLDs	Complete elimination of liquid discharge, ensuring environmentally responsible operations.
2	Carbon reduction	Renewable energy generation through solar power	Reduce reliance on fossil fuels and significantly lower our carbon footprint, contributing to a cleaner and more sustainable energy future.
3	Energy reduction	Kiln fuel optimisation through efficient use of Heat recovery system. LED lights and Energy efficient Kiln with Ceramic fiber were commissioned for fuel efficiency.	Significantly improve fuel efficiency and reduce energy consumption, leading to cost savings and a more sustainable manufacturing process.
Industrial Ceramics			
1	Carbon reduction	Increase clean fuel usage (PNG)	Reduction in carbon emissions and promoting a cleaner and more sustainable energy source for our operations.

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

At CUMI, we take business continuity and disaster management planning very seriously. We understand the importance of being prepared for any unforeseen events that can disrupt our operations and cause potential harm to our employees, environment and communities.

To ensure that we are always ready, we conduct regular mock drills and training sessions for all our employees. We have developed Standard Operating Procedures (SOPs) and guidelines for various scenarios, including natural disasters, fires, chemical spills, and other emergencies. These procedures are constantly reviewed and updated to reflect any changes in our operations or external factors.

We have also identified critical business functions and established backup plans to minimise downtime and ensure continuity of operations in case of any disruptions. These plans include alternative production sites, supply chain backups, and remote work capabilities for our employees.

In addition, we have established partnerships with local emergency response agencies, such as fire departments and medical services, to ensure timely and effective response in case of any emergencies.

Overall, our commitment to business continuity and disaster management planning is an essential part of CUMI's culture. We understand that by being prepared, we can protect our employees, assets, and communities while ensuring running our business operations.

8. 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?

As a manufacturing Company, there are several aspects that can have a significant adverse impact on the environment throughout the value chain. Some of these aspects include raw material extraction, transportation, production processes, packaging, and waste management.

To mitigate these impacts, the Company has taken several measures. We have identified material areas to improve our environmental performance. We have also implemented various energy-efficient technologies and processes to reduce our carbon footprint, including the use of renewable energy sources such as solar power.

In addition, we are planning to establish sustainable supply chain practices by working with suppliers who prioritise environmentally friendly practices. We also have a robust waste management system that focuses on reducing waste, reusing materials, and recycling wherever possible.

Moreover, we regularly conduct mock drills to assess our preparedness for any potential disasters, and we have developed SOPs and procedures to respond to any environmental incidents that may occur. Our employees are continuously being trained on environment, health and safety.

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

At present, we have not assessed our value chain partners for environmental impacts, but we acknowledge its significance and commit to conducting them in the future. We believe in engaging with our partners to reduce our overall environmental impact and ensure they follow sustainable practices.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT.

Essential Indicators

1. (a) Number of affiliations with trade and industry chambers/associations.

CUMI is an active member of several national and international (about 20) trade and industry chambers and associations.

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

S. 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	Indian Ceramic Society	National
3	National Safety Council-Kerala Chapter	State
4	Kerala Management Association	State
5	Madras Management Association	State
6	South India Chamber of Commerce	National
7	SICMA - Europe	International
8	Indo-German Chamber of Commerce	International
9	Indo-Australian Chamber of Commerce	International
10	Indian Carbon Society, India	National

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

Name of Authority	Brief of the case	Corrective action taken
No adverse orders received and no corrective action was necessitated by the Company during the previous fiscal year.		

Leadership Indicators

1. Details of public policy positions advocated by the entity

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Whether information available in public domain? (Yes/No)	Web Link, if available
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CUMI is an active member of several national and international trade and industry chambers and associations. As part of these groups, we provide recommendations and representations to regulators and associations to advance and improve the industrial climate in India. Additionally, we regularly participate in forums and discussions related to energy security and management, water and food security, and sustainable business practices to share our views and opinions. However, during the previous fiscal year, the Company did not engage in any public policy advocacy other than making representations to the consultation papers released by SEBI and participation in decision making in IRMA and other business/industry association.

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

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

Name and brief details of the project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)
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Not Applicable

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

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R
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Not Applicable

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

We have implemented several measures to receive and address grievances from various stakeholders, including a Stakeholder Forum comprising local body members and other community representatives, as well as need-based community interventions. While these may not have a formal structure, this has helped in operating across various locations in India and maintaining cordial relations with the communities surrounding our places of operations.

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

Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/small producers	<ul style="list-style-type: none"> Abrasives has purchased 8.73% of goods directly from MSMEs/small producers. Industrial Ceramics has used 3% of input materials directly from MSMEs/small producers. On average about 4% of our Super Refractories purchased input materials directly from MSMEs/small producers. 	<ul style="list-style-type: none"> Abrasives has purchased 7.90% of goods directly from MSMEs/small producers. Industrial Ceramics has used 3.8% of input materials directly from MSMEs/small producers. On average about 10% of our Super Refractories purchased input materials directly from MSMEs/small producers.
Sourced directly from within the district and neighboring districts	<ul style="list-style-type: none"> Abrasives has purchased 47.4% input materials from within the district/neighbouring districts. Super Refractories also purchased input materials from within the district/neighbouring districts based on availability (SR Unit 1-20.3%, SR Unit 2 - SR 17%, PD 3.62% and Jabalpur - 3.97%). Industrial Ceramics has purchased 23% of input materials from within the district/neighbouring districts. 	<ul style="list-style-type: none"> Abrasives has purchased 46% input materials from within the district/neighbouring districts Super Refractories unit also purchased input materials from within the district/neighbouring districts based on (SR Unit 1: 9.93%, SR Unit 2- 19.24%, PD 4% and Jabalpur - 15%). Industrial Ceramics has purchased 30.70% of input materials from within the district/neighbouring districts.

*Electrominerals: The business input materials are not very conducive for sourcing from MSME/Small producers/within district/ neighboring district.

Leadership Indicators

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

Details of negative social impact identified	Corrective action taken
Not Applicable	

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

State	Aspirational District	Amount spent (In INR)
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We have not undertaken any projects in Aspiration Districts in the previous fiscal year and our CSR activities predominantly are conducted in and around the places of our operations. However, the Company is committed to promoting inclusive growth through a comprehensive Corporate Social Responsibility (CSR) Policy, which can be viewed at the link <https://www.cumi-murugappa.com/wp-content/uploads/2021/04/CSR-Policy-2021.pdf>. In the previous fiscal year, we implemented several projects in the areas of Skill Development, Women Child and Youth Empowerment, Elderly Care, Health Services, and Sustainability, with a total CSR spend of ₹378.33 Lakhs. These projects have benefitted approximately 24,529 individuals, with 80 per cent of the beneficiaries being from marginalised or vulnerable communities. Kindly refer the Board's report containing the details of our CSR projects in detail.

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (YES/NO) Considering the nature of our products, the raw material and other input materials such as power and fuel cannot be sourced from marginalised groups. However, as a Company, we have implemented a process where we only engage with suppliers who are marginalised to provide us with manpower for our various plants. This is done in order to support our manufacturing process while also ensuring that these marginalised suppliers are able to earn a livelihood. We have committed to procuring 1 per cent of our annual goods and services from these suppliers as part of our commitment to support marginalised communities.
- b. From which marginalised/vulnerable groups do you procure?
- c. What Percentage of total procurement (by value) does it constitute?
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:

Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
None			

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
None		

6. Details of beneficiaries of CSR Projects

CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
Caring Elderly	60	Elders from the community
Environment sustainability	118	Low-income group
CCSD	140	100%
Ambulance	20461	100%
Vellayan Chettiyar Higher Secondary School	3000	100%
Touch A Life	250	100%
ASK Centre	500	100%

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER**Essential Indicators****1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

We believe that commitment to transparency is vital to build trust and credibility with our customers, by demonstrating honesty and openness in handling complaints.

Customers can communicate their complaints via email or phone calls to the regional salesperson, who will send an immediate acknowledgment of the complaint via email. The complaint is then registered in the Company's Enterprise Resource Planning (ERP) system. To ensure efficient resolution of complaints, technical complaints are handled by the quality control team, while commercial complaints are managed by the Marketing team. The Company has set a target of resolving complaints within 30 days, in cases where the return of material is necessary for analysis. Through ERP we have streamlined the complaint resolution process by routing the complaint to the appropriate team and tracking its progress. By centralising complaint management in the ERP system, the Company ensures that complaints are addressed efficiently and effectively. Further, CUMI manufactures over 20000 SKUs and its product and solution offerings are spread across varied business segments catering to the needs of almost all user industries cutting across many sectors. In many cases, the products or solution offerings are customisable and we work with our customers closely to co-create the solutions. Customer centricity is the top priority for the Company and is one of the strong pillar for its profitable existence close to 7 decades.

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

Category	As a Percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe (where ever applicable)	100%

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

Category	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of the year		Received during the year	Pending resolution at end of the year	
Data privacy	Nil	-		Nil	-	
Advertising	Nil	-		Nil	-	
Cyber-security	Nil	-		Nil	-	
Delivery of essential Services	Nil	-		Nil	-	
Restrictive Trade Practices	Nil	-		Nil	-	
Unfair Trade Practices	Nil	-		Nil	-	
Other	73	10	Customer complaints are dealt by respective Business.		-	

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

Category	Number	Reasons for recall
Voluntary recalls	1	On one occasion, we made the decision to voluntarily recall one of our products (abrasives) due to issues with material breakage, amounting to ₹30 Lakhs. This decision was made in the interest of ensuring the safety and satisfaction of our customers.
Forced recalls	-	-

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

Yes, we have IT Policy covering cyber security and risks related to data privacy. Cyber security risk has been identified as one of our material aspects under technology risk (please refer to Section A).

As a risk mitigation measure to address cyber security threat, the Company does periodical penetration assessment testing for all internally and internet facing applications. We have also undertaken, assessment of security risks from usage of public Wi-Fi and Bluetooth devices. The security threat awareness is periodically published to create awareness among employees and stakeholders for handling the risk proactively. The security process is included as an important step in the IT policy of the

Company. There is considerable amount of work undertaken on scoping of information specific to the role defined to prevent any data or information leak, through continuous monitoring on the business-critical IT assets. Considering in some locations the hybrid mode of work has become the new normal, data security and protection against the risk of phishing, malware attacks was given priority. As a part of its IT security strategy, the Company during the year in partnership with third party expertise has done a maturity assessment of its IT & OT platforms and is in the process of developing & implementing a comprehensive cyber security framework.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

Not Applicable. We have not received or faced any issues related to the aspects such as 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 in the previous fiscal year.

Leadership Indicators

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

The information on the products and services of the entity can be accessed at

- i) <https://www.cumi-murugappa.com/abrasives/>
- ii) <https://www.cumi-murugappa.com/emd/>
- ii) <https://www.cumi-murugappa.com/ceramics/ic/>
- iv) <https://www.cumi-murugappa.com/super-refractories/>

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

The Company encourages our customers to prioritise safety by providing instructions (instruction labels) regarding the handling, storage, use of its products and disposal mandated as per the local laws. Also, in order to promote the safe and responsible usage of our products, we have made available Material Safety Data Sheets (MSDS) on our website (ex. <https://www.cumi-murugappa.com/ceramics/ic/material-datasheet/>). These sheets contain detailed information about the potential hazards associated with our products and provide guidance on how to handle, store, and dispose of our products in a safe manner. A copy of the MSDS is sent to Overseas customer with the product despatch which provides guidance on safe & responsible usage.

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

We use email communication with consumers/channel partners in case of any potential disruptions or discontinuations of essential services.

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).

Yes, we provide information as per the Legal Metrology- packaging law. Over and above the statutory requirement, information on the usage of the product including safety aspects are also communicated in the packaging wherever required. The Company conducts consumer surveys and monitors satisfaction trends periodically. Surveys are often carried out during customer plant visits, allowing us to gather first hand insights into their experiences with our products and services. No cases of customer data breaches have been reported in the previous fiscal year.

5. Provide the following information relating to data breaches

(a) Number of instances of data breaches along with impact

No cases of customer data breaches have been reported in the previous fiscal year.

(b) Percentage of data breaches involving personally identifiable information of customers

None.