



15<sup>th</sup> September, 2022

The Manager - Listing  
BSE Limited  
BSE Code - 501455

The Manager - Listing  
National Stock Exchange of India Limited  
NSE Code - GREAVESCOT

Dear Sir/Madam,

**Sub: Greaves Cotton Limited - ESG Report for the financial year 2021-22**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the ESG Report for the financial year 2021-22 of Greaves Cotton Limited for your reference.

We request you to kindly take the above on record for the purpose of dissemination to the Shareholders.

Thanking you,

Yours faithfully,  
For Greaves Cotton Limited

Atindra Basu  
General Counsel & Company Secretary

Encl.: a/a

**GREAVES COTTON LIMITED**

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**GREAVES**

**ESG**  
JOURNEY  
OF GREAVES  
COTTON



**2021-22**



- 01 ● ESG Journey of Greaves Cotton Limited
- 02 ● Alignment with Global ESG Framework
- 03 ● Defining ESG at Greaves Cotton Limited
- 03 ● Environment
- 06 ● Social
- 09 ● Governance
- 11 ● Policies and Codes
- 12 ● Adapting the Circular Economy Approach

# ESG JOURNEY OF GREAVES COTTON LIMITED

The ESG vision of Greaves Cotton Limited along with its affiliates (hereinafter referred to as “Greaves”) encompasses its duties and commitments to the environment and people, which Greaves aims to achieve by focusing on several ESG components. Greaves as a company is undergoing a metamorphosis, and over the last few years, it has adopted methods that encourage environmental conservation and human rights protection. Greaves recognises that a substantial amount of its operations and activities have an influence on the environment and people, and as a result of that, Greaves strives to take every conceivable initiative to reduce the potential impact and thereby promote a sustainable and an inclusive culture. For a more comprehensive approach, Greaves

has begun to establish policies and procedures through an ESG perspective and analysing the scope for improvement as a result. Greaves is committed to align with the mandatory requirement of filing BRSR (Business Responsibility & Sustainability Reporting) as and when it becomes a statutory requirement.

As a part of its sustainability journey, Greaves strives to promote good corporate governance practices through “Pancha Tatva – 5 values 1 way of life” encompassing Transparency, Integrity, Responsibility, Passion for Excellence and Respect, towards all its stakeholders. These values shall also be the guiding lamp for Greaves’ ESG journey ahead.

## ESG ROADMAP - Greaves Cotton Limited

Greaves’ ESG responsibilities and commitments to the globe as a whole, as well as to the people and stakeholders in the regions where they reside, are all part of the Greaves’ roadmap. Greaves aims to be aligned with accepted ESG standards and work towards protection of environment and advancement of the interests of its stakeholders.

*The illustration on ESG Journey is done herein voluntarily as an industry best practice to share the ESG Alignment at Greaves with our various stakeholders.*



# ALIGNMENT WITH GLOBAL ESG FRAMEWORK

Global initiatives to achieve transparent and robust ESG reporting in line with benchmark frameworks are supported by Greaves. Greaves conducts a complete materiality analysis when reporting against global standards, which helps it focus on its ambitions and aspirations for a more sustainable and inclusive future. Greaves maps its actions throughout the year against several worldwide frameworks and standards in order to

analyse their exposure, effectively allocate resources and present investors with meaningful, comparable, and consistent climate-related information. Greaves highlights its connection with a reporting structure focusing on climate-related and sustainability disclosures in its Annual Report 2021-22. Greaves is in alignment with Sustainable Development Goals, SEBI Business Responsibility Reporting and GRI (as represented in the BRR Report).



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# DEFINING ESG AT GREAVES COTTON LIMITED

## ENVIRONMENT



### Climate Change

Greaves strives to use technology to achieve the transition to a low-carbon world. In order to achieve this goal, Greaves strives to be carbon neutral, cut greenhouse gas (GHG) emissions and involve clients in climate action through its offerings.



### Water Consumption

Greaves is committed to lowering its water consumption levels and increasing the availability of water in the communities. Greaves further intends to recycle 100% of its wastewater.



### Waste Management

Greaves strives to reduce waste, especially e-waste. Greaves believes in and practices the 3Rs: Reduce, Reuse, and Recycle. Greaves further takes steps to encourage its stakeholders to do so by ensuring that no e-waste is disposed-off in landfills.

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Utilising technical breakthroughs to support and contribute to a low-carbon society is one of the most important part of environmental conservation. At Greaves facilities, offices and other business units, Greaves is committed to contribute to positive environmental footprints. Greaves has set some worldwide unified goals for transitioning to lower emissions, using more energy alternatives and renewable resources, effective waste management, and pollution prevention and management. Greaves takes deliberate steps to ensure that, in addition to its own business activities, it closely monitors its value chain partners, assessing the possible

impact of its supply chain on human rights, environment, labour standards and other governance needs. As part of Greaves' commitment to decrease negative environmental impact, Greaves recognises that the lifecycle of all of its products must be closely monitored, followed by a rigorous risk mitigation approach. Greaves believes that addressing the issues related to climate change requires a team approach, hence Greaves collaborates with its clients and suppliers to help decrease emissions and support initiatives to decarbonise the economy. The following are some of the elements of environmental protection that Greaves considers important:

- Greenhouse gas emissions and energy
- Sustainable procurement
- Management of solid waste
- Extended Producer Responsibility (EPR)
- Consumption and withdrawal of water
- Life cycle assessments (LCA)
- Practicing 3Rs
- OHSAS certification
- Zero Liquid discharge process being followed
- 100 % sites with ISO 14001 certification
- Rain Water Harvesting
- Comprehensive Environment Policy
- Effective treatment of effluents

## Commitment Towards Climate Change

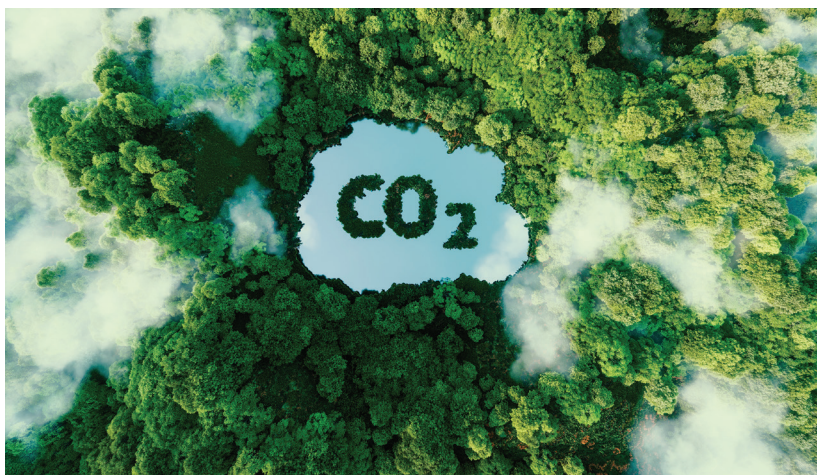
- By upgrading infrastructure and implementing new technologies, Greaves intends to reduce carbon and greenhouse gas emissions
- To reduce emissions, Greaves will use energy efficiency practices, increase usage of renewable energy sources and use carbon offsets
- Greaves aims to conserve freshwater and reduce water consumption. Re-engineering and usage of better technology will improve the water distribution and treatment strategies
- Greaves intends to recycle water to the maximum extent possible and use it for irrigation, flushing, and other non-domestic usage
- Greaves commits to use natural and manmade lakes / ponds, rooftop harvesting systems and to refill the groundwater levels with rainwater collection
- Greaves has worked with communities near its facilities to improve water availability and will continue to do so. Greaves works with organisations

to facilitate farmers with year-round irrigation. To promote lives and livelihoods, Greaves provides community access to drinking water and repair existing water bodies

- Greaves will continue to work towards reducing waste sent to landfills. Organic waste, such as food waste and gardening trash are handled carefully. In biogas plants, automation will be used to reduce mechanical activities and ensure the best conditions for maintaining system efficiency. All

other trash is properly segregated at the source to ensure efficient recycling and disposal

- Greaves is committed to minimising plastic waste by eliminating single-use plastic and reducing overall plastic waste creation
- Greaves is committed to decrease electronic waste and will continue to promote efficient e-waste management methods



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## Greaves' SDG Alignment Pertaining to Environmental Aspects for the Financial Year 2021-22



- Greaves has replaced all of its conventional lighting systems with power saving LED lamps, solar powered street lamps
- Installation of solar rooftop panels at both Aurangabad locations continue helping Greaves to generate clean and green energy and smart use of renewable resources
- Greaves has been using energy efficient pumps in machine shop and cooling towers
- Greaves has replaced conventional water heating system of washing machine with heat from compressor
- Greaves has converted all of its machine lamps into LED lamps for all the machines added for BS-VI engines
- Greaves has installed variable frequency drives for compressor to conserve energy and has converted water-cooled compressor to air-cooled compressor
- Greaves is also dedicated towards R&D and have set up a dedicated team to explore clean energy product options in power segment
- Greaves has implemented a compliance management system for timely and efficient monitoring of all compliance requirements
- Greaves also has strong internal financial controls and cyber security policy in place
- Greaves is incorporating the Miyawaki technique which results in 10 times faster growth and 30 times denser forests. This results in increased carbon dioxide absorption capacity and helps curb air pollution, helps in retaining groundwater and supports local biodiversity
- Greaves is ISO 14001:2015 certified and has invested significantly in technological advancements which have resulted in engines consistently demonstrating lowered emissions than its peers and the emissions are within the permissible limits given by CPCB
- Greaves has adopted the 'Green Approach' which focuses on recycling to reusing and maximising fuel efficiency. Greaves' efforts towards energy conservation, water conservation, ETP, STP, Tree plantation & afforestation, contribute to the green approach
- Greaves has been doing rainwater harvesting and collecting rainwater in farm lakes
- Greaves reuses all the ETP & STP treated water for gardening purpose and the Aurangabad plant is a 'Zero Liquid Discharge' plant
- Greaves' sewage treatment plants (STP) are designed to accommodate up to 6 hours of holding and ensuring effluent is 100% treated and recycled into soft water and is further used in gardening and other purposes
- Greaves has invested in an effluent treatment plant (ETP), which is capable of treating waste water. The output parameter is maintained strictly with norms to ensure that 100% treated water is recycled back into the process while the sludge is safely disposed off through an authorised agency – MEPL-Maharashtra Enviro Power Limited
- Greaves is using recyclable pallets for engine transportation to the customers and plastic bins instead of corrugated boxes for transportation of components for Automotive Engine Business
- Greaves ensures that no land contamination results due to any manufacturing process or by any manufacturing plant and has a robust framework to check the same
- Under the Green initiative at Aurangabad Plant, Greaves has planted around 2,000 saplings of various native species of trees and promoted afforestation
- Greaves believes in green development and has recently introduced Green Belts along the roads near the factory premises

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# SOCIAL



## Developing digital talent at a large scale

Greaves believes that through transmitting digital literacy to employees, clients' workforces, students, teachers, and communities it can secure progress for everybody. Employees and part-time workers, can reskill through the different interactive programmes.

At Greaves, all employees work with the society to help people leverage the power of digital solutions in their daily lives by hosting virtual programs and workshops that help employees develop skills.



## Empowering local communities

Greaves is committed to provide local communities with opportunities through flexible / remote work choices. These job conditions allow communities to participate in the Greaves' day-to-day operations while also allowing the organisation to work in an efficient and effective manner.



## Employee wellbeing and engagement

Greaves ensures that it's employees have rewarding jobs. Greaves has robust policies and codes that govern human rights issues in the company and their fast redressal too. This is reflected in Greaves being recognised as 'Great Place To Work'. This is one of the prestigious certifications which Greaves has received for two consecutive years and shall help in attracting talent from the industry.

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**Commitment to Developing the Strengths of People and Society**

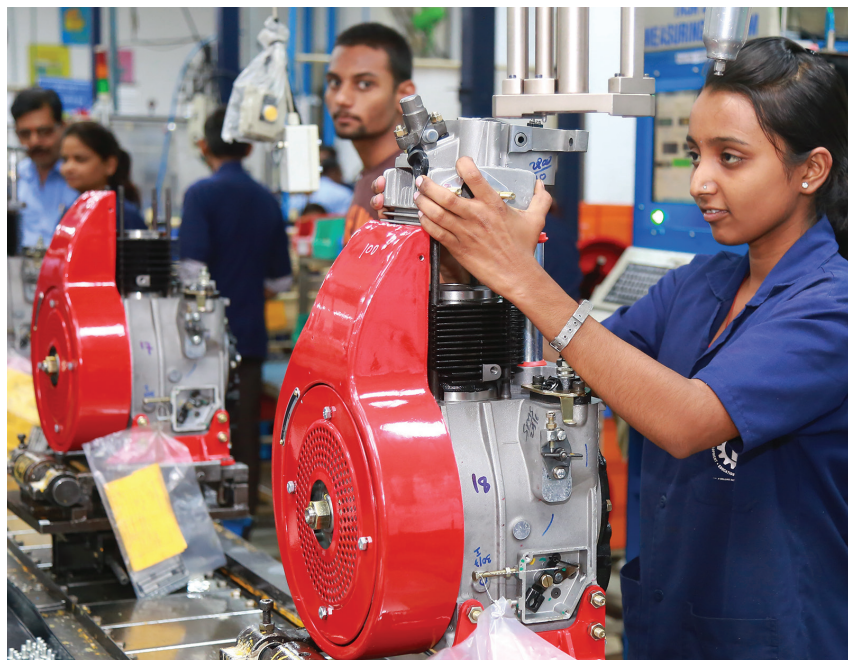
- Learning at Greaves has anticipated and adapted to evolving needs. With a commitment to skill development by:
  - Development Education Empowerment Progress (DEEP) introduced to encourage and turn proficient with technical know-how and learn the basics of manufacturing
  - Program on Real Independence & Mechanic Empowerment (PRIME), a reskilling and training workshop for mechanics
  - Supporting Traders to Activate and Reignite Trade (START), a training workshop to help all the small business owners learn to use and enhance their business outcomes & profits
- Respect for one another is a core element of the Greaves’ Code of Conduct and Ethics, and it guides it’s efforts to ensure an inclusive workplace free of discrimination and harassment. Diversity and inclusion are important in creating a balanced and inspired workforce
- Greaves’ efforts to promote gender diversity in workplace focuses on women’s engagement in technology and management. The workplace policies and investments are critical in the development of tailored involvement of women at various stages of their professional relationships
- Greaves has taken specific steps around hiring, retention and accessibility of it’s physical and digital infrastructure to include people with disabilities in the workforce
- Greaves is dedicated to ‘going local’ in order to raise its profile as a preferred employer and to become a part of the

community. Greaves buys more than 97 percent of its components from local vendors

- Greaves is dedicated to provide the best possible work experience and to being regarded as one of the finest employers. Through thriving CSR initiatives in the areas of education, health, rural development and environmental sustainability, Greaves continues to engage with workers for impact in the local communities they are a part of at all of its locations

Greaves addresses how it handles the associations with it’s employees under the social component, while also assuring occupational health, safety and well-being. Greaves is committed to inculcate the principles of diversity, equality and inclusion, not only of its employees but also of its value chain partners, with the goal of encouraging a varied and inclusive workforce. Greaves takes into account the following main impact components:

- Employee satisfaction
- Social impact evaluation
- Workers’ health and safety
- Human rights
- Gender balance and equality
- Workshops and training sessions
- No Discrimination Policy
- Focus on employee benefit
- Health and safety trainings
- Trainings on diversity, equality and Inclusion
- Regular health checks
- Maternity and paternity leave provision
- Non-occupational medical and health care provided
- Social impact assessment is done for its products and processes
- Robust Whistle blower policy
- Loss time incident monitoring



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## Greaves' SDG Alignment Pertaining to Social Aspects for the Financial Year 2021-22



- Greaves took the initiative for ration kit distribution to lower income group and their families, those who are financially affected by COVID-19 pandemic
- Greaves contributes funds to hospital for its capacity building
- Greaves conducts yoga and meditation training for auto-drivers for their better health and mental well-being
- Greaves initiated deployment of oxygen concentrators for COVID patients
- Under the CSR DEEP Program, Greaves has been supporting socio-economically deprived students to get necessary skillset and vocational training to increase their employability and earnability. This enables their growth –

professionally and financially, thereby enabling the progress of people dependent on them in their community

- Development, Education, Empowerment, Progress (DEEP) introduced to encourage and turn proficient with technical know-how and learn basics of manufacturing
- Greaves undertakes reskilling and training programs for key stakeholders (Mechanics, E-Rickshaw drivers, Farmers, Fishermen, Auto drivers etc.) for their increased productivity and better earning opportunity
- At Greaves' more than 97% of the components purchased by the Company are procured from local suppliers supporting the local community
- Greaves intends to promote diversity and inclusion in all aspects of its operations. Greaves has achieved a ratio of 40:60 of female:male bifurcation in its workforce
- Greaves has increased focus on training and awareness, safety observations and various audits like Internal Audit, SMAT audit, theme-based safety inspection, safety patrolling, fire equipment audit and emergency equipment audit
- Under the 'People-First' policy, Greaves has been imparting yoga and meditation training for Auto drivers for their better health and mental well-being
- Before Greaves finalises any Supplier, an extensive research about the Vendors Machine and Financial Capacity, Quality Management Systems (ISO9001/TS6949 Certification), Security Management Systems (OHSAS18001)

and Environmental Management Systems (ISO14001 Certification) is conducted

- All the Greaves employees are covered under Accident & Medical Insurance or ESIC Act respectively
- Business ethics and integrity are part of the Company's culture and forms part of policy implementation including elements of ethics, anti-bribery and anti-corruption embedded in the CoC and Whistle Blower Policy
- Greaves has incorporated robust policies on equality, discrimination, human rights to facilitate good governance
- Greaves has data protection and privacy policy in place, in order to ensure data protection
- Greaves ensures that the suppliers are awarded annually based on their performance during the year in terms of Quality and Delivery Performance
- During the financial year 2021-22, there were no complaints received pertaining to any risk or potential human rights violation
- Greaves does not hire child labour, forced labour or involuntary labour while the Suppliers / Contractors / NGOs dealing with the Company are always encouraged to maintain ethical standards in all their practices
- Greaves' total spending on Corporate Social Responsibility (CSR) was Rs. 2.87 crore
- We have ISO Certified (ISO9001/TS6949 Certification, ISO14001 Certification) Light Engines Unit-I and Light Engines Unit-V, at Aurangabad plant

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# GOVERNANCE



## Corporate Governance

Greaves aspires to be a leader and to be recognised for its world-class corporate governance standards. Through its empowered, diverse and inclusive Board, Greaves strives to bring the interests of all stakeholders together. Greaves ensures that its supply chains

are sustainable and responsible, as well as Greaves follows strict compliance and integrity procedures. Greaves believes in interacting with stakeholders via a variety of channels and earning confidence through open and honest communication.



## Data Privacy

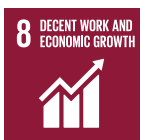
To combat all types of cyber risks and leaks, Greaves has developed a rigorous Cyber Security Policy and Privacy Policy that assures the protection and privacy of all stakeholder data.

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## Commitment to Practicing Good Governance

- Across all of the business functions at Greaves, Greaves is committed to defining, following and executing the highest degree of corporate governance. Greaves' corporate governance reflects its value system which includes its culture, policies and stakeholder interactions. Winning with integrity is at the heart of Greaves' values-driven governance culture, which guarantees that it earns and keeps its stakeholders' trust at all times
  - The deployment of good corporate governance throughout the organisation is ensured by a strong, independent and diverse Board of Directors. Throughout the year, independent Board Committees meet to support best-in-class governance processes. Periodic policy evaluations guarantee that the policy framework remains sound and updated
  - Greaves is proud of its adherence to international principles and corporate governance standards, which provide timely and accurate disclosures in compliance with Indian Accounting Standards (IAS)
  - Greaves is committed to improve upon its ethics and compliance status; and its strong corporate governance, which is based on organisational principles, is the core of Greaves long-term success and propels its efforts to achieve its aim of gaining stakeholder respect
  - A well-articulated Code of Conduct and Ethics guarantees that all stakeholders are involved in the development of an ethical organisation
  - Stakeholder confidence is built on a strong whistle-blower policy and strong non-retaliation procedures
  - Globally, data privacy regulations are being reinforced to respect people's choices on their data and privacy. At Greaves, privacy has always been a priority. Greaves intends to process personal data while ensuring that privacy concerns are addressed during the design process
  - Greaves staff's continued training and skill development aids us in incorporating best practices and gaining credibility
- Greaves strongly believes that the tone from the top determines organisational culture and as a result, it encourages ethical business practices which are guided by a diverse and competent leadership team that provides supervision as well as outlines and demonstrates the values with complete transparency and accountability. Ethics and integrity are observed across the value chain, including workers, partners, and vendors as part of corporate culture. Governance also involves Greaves' efforts to ensure the highest levels of data privacy and security. Greaves considers the following major governance components as part of its business operations:
- Engagement of stakeholders
  - Retention strategies
  - Policies on remuneration
  - Process of resolving conflicts

## Greaves' SDG Alignment Pertaining to Governance Aspects for the Financial Year 2021-22



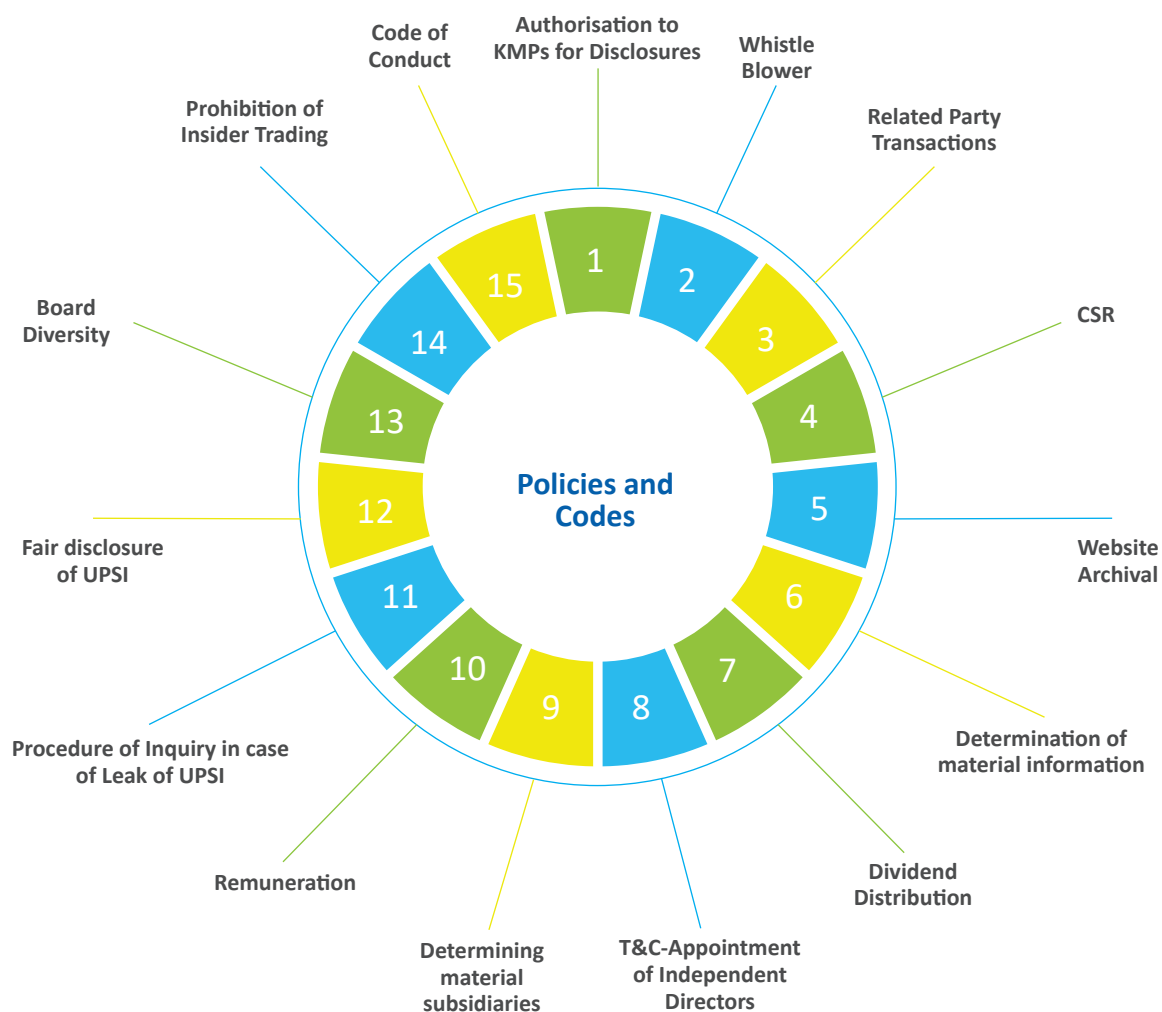
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# POLICIES AND CODES

Policy management, in Greaves’ opinion, is not a one-time event, hence it conducts mandatory policy evaluations on a regular basis to stay up with changing legislations, technology, and industry best practices. Furthermore, Greaves recognises that effective policy management necessitates robust communication and training to

ensure proper policy execution. Greaves strives to achieve ESG objectives by developing the appropriate strategy through policy implementation, methods and procedures. Following are some of the main policies that have been amended in accordance with various ESG factors as part of its ESG journey.

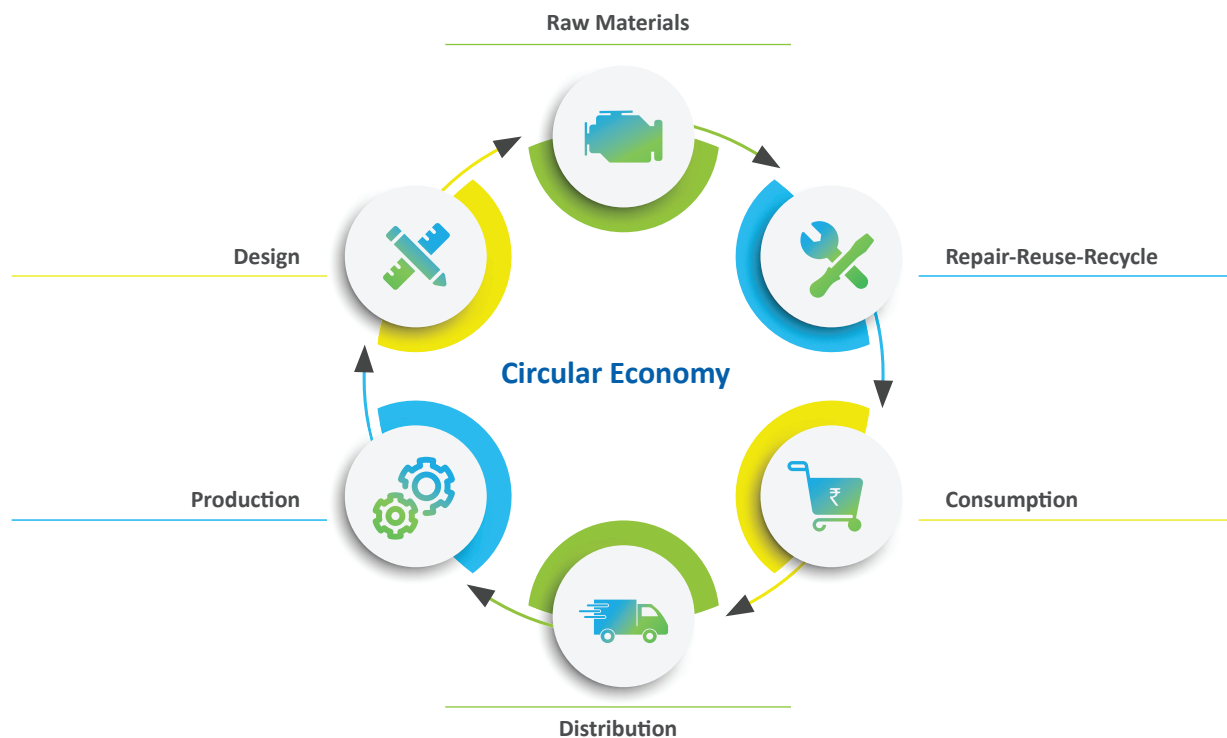


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# ADAPTING THE CIRCULAR ECONOMY APPROACH

Greaves adopts, innovates and improvises smarter approaches to reduce GHG emissions, energy usage, water usage and better waste management. In an effort to protect the environment, Greaves incorporates clean technology into its operations and client solutions thereby reducing its environmental impact. Adopting a circular carbon economy approach, in line with global benchmark practices is one of the most

significant methods for combating global emissions. Greaves thinks that implementing management solutions as part of its emissions reduction strategy, is critical to achieve a successful transition to sustainable and climate-neutral growth. The circular economy which promotes reuse, repair, refurbishment and recycling of existing materials and goods is a sustainable alternative to waste management.



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