

**SGL-22/Sec/2024-25**

**05<sup>th</sup> July, 2024**

**National Stock Exchange of India Limited**

Exchange Plaza, 5<sup>th</sup> Floor  
Plot No.C-1, Block G  
Bandra-Kurla Complex  
Bandra (E),  
Mumbai 400 051

**Bombay Stock Exchange Limited**

1<sup>st</sup> Floor  
New Trading Ring, Rotunda Building  
P J Towers, Dalal Street  
Fort,  
Mumbai 400 001

**Stock Code: SHANTIGEAR  
Through NEAPS**

**Stock Code: 522034  
Through BSE Listing Centre**

Dear Sir / Ma'am,

**Sub: Submission of Business Responsibility and Sustainability Report for the FY 2023-24**

Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Business Responsibility and Sustainability Report (BRSR) adopted by the Company for the Financial Year ended 31<sup>st</sup> March, 2024.

This is for your information and records.

Thanking You,

Yours faithfully,

**For Shanthi Gears Limited**

**Walter Vasanth P J  
Company Secretary & Compliance Officer**

## ANNEXURE G TO THE BOARD'S REPORT

### Business Responsibility and Sustainability Report

#### Section A: General Disclosures

##### i. Details of the Listed Entity

Sl.No.	Details of Entity	
1	Corporate Identity Number (CIN) of the Listed Entity	L29130TZ1972PLC000649
2	Name of the Listed Entity	Shanthi Gears Limited
3	Year of incorporation	1972
4	Registered office address	304-A, Trichy Road, Singanallur, Coimbatore - 641 005
5	Corporate address	304-A, Trichy Road, Singanallur, Coimbatore - 641 005
6	E-mail	info@shanthigears.murugappa.com
7	Telephone	+91 422 4545745
8	Website	www.shanthigears.com
9	Financial year for which reporting is being done	2023-2024
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited. Bombay Stock Exchange Limited.
11	Paid-up Capital	₹ 7.67 Cr
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Mr. Ranjan Kumar Pati Telephone: +91 422 4545745 Email Address: ranjanpati@shanthigears.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 reporting boundary covers all the manufacturing units of the Company in India for the period from 1 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2024
14	Name of assurance provider	-
15	Type of assurance obtained	-

## ii. Products/Services

		Sl. No.	Description of Main Activity	Description of Business Activity	% of turnover of the entity (FY24)
16	Details of business activities (accounting for 90% of the turnover):	1	Manufacturing & Services	Designs and Manufactures Gears, Gearboxes, Geared Motors, and Gear Assemblies, Refurbishing & repairing of old gearboxes	100%

		Sl. No.	Product/ Service	NIC Code	% of Total Turnover contributed
17	Products/ Services sold by the entity (accounting for 90% of the entity's Turnover):	1	GGB (Gears & Gear boxes)	2814	59%
		2	SFW (Service, Foundry, Worm and Gear Motors)	2814	41%

## iii. Operations

		Location	Number of plants	Number of offices	Total
18	Number of locations where plants and/ or operations/offices of the entity are situated:	National	3	1	4
		International	Nil	Nil	Nil

		Market served by the entity	Locations	Numbers
19	a. No. of Locations	National (No. of States/UTs)	28 States & 8 Union Territories	
		International (No. of Countries)	27	
	b. What is the contribution of exports as a percentage of the total turnover of the entity?	7.5%		
	c. A brief on types of customers	Shanthi Gears boasts a diverse customer base encompassing both B2B and B2C segments. Within B2B, Shanthi Gears serve Original Equipment Manufacturers (OEMs). B2C sales channels include dealers and direct sales to end users. The reach of Shanthi Gears extends across a wide range of sectors such as mineral processing, mining, off-highway vehicles, rubber & plastics, extruders, power generation, wind energy, general engineering, steel, textiles, railways, chemical, fertilizers, non-ferrous metals, pumps, valves, blowers, compressors, lifts, conveyors, cranes, material handling, pulp & paper, cement, sugar, foundry, conveyor systems, aviation, defense, textile mills, and food processing.		

#### iv. Employees

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

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)

##### a. Employees and Workers (including differently abled)

Employees						
1	Permanent (D)	242	220	91%	22	9%
2	Other than Permanent (E)	144	136	94%	8	6%
3	<b>Total Employees (D+E)</b>	386	356	92%	30	8%

Workers						
4	Permanent (F)	248	243	98%	5	2%
5	Other than Permanent (G)	911	857	94%	54	6%
6	<b>Total Workers (F+G)</b>	1159	1100	95%	59	5%

##### b. Differently abled employees and workers

Employees						
7	Permanent (D)	0	0	0	0	0
8	Other than Permanent (E)	0	0	0	0	0
9	<b>Total Employees (D+E)</b>	0	0	0	0	0

Workers						
10	Permanent (F)	0	0	0	0	0
11	Other than permanent (G)	0	0	0	0	0
12	<b>Total Differently Abled Workers (F+G)</b>	0	0	0	0	0

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

Sl. No.	Particulars	Total (A)	No. and percentage of Females	
			No. (B)	% (B/A)
1	Board of Directors	9	1	11.11%
2	Key Management Personnel	3	Nil	Nil

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

Category	FY 2024			FY 2023			FY 2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	22%	0%	22%	20%	0%	20%	18%	2%	20%
Permanent Workers	1%	0%	1%	0%	0%	0%	1%	0%	1%

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

## 23. (a) Names of holding/subsidiary/associate companies/joint ventures

Sl.No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/Associate/Joint Venture	% of shares held by listed Entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Tube Investments of India Limited	Holding company	70.46%	Yes

## vi. CSR Details

24	(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
	(ii) Turnover (in ₹)	₹. 536.05 Crores
	(iii) Net worth (in ₹)	₹. 345.31 Crores

## vii. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Investors (other than shareholders)	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Communities	No	NA	NA	NA	Nil	Nil	Nil
Shareholders	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Employees and workers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners	No	Nil	Nil	Nil	Nil	Nil	Nil
Others	-	Nil	Nil	Nil	Nil	Nil	Nil

**26. Overview of the entity’s material responsible business conduct issues –**

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

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 Strategy-Renewable Energy	Opportunity	Energy dependability on non-fossil related fuels has competitive edge over dynamic pricing of fossil fuels. Cleaner fuels position us as an environmental conscious company supporting global cause and climate change.	NA	Positive
2	Occupational Health & Safety	Risk	A robust occupational health and safety program is a core value of Shanthi Gears, it fosters a safe and productive work environment where employee well-being and operational excellence are aligned.	Our Safety policies (SHE) are instrumental in ensuring our employee performance. We work to promote a 'Zero incident work culture' and provide health and safety training to all our employees on how to maintain safety in the workplace environment.	Negative
3	Legal Compliance	Risk	A culture of unwavering regulatory compliance forms the foundation for sustainable growth in Shanthi Gears. A robust regulatory intelligence program ensures comprehensive awareness of the evolving legal landscape, enabling proactive anticipation and effective management of upcoming requirements.	Achieving zero regulatory non-compliance is a relentless pursuit at Shanthi Gears. We leverage advanced digital tool to ensure and continuously monitor adherence to all applicable regulations.	Negative
4	Corporate Governance	Opportunity	Transparent and accountable practices are fundamental to strong corporate governance in Shanthi gears. This commitment fosters trust with stakeholders and creates a sustainable, ethical business environment.	NA	Positive
5	Community Development & Engagement	Opportunity	Building strong partnerships with local communities is a priority for Shanthi Gears. Through social initiatives, investments are made to enhance well-being and ensure the sustainable development of communities where we operate.	NA	Positive

6	Training talent and Skill Development	Opportunity	Continuous training and development programs empower the workforce of Shanthi Gears and fosters a culture of lifelong learning. This investment builds a future-proof talent pool for sustained success.	NA	Positive
7	Waste Management	Risk	Minimizing environmental impact is a priority for Shanthi Gears. We implement sustainable waste management practices throughout our operations, aiming for resource recovery and reduction.	Waste at all of our units is segregated as hazardous and non-hazardous and disposed in appropriate ways, while adhering to the applicable safety norms and regulations for each type of waste.	Negative
8	Water and Wastewater Management	Risk	Responsible water stewardship is key for Shanthi Gears. We implement efficient water management practices and utilize sustainable wastewater treatment solutions to minimize environmental impact.	Wastewater is treated and used for Gardening purpose.	Negative
9	Sustainable Supply Chain	Risk	Building a sustainable supply chain is a priority for Shanthi Gears. We collaborate with environmentally conscious partners and source materials responsibly to minimize our environmental footprint.	Presently, Shanthi Gears is looking into formulating a sustainable supply chain program to assess social and environmental practices of our suppliers.	Negative
10	Risk & Crisis Management	Risk	By implementing a robust risk and crisis management plan, Shanthi Gears can proactively identify potential threats before they escalate into major crises.	Shanthi Gears conducts regular assessments to identify potential threats, analyze their likelihood and impact, and prioritize them based on severity.	Negative
11	Cybersecurity and Data Protection	Risk	A commitment to cybersecurity safeguards sensitive information and operational technology. Rigorous data protection protocols in Shanthi Gears ensure compliance with regulations and maintain stakeholder trust.	We, at Shanthi Gears, regularly conduct penetration testing and vulnerability assessments to identify weaknesses in our security posture and address them before attackers exploit them.	Negative
12	Product Stewardship	Risk	Responsible product lifecycles are a priority for Shanthi Gears. We design and manufacture products with sustainability in mind, considering eco-friendly materials, resource efficiency, and end-of-life solutions.	We work closely with suppliers to ensure they are also adopting sustainable practices in their production processes. This reduces the environmental impact of the entire supply chain and contributes to Shanthi Gears' product stewardship goals.	Negative

## Section B: Management and process disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	<a href="http://shanthigears.com">SGL Business Responsibility Policy (shanthigears.com)</a>								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No								
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.	ISO 9001, ISO 14001, ISO 45001, ISO/TS 22163, AS9100D, PED, Company's Environment, Health and Safety (EHS) Guidelines								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any	<p>Shanthi Gears establishes short-term and long-term goals and targets in ESG areas demonstrating our dedication to sustainability, safety and the well-being of our employees.</p> <p><b>Environment Goals at 2030</b></p> <ul style="list-style-type: none"> <li>• Energy Intensity : 30 % reduction in Energy Intensity across all SGL Units</li> <li>• Renewable Energy : 75 % of total energy will be from renewable energy</li> <li>• Water Intensity : 50 % reduction in Water Intensity across all SGL Units</li> <li>• Waste Intensity: 50 % reduction in Waste Intensity across all SGL Units</li> </ul>								



		<p><b>Social Goals at 2030</b></p> <ul style="list-style-type: none"> <li>• Magnify the impact of CSR program: Enhance our CSR program by increasing the employee volunteering hours to 8 hours/Employee/Year</li> <li>• ESG Training man hours (man-hours/ employee) : 5 Man days per employee per year across all SGL Units</li> <li>• Safety : Achieve and sustain Zero LTIFR</li> <li>• Employee Retention rate year on year: 90 % retention rate of employees in Management and Supervisory role</li> <li>• Building an Engaging working place for employees: 90 % Achievement of Employee Engagement Score</li> <li>• Creating an opportunity to build equitable workplace that offers diversified workforce: Women in Management and Supervisory role to grow to 20% in SGL Units</li> </ul> <p><b>Governance Goals at 2030</b></p> <ul style="list-style-type: none"> <li>• Integrate technology for sustained operations : Production Efficiency 70% of improvement</li> <li>• Supply Chain Assessment : Coverage of 80% critical supply chain partners for ESG assessment. Integrate ESG performance of critical supply chain partners in procurement decision-making for Shanthi Gears Limited</li> </ul> <p>Our Efforts towards ESG initiatives will reduce Shanthi Gears' environmental impact, foster a motivated and diverse workforce and ensure sustainable &amp; efficient operations</p>																																																																
6.	<p><b>Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</b></p>	<table border="1"> <thead> <tr> <th>#</th> <th>Parameter/ Metric</th> <th>Target FY 30</th> <th>Achieved FY24</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Environment Goals</b></td> </tr> <tr> <td>1</td> <td>Energy Intensity</td> <td>30 %</td> <td>8 % reduction</td> </tr> <tr> <td>2</td> <td>Renewable energy</td> <td>75 %</td> <td>45 %</td> </tr> <tr> <td>3</td> <td>Water Intensity</td> <td>50 %</td> <td>17 % reduction</td> </tr> <tr> <td>4</td> <td>Waste Intensity</td> <td>50 %</td> <td>1% Increase</td> </tr> <tr> <td colspan="4"><b>Social Goals</b></td> </tr> <tr> <td>5</td> <td>Magnify impact of CSR program (Employee volunteering hours)</td> <td>8 hours/ Employee/ Year</td> <td>&lt; 1 Hour/ Employee/ Year</td> </tr> <tr> <td>6</td> <td>ESG Training man hours</td> <td>5 Man days/ Employee/ Year</td> <td>1 Man day/ Employee/ Year</td> </tr> <tr> <td>7</td> <td>Safety</td> <td>Zero LTIFR</td> <td>Zero LTIFR</td> </tr> <tr> <td>8</td> <td>Employee Retention rate</td> <td>90 %</td> <td>79 %</td> </tr> <tr> <td>9</td> <td>Employee Engagement Score</td> <td>85 %</td> <td>78 %</td> </tr> <tr> <td>10</td> <td>Diversified workforce</td> <td>20 %</td> <td>8 %</td> </tr> <tr> <td colspan="4"><b>Governance Goals</b></td> </tr> <tr> <td>11</td> <td>Production Efficiency</td> <td>70 %</td> <td>58 %</td> </tr> <tr> <td>12</td> <td>Supply Chain ESG</td> <td>90 %</td> <td>10 %</td> </tr> </tbody> </table> <p>ESG roadmap is now on track to achieve long term targets, reinforcing our commitment to operational excellence, employee well-being and sustainable business practices.</p>	#	Parameter/ Metric	Target FY 30	Achieved FY24	<b>Environment Goals</b>				1	Energy Intensity	30 %	8 % reduction	2	Renewable energy	75 %	45 %	3	Water Intensity	50 %	17 % reduction	4	Waste Intensity	50 %	1% Increase	<b>Social Goals</b>				5	Magnify impact of CSR program (Employee volunteering hours)	8 hours/ Employee/ Year	< 1 Hour/ Employee/ Year	6	ESG Training man hours	5 Man days/ Employee/ Year	1 Man day/ Employee/ Year	7	Safety	Zero LTIFR	Zero LTIFR	8	Employee Retention rate	90 %	79 %	9	Employee Engagement Score	85 %	78 %	10	Diversified workforce	20 %	8 %	<b>Governance Goals</b>				11	Production Efficiency	70 %	58 %	12	Supply Chain ESG	90 %	10 %
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## Governance, Leadership, and Oversight

<p><b>7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)</b></p>		<p>Shanthi Gears is firmly committed to Environmental, Social, and Governance (ESG) principles, recognizing them as the foundation for long-term, sustainable business success. We understand the interconnectedness of these dimensions and strive to create a positive impact for all our stakeholders. Climate change is a key business risk that we actively address by identifying and mitigating environmental and social risks throughout our entire value chain. This proactive approach includes utilizing renewable energy sources, meticulously tracking, and reducing greenhouse gas emissions, and ensuring responsible practices from our suppliers through comprehensive environmental and social evaluations. Furthermore, we continuously strive to minimize waste and water consumption in our operations through ongoing improvement initiatives.</p> <p>Beyond operational excellence, Shanthi Gears actively contributes to the transition to a low-carbon economy by engaging in rigorous research and development focused on automation and renewable energy solutions. Our dedication to ESG is unwavering, with consistent reviews conducted to ensure compliance with all statutory requirements. All compliance reports are submitted to the appropriate authorities on a regular basis. Finally, as a testament to our holistic vision, Shanthi Gears operates as a philanthropic and service-oriented organization, focusing on healthcare and education initiatives to enrich the communities where we operate. This comprehensive approach ensures Shanthi Gears builds a sustainable future for the environment, society, and our company's long-term success.</p>
<p><b>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies</b></p>		<p>DIN Number: 09004843          Name: Mr. M Karunakaran          Designation: CEO &amp; Whole-time Director          Telephone Number: 0422-4545745          email id: <a href="mailto:karunakaranM@shanthigears.murugappa.com">karunakaranM@shanthigears.murugappa.com</a></p>
<p><b>9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.</b></p>		<p>Yes, the board of directors are responsible for decision making on sustainability related issues.</p>

### 10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee									Frequency (Annually/Half yearly/ Quarterly/Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Board Committee									Quarterly								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Board Committee									Quarterly								

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

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

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

### Section C: Principle Wise Performance Disclosure

**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	Percentages of persons in respective category covered by the awareness programmes
Board of Directors (BoD)	-	-	-
Key Managerial Personnel (KMPs)	20	20	75
Employees other than BoD and KMPs	120	40	96
Workers	52	46	80

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary & Non-Monetary					
Type	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)

**a. Monetary**

Penalty/Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

**b. Non-Monetary**

Type	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

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

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Not Applicable	Not Applicable

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.

Shanthi Gears prioritizes a robust governance framework anchored in ethical conduct and transparency. Consistent policies across all subsidiaries ensure stakeholders, both internal and external, operate within this well-defined structure. Upholding ethical and lawful behavior is a core value uniformly embraced by the Board of Directors, Senior Management, and all employees. Shanthi Gears actively cultivates a culture that encourages stakeholders to take actions aligned with these values, fostering a positive external perception.

A comprehensive Code of Conduct governs the actions of Directors, Senior Management (including executives at the General Manager level and above), and those reporting directly to the CEO and Company Secretary. This Code emphasizes acting in the Company's best interests while remaining mindful of responsibilities toward stakeholders, a critical element for long-term success. When selecting vendors and contractors, Shanthi Gears prioritizes vendors who demonstrate a commitment to ethical standards. Furthermore, the Company employs a multi-pronged approach to ensure adherence to these values: regular awareness campaigns and training programs for employees, coupled with consistent communication through various engagement channels, keep all stakeholders informed.

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

Category	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

Topic	FY 2024 Current Financial Year		FY 2023 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	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. Nil**

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

Category	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Number of days of accounts payables	55	55

**9. Open-ness of business**

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

Parameter	Metrics	FY 2024 Current financial Year	FY 2023 Previous financial Year
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA

<b>Concentration of Sales</b>	a. Sales to dealers/distributors as % of total sales	18%	22%
	b. Number of dealers/distributors to whom sales are made	48	52
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributor	64%	68%
<b>Share of RPTs in</b>	a. Purchases (Purchases with related parties/Total Purchases)	0%	0%
	b. Sales (Sales to related parties/ Total Sales)	2%	1%
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	Nil	Nil
	d. Investments ( Investments in related parties/Total Investments made)	Nil	Nil

### 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
12	10	80

#### 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.

Shanthi Gears has established conflict of interest policies to guide all stakeholders, ensuring ethical decision-making and protecting the company's interests.

**Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.**

**Essential Indicators**

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

	<b>FY 2024 Current financial Year</b>	<b>FY 2023 Previous financial Year</b>	<b>Details of improvements in environmental and social impacts</b>
<b>R&amp;D</b>	0.06%	0.04%	<ol style="list-style-type: none"> <li>1. Development of Energy Efficient Transfer case (PTO) boom pump gearbox</li> <li>2. Development of low noise with high efficiency 375 size of VRM gearbox for coal pulverizing (thermal power plant)</li> <li>3. Development of products inline planetary gearbox with high torquing capacity</li> </ol>
<b>Capex</b>	1.78%	2.14%	<ol style="list-style-type: none"> <li>1. Installation of energy-efficient machines with a dust extraction system and safety interlock system (VIPER 500, PG Machine, VTC 3000)</li> <li>2. Procurement of material handling equipment (hand pallet trucks, EOT cranes, mobile cranes)</li> <li>3. Installation of energy-efficient compressors</li> <li>4. Replacement of asbestos sheets with GI sheets</li> </ol>

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

Yes, Shanthi Gears prioritizes a sustainable supply chain, fostering a culture of responsible sourcing among its vendors and service providers. The company encourages adherence to internationally recognized management practices outlined in ISO 9001 (quality management) and ISO 14001 (environmental management) standards. Shanthi Gears' unwavering commitment to long-term sustainability is further solidified by the launch of a comprehensive Sustainable Supply Chain Program. This program will incorporate stringent Environmental and Social Responsibility (ESR) assessments for all suppliers, strategically positioning Shanthi Gears as a frontrunner in responsible sourcing practices.

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

Not Applicable

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Product	Process to safely reclaim the product
a. Plastics (including packaging)	Not Applicable
b. E-Waste	Not Applicable
c. Hazardous Waste	Not Applicable
d. Other Waste	Not Applicable

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.

Shanthi Gears is developing Standard Operating Procedures (SOP) for plastic waste recycling across all operations. These SOPs will be implemented upon successful EPR Registration.

#### 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
Nil						

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
Not Applicable		

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2024 Current financial Year	FY 2023 Previous financial Year
	Not Applicable	Not Applicable



**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed of.**

	FY 2024 Current financial Year			FY 2023 Previous financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not Applicable			Not Applicable		
E-waste						
Hazardous waste						
Other waste						

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	Not Applicable

**Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.**

**Essential Indicators**

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	%(B/A)	No. (C)	%(C/A)	No. (D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)

**Permanent employees**

Male	220	220	100%	220	100%	0	0%	220	100%	0	0%
Female	22	22	100%	22	100%	22	100%	0	0%	0	0%
<b>Total</b>	<b>242</b>	<b>242</b>	<b>100%</b>	<b>242</b>	<b>100%</b>	<b>22</b>	<b>100%</b>	<b>220</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

**Other than Permanent employees**

Male	136	0	0%	136	100%	0	0%	0	0%	0	0%
Female	8	0	0%	8	100%	0	0%	0	0%	0	0%
<b>Total</b>	<b>144</b>	<b>0</b>	<b>0%</b>	<b>144</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

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

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		No. (B)	%(B/A)	No. (C)	%(C/A)	No. (D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)

**Permanent workers**

Male	243	243	100%	243	100%	0	0%	243	100%	0	0%
Female	5	5	100%	5	100%	5	100%	0	0%	0	0%
<b>Total</b>	<b>248</b>	<b>248</b>	<b>100%</b>	<b>248</b>	<b>100%</b>	<b>5</b>	<b>100%</b>	<b>243</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

**Other than Permanent workers**

Male	857	0	0%	857	100%	0	0%	0	0%	0	0%
Female	54	0	0%	54	100%	0	0%	0	0%	0	0%
<b>Total</b>	<b>911</b>	<b>0</b>	<b>0%</b>	<b>911</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

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

	<b>FY 2024 Current financial Year</b>	<b>FY 2023 Previous financial Year</b>
Cost incurred on wellbeing measures as a % of total revenue of the company	13.64%	15.66%

**2. Details of retirement benefits.**

Benefits	<b>FY 2024 Current financial Year</b>			<b>FY 2023 Previous financial Year</b>		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority. (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers Covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
<b>PF</b>	100%	100%	Yes	100%	100%	Yes
<b>Gratuity</b>	100%	100%	Yes	100%	100%	Yes
<b>ESI</b>	100%	100%	Yes	100%	100%	Yes
<b>Other (Bonus)</b>	100%	100%	Yes	–	–	–

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

Yes, Shanthi Gears prioritizes accessibility across its operations. Elevators, ramps, and other infrastructure are readily available in both corporate office buildings and manufacturing facilities to ensure inclusivity for individuals with diverse abilities. Furthermore, all significant units boast occupational health centers equipped with wheelchairs, reflecting the company's commitment to a safe and accessible work environment for all.

**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.**

Shanthi Gears champions equal opportunity for all. The company implemented a company-wide policy across all our facilities that complies with the Rights of Persons with Disabilities Act of 2016. This policy is readily accessible to all employees on the company portal. [SGL Business Responsibility Policy \(shanthigears.com\)](https://www.shanthigears.com/SGL-Business-Responsibility-Policy)

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

Gender	Permanent employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	Nil	Nil
Female	Nil	Nil	Nil	Nil
<b>Total</b>	100%	100%	Nil	Nil

**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)
<b>Permanent Workers</b>	Yes	Yes, Shanthi Gears prioritizes a transparent and inclusive work environment. A formal Whistleblower Policy empowers employees to raise concerns through established channels, while a dedicated Welfare Committee addresses employee grievances. Regular meetings, encompassing those focused on preventing sexual harassment (POSH), union representation, and critical operational aspects like canteen management, work environment, safety, and communication, foster open dialogue. To ensure clear and direct communication, dedicated channels for raising concerns are established and communicated to all stakeholders. Notably, these comprehensive policy frameworks extend to all Shanthi Gears' manufacturing locations, encompassing both permanent and non-permanent employees.
<b>Other than Permanent Workers</b>		
<b>Permanent Employees</b>		
<b>Other than Permanent Employees</b>		

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

Category	FY 2024 Current financial Year			FY 2023 Previous financial Year		
	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)
<b>Total Permanent Employees</b>	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
<b>Total Permanent Workers</b>	248	167	67%	271	187	69%
Male	243	163	67%	266	182	68%
Female	05	04	80%	05	05	100%

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

Category	FY 2024 Current financial Year					FY 2023 Previous financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)

**Permanent Employees**

Male	220	220	100	208	94	247	247	100	217	88
Female	22	22	100	21	95	18	18	100	18	100
<b>Total</b>	242	242	100	229	95	265	265	100	235	89

**Permanent Workers**

Male	243	243	100	184	76	<b>266</b>	<b>266</b>	100	266	100
Female	5	5	100	5	100	<b>5</b>	<b>5</b>	100	5	100
<b>Total</b>	248	248	100	189	76	<b>271</b>	<b>271</b>	100	271	100

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

Category	FY 2024 Current financial Year			FY 2023 Previous financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Permanent Employees</b>						
Male	220	155	70%	247	161	65%
Female	22	16	73%	18	13	72%
<b>Total</b>	<b>242</b>	<b>171</b>	<b>71%</b>	<b>265</b>	<b>174</b>	<b>66%</b>
<b>Permanent Workers</b>						
Male	243	192	79%	266	120	45%
Female	5	2	40%	5	1	20%
<b>Total</b>	<b>248</b>	<b>194</b>	<b>79%</b>	<b>271</b>	<b>121</b>	<b>45%</b>

## 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, what is the coverage of such a system?

Yes, Occupational health & safety management system has been implemented in all plant locations. 100% of our operations are covered under EOHS and certified for ISO 45001 (Occupational health & Safety standards) and ISO 14001 (Environmental Management standards).

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

- Shanthi Gears conducts regular hazard identification and risk assessments to proactively identify potential threats to safety. Based on the findings of these assessments, the company implements risk reduction programs aimed at eliminating or mitigating these hazards to the greatest extent possible.
- SHE (Safety, Health, and Environment) committee meetings are held with equal participation from workers, management, and contractors. This collaborative approach ensures all perspectives are considered when addressing safety concerns.
- Preventative maintenance checklists prioritize the inspection of safety-critical components, such as limit switches and sensors. This proactive approach ensures these components function properly, preventing potential issues before they can cause accidents.
- Shanthi Gears takes a multi-layered approach to safety audits. Internal leadership conducts quarterly audits at all plant locations, and external experts perform annual audits. This combination provides a comprehensive assessment of safety protocols.
- Safety reviews are conducted weekly at all levels, and regular safety walks are performed by plant teams and safety professionals. These ongoing activities identify and address potential issues promptly.
- A work permit system is in place to ensure safety during hazardous and non-routine activities, requiring proper authorization and protocols before work commences.

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

Yes, Shanthi Gears Limited (SGL) prioritizes a robust safety culture by providing its workforce with multiple avenues for reporting work-related hazards. These avenues include:

- **Dedicated EHS Reporting Systems:** SGL utilizes established Environmental, Health, and Safety (EHS) reporting channels, such as designated reporting cards or online platforms, to facilitate direct reporting of safety concerns by employees.
- **Safety Steward Program:** Shanthi Gears has implemented a comprehensive Safety Steward Program. This program empowers a designated group of trained worker representatives to actively identify, collate, and report safety observations within their work areas. Additionally, these Safety Stewards participate in official Safety Committee meetings, ensuring a comprehensive and inclusive approach to addressing workplace safety concerns.

**d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services?**

Yes, Shanthi Gears Limited (SGL) offers its employees a well-rounded healthcare program that goes beyond workplace injuries. The program includes:

- **On-site Occupational Health Services:** For minor illnesses or injuries, employees can access treatment and support from qualified first-aid personnel at our conveniently located factory health centers.
- **Medical Insurance Coverage:** For more significant healthcare needs, SGL provides medical insurance that covers employees on an as-needed basis, ensuring they receive appropriate treatment at hospitals or other healthcare facilities.

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

Safety Incident/ Number	Category	FY 2024 Current financial Year	FY 2023 Previous financial Year
<b>Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)</b>	Employees	Zero Lost Time Injury	Zero Lost Time Injury
	Workers	Zero Lost Time Injury	Zero Lost Time Injury
<b>Total recordable work-related injuries</b>	Employees	Zero	Zero
	Workers	Zero	Zero
<b>No. of fatalities</b>	Employees	Zero	Zero
	Workers	Zero	Zero
<b>High consequence work-related injury or ill-health (excluding fatalities)</b>	Employees	Zero	Zero
	Workers	Zero	Zero

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

### The following actions are being taken in order to ensure a safe and healthy work environment.

- Senior management actively demonstrates its commitment to safety by providing regular guidance and reviewing the establishment and effectiveness of safety processes.
- A well-defined set of safety protocols guides all operational activities. These protocols encompass proactive measures like safety inspections, hazard assessments, and comprehensive safety training programs for all employee categories.
- Shanthi Gears fosters a culture of safety awareness and shared responsibility. Ongoing communication programs, tailored safety training, and recognition programs promote employee engagement in safety initiatives.
- Employees are encouraged to report hazards, near misses, and unsafe conditions, fostering a proactive approach to risk management.
- A commitment to preventative maintenance ensures machinery, equipment, and facilities are consistently maintained and inspected.
- Shanthi Gears prioritizes preparedness for potential emergencies. Well-defined emergency response plans, coupled with regular drills and training exercises, empower employees to respond effectively in case of fires, chemical spills, or medical emergencies.
- Regular safety patrols, walkthroughs, and toolbox talks allow for continuous monitoring and identification of potential safety concerns.
- Internal and external safety audits provide a comprehensive and independent assessment of safety protocols, identifying areas for improvement.
- Regularly conducted fire drills and mock drills enhance emergency preparedness and ensure a coordinated response.

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

Category	FY 2024 Current financial Year			FY 2023 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	2524	-	-	1437	-	-
Health & Safety						

## 14. Assessments for the year

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

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

Shanthi Gears proactively conducts risk assessments, carry out safety audits and inspections to mitigate significant risks and enhance workplace safety. Some of the key safety initiatives undertaken are listed below,

- Centralized Gas Leak Monitoring System is installed to detect and alert about gas leaks from a single control point in the C & F Unit.
- Safety Training (DOJO) Station are implemented in the C Unit to provide hands-on safety training and simulations for improving workers' safety skills.
- CCTV Monitoring & Live Oxygen Level Sensors are provided to ensure safety in underground heat treatment areas by continuously monitoring conditions in real-time.
- LOTO Pla Card & Centralized LOTO Station are implemented in the C Unit to standardize and centralize lockout/tag out procedures.
- Fire Man Suit is provided to the Emergency Response Team (ERT) in F Unit for safe firefighting and victim rescue during emergencies.
- AED Kit is fixed in Occupational Health Centres (OHC) across all units for emergency medical support.
- Confined Space Kit is provided in the C Unit for safe rescue operations in underground heat treatment areas.
- Retractable Blocks are provided for maintenance team to ensures safety for working at heights.
- Arc Flash Suit is issued to protect electrical maintenance team working near HT (High Tension) panels from arc flashes.

**Leadership Indicators**

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

**a. Employees (Yes/No): Yes,** the Company extends life insurance/compensatory package in the event of death of its employees.

**b. Workers (Yes/No): Yes,** the Company extends life insurance/compensatory package in the event of death of its employees

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.** Not Applicable

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

Category	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024 Current financial Year	FY 2023 Previous financial Year	FY 2024 Current financial Year	FY 2023 Previous financial Year
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	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, Shanthi Gears does not provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.

#### 5. Details on assessment of value chain partners:

Topic	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety conditions	SGL conducts assessments for all its value chain partners through site visits to their respective facilities.
Working conditions	SGL will also review suppliers' safety standards and working conditions and ensures that the partners comply with all relevant laws and regulations in and around SGL premises

#### 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.

We are, at present, looking into formulating a sustainable supply chain program to assess social and environmental practices of our suppliers.

#### 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.

Shanthi Gears is committed to a collaborative approach to sustainability and business strategy development. The company actively engages with stakeholders through a multi-faceted communication strategy. Formal channels include consultations with local communities, supplier engagement meetings, and investor forums. The company also leverages informal channels such as employee and customer surveys, CSR initiatives, and dealer conferences. This comprehensive approach allows Shanthi Gears to identify and prioritize social, environmental, and economic issues that are material to both our organization and our stakeholders. Shanthi Gears recognizes a broad range of stakeholders as key partners, including employees, business associates, suppliers, dealers, customers, shareholders/investors, local communities, and regulatory authorities. By fostering open communication and actively listening to their diverse perspectives, the can develop effective business strategies and sustainable practices that create shared value for all stakeholders.

#### 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Digital platforms and social media, Retail outlets and Customer satisfaction survey	Regular	<ul style="list-style-type: none"> <li>High standards of product quality and service delivery</li> <li>Consistent improvement in customer satisfaction</li> </ul>

<b>Local communities</b>	No	Corporate social responsibility initiatives	Regular	<ul style="list-style-type: none"> <li>• Improved access to healthcare, education</li> <li>• Skill development and livelihood opportunities</li> <li>• Disaster management and relief</li> <li>• Community development</li> <li>• Environmental preservation</li> </ul>
<b>NGO partners</b>	No	Corporate social responsibility initiatives	Regular	<ul style="list-style-type: none"> <li>• Improved access to healthcare, education</li> <li>• Skill development and livelihood opportunities</li> <li>• Disaster management and relief</li> <li>• Community development</li> <li>• Environmental preservation</li> </ul>
<b>Investors</b>	No	Investor calls/presentations, press releases and publications, Statutory reports, Annual General Meeting, Stock Exchange announcements	Regular	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Business updates</li> <li>• Growth plans and product pipeline</li> <li>• Sustainability performance</li> </ul>
<b>Regulators</b>	No	Mandatory compliance reports; regular factory visits	Regular	<ul style="list-style-type: none"> <li>• Statutory compliance requirements; governance, social, environmental</li> </ul>
<b>Employees</b>	No	Internal communication platform, Digital learning platforms, Career progression programs, Engagement initiatives, Talent Management Engine	Regular	<ul style="list-style-type: none"> <li>• High Performance Work Culture</li> <li>• Talent development and retention</li> <li>• Fulfilment of Company's vision, mission and achieving sustainability objectives</li> <li>• Professional capacity building</li> <li>• Cordial industrial relation</li> <li>• Occupational health and safety and safe working environment</li> </ul>

## 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.

Shanthi Gears maintains a robust communication strategy for engaging stakeholders with the Board. This multi-channel approach utilizes both formal and informal methods. Formal methods include digital platforms, statutory reports, and learning and development resources for internal communication. Additionally, significant topics are brought to the Board's attention at regular intervals through various channels, ensuring consistent and transparent information flow.

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

Yes, Shanthi Gears recognizes the valuable role stakeholder consultation plays in identifying the most important sustainability issues (material issues). By engaging with diverse stakeholder groups, the company gains a comprehensive understanding of their perspectives on materiality. This allows the company to develop a sustainability strategy that prioritizes the issues that matter most to its stakeholders. Additionally, Shanthi Gears has established a clear action plan and roadmap to address these material issues and meet stakeholder expectations.

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

Shanthi Gears, a proud member of the Murugappa Group, fosters a long-standing tradition of corporate social responsibility (CSR) focused on empowering underprivileged, disadvantaged, and vulnerable stakeholders within their communities. The company prioritizes a collaborative approach, actively engaging with these stakeholders to identify and address their most pressing needs. Shanthi Gears' CSR efforts concentrate on core areas like education and healthcare, aiming to create a lasting positive impact.

Demonstrating their commitment to social responsibility, Shanthi Gears allocates a designated portion of their profits to fund these initiatives. During the last fiscal year, the company implemented a variety of impactful programs, including:

- **Educational Infrastructure Enhancements:** Shanthi Gears has demonstrably improved educational facilities at Chencherimalai High School, Unchappalayam Middle School, Kamanaickenpalayam Middle School, and Muthalipalayam Primary School. These improvements include constructing and refurbishing classrooms, installing new drinking water tanks, replacing classroom roofs, and providing essential school supplies.
- **Investment in Future Leaders:** The company recognizes the importance of nurturing talent. They have extended sponsorship for web-based coaching to Grandmaster R Praggnanandha, supporting his development as a chess prodigy.

Extending their social impact beyond immediate needs, Shanthi Gears has established a dedicated research and development fund allocated to the Shri AMM Murugappa Chettiar Research Centre (MCRC). The MCRC conducts crucial research on environmental issues such as clean environment, biodiversity, and climate change, with a particular focus on understanding their impact on underprivileged communities. One example of this research is the exploration of sustainable agriculture practices.

### Principle 5: Businesses should respect and promote human rights.

#### Essential Indicators

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

Category	FY 2024			FY 2023		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	242	242	100%	265	265	100%
Other than permanent	144	0	0%	149	0	0%
<b>Total employees</b>	<b>386</b>	<b>242</b>	<b>63%</b>	<b>414</b>	<b>265</b>	<b>64%</b>
<b>Workers</b>						
Permanent	248	0	0%	271	0	0%
Other than permanent	911	0	0%	883	0	0%
<b>Total workers</b>	<b>1159</b>	<b>0</b>	<b>0%</b>	<b>1154</b>	<b>0</b>	<b>0%</b>

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

Category	FY 2024 Current financial Year					FY 2023 Previous financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	242	0	0%	242	100%	265	-	-	265	100%
Male	220	0	0%	220	100%	247	-	-	247	100%
Female	22	0	0%	22	100%	18	-	-	18	100%
<b>Other than Permanent</b>	144	0	0%	144	100%	149	-	-	149	100%
Male	136	0	0%	136	100%	139	-	-	139	100%
Female	8	0	0%	8	100%	10	-	-	10	100%
<b>Workers</b>										
<b>Permanent</b>	248	0	0%	248	100%	271	-	-	271	100%
Male	243	0	0%	243	100%	266	-	-	266	100%
Female	5	0	0%	5	100%	05	-	-	05	100%
<b>Other than Permanent</b>	911	0	0%	911	100%	883	73	8.3%	810	91.73%
Male	857	0	0%	857	100%	830	20	2.5%	810	97.5%
Female	54	0	0%	54	100%	53	53	100%	-	-

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

### a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	8	6,20,000	1	7,00,000
Key Managerial Personnel	3	38,63,588	0	0
Employees other than BoD and KMP	278	6,21,936	22	6,56,914
Workers	276	6,23,534	5	6,28,188

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

	FY 2024 Current financial Year	FY 2023 Previous financial Year
Gross wages paid to females as % of total wages	100%	100%

#### 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)

Shanthi Gears is committed to upholding human rights within its business operations. To ensure this commitment, the company has established a robust framework. This framework includes a dedicated Internal Complaints Committee (ICC) established in accordance with the POSH Act, and the involvement of the Human Resources department. Both the ICC and HR department work collaboratively to address and resolve any human rights impacts or concerns that may arise due to, or be contributed to by, Shanthi Gears' activities.

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

Shanthi Gears prioritizes a responsive approach to customer concerns. A Management Information System (MIS) tracks and reports customer complaints, ensuring they reach the dedicated Customer Grievance Redressal Committee (the Committee) for timely investigation and resolution. Furthermore, Shanthi Gears takes a proactive stance on human rights issues. Our comprehensive POSH (Prevention of Sexual Harassment) policy serves as a robust framework for addressing any grievances related to workplace harassment.

Looking beyond immediate concerns, Shanthi Gears' Whistle-blower Policy and Code of Conduct set clear guidelines for committee formation and operation in case of investigations. This ensures transparency and accountability in handling all reported issues.

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

	FY 2024 Current financial Year			FY 2023 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
Sexual Harassment	Zero	Nil	Nil	Zero	-	-
Discrimination at workplace	Zero	Nil	Nil	Zero	-	-
Child Labour	Zero	Nil	Nil	Zero	-	-
Forced Labour/ Involuntary Labour	Zero	Nil	Nil	Zero	-	-
Wages	Zero	Nil	Nil	Zero	-	-
Other human rights related issues	Zero	Nil	Nil	Zero	-	-

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

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

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

Shanthi Gears prioritizes ethical and legal business conduct while fostering open communication. To achieve these goals, the company has implemented a robust framework that includes several key policies:

- **POSH Committee:** Shanthi Gears has established an internal committee specifically dedicated to addressing grievances related to discrimination and harassment, ensuring a safe and respectful work environment for all employees.
- **Whistle-blower Policy:** This policy empowers various stakeholders, including directors, employees, customers, and vendors, to voice concerns about potential breaches of ethical conduct. This policy reflects Shanthi Gears’ commitment to the highest ethical standards.
- **Code of Conduct:** The company’s Code of Conduct provides clear guidelines for employee behaviour in the workplace, promoting professionalism and ethical conduct.

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

Yes, the Company gives human rights high importance thereby making it an integral part of its business agreements and contracts.

**10. Assessments of the year**

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labour	The company has implemented a mechanism in place to assess child/forced labour; Sexual harassment; discrimination at workplace and wages as part of business responsibility policy. In terms of coverage, 100% of our plants and offices were assessed by the entity.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	

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

There were no significant risks identified. Hence, no corrective action has been taken.

**Leadership Indicators**

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

Not Applicable

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

Not Applicable

### 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, Shanthi Gears is committed to creating an inclusive environment for all. The commitment extends to accessibility, ensuring that all operating locations, corporate offices and plants are accessible to employees, workers, and visitors with disabilities.

The company has implemented several measures to achieve this:

- **Physical Accessibility:** Locations feature ramps, sidewalks, and elevators, along with all necessary infrastructure to facilitate easy access for people with disabilities.
- **Assistive Communication:** Signage throughout the facilities caters to employees and workers who use hearing aids.
- **Mobility Support:** Wheelchairs are readily available in the Occupational Health Centers located in all the major facilities.

### 4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	The company, at present, is looking into formulating a sustainable supply chain program to assess social and environmental practices of suppliers.
Discrimination at workplace	
Child labour	
Forced/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.

Not Applicable

### 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 2024 Current financial Year	FY 2023 Previous financial Year
<b>From renewable sources</b>		
Total electricity consumption (A)	Not Applicable	Not Applicable
Total fuel consumption (B)	Not Applicable	Not Applicable
Energy consumption through other sources (C)	36,604.54 GJ (Wind)	39,329 GJ (Wind)
<b>Total energy consumed from renewable sources (A+B+C)</b>	36,604.54 GJ	39,329 GJ

<b>From non-renewable sources</b>		
Total electricity consumption (D)	34,251.7 GJ	26,043.86 GJ
Total fuel consumption (E)	6,304.67 GJ	4,316 GJ
Energy consumption through other sources (F)	Not Applicable	Not Applicable
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	40,556.37 GJ	30,359.86 GJ*
<b>Total energy consumed (A+B+C+D+E+F)</b>	77,160.91 GJ	69,688.86 GJ*
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	0.0000144	0.0000156 <sup>#</sup>
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	0.0000151	0.0000166
Energy intensity in terms of physical output	Not Applicable**	Not Applicable**
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

\* Energy consumption values of FY 2023 and FY 2024 are updated as per the definition in the regulation.

<sup>#</sup> Intensity figures from the last year have been revised following the correction of decimal error.

\*\* Intensity in terms of physical output is not applicable as our units manufacture diverse range of products measured in numbers, each varying in size and tonnage.

**Note:**

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

No assessment was carried out by any external agencies.

**2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

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

<b>Parameter</b>	<b>FY 2024 Current financial Year</b>	<b>FY 2023 Previous financial Year</b>
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	Nil	Nil
(ii) Groundwater	25,084.66 KL	27,384.6 KL
(iii) Third party water (Municipal water supplies)	14, 259.89 KL	11,647.06 KL
(iv) Seawater/desalinated water	Nil	Nil
(v) Others (Rainwater storage)	Nil	Nil
<b>Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)</b>	39,344.55 KL	39,031.66 KL
<b>Total volume of water consumption (in kiloliters) *</b>	39,344.55 KL	39,031.66 KL



<b>Water intensity per rupee of turnover</b> (Total water consumption/Revenue from operations)	0.0000073	0.0000088 <sup>#</sup>
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption/Revenue from operations adjusted for PPP)	0.0000077	0.0000093
<b>Water intensity</b> in terms of physical output	Not Applicable**	Not Applicable**
<b>Water intensity (optional)</b> – the relevant metric may be selected by the entity	-	-

<sup>#</sup> Intensity figures from the last year have been revised following the correction of decimal error.

\*\* Intensity in terms of physical output is not applicable as our units manufacture diverse range of products measured in numbers, each varying in size and tonnage.

**Note:**

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

No assessment was carried out by any external agencies.

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

Parameter	FY 2024 Current financial Year	FY 2023 Previous financial Year
<b>Water discharge by destination and level of treatment (in kilo liters)</b>		
(i) To Surface water	Nil	Nil
- No treatment	Nil	Nil
With treatment – please specify level of treatment	Nil	Nil
(ii) To Groundwater	Nil	Nil
- No treatment	Nil	Nil
(iii) To Seawater	Nil	Nil
- No treatment	Nil	Nil
With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third parties	Nil	Nil
- No treatment (Water sent for treatment to Central Effluent Treatment Plant) *	Nil	Nil
With treatment – please specify level of treatment	Nil	Nil
(v) Others	Nil	Nil
- No treatment	Nil	Nil
With treatment – Tertiary treatment	Nil	Nil
<b>Total water discharged (in kilo liters)</b>	Nil	Nil

Our units operate in-house wastewater treatment facilities to recycle used water and reduce fresh water consumption

**Note:**

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

(Y/N) If yes, name of the external agency

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

Shanthi Gears prioritizes environmental responsibility by operating a sewage treatment plant that recycles treated water for gardening purposes. This not only conserves resources but also reduces the environmental impact. Additionally, the company holds the necessary permits from the state pollution control board, ensuring the operations and water usage comply with all regulations.

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

Parameter	Please specify unit	FY 2024 Current financial Year	FY 2023 Previous financial Year
NOx	mg/m3	15.73	18.13
SOx	mg/m3	8.22	9.8
Particulate matter (PM2.5)	mg/m3	21.18	23.08
Particulate matter (PM10)	mg/m3	42.22	47.27
Persistent organic pollutants (POP)	NA	N/A	NA
Volatile organic compounds (VOC)	NA	<0.1	<0.1
Hazardous air pollutants (HAP)	mg/m3	N/A	NA

**Note:**

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

No

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

Parameter	Unit	FY 2024 Current financial Year	FY 2023 Previous financial Year
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	<i>Metric tons of CO2 equivalent</i>	375.7	250.4
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	<i>Metric tons of CO2 equivalent</i>	7868.4	5859.9*
<b>Total Scope 1 and Scope 2 emissions</b>	<i>Metric tons of CO2 equivalent</i>	8244	6110.3*
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)	<i>Metric tons of CO2 equivalent/ turnover in crores</i>	0.0000015	0.0000014#
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations adjusted for PPP)		0.0000016	0.0000015

<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>		Not Applicable**	Not Applicable**
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity		-	-

\* Scope 1 and Scope 2 emission values of FY 2023 and FY 2024 are updated as per the definition in the regulation.

# Intensity figures from the last year have been revised following the correction of decimal error.

\*\* Intensity in terms of physical output is not applicable as our units manufacture diverse range of products measured in numbers, each varying in size and tonnage.

**Note:**

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

No assessment was carried out by any external agencies.

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

**Renewable Energy**

- Shanthi Gears utilizes a sustainable approach to energy by generating 6.7 MW of electricity through nine windmills. This clean energy powers the company's captive production processes.

**Energy efficiency measures**

- Transition to Electric Material Handling Equipment: The company has replaced diesel forklifts with electric alternatives, demonstrably reducing air emissions and contributing to cleaner air quality.
- Deployment of Energy-Efficient Machinery: Shanthi Gears prioritizes energy efficiency by installing advanced machinery equipped with dust extraction systems and integrated safety interlock mechanisms.
- LED Lighting and Daylighting Initiatives: The company has implemented a comprehensive strategy across most buildings, transitioning from conventional lighting to energy-efficient LED fixtures and incorporating daylighting measures to minimize overall energy consumption.

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

Parameter	FY 2024 Current financial Year	FY 2023 Previous financial Year
<b>Total Waste generated (in metric tons)</b>		
Plastic waste (A)	24.79	11.4
E-waste (B)	0.12	0.83
Bio-medical waste (C)	0.051	0.059
Construction and demolition waste (D)	-	-
Battery waste (E)	5.00	6.85
Radioactive waste (F)	Not Applicable	Not Applicable
Other Hazardous waste. Haz. Waste from process + Haz. Waste from pollution control equipment's, + Filter bed sand + Filter bags etc. (G)	256.03	316.01
Other Non-hazardous waste generated (H). MS Scrap + Aluminum scrap (Break-up by composition i.e., by materials relevant to the sector)	6464.35	5254.85*
<b>Total (A + B + C + D + E + F + G + H)</b>	<b>6750.38</b>	<b>5589.97*</b>

<b>Waste intensity per rupee of turnover</b> (Total waste generated/Revenue from operations)	0.00000126	0.00000125 <sup>#</sup>
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated/Revenue from operations adjusted for PPP)	0.00000132	0.00000133
<b>Waste intensity</b> in terms of physical output	Not Applicable**	Not Applicable**
<b>Waste intensity (optional)</b> – the relevant metric may be selected by the entity	-	-

**For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)**

<b>Category of waste</b>		
(i) Recycled	170.10	144.77
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	-	-

**For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)**

<b>Category of waste*</b>		
(i) Incineration	0.051	0.059
(ii) Landfilling	-	-
(iii) Other disposal operations	85.93	172
<b>Total</b>	85.98	172.06

\* Waste generated values of FY 2023 and FY 2024 are updated as per the definition in the regulation. Waste recovery and disposal value indicates only the hazardous waste and bio medical waste.

<sup>#</sup> Intensity figures from the last year have been revised following the correction of decimal error.

\*\* Intensity in terms of physical output is not applicable as our units manufacture diverse range of products measured in numbers, each varying in size and tonnage.

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Shanthi Gears prioritizes waste minimization through a comprehensive 3R (Reduce, Reuse, Recycle) program implemented across all business units. This program is supported by a robust environmental management system (EMS) that outlines operational control procedures for waste control, segregation, storage, and safe disposal.

To ensure proper waste handling, all employees receive training to differentiate between biodegradable, non-biodegradable, and hazardous waste streams. This ensures safe segregation and transport to designated storage areas without spills.

Shanthi Gears partners with authorized waste handlers for responsible waste management, including recycling and co-processing whenever possible. For hazardous waste, we obtain the necessary authorizations from relevant State Pollution Control Boards to ensure safe and compliant disposal of specific quantities.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

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.
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Not Applicable

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

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

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

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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## Leadership Indicators

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

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

- Name of the area: Not Applicable
- Nature of operations: Not Applicable
- Water withdrawal, consumption, and discharge in the following format: Not Applicable

Parameter	FY 2024 Current financial Year	FY 2023 Previous financial Year
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater/desalinated water	NA	NA
(v) Others	NA	NA
<b>Total volume of water withdrawal (in kilolitres)</b>	NA	NA
<b>Total volume of water consumption (in kilolitres)</b>	NA	NA
<b>Water intensity per rupee of turnover (Water consumed/turnover)</b>	NA	NA

<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	NA	NA
<b>Water discharge by destination and level of treatment (in kilolitres)*</b>		
(i) Into Surface water	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) Into Groundwater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third parties	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
<b>Total water discharged (in kilolitres)</b>	NA	NA

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

Parameter	Unit	FY 2024 Current financial Year	FY 2023 Previous financial Year
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	Not Applicable	Not Applicable
<b>Total Scope 3 emissions per Crore of turnover</b>		Not Applicable	Not Applicable
<b>Total Scope 3 emission intensity (optional)</b> – the relevant metric may be selected by the entity		Not Applicable	Not Applicable

**Note:**

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

**3. 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.**

Not Applicable

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

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Renewable energy	i. Offsite wind captive generation	Shanthy Gears demonstrates a strong commitment to sustainability by significantly increasing its reliance on renewable energy sources. Currently, over 45% of the company's total energy mix comes from renewable sources. This shift has led to a substantial reduction in greenhouse gas (GHG) emissions. In the current year alone, Shanthy Gears estimates a CO2 equivalent (CO2e) reduction of approximately 8,824 tons – a remarkable achievement that translates to a cleaner environment.
2.	Energy efficiency	i. Installation of energy efficient machine with dust extraction system and safety interlock system ii. Conventional lights replaced with LED lights and day light saving measures observed in most of our buildings.	Shanthy Gears Limited (SGL) is dedicated to continuous improvement, implementing initiatives that enhance efficiency year after year. These ongoing efforts have resulted in a significant environmental benefit. In the current year alone, SGL estimates a CO2 equivalent (CO2e) reduction of approximately 30 tons. This achievement demonstrates SGL's commitment to a sustainable future.
3.	Water efficiency	i. Reduction of raw water consumption in canteens through process improvements ii. Treated wastewater from sewage treatment plant used for gardening purposes. iii. Established a rainwater harvesting system in Unit D to capture and reuse rainwater for non-potable purposes. Actions initiated for rainwater harvesting system at C Unit and F Unit iv. Installed electromagnetic flow meters at major consuming areas to record the water consumption. v. Installation of low flow taps at machine shop toilets. vi. Installation of three sink washing stations at Canteen	<p><b>i. Reducing Raw Water Consumption:</b> Shanthy Gears is committed to minimizing its reliance on raw water sources. The company implements various initiatives to achieve this goal.</p> <p><b>ii. Utilizing Treated Wastewater for Greenery:</b> Shanthy Gears promotes sustainable water management practices by reusing treated wastewater for irrigation purposes. This approach reduces the company's dependence on groundwater for maintaining gardens and landscaping.</p>
4.	Waste Management	i. Installation of grinding sludge pressing unit to reduce the disposal quantity of grinding sludge. ii. Non-recyclable wastes are diverted to co-processing in cement kilns iii. Recyclable wastes like paper & cardboards are sent for recycling	<p><b>i. Diverting Non-Recyclable Waste:</b> Shanthy Gears prioritizes responsible waste disposal by diverting a significant amount, 168.62 metric tons of non-recyclable waste from landfills. This waste is instead sent to co-processing units, where it can be utilized for energy recovery.</p> <p><b>ii. Maximizing Recycling:</b> Shanthy Gears actively promotes recycling by sending 1816.65 metric tons of recyclable materials, such as cardboard and plastics, to authorized recyclers. This approach ensures these materials are responsibly processed and reintroduced into the circular economy.</p>

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

Shanthi Gears is working towards developing a disaster management plan for the future.

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

Not Applicable

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

Shanthi Gears Limited (SGL) is building a program to assess the social and environmental practices of our suppliers, focusing on sustainability within the supply chain. To prioritize these assessments, the company is currently categorizing the suppliers based on a criticality matrix.

**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 and industry chambers/associations.**

Shanthi Gears Limited is a part of 7 associations.

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

Sl.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	Madras Management Association (MMA)	National
3	The Employers' Federation of Southern India	National
4	Indian Wind Power Association	National
5	The Institute of Indian Foundry men	National
6	American Gear Manufacturers Association	International
7	The Indian Chamber of Commerce and Industry	State

**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.**

Not Applicable



## Leadership Indicators

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

Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/ Others – please specify)	Web Link, if available
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Shanthi Gears actively participates in major industry associations and chambers of commerce. Through these platforms, the company leverages its expertise to advocate for advancements and improvements within India's industrial climate. Additionally, Shanthi Gears provides thought leadership by expressing its views and recommendations on critical issues like energy security, economic reforms, and corporate governance.

## 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.

All CSR initiatives are supported by an Impact assessment to ensure that they reach the community intended and positively impact the life of those.

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

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

Sl. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
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Not Applicable

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

Not Applicable

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

Parameter	FY 2024 Current calendar Year	FY 2023 Previous calendar Year
Directly sourced from MSMEs/small producers	36%	37%
Directly from within India (Neighboring Districts)	25%	24%

**5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost:**

Location	FY 2024 Current calendar Year	FY 2023 Previous calendar Year
Rural	Nil	Nil
Semi-urban		
Urban		
Metropolitan		

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

**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 ₹)
Tamil Nadu	Coimbatore, Tamil Nadu	1.18 crores

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

No

**(b) From which marginalized/vulnerable groups do you procure?**

Not Applicable

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

Not Applicable

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

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
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Not Applicable

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
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Not Applicable

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Projects	No. of persons benefited from CSR Projects 2023	% of beneficiaries from vulnerable and marginalized groups
1	School renovation project: Chencherimalai Highers Secondary School The Company has taken initiative of providing infrastructure support to Chencherimalai Government School i.e., Construction of two classrooms	80	100%
2	School renovation project: Muthalipalayam The Company has taken initiative of providing infrastructure support to Muthalipalayam Government School i.e., smart digital learning tools, refurbishing classrooms to upgrade the facilities available to students.	60	100%
3	Research & Development Programme: The fund has been allocated to Shri AMM Murugappa Chettiar Research Centre (MCRC), for conducting research in the fields of clean environment, biodiversity and climate change and its impact on the underprivileged communities. Ex: Developing & scaling up sustainable technologies (Solar based applications) for improved livelihood in rural India.	NA	100% (As the project is set to be implemented in Rural India)
4	School renovation project: Kamaickenpalayam Primary School The Company has taken initiative of providing infrastructure support to Kamaickenpalayam Government School i.e., Construction of overhead water tank	220	100%
5	School renovation project: Unchappalayam Middle School The Company has taken initiative of providing infrastructure support to Unchappalayam Government School i.e., Construction of overhead drinking water tank & Classroom floor tiles and roofing replacement with fire proof pug panel	340	100%
6	Health Care and sanitation project: Lakshmi Nagar Welfare Association The Company has taken initiative of providing infrastructure support to Lakshmi Nagar Welfare Association i.e., Construction of toilets for male and female in public park	750	100%
7	Promoting Education project: Kamaickenpalayam Primary School The Company has taken initiative of providing infrastructure support to Kamaickenpalayam Primary Government School i.e., Providing food plates and tumblers for students' morning breakfast scheme	110	100%
8	Promoting Education project: Anuppatti Primary School The Company has taken initiative of providing infrastructure support to Anuppatti Primary Government School i.e., Providing food plates and tumblers for students morning breakfast scheme	100	100%

9	Promoting Education project: Puliampatti Primary School The Company has taken initiative of providing infrastructure support to Puliampatti Primary Government School i.e., Providing food plates and tumblers for students morning breakfast scheme	100	100%
10	Disaster Management relief Project: Chennai Public The company took the initiative of providing food support to Chennai public i.e., Providing bread packets to the rain affected areas	1000	100%
11	Promotion of Sports Project: Master Praggnanandha Chess Player Amazon Web Services (AWS Chess Based Server Service charges)	1	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.**

The Customer complaints are received by Shanthi Gear’s marketing team and forwarded to the quality team through online portal. The complaint is then sent to all relevant stakeholders in order to respond to the customer within 7 days of the complaint receipt. Based on the severity, the company takes time to close the complaint. The average duration of closing the complaints is 29 days.

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

Parameter	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	
Recycling and/or safe disposal	

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

	FY 2024 (Current Calendar Year)		Remarks	FY 2023 (Previous Calendar Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	143	0	-	134	0	-

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

	Number	Reasons for recall
Voluntary recalls		Shanthi Gears follows high quality standards which are monitored through productivity and quality metrics. Quality issues are addressed through the above methods to reduce the impact of safety concerns for its products.
Forced recalls		

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

Shanthi Gears does not have a formal policy in place but adheres to its requirement.

**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

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

a. Number of instances of data breaches - Nil

b. Percentage of data breaches involving personally identifiable information of customers - Nil

c. Impact, if any, of the data breaches - Nil

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

Gears & Gear boxes – [Standard – Shanthi Gears Limited – India Leading Industrial Gearbox Manufacturer](#)

Foundry - Foundry – [Shanthi Gears Limited – India Leading Industrial Gearbox Manufacturer](#)

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

Shanthi Gears offers genuine, high-value products designed to meet the needs of discerning customers, every single time. Throughout the production process, the products undergo rigorous quality checks to ensure they meet the highest standards. Shanthi Gears also utilizes well-defined Standard Operating Procedures (SOPs) to continuously improve the processes and eliminate any potential issues. Additionally, Shanthi Gears clearly labels all products according to the Legal Metrology Act, providing with the information needed for safe and responsible use.

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

Not applicable as the Company's products are not considered as essential from the consumer perspective.

**4. Does the entity display product information on the product over & 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, Shanthi Gears clearly labels all products according to Indian legal requirements (Legal Metrology Act) and other relevant laws. We go beyond the minimum by providing additional information whenever it helps you understand, use, and care for better purchase.