



Sharda Motor Industries Ltd.

SMIL: LISTING: 23-24/2109

21st September, 2023

BSE Limited (BSE)

Department of Corporate Services
Pheroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

(SCRIP CODE - 535602)

National Stock Exchange of India Limited (NSE)

Exchange Plaza,
5th Floor Plot No. C/1, G Block
Bandra - Kurla Complex, Mumbai - 400 051

(Symbol - SHARDAMOTR) (Series - EQ)

Sub: Submission of Business Responsibility and Sustainability Report for the Financial Year 2022-23

Ref: Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam,

This is in reference to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Kindly find enclosed herewith Business Responsibility and Sustainability Report (the BRSR) for the Financial Year 2022-23.

The BRSR also forms the part of the Annual Report for the Financial Year 2022-23, submitted to the exchanges vide letter No. SMIL: LISTING: 23-24/0109 dated 1st September, 2023.

We request you to kindly take the above on record.

Thanking you,

Yours faithfully,

For SHARDA MOTOR INDUSTRIES LIMITED

Iti Goyal

**Asst. Company Secretary &
Compliance Officer**

Encl. as above

Regd. Office : D-188, Okhla Industrial Area, Phase-I, New Delhi - 110 020 (INDIA)

Tel.: 91-11-47334100, Fax : 91-11-26811676

E-mail : smil@shardamotor.com, Website : www.shardamotor.com

CIN NO-L74899DL1986PLC023202

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (BRSR)

This is the inaugural edition of Sharda Motor Industries Limited's BRSR, in which we present all our non-financial disclosures, and it is one of our first steps as a Company to integrate our Environmental, Social, and Governance (ESG) aspects into our operational activities. As a Company deeply committed to environmental responsibility and social impact, this report represents a significant milestone in our sustainability journey. Our primary objective is to promote accountability and transparency in business practices, which opens the way for sustainable development and allows us to engage more effectively with our stakeholders, such as employees, customers, suppliers, and communities, so that we understand and incorporate their needs and expectations into our sustainability strategy.

As an automobile component manufacturing Company, we understand our responsibility to prioritize sustainability in all aspects of our operations. Our Company's purpose is to provide our customers with high quality and reliable products that meet their needs through minimum environmental impact. We strive to educate our stakeholders about the importance of sustainability and the role that they can play in protecting the environment. We recognise that sustainable and responsible business practices are an opportunity and through this report, we aim to prioritise ESG values in our operations and improve our efficiency, reduce costs, and contribute to the overall well-being of our planet and future generations.

Driven by the core values of the Nine Thematic Principles, as outlined in the National Guidelines on Responsible Business Conduct (NGRBC), we deeply embed responsible and sustainable business practices into our organization. These guiding principles serve as the foundation for our commitment to creating a positive influence on both society and the environment Concurrently. At the heart of our endeavors lies the comprehensive Business Responsibility and Sustainability Report (BRSR), meticulously addressing the essential principles stipulated by Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

This pivotal report serves as a powerful conduit for sharing the strides we have taken in environmental impact, social responsibility, corporate governance, ethical business practices, and innovation. Our unwavering dedication to sustainable growth and responsible business conduct finds its testament within this report, reflecting the very essence of our organization.

With this in-depth and transparent account, we extend an earnest invitation to all our stakeholders to embark on this transformative journey alongside us, as we work collectively towards building a sustainable and thriving future.

Section A: General Disclosures

Since our establishment in 1986, we have grown significantly in the automotive sector by providing highly engineered goods and services, ranging from emission control, suspension, roof systems to SCM & Procurement, with a sizable market share and positive, long-term relationships with OEMs. Our vision is to become one of the Top 100 Companies in India, achieved through our unwavering commitment to delivering innovative products and services while expanding our global presence. At the core of our operations lie our corporate values: ownership, strategic thinking, customer-centricity, and integrity.

In this section we have shared generic details as well as information regarding our products, operations, employees, subsidiaries, CSR, transparency, and disclosure compliances with the goal of providing stakeholders with an understanding of the organisation and our activities.

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L74899DL1986PLC023202
2. Name of the Listed Entity	Sharda Motor Industries Limited
3. Year of incorporation	1986

4. Registered office address	D-188, Okhla Industrial Area Phase-1, New Delhi, Delhi-110020, India
5. Corporate address	D-188, Okhla Industrial Area Phase-1, New Delhi, Delhi-110020, India
6. E-mail	investorrelations@shardamotor.com
7. Telephone	011-47334100
8. Website	www.shardamotor.com
9. Financial year for which reporting is being done	1 st April 2022 - 31 st March 2023
10. Name of the Stock Exchange(s) where shares are listed	Bombay (A1) and National Stock Exchange (A1024); Code: 1,025
11. Paid-up Capital	594.63 Lakhs INR
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Iti Goyal Assistant Company Secretary and Compliance officer 011-47334100 iti.goyal@shardamotor.com
13. Reporting boundary <i>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).</i>	The disclosures made under this report are on a standalone basis for Sharda Motor Industries Ltd (SMIL).

II. Products/services

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

S. No.	Description of main activity	Description of business activity	% of turnover of the entity (FY23)
1.	Manufacturing	Manufacturing of motor vehicle parts such as exhaust system, suspension system, sheet metal components.	100%

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

S. No.	Product/Service	NIC Code	% of total turnover contributed
1.	Manufacturing of motor vehicle parts such as exhaust system, suspension system, Sheet metal components.	29301	100%

III. Operations

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

Location	Number of plants	Number of offices
National	7 Manufacturing units (including 2 Tube Mills & 3 Stamping Plants)	3 sales offices and 1 R&D center.
International	-	1 sales office.

Our Manufacturing locations:

1. Plot No. A-1/8, MVML Vendor Park MIDC, Phase-IV, Nigo JE Chakan, Pune – 410501
2. PAP K-20,21&22, Village - Khalumbre, Chakan MIDC Phase II, Tal Khed, Pune 410501
3. G-20, Sipcot Industrial Park, Irungattu Kottai, Sriperumbudur Taluka, Kancheepuram Dist. Tamil Nadu – 602105
4. P 12, 1st Avenue, Mahindra World City, Chengalpattu Taluk, Kanchipuram Dist., Tamil Nadu-603 002
5. Plot No.112, M.I.D.C., Satpur, Nasik- 422007, Maharashtra
6. Plot No. 52/1, 52/2, 53/2A, 54A, 54B, 54C & 54D, Behind Ceat Company, Satpur, Nashik-422007
7. Plot No. C/8 Tata Vendor Park, Sanand Viramgam Highway, Ahmedabad, Gujarat- 382170

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	At present, the Company is serving markets across all states in India
International (No. of Countries)	At present, the Company is serving one international location - United States of America.

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

The Company's contribution of exports as a percentage of the total turnover amounts to 2.66%.

c. A brief on types of customers

We are at the forefront of automotive technological innovation, offering our customers customized preferences by employing innovative machinery and equipment. Our Company delivers superior automobile components to both India and the world's leading automakers and engine manufacturers.

The Company collaborates with renowned automakers, engine manufacturers, and tier-1 suppliers, providing them with high-quality and innovative components to enhance vehicle performance and efficiency. Additionally, SMIL partners with original equipment manufacturers (OEMs), contributing to the development and production of vehicles that meet industry standards. Serving both two-wheeler and four-wheeler manufacturers, SMIL's versatile product range includes Exhaust systems, Suspension Systems and Roof systems. With a commitment to excellence, innovation, and customer satisfaction, SMIL continues to drive advancements and progress in the automotive sector, cementing its position as a trusted partner in the industry.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	646	622	96.28%	24	3.71%
2.	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
3.	Total employees (D + E)	646	622	96.28%	24	3.71%
Workers						
4.	Permanent (F)	287	286	99.65%	1	0.34%
5.	Other than Permanent (G)	2363	2342	99.11%	21	0.88%
6.	Total workers (F + G)	2650	2628	99.16%	22	0.83%

b. Differently abled Employees and workers

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently Abled Employees						
1.	Permanent (D)	Currently, the Company does not have employees that fall under the category of differently abled.				
2.	Other than Permanent (E)					
3.	Total differently abled employees (D + E)					
Differently Abled Workers						
4.	Permanent (F)	Currently, the Company does not have workers that fall under the category of differently abled.				
5.	Other than permanent (G)					
6.	Total differently abled workers (F + G)					

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	2	28.5%
Key Management Personnel	3	-	-

20. Turnover rate for permanent employees and workers

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	28.03%	0.98%	29.02%	21.01%	1.09%	22.10%	16.77%	0.55%	17.32%
Permanent Workers	0.70%	0.00%	0.70%	1.05%	-	1.05%	-	-	-

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

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

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated in column A participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Relan Industrial Finance Ltd.	Associate	47.12	No
2.	Exhaust Technology Private Ltd.	Associate	50.00	No
3.	Uddipt Mobility India Private Ltd.	Subsidiary	74.00	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

(ii) Turnover (Rs.in Lakhs): 269993.58

(iii) Net worth (Rs.in Lakhs): 78182.20

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23 (Current Financial Year)			FY 2021-22 (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 , Investors and Shareholders may visit https://www.shardamotor.com/investor-relations/policies/ or Contact the compliance officer at dedicated mail id i.e., investorrelations@shardamotor.com to file a complaint.	Nil	Nil	-	Nil	Nil	-
Shareholders	Yes . The Company evaluates the status of shareholder complaints and their resolution on a regular basis. The terms of the Stakeholders Relationship Committee include, among other things, considering and addressing the Company's shareholders' grievances, such as complaints about the transfer or transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, issuance of new or duplicate certificates, general meetings, and so on. Investor and Shareholders may visit https://www.shardamotor.com/investor-relations/policies/ or contact the compliance officer at dedicated mail id i.e., investorrelations@shardamotor.com to file a complaint.	2	Nil	-	1	Nil	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23 (Current Financial Year)			FY 2021-22 (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
Employees and Workers	<p>Yes.</p> <p>There is Whistleblower policy in place, as well as an Ethics helpline that may be reached at the following email address: shardamotor@ethicshelpline.co.in.</p> <p>There is also a policy on redressal of sexual harassment at workplace in accordance with the Sexual Harassment of Women at Workplace Act, 2013. The policy can be viewed at: Whistle Blower policy</p>	Nil	Nil	-	Nil	Nil	-
Customers	<p>Yes.</p> <p>We consider the inputs from all our B2B (Business-to-Business) customers through a comprehensive complaint management system and active communication channels such as e-mails, in person meetings and telecommunication.</p>	Nil	Nil	-	Nil	Nil	-
Supply Chain Partners	<p>Yes, Supply chain manual and code of conduct are in place for resolving the complaints of value chain partners. The value chain partners can also contact their respective supply chain managers at the plant level to resolve their concerns.</p>	Nil	Nil	-	Nil	Nil	-
Communities	<p>Yes, the communities we engage with, can address their concerns and grievances through the Dedicated Email id: shardacrtrust@shardamotor.com.</p>	Nil	Nil	-	Nil	Nil	-

Investors and Shareholders- We conduct regular evaluations of the status of shareholders' complaints and their resolution. The Stakeholders Relationship Committee's terms includes, among other things, considering and addressing the grievances of the Company's security holders, including complaints regarding the transfer or transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, issuance of new or duplicate certificates, general meetings, etc. Investor and Shareholders may visit <https://www.shardamotor.com/investor-relations/policies/> or write to the compliance officer at dedicated mail id i.e., investorrelations@shardamotor.com for any grievance.

Employees – We have established an Internal Complaints Committee to address sexual harassment issues in accordance with the Prevention of Sexual Harassment Act of 2013, which outlines the processes to be followed in situations of sexual misconduct, as well as the channels for complaints and subsequent inquiries. We have a platform called "SHAKTI" that connects human resource managers with employees and workers and provides a safe place for communication and trust building, as well as resolving and addressing any possible problems. Employees and workers can also get extra HR-related services through ethics helpline shardamotor@ethicshelpline.co.in. We have a whistle blower policy that allows reporting of any unethical conduct.

Weblink of the relevant policies:

- https://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf
- <https://www.shardamotor.com/wp-content/uploads/2020/08/Whistle-Blower-Policy.pdf>
- <https://www.shardamotor.com/wp-content/uploads/2020/08/Human-Rights-Policy.pdf>

Supply chain- Supply chain manual and code of conduct are in place for resolving the complaints of value chain partners. The value chain partners can also contact their respective supply chain managers at the plant level to resolve their concerns. To better serve our customers in terms of Quality, Cost, and Delivery (QCD), we are dedicated to reducing any hindrances that might arise. In order to accomplish this, we believe that the supply chain must be simplified in order to create systems and procedures that address customer complaints and adhere to the Zero-defect policy.

We have set the following goals to help us achieve this:

- 'A' quality suppliers
- 100% of initial samples delivered correctly and on time
- Zero PPM strategy-incoming PM (Parts per Million)
- Zero customer complaint approach
- Zero tolerance for safety
- Zero warranty

Communities – The CSR policy of Sharda Motor industries Limited, encompasses the Company’s philosophy towards Corporate Social Responsibility. The Company believes in addressing community grievances which fosters harmony and unity within a society. For smooth and appropriate resolution, the Company has an established email ID for communities which can directly share issues at: shardacrtrust@shardamotor.com.

For more details on other related policies please visit <https://www.shardamotor.com/investor-relations/policies/>.

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy Management	Risk and Opportunity	<p>Risk Perspective:</p> <p>Fluctuations in energy prices can directly impact SMIL's operating costs. Dependence on non-renewable energy sources can lead to vulnerability in the face of price volatility. Global energy supply chain disruptions, geopolitical tensions, or natural disasters can affect the availability and cost of energy resources, impacting SMIL's production and distribution processes. Governments worldwide are implementing stricter energy-related regulations to address climate change and reduce greenhouse gas emissions. Non-compliance with these regulations can result in fines and legal liabilities for SMIL.</p>	<p>Energy management involves the strategic planning, monitoring, and optimization of energy use throughout the Company's operations.</p> <p>The Company has adopted renewable energy sources including solar and wind power.</p> <p>The Company has installed automatic sensors for cutting off the electricity of heavy motors and machinery when not in use.</p> <p>To ensure conservation of energy, the Company has adopted energy efficient equipment.</p> <p>The Company aims to improve the environmental performance by adopting cleaner production methods.</p>	<p>Positive Implications:</p> <p>Implementing energy-efficient technologies and practices can result in lower utility bills and decreased energy-related expenses, positively impacting SMIL's bottom line. As energy costs continue to rise, companies with efficient energy management strategies can gain a competitive edge by offering cost-competitive products and services. Attract environmentally conscious consumers and investors, positively influencing SMIL's brand value and market position.</p>

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)
			<p>Opportunity Perspective:</p> <p>Implementing energy-efficient technologies, process optimizations, and renewable energy solutions can lead to significant cost savings in the long run. Streamlining energy consumption can optimize production processes, reduce downtime, and increase overall productivity. Shifting to renewable energy sources and adopting energy-efficient practices aligns with SMIL's commitment to sustainability, enhancing its reputation among environmentally conscious customers, investors, and stakeholders.</p>	<p>It promotes the use of energy efficient and environment friendly technologies and use of renewable energy.</p>	<p>Negative Implications:</p> <p>Failing to address energy inefficiencies may lead to higher operating expenses and decreased profitability. Non-compliance with energy-related regulations can result in fines, penalties, and potential damage to SMIL's reputation.</p> <p>Financial Implications:</p>
2	Physical impacts of climate change	Risk	<p>Risk perspective</p> <p>The physical impacts of climate change present significant risks to Sharda Motor Industries Limited (SMIL) and the automotive industry.</p> <p>Climate change refers to long-term changes in global or regional climate patterns, which have significant implications for businesses, communities, and ecosystems. The physical impacts of climate change can directly affect SMIL's operations, facilities, supply chains, and overall business continuity.</p> <p>These risks include disruptions to operations and supply chains due to extreme weather events, potential shortages of critical resources like water, rising energy costs to comply with emissions regulations and vulnerability of infrastructure. Climate change-induced shifts in consumer preferences and liability issues further add to the risks.</p>	<p>The Company is managing these risks by identifying and assessing the specific climate-related risks to SMIL's operations, facilities, and supply chain locations. Investing in climate-resilient infrastructure designs that can withstand extreme weather events and changing climate conditions.</p> <p>Diversifying Suppliers and Transportation Routes by reducing reliance on single suppliers or transportation routes that may be vulnerable to climate-related disruptions. And implementing water conservation measures and exploring water recycling and reuse strategies to ensure water resilience. The Company is focused on addressing climate change challenges and build resilience.</p> <p>For example, the Company has made several efforts to minimize its environmental impact and has shifted to alternative sources of energy, through adoption of solar and wind power. The Company ensures responsible and sustainable business conduct throughout its value chain. Furthermore, the Company has implemented various water efficient technologies to ensure conservation and responsible use of water during operations including water recycling plants and water treatment system, which has ensured recycling of water and zero liquid discharge outside plant premises.</p>	<p>Negative financial implications:</p> <p>Property Damage and Repair Costs: Extreme weather events and rising sea levels can lead to physical damage to SMIL's facilities, necessitating costly repairs or replacements.</p> <p>Supply Chain Disruptions: Climate-related disruptions to transportation routes or supplier operations can lead to delays in raw material delivery, production slowdowns, and increased costs for alternative sourcing.</p> <p>Increased Insurance Costs: As climate change-related risks become more apparent, insurance premiums for business properties and assets may rise, impacting SMIL's operating expenses.</p> <p>Business Continuity Costs: SMIL may incur expenses related to contingency plans and resilience measures to mitigate the impact of climate-related risks on its operations.</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Waste and Hazardous material management	Risk and opportunity	<p>Risk perspective: Improper waste handling and disposal can lead to environmental degradation, resulting in regulatory fines and reputational loss for the Company.</p> <p>Furthermore, waste management can be costly, particularly if the organisation is required to establish new systems and technologies in order to meet environmental standards. Inadequate handling of hazardous materials can lead to workplace accidents and health risks for employees, resulting in potential liability and increased workers' compensation costs. Improper disposal or accidental release of hazardous materials can lead to environmental contamination, impacting nearby ecosystems and communities and potentially resulting in legal and financial liabilities. Compliance with strict regulations regarding the storage, handling, and disposal of hazardous materials is essential to avoid penalties and legal consequences.</p> <p>Opportunity perspective: By minimising waste disposal costs and optimising resource utilisation, effective waste management practices can result in cost savings. Recycling waste can also lead to more cost-effective industrial processes and demonstrate environmental care. Adequate waste management may also help the organisation in meeting environmental standards while fostering great connections with the surrounding community.</p>	<p>The Company ensures waste management through proper disposal and recycling methods and is compliant with various environmental regulations.</p> <p>The Company aims for optimum utilisation of natural and manmade resources and sustainability of resources by reducing, reusing, recycling, and managing waste.</p> <p>The Company regularly assess waste and hazardous material management processes, identifying areas for improvement and adopting more sustainable practices and follow best practices for handling, storing, and disposing of hazardous materials, ensuring employee safety and environmental protection.</p>	<p>Negative financial implications:</p> <p>Poor waste management practices can lead to increased costs, fines, and legal penalties. In addition, waste management has negative cost implication due to the implementation of new systems and technologies to meet environmental regulations. This can result in short-term financial impacts such as increased capital expenditure.</p> <p>Accidents related to hazardous materials can lead to medical expenses, worker downtime, and potential legal claims, affecting SMIL's operational costs. If hazardous materials cause environmental contamination, SMIL may incur substantial costs for environmental remediation and restoration.</p> <p>Positive financial implications:</p> <p>Effective waste management practices can lead to a reduction in the amount of waste generated, which can help to lower the cost of waste disposal and transportation.</p> <p>Furthermore, good waste management can lead to better raw material efficiency because waste can be recovered or reused in manufacturing operations. This can result in cost savings from the procurement of new raw materials. Finally, efficient waste management practices can help minimize the threat of legal and adverse publicity connected with incorrect disposal of waste, which can have serious financial consequences.</p>
4	Water Resilience	Opportunity	<p>Opportunity perspective: Focusing on water resilience can improve resource efficiency, conservation and access to shared resources. It can also prevent supply chain disruptions and address various water related challenges. By implementing effective water management practices, the Company can reduce its exposure to water-related risks, such as</p>	<p>The Company has various water efficiency measures where it has implemented water-saving technologies and practices to optimize water use in manufacturing processes and facility operations including water recycling plants and water treatment system, which has ensured recycling of water and zero discharge outside plant premises.</p>	<p>Negative financial implications: Water shortages or interruptions in water supply can lead to production disruptions and increased costs to secure alternative water sources or adjust manufacturing processes. In regions with water scarcity, water prices may rise, leading to higher operating expenses for SMIL's water-intensive operations.</p>

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)
			<p>water scarcity and regulatory restrictions.</p> <p>This can help the Company to achieve more efficient use of water resources, reducing operational costs and enhancing overall business sustainability.</p>	<p>Risk assessment exercise of the Company also includes water risk assessment to identify water-related risks and vulnerabilities in SMIL's operations and supply chain.</p> <p>The Company also has diversified water sourcing strategies such as rainwater harvesting, water recycling, and engaging in community water management initiatives. The company has also established robust water monitoring and reporting systems to track water usage, identify inefficiencies, and demonstrate transparent water stewardship to stakeholders.</p>	<p>Meeting regulatory requirements related to water usage and discharge may require investments in water-saving technologies and wastewater treatment facilities.</p> <p>Positive financial implications:</p> <p>Reduced operational costs due to more efficient use of water resources, improved overall business sustainability, and the potential for new market opportunities and revenue streams through the development of innovative water-efficient products and services. Additionally, a strong reputation as a responsible and sustainable business can lead to increased customer loyalty and brand value, which can further benefit the Company financially.</p>
5	Product design and safety	Opportunity	<p>Opportunity perspective: Product design and safety are critical aspects of SMIL's operations, particularly in the automotive industry. The way products are designed, manufactured, and tested can significantly impact their safety, quality, and compliance with regulations. Effective product design and safety practices can lead to enhanced customer satisfaction, brand reputation, and market competitiveness.</p> <p>Prioritizing product safety and quality in design can lead to products that perform well, are reliable, and meet customer expectations, enhancing overall customer satisfaction. A reputation for safe and reliable products can differentiate SMIL from competitors, attract more customers, and strengthen the company's market position. Investing in robust product design and safety can reduce the likelihood of recalls and safety incidents, leading to cost savings associated with potential liabilities and reputational damage.</p>	<p>The Company ensures manufacturing & Supply of all its products including Complete Exhaust System and Catalytic Converter Assemblies by Protecting Environment and Enhancing Environmental Performance.</p> <p>The Company is committed towards manufacturing products which are safe to use and is constantly engaged in new product development technologies leading to product innovation and enhancement.</p> <p>The technological shifts happening in the industry in accordance with the climate change conditions have given it another opportunity to invest further in R&D initiatives, improving the designs and creating efficient and sustainable products.</p>	<p>Positive financial implications: A reputation for safe products can lead to increased customer loyalty, repeat purchases, and positive word-of-mouth, driving higher sales and market share. Avoiding product recalls and safety incidents can prevent significant financial losses related to recall expenses, legal fees, and brand recovery efforts. A strong focus on product safety and quality can enhance SMIL's brand value and differentiate it as a trusted and responsible automotive manufacturer.</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Responsible supply chain and material sourcing efficiency	Risk and Opportunity	<p>Risk perspective: Unethical practices in the supply chain, such as forced labour or child labour, can lead to reputational damage and legal liabilities for SMIL. Overreliance on a single supplier or sourcing materials from high-risk regions can result in supply chain disruptions due to geopolitical tensions, natural disasters, or other unforeseen events. Unsustainable material sourcing and supply chain practices can contribute to environmental degradation and increase the company's carbon footprint.</p> <p>Opportunity perspective: Building strong relationships with responsible suppliers can lead to improved collaboration, reliability, and long-term partnerships. Working with suppliers who prioritize sustainability can lead to innovative solutions, such as eco-friendly materials and processes, fostering a competitive edge for SMIL. Demonstrating a responsible and ethical supply chain can enhance SMIL's reputation among customers, investors, and other stakeholders who value sustainability and corporate responsibility.</p>	<p>The Company has proactively established a comprehensive sustainability policy and an environmental, health, and safety policy to foster sustainable sourcing practices across its entire value chain. Through the implementation of these policies, the Company prioritizes responsible sourcing, emphasizing environmental sustainability in collaboration with its value chain partners. The ultimate goal is to ensure sustainable sourcing practices while minimizing any adverse environmental impact.</p> <p>By adhering to its Environment & Sustainability Policy, the Company actively promotes environmental consciousness among its value chain partners. This commitment to sustainability extends to sourcing processes, wherein the Company endeavors to procure materials and resources responsibly, with a keen focus on minimizing environmental harm.</p>	<p>Negative financial implications: Shifting to responsible sourcing may require identifying new suppliers and integrating them into the supply chain, which could lead to increased complexity and administrative costs.</p> <p>Depending on the availability and reliability of responsible suppliers, there could be a risk of supply chain disruptions, leading to production delays and potential revenue losses.</p> <p>Positive financial implications: Efficient supply chain management and responsible material sourcing can lead to cost savings through optimized procurement, reduced waste, and improved resource utilization. A responsible supply chain reduces the risk of non-compliance, legal issues, and supply chain disruptions, preventing potential financial losses. Emphasizing responsible supply chain practices can make SMIL more appealing to customers and investors seeking environmentally and socially conscious partners.</p>
7	Protection of Human Rights	Risk	<p>Risk perspective: Allegations or incidents of human rights violations, whether within the company or its supply chain, can severely tarnish SMIL's reputation and impact customer trust and brand loyalty. Non-compliance with labour laws or unethical labour practices, such as forced labour or child labour, can lead to legal liabilities, reputational damage, and potential boycotts from customers and investors. Inadequate monitoring and due diligence can expose the company to supply chain risks related to human rights abuses.</p> <p>Discrimination or lack of diversity and inclusion may cause internal turmoil, employee dissatisfaction, and higher employee turnover.</p>	<p>The Company has formulated a human rights policy which extends to all its stakeholders and ensures protection and respect of human rights through non-discrimination, non-tolerance towards child labour and equal opportunities for all.</p> <p>Link for Human rights policy</p> <p>SMIL has also implemented an effective grievance redressal mechanism to allow employees and stakeholders to raise concerns related to human rights violations.</p> <p>SMIL also provide training and awareness programs for employees to promote a culture of respect for human rights and ethical behaviour.</p>	<p>Negative financial implications: Violations of human rights issues can cause significant amount of regulatory and legal costs, Loss of goodwill, higher employee turnover costs, also loss of investments.</p>

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)
				The Company has implemented a supplier code of conduct that sets clear expectations for suppliers regarding human rights, labour practices, and ethical standards.	
8	Employee engagement and well being	Opportunity	<p>Enhanced Employee Productivity: Engaged and well-supported employees are more likely to be motivated, focused, and productive, contributing to higher overall organizational efficiency.</p> <p>Opportunity perspective: Opportunity Perspective: Reduced Employee Turnover: A positive work environment, along with support for employee well-being, can lead to increased employee retention, reducing recruitment and training costs.</p> <p>Talent Attraction: SMIL's reputation as a caring and employee-centric organization can attract top talent seeking a workplace that prioritizes well-being and fosters professional growth.</p> <p>Innovation and Creativity: Engaged employees tend to be more innovative and creative, driving continuous improvement and contributing fresh ideas to the company's success.</p>	The Company, through its employee engagement initiatives, works towards encouraging its workforce. The Company understands that a motivated workforce and an avenue for individual growth of employees can directly contribute to the common objective of the Company.	<p>Positive financial implications: Enhanced employee engagement results in positive workplace culture that leads to higher retention of employees, lower hiring costs, lower cost of training and development. Promoting employees' rights increases productivity and profitability.</p>
9	Labour practices	Opportunity	<p>Opportunity perspective: Labour practices encompass a wide range of employment-related policies and initiatives that ensure fair treatment, respect, and support for all employees within SMIL. By fostering a positive and inclusive work environment, the company can promote employee satisfaction, productivity, and overall well-being. Emphasizing responsible labour practices not only aligns with SMIL's commitment to corporate responsibility but also strengthens the organization's reputation as an employer of choice.</p>		<p>Positive financial implication: Efficient labour management practices boosts employee productivity, lowers labour absenteeism. The increase in the employees morale can have a direct impact on the growth and development of the Company with an increase in the revenue streams.</p>

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)
10	Occupational health and safety	Risk	<p>Risk perspective: Poor health and safety practices can contribute to employee dissatisfaction, low morale, reduced productivity, and high staff turnover. Such turnover can lead to increased recruitment and training costs, creating a financial burden for the Company. Ensuring employee health and safety is essential to mitigate these risks and maintain a positive work environment.</p> <p>Workplace accidents and injuries can lead to increased compensation claims and financial constraints on the Company. Failure to comply with occupational health and safety regulations can result in legal liabilities, non-compliances and reputational damage.</p>	<p>Safety training: The Company provides regular and specific training to employees on safety protocols, procedures and the use of machinery and equipment.</p> <p>Safety Policy and Procedures: The Company has developed and enforced clear safety policies and procedures to create a safe work environment.</p> <p>Regular equipment maintenance: Regular maintenance of equipment and machinery to reduce the risk of accidents due to malfunctioning equipment.</p> <p>Employee involvement: The Company encourages employee involvement in safety initiatives, reporting hazards, and suggesting improvements.</p>	<p>Positive financial implications: A safe workplace can help in reducing accidents and illnesses, which leads to fewer claims, lesser insurance costs, and greater efficiency. This will keep the workforce contented and happy, which may reduce employee turnover, resulting in cost savings and enhanced profitability.</p> <p>Negative financial implications: Potential legal obligations, increased insurance premiums, employee compensation claims, and lost productivity due to injuries or illnesses are all financial consequences of occupational health and safety concerns for SMIL. These costs can be significant and may have an impact on the Company's profitability and reputation.</p>

Section B: Management and Process Disclosures

We understand the significance of adhering to the principles and essential elements of the National Guidelines on Responsible Business Conduct (NGRBCs) and have taken numerous initiatives to ensure that its policies and procedures are in accordance with these guidelines. In conjunction with all stakeholders, we have developed policies and identified the authorities/committees accountable for policy implementation and effective delegation of sustainable decision-making. The Board of Directors operates at the core of corporate governance, ensuring that management serves and protects the long-term interests of all stakeholders.

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	https://www.shardamotor.com/investor-relations/policies/ Principle 1 Code of Conduct Code of conduct - Stakeholders Independent Directors Familiarization Programme Dividend Distribution policy Terms of appointment of Independent Directors Risk Management policy Policy on Materiality of events and information Whistle Blower policy								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	<p>Principle 2 Sustainability policy Quality policy</p> <p>Principle 3 Health & Safety policy Recruitment & Selection policy Nomination, Remuneration & Evolution policy Code of conduct Whistle Blower policy</p> <p>Principle 4 Code of Conduct- Stakeholders Dividend Distribution policy Whistle Blower policy Related Party Transactions policy Risk Management policy</p> <p>Principle 5 Human Rights policy Code of conduct Whistle Blower policy</p> <p>Principle 6 Environment policy Sustainability policy Risk Management policy</p> <p>Principle 7 Archival policy Insider Trading code</p> <p>Principle 8 Corporate Social Responsibility policy</p> <p>Principle 9 Code of Conduct Risk Management Policy IT policy</p>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) mapped to each principle.									
Principle 1	Not Available								
Principle 2	Not Available								
Principle 3	Not Available								
Principle 4	Not Available								
Principle 5	Not Available								
Principle 6	Not Available								
Principle 7	Not Available								
Principle 8	Not Available								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Principle 9	International Standard for Automotive Quality Management Systems (IATF: 16949:2016)								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>We recognize the significance of establishing sustainability targets and goals to address sustainability challenges and ethical considerations in our operations, and we are striving towards setting the same. We believe that by establishing precise goals, we shall improve our environmental stewardship, social impact, and corporate governance practices.</p> <p>We are concentrating on reducing our environmental impact by supporting sustainable manufacturing and procurement practices. We want to increase our social impact and build constructive partnerships with our stakeholders.</p> <p>Our key focus areas are promoting diversity, equity, and inclusion in the workplace, ensuring employee well-being and safety, supporting local communities through various initiatives, maintaining high product quality and safety standards, and upholding human rights and fair labour practices throughout our organization and our supply chain.</p> <p>Strengthening our Company's internal structures and practices for accountability and transparency by establishing a diverse board of directors, improving financial reporting and disclosure practices, implementing robust risk management and compliance frameworks, and promoting ethical conduct.</p>								
6. Performance of the entity against specific commitments, goals, and targets along with reasons in case the same are not met.	<p>In this report, we present a comprehensive overview of our performance across different aspects of business responsibility and sustainability. While we have disclosed our current status, we acknowledge the importance of ongoing enhancement in these domains. Therefore, we are firmly dedicated to establishing precise goals and targets to direct our endeavours towards a more sustainable and responsible business approach.</p> <p>As this marks our inaugural Business Responsibility and Sustainability report, we are currently in the process of defining specific goals and targets. We intend to update our stakeholders on our progress towards these objectives in the forthcoming year's report</p>								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	<p>I am pleased to present our Company's first Business Responsibility Sustainability Report (BRSR), which outlines our commitment to environmental, social, and governance (ESG) practices. ESG-related concerns are becoming increasingly important in today's business world, and we see the need to proactively addressing them. We are certain that by implementing ESG principles into our fundamental business strategy, we will be able to generate long-term value for all stakeholders while also contributing to a more sustainable and inclusive future. We are committed to continual development and are on our way to setting new goals to accelerate our <i>growth</i>.</p>								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Managing Director continuously monitors the development of ESG performance and has assigned powers to the Senior Management of the organization for implementation and oversight of the business responsibility policy and procedure.								
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.	The Compliance officer of the Company is appointed as BRSR head along with delegation of requisite powers of decision making as Sustainability head by the Board of Directors for addressing the issues.								

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)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Our board of directors and internal committee reviews all the policies annually to evaluate the accuracy, clarity, effectiveness, and comprehensiveness of all the policies. Suitable amendments are made as per the changing regulatory requirements and same is reviewed by the board as and when required.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Our Company is committed to responsible business practices and is compliant to all statutory requirements applicable.																	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	No																	

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	NA*								
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)									

*Not Applicable since the Company has relevant policies that cover all the NGRBC principles.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURES

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

We are committed to doing business in an efficient, responsible, honest, and ethical manner. This commitment starts with the board of directors, who execute our corporate governance responsibilities by focusing on the Company’s strategic and operational excellence, which is in the best interests of all our stakeholders. We have documented internal governance policies and have put in place a formalized system of corporate governance

which sets out the structure, processes, and the best practices of governance. We emphasize the need for full transparency and accountability in all transactions to protect the interests of our stakeholders and to achieve this purpose we are imparting training on a regular basis to all our employees, workers and value chain partners.

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	2	P1 and P4	100%
Key Managerial Personnel (KMP)	2	P1 and P4	100%
Employees other than BoD and KMPs	138	As per training need identification of the employees	87%
Workers	Nil	Nil	Nil

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					
	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	There were no fines/penalties/compounding fees/settlement amounts paid in proceedings by our Company or by directors or by KMPs with regulators/law enforcement agencies/judicial institutions, in the current year.				
Settlement					
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	There was no punishment/imprisonment, or any other non-monetary action taken by regulators/ law enforcement agencies/judicial institutions, in the current year.				
Punishment					

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	

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.

Yes. Disclosures related to anti-bribery and anti-corruption are a part of our Whistle Blower Policy and Code of Conduct which highlight various principles and guidelines that focus on ethics, accountability and misconduct. They are to be adhered to by all employees, senior management and stakeholders. The Company also has a Code of Conduct for the Stakeholders which outlines that the Company strictly prohibits corruptive business practices, and all stakeholders are strictly barred from receiving or offering bribes in any form in order to perform business, influence business decisions, or secure any unfair advantage.

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

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

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

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	There were no complaints in relation to conflict of interest between Directors and KMP's in the current and previous financial year.			
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

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.

Since there were no complaints received in regard to these elements, no corrective action was necessitated.

Leadership Indicators

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

Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
4*	We have strong connections with our suppliers, and the majority of them have been educated about sustainability and other environmental and social concerns through our awareness campaigns. Vendor meetings serve as a forum for promoting the Company's community, environmental, and health & safety activities. Currently, 30–60% of value chain entities participate in the Company's sustainability initiatives, and the Company is constantly working to expand these initiatives to a larger value chain base.	20%

*The Company conducted training of its value chain partners every quarter with the batch of suppliers.

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

Yes, we have a [code of conduct](#) in place to avoid/manage conflict of interests involving members of the board. All board members and senior management members must avoid situations in which their personal interest could conflict with the interest of the Company. Any conflict or potential conflict must be disclosed to the board for guidance and appropriate action.

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

Our Company’s goal is to provide goods and services in a manner that is sustainable and safe by prioritizing sustainability, ensuring safety, complying with regulations, and continuously improving our operations and practices. We continually work with our vendors and suppliers to reduce the environmental impacts of sourcing materials and goods. Sustainability is integrated and ensured into our business processes through a well-defined sustainability policy. We prioritize the safety of our customers and employees by designing and manufacturing products that meet safety standards. We have strict safety protocols in place in our manufacturing facilities and service centers to ensure that all our employees and workers work in a safe environment.

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.

SMIL is a significant supplier of emissions and exhaust products, and in early 2010, it invested in the establishment of an R&D centre. SMIL is one of the exhaust product manufacturers in India with an engine dyno and semi-anechoic chamber facilities in its R&D centre, which is extensively used for product optimisation to fulfil client requirements. SMIL also features best-in-class CAD/CAE/CFD capabilities, which allows for speedier product development.

SMIL continues to be proactive in establishing product strategy and incorporating new technologies into products and processes that reflect rising client demands in the field of emission control technology.

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D*	100%	100%	Some of the key products developed by the company: <ul style="list-style-type: none"> Lean NOx Trap for BS VI- It can control NOx emissions from lean burn gasoline or Diesel engines. Gasoline Particulate filters (GPF), to reduce particle number emissions from GDI vehicles.
CAPEX	53.95%	23.01%	<ul style="list-style-type: none"> Diesel particulate filters (DPF), to capture the particle emissions through a combination of filtration mechanisms. Selective Catalytic reduction System (SCR), to control the emissions of unreacted ammonia.

*All R&D expenses were incurred for the purpose of product improvements having a direct positive impact on the environment and society as a result of production and design enhancements.

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

Yes, we strive to embed sustainability in all our business practices. **92%** of our inputs were sourced sustainably. We consider sustainability as a crucial component of our business operations, and we ensure that our suppliers operate in accordance with our sustainability standards. The supplier code of conduct applies to all our suppliers' providing raw materials and equipment. Our suppliers and vendors are provided awareness sessions on various environmental and social issues periodically.

Suppliers are assessed for capability towards quality, delivery, cost & performance and approval of suppliers will be decided based on the checklist. Potential suppliers are requested to complete the self-evaluation form which collects data such as quality systems, quality planning, quality performance, reliability. The suppliers are re-evaluated as a routine, once every 3 years, or as required. We have sourced materials of Rs 131.1 Crore from MSME and small vendors, Rs 313 Crore within district and Rs 1542 Crore from neighboring districts.

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

We continually work with our vendors and suppliers to reduce the environmental impacts of sourcing. We have made significant efforts to minimize the effects of packaging on the supply chain by sourcing a variety of components in packaging that can be recycled or returned. To lessen the associated environmental consequences, optimization of logistics and transportation is a continuous process. There has been an effective communication channel with our vendors/suppliers and clients which leads to effective co-ordination and a free working environment in tandem with the needs and requirements. The scrap and wasted raw materials generated during production are sent to government authorized recycling facilities.

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.

No, Extended Producer Responsibility (EPR) is currently not applicable to our business activities.

Leadership Indicators

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

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web link.
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No. While we recognize the crucial importance of this endeavour, we have not yet conducted a comprehensive assessment of the entire life cycle of our products. Nonetheless, our unwavering commitment to practicing sustainable business methods remains resolute.

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
No notable social or environmental issues have arisen, as SMIL conducts regular internal assessments and employs continuous improvement methods to diligently oversee and address any potential concerns.		

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 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
	Nil	

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

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (Including packaging)	2 Tons	Nil	Nil	Nil	Nil	Nil
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	400 L	Nil	Nil	Nil
Other waste	Nil	8 Tons	Nil	Nil	Nil	Nil

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
-	We have currently not reclaimed any products and their packaging materials.

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

We have always placed a huge emphasis on the health, safety, and well-being of our employees, their families, and other stakeholders. Our Company undertakes frequent checks to evaluate ethical standards, which include fair labour practices, safe working conditions, and suitable remuneration. We follow all applicable health and safety requirements and constantly review and improve our procedures to reduce risks and hazards. In addition, our Company provides employee benefit programs such as health insurance, post-employment benefits, and compensated absences. We believe that fostering a culture of respect, inclusiveness, and diversity across our workforce and value chains is critical to long-term success and sustainability.

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	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	622	527	85%	527	85%	0	0%	622	100%	-	0%
Female	24	24	100%	24	100%	24	100%	-	0%	-	0%
Total	646	551	85.29%	551	85.29%	24	100%	622	100%	-	0%
Other than Permanent employees											
Male	Currently, we do not have the mentioned benefits for contractual employees.										
Female											
Total											

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	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	286	284	99%	284	99%	-	0%	-	-	-	-
Female	1	1	100%	1	100%	1	100%	-	-	-	-
Total	287	285	99.3%	285	99.3%	1	100%	-	-	-	-
Other than Permanent workers											
Male	Currently, we do not have the mentioned benefits for contractual employees.										
Female											
Total											

2. Details of retirement benefits.

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	16.8%	0.7%	Y	20.2%	1.04%	Y

3. Accessibility of workplaces

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

Our premises are accessible to differently abled employees, workers or visitors in accordance with the Rights of Persons with Disabilities Act 2016. We provide full assistance to such visitors when the need arises. We strive to ensure a warm and accessible environment for everyone and are working towards taking steps for inclusive accessibility as per the requirements. The Company remains dedicated to creating an environment that promotes equality and accessibility for all individuals.

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.

We have a combined HR Manual and Code of conduct wherein the equal opportunity policy is embedded. We believe in treating all employees and workers equally in terms of employment and making no discrimination based on race, gender, religion, ethnicity, color, age, disability, or other factors and the same is mentioned in our code of conduct. We provide employees and workers with an opportunity to secure employment solely based on experience, merit, and other non-subjective factors.

Weblinks:

- <https://www.shardamotor.com/wp-content/uploads/2018/08/code-of-conduct-for-board-members.pdf>
- https://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf
- <https://www.shardamotor.com/wp-content/uploads/2020/08/Human-Rights-Policy.pdf>

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%	100%	100%
Female	100%	0%*	100%	100%
Total	100%	96.30%	100%	100%

*One female employee availed maternity leave who left the organization after 6 months of service in the FY 2022-23.

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.

(If Yes, then give details of the mechanism in brief)

Permanent Workers	<p>We respect every employee's and worker's rights and dignity at work and ensure a respectful and safe workplace. Our goal is to provide an environment that is free from abuse, intimidation, and prejudice. It is our duty to safeguard our employees' fundamental rights and prevent disputes and unrest at work caused by such situations.</p> <p>We have implemented a "policy on redressal of sexual harassment at workplace" in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redress) Act, 2013 ("Sexual Harassment Act"). Any employee may, in accordance with the policy, bring a complaint to the manager's attention and get their issues addressed by the redressal Committee or Internal Complaints Committee. Similarly, we also have a Whistle Blower policy in place for redressal of unethical conduct.</p> <p>We have an Ethics helpline managed by an external agency that provides employees with a confidential and anonymous channel to report ethical concerns or seek guidance on ethical matters within our Company.</p> <p>https://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf</p> <p>https://www.shardamotor.com/wp-content/uploads/2020/08/Whistle-Blower-Policy.pdf</p>
Other than Permanent Workers	
Permanent Employees	

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

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (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)
Total Permanent Employees	646	-	-	-	-	-
Male	622	-	-	-	-	-
Female	24	-	-	-	-	-
Total Permanent Workers	287	285	99.3%	289	287	99.3%
Male	286	284	99.3%	288	286	99.3%
Female	1	1	100%	1	1	100%

8. Details of training given to employees and workers:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (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)
Employees										
Male	622	622	100%	622	100%	566	566	100%	566	100%
Female	24	24	100%	24	100%	19	19	100%	19	100%
Total	646	646	100%	646	100%	585	585	100%	585	100%
Workers										
Male	286	286	100%	286	100%	288	288	100%	288	100%
Female	1	1	100%	1	100%	1	1	100%	1	100%
Total	287	287	100%	287	100%	289	289	100%	289	100%

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

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	622	481	77.33%	562	436	78%
Female	24	18	75%	18	14	78%
Total	646	499	77.2%	580	450	77.5%
Workers						
Male	We have not undertaken performance and career development reviews for workers during the FY 2022-23. However, they have their union agreement which is reviewed every 3 years. Additionally, the same is done, as and when the Government comes up with any amendment to labour laws.					
Female						
Total						

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, with an extensive health and safety management system, we aim to reduce workplace accidents and enhance our employees' and workers' mental and physical well-being. To provide a safe working environment, risk assessments of all our facilities and operations are conducted on a regular basis, along with necessary evaluations and inspections. Along with fire prevention and first aid training, we provide all our employees and workers with safety training and awareness sessions on safety manuals. The health, safety, and well-being of our employees and workers is always our first priority. Based on the directives of the Government of India, we have put in place a strong protocol for ensuring workplace safety, including the wearing of face masks, sanitization, and social distancing standards, during the pandemic and we shall continue to improve it further.

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

The potential hazards are identified through analyzing past incidents, regular inspections and worker incident reporting. Once the hazards are identified, an in-depth risk evaluation is done to assess the level of exposure, probability of incident occurrence, and likelihood of recurrence. Control measures

are then implemented accordingly to mitigate and minimize such hazards. We believe that this is an ongoing process and ensure that appropriate training is given to employees and workers to be able to efficiently use the control measures.

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

Yes, the Company has established clear procedures for workers to report any safety-related incidents or hazards. If workers identify any concerns, they can promptly communicate them to their respective plant heads. Following this, the plant heads collaborate with department heads to swiftly implement appropriate measures. These measures ensure that workers can eliminate or minimize their exposure to health and safety risks, reinforcing our commitment to a secure working environment. Additionally, the Company actively encourages its workers to bring forth hazards and address their concerns in central department safety meetings and safety committee meetings, fostering a culture of open communication and collective responsibility for workplace safety.

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

Yes, our employees and workers are provided access to comprehensive non-occupational medical and healthcare services. Within our factories and premises, we ensure immediate access to first aid facilities, including regular visits from a doctor. As part of our commitment to employee welfare, we offer a group mediclaim policy for all employees. This policy covers a wide spectrum of medical needs, demonstrating our dedication to safeguarding their well-being. Additionally, for our workers, we have implemented the Employee State Insurance Corporation (ESIC) program to ensure they receive comprehensive medical and healthcare services.

To further nurture the health and wellness of our workforce, we promote a range of wellness initiatives. These encompass regular health check-ups, health screenings, and preventive measures, ensuring that our employees are equipped with the tools they need to maintain their well-being.

In our unwavering pursuit of ensuring accessible medical services, we have gone the extra mile. We have partnered with local healthcare providers. These clinics offer a diverse array of non-occupational healthcare services, ranging from general medical consultations to preventive care, vaccinations, and treatment for common illnesses and injuries. These clinics are also poised to arrange referrals to specialists or hospitals if any further medical attention is required. This comprehensive approach underlines our commitment to prioritizing the health and well-being of our valued employees and workers.

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

Safety Incident/Number	Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	0.36	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

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

We believe that a secure and healthy workspace is essential for the well-being, productivity, and holistic growth of each employee and worker. In order to achieve this, we have developed extensive safety measures and guidelines that are in accordance with regional laws and industry best practices. Emergency procedures, evacuation plans, the use of personal protective equipment (PPE), and the proper handling of hazardous materials are all included in those regulations.

Furthermore, we undertake frequent risk assessments to detect safety hazards at work. These evaluations aid in determining the preventative actions and controls required to reduce hazards to employee health and safety. Employees also receive training on workplace safety measures, hazard identification, proper equipment usage, and emergency response protocols through our training programs. Safety exercises and awareness campaigns on a regular basis serve to reinforce these practices. The culmination of all these elements help us in ensuring a cohesive safety culture.

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

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-		-	-	
Health & Safety	-	-		-	-	

14. Assessments for the year

	% of your plants and offices that were assessed (By entity or statutory authorities or third parties)
Health and safety practices	100% done internally by our safety officers for plants and the administrative department for the office locations.
Working Conditions	100% done internally by our safety officers for plants and the administrative department for the office locations.

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.

We conduct comprehensive investigations to identify root causes and contributing factors to such safety related incidents and implement necessary corrective measures including process changes, equipment upgrades, additional training, and enhanced safety protocols.

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).

Yes, our Company has a gratuity policy from LIC for all employees in the event of death of employees who have serviced for at least 5 years and workers. All the employees are covered under Group personal accidental policy that compensates the employee or employee's family against death or any uncertain event. All the workers are covered under ESIC Corporation Policy/ Employee Deposit Linked insurance that serves as a compensatory package in the event of death or any uncertain event.

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

As stated in our supplier code of business conduct which is a part of supplier manual “all personnel of the supplier shall, in his or her business conduct, comply with all applicable laws and regulations, both in better and in spirit, in all the territories in which he or she operates”.

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:

	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 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (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)

Yes. Retired employees often bring a wealth of expertise since they are familiar with the organization, its procedures, and industry-specific insights. We provide them with continuous employability by engaging them as consultants since their experience may be beneficial in offering specialized guidance, direction, and problem-solving for specific projects or issues. Employees can also reach out to their respective managers and HR for guidance with respect to career path exploration, development opportunities, internal job postings and succession planning.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety conditions	100% of our value chain partners are assessed in health and safety and working conditions internally.
Working conditions	

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.

There were no significant risks/concerns of health and safety practices and working conditions of value chain partners identified internally. The suppliers and vendors are provided awareness on environmental and social issues. The vendor meets are used as a platform to raise awareness on health & safety, environmental and community initiatives of our Company. We also undertake a declaration from all our suppliers on the supplier code of conduct that ensures our business partnerships with them are at the highest levels of ethics and integrity.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

We value our stakeholders and strive to maintain long term relationships with them through constant communication and engaging with them for various decision-making activities and addressing their concerns effectively. We make sure that everyone's interests are protected, especially those belonging to the marginalized groups. We also understand that it is our responsibility to minimize and mitigate the negative effects of our operations and business practices while maximizing the positive effects on all of our stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

In order to maintain trust and ensure transparency through good governance, we maintain fruitful relationships with our stakeholders and follow a systematic procedure for stakeholder identification to identify our key stakeholders, both internal and external. Our key stakeholders include employees, investors, suppliers, customers, local communities and government authorities. We constantly engage and communicate with our stakeholders to ensure their opinions are heard and concerns are addressed. We strive to ensure long term growth through our strong stakeholder relationships.

2. List stakeholder groups identified as key for your entity and the number of engagements with the stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees and Workers	No	E-mail, Internal portal and Newsletters	Daily, weekly	Employee safety, professional and Career development, Well-being, Training, and awareness.
Investors/ Shareholders	No	In person meetings, Website, Annual reports, Press release, Investor Relations team, Annual general meetings, Investor newsletters, Email, tele-communication and Conferences	Annually once in Annual General Meeting, Quarterly Investor call (Analyst meet/Earning call) and on Need basis	Discussing financial performance, new products and initiatives, earnings reporting, any other concerns.
Suppliers/ Partners	No	Website, Email and Tele communication	Need based	Process feedback, Cost optimization and sharing concerns if any.
Customers	No	Website, Email and Tele communication, Feedback surveys and SMS	Need based	Long term product improvements, Concerns and feedbacks.
Local Communities	No	Community events and meetings and CSR programs	Need based	Various CSR interventions.
Government Regulatory authorities	No	Official letters or correspondence, Email, In person meetings, Website, Trade and industry associations	Need based	Compliance Checks and other regulatory requirements.

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.

Stakeholder consultation aims to build relationships based on mutual trust and benefits and it allows us to define our strategic priorities. We have designated departments for effective consultation with the stakeholders identified. The board of directors do not engage in these consultations directly, but they make sure that the necessary improvements are made based on the consultations and recommendations.

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 input received from stakeholders on these topics were incorporated into the policies and activities of the entity.

Yes. To address and protect the stakeholders' interests and concerns regarding the identification of important issues that are material to the Company, stakeholder consultation is important to our Company's operations. By maintaining effective communication channels with the stakeholders, we ensure that their opinions are taken into consideration and offered to the board for the active adoption of the pertinent input. The consultations in environmental and social topics are essential because it provides us with valuable insights, diverse perspectives, helps identify and prioritize relevant topics, mitigates risks, supports informed decision-making, builds trust and positive relationships, and contributes to improved sustainability performance and reputation.

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

Through the Company's philanthropic arm, the Sharda CSR Foundation Trust, we engage with marginalized and vulnerable populations. The trust's mission is to support a variety of initiatives and programmes, including the establishment of clinics and ambulance services for the public at large, health camps, blood donation drives, education promotion, stationary donations and infrastructure improvements for low-income government schools. We also ensure upliftment of people belonging to the underdeveloped rural areas through pollution control activities, plantation drives and providing them with essential items which are essential to meet their daily requirements.

Principle 5: Businesses should respect and promote human rights

We recognize the significance of protecting human rights and are committed towards respecting and protecting the rights of our stakeholders. Our code of conduct outlines our commitment towards non-discrimination and ethical business practices. We also have a Human Rights policy which ensures equal opportunity and dignity for all and protects the rights of all employees irrespective of discrimination in any form. We have also established grievance redressal mechanisms to enable our stakeholders to report any concerns or violations of 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 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees /workers covered (B)	% (B/A)	Total (C)	No. of employees /workers covered (D)	% (D/C)
Employees						
Permanent	646	646	100%	585	585	100%
Other than permanent	Nil	Nil	Nil	Nil	Nil	Nil
Total employees	646	646	100%	585	585	100%
Workers						
Permanent	Nil	Nil	Nil	Nil	Nil	Nil
Other than permanent	Nil	Nil	Nil	Nil	Nil	Nil
Total workers	Nil	Nil	Nil	Nil	Nil	Nil

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

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (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)
Employees										
Permanent	646	-	-	646	100%	585	-	-	585	100%
Other than permanent	-	-	-	-	-	-	-	-	-	-
Total employees	646	-	-	646	100%	585	-	-	585	100%
Workers										
Permanent	287	-	-	287	100%	289	-	-	289	100%
Other than permanent	2363	2163	91.5	200	8.46	2193	194	88.6%	250	11.3%
Total workers	2650	2163	91.5	487	18.3	2482	194	78.28%	539	27.7%

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

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	7	172.94 Lakhs INR Per Annum	2	2.22 Lakhs INR Per Annum
Key Managerial Personnel	4	217.25 Lakhs INR Per Annum	-	Nil
Employees other than BoD and KMP	618	5.45 Lakhs INR Per Annum	24	6.73 Lakhs INR Per Annum
Workers	286	5.86 Lakhs INR Per Annum	1	5.86 Lakhs INR Per Annum

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, we have an Internal Complaints Committee in place to address concerns related to sexual harassment under the Prevention of Sexual Harassment (POSH) Act, 2013 which outlines the procedures to be followed in cases of sexual misconduct, as well as the systems for complaint redressal and inquiries.

We have a system called "SHAKTI" that connects human resource managers with employees and provides a safe space for communication and trust-building as well as for addressing and resolving any potential concerns. Through our ethics helpline, the employees and workers can further reach out to HR for any issue or concern regarding workplace safety and business conduct.

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

The Company is committed to prevent human rights issues and violations through its [Human rights policy](#) and ensures compliance to this policy through the implementation of a proper mechanism for grievance redressal, regularly monitored by HR department at all plant locations. All employees and workers have 24*7 access to raise any concern or grievance in an anonymous manner.

We have a [whistle blower policy](#) which lays out guidelines and procedures to report any incidents of misconduct or unethical behavior. We also have an ethics helpline which provides all employees with

a confidential and safe channel of communication to report any ethical concerns or seek guidance on ethical matters.

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

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/ Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

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

At Sharda Motors India Limited, we respect and protect the dignity and rights of our employees by ensuring that there are no cases of discrimination or harassment in any form and the workplace environment is safe for all. We also ensure that all employees have access to equal opportunities irrespective of any discrimination.

We have not received any cases pertaining to sexual harassment. However, we have various mechanisms in place to mitigate any such situation. We have an internal complaints committee in place which is accessible to all employees to address any concerns or grievances and we ensure proper redressal of any concerns which arise.

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

Yes, we have a Human Rights Policy which extends to the group, our joint ventures, suppliers and contractors and it has been implemented after detailed consultations with relevant parties.

9. Assessments of the year

	% of your plants and offices that were assessed (By entity or statutory authorities or third parties)
Child labour	100% of our plants and offices are assessed internally by respective plant level heads and HR heads to ensure compliance to all statutory laws and regulations
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. 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 such cases reported on human rights issues, however we have various mechanisms in place to address any concerns which arise related to human rights violation.

Leadership Indicators

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

The Company has not received any human rights complaints. The Company conforms to all legislation that contain human rights concepts such as child labour prevention, women empowerment, non-discrimination, and so on. It also raises awareness of these rights among its vendors and the value chain, and it discourages any abuse. The whistleblower policy gives all stakeholders the option to report cases of human rights violations.

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

We have not conducted human rights due diligence this year, however we are committed to ensure compliance to all human rights regulations and protect the rights of all our stakeholders.

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?

We provide complete assistance to differently abled visitors as and when required. However, we will be taking suitable measures to make our premises accessible to such visitors as per the requirements of the Rights of Persons with Disabilities Act, 2016 in the coming years.

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	While we have not conducted third-party assessments on our value chain partners specifically for these issues, we take diligent measures to ensure their alignment with all Company policies and our established code of conduct. Our Supplier Code of Conduct comprehensively outlines the expectations we hold for our value chain partners and their operations. It's important to note that SMIL predominantly collaborates with reputable suppliers who share our deep commitment to upholding human rights and embedding sustainability into their practices. Through these conscientious sourcing efforts, we strive to maintain a responsible and ethically driven value chain that mirrors our organizational values.
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.

In the current year, no issues have been brought forward. Should any risks emerge, SMIL takes suitable measures for enhancement and corrective actions, maintaining essential monitoring and control mechanisms to tackle noteworthy risks or concerns.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

At Sharda Motor Industries Limited (SMIL), environmental protection is the key priority. By establishing, maintaining, and providing a safe and clean environment for sustainable development, we are aware of our obligation to meet the needs of the communities in which it operates. We ensure compliance to all applicable environmental regulations such as The Environment (Protection) Act, 1986, The Water (Prevention and Control of Pollution) Act, 1974. We have an Environment, Health and Safety Policy which ensures sustainable and responsible operations while ensuring minimal environmental impact.

Essential Indicators

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

Parameter	FY 2022-23 (Current Financial Year) (values in Gigajoules)	FY 2021-22 (Previous Financial Year) (values in Gigajoules)
Total electricity consumption (A)	28,114	23,708
Total fuel consumption (B)	250	288
Energy consumption through other sources (C)	12,183	9,669
Total energy consumption (A+B+C)	40,547	33,664
Energy intensity per rupee of turnover (Total energy consumption(Joules)/ turnover in rupees)	1.5	1.49

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 independent assessment/ evaluation/assurance has been carried out.

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.**

We do not have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water (Municipal water supplies)	14,096.10	26282.7
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	14,096.10	26282.7
Total volume of water consumption (in kiloliters)	14,096.10	26282.7
Water intensity per rupee of turnover (Water consumed(L) / turnover)	0.00052	0.0012

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 independent assessment/ evaluation/assurance has been carried out.

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

We have a mechanism in place to ensure recycling of used water from operations In SIPCOT (State Industries Promotion Corporation of Tamil Nadu) Plant, Chennai Plant, and our other facilities. The recycled water is subsequently used again in the plant for a variety of purposes and approximately 10-15% of water has been recycled in each plant.

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

1. MWC Plant

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	µg/m ³	20.4	19.9
SOx	µg/m ³	8.8	7.6
Particulate matter (PM10)	µg/m ³	60.9	59.6
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – Ozone Depleting Substances (HCFC - 22 or R-22)	-	-	-

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 independent assessment/ evaluation/assurance has been carried out.

2. Nashik Plant 1

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	MG/M3	6.5	-
SOx	MG/M3	5.48	-
Particulate matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – Ozone Depleting Substances (HCFC - 22 or R-22)	-	-	-

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

Yes, the independent evaluation has been carried out by Ashwamedh Engineer and Consultants.

3. Nashik Plant 2

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	MG/M3	6.3	-
SOx	MG/M3	5.28	-
Particulate matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – Ozone Depleting Substances (HCFC - 22 or R-22)	-	-	-

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

Yes, the independent evaluation has been carried out by Ashwagandha Engineers and consultant.

4. Sanand Unit

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	ug/m3	30.07	32.78
SOx	ug/m3	34.07	36.03
Particulate matter (PM 10)	ug/m3	74.16	77.93
Particulate matter (PM 2.5)	ug/m3	36.25	35.42
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – Ozone Depleting Substances (HCFC - 22 or R-22)	-	-	-

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

Yes, the independent evaluation has been carried out by Metro Enviro Chem Associates.

5. Sipcot Plant

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	mg/Nm ³	48.5	46.5
SOx	mg/Nm ³	23.6	22.6
Particulate matter (PM)	mg/Nm ³	127.7	126.3
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – Ozone Depleting Substances (CO)	%(v/v)	0.6	0.4

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

Yes, the independent evaluation has been carried out by Enviro Care India Pvt Ltd.

6. Chakan Plant 1

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	-	-	-
SOx	KG/day	-	0.17
Particulate matter (PM)	mg/Nm ³	-	18.77
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – Ozone Depleting Substances	-	-	-

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 independent assessment/ evaluation/assurance has been carried out.

7. Chakan Plant 2

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	-	-	15
SOx	KG/day	-	8.6
Particulate matter (PM)	mg/Nm ³	-	23.4
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – Ozone Depleting Substances	-	-	-

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

Yes, the independent evaluation has been carried out by EHS Matrix.

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

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	TCO ₂ eq/MwH	40.97	47.18
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	TCO ₂ eq/MwH	6,325.68	5,202.51
Total Scope 1 and Scope 2 emissions per rupee of turnover	(TCO₂eq/MwH)/ Turnover	0.00000024	0.00000023

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 independent assessment/ evaluation/assurance has been carried out.

7. Does the entity have any project related to reducing Greenhouse Gas emission? If Yes, then provide details.

We have undertaken various initiatives to reduce our GHG emissions.

- Our Company complies with the prescribed permissible limits as per CPCB/SPCB for air emissions, effluent quality & discharge, solid & hazardous waste generation, and their disposal. Furthermore, no emissions nor pollutants of water, air and other fluids are discharged into the air water which might affect the health and wellbeing of the natural environment. Light fumes are emitted and are within the prescribed permissible limits as per CPCB/SPCB for air emissions and do not fall under the list of GHG emissions.
- To comply with environmental standards, we assure the preservation and protection of natural resources and work to reduce pollution. Environmental safety is guaranteed in accordance with environmental standards, and pollution control measures are implemented.

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	16.93	16.14
E-waste (B)	0.654	0.317
Bio-medical waste (C)	Nil	0.01
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	0.08	Nil
Radioactive waste (F)	Nil	Nil
Waste Oil (G)	5.02	8
Other Hazardous waste. Please specify, if any. (H)	0.424	1.9071
Other Non-hazardous waste generated (I). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	100.7	277.54
Total (A+B + C + D + E + F + G + H + I)	123.8	303.94

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

Category of waste		
(i) Recycled	111.013*	97.223*
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	111.013	97.223

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

Category of waste		
(i) Incineration	0.035*	0.061*
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	0.035	0.061

*The figures are only calculated for SIPCOT plant as in other plants waste is recycled through third party authorized vendors.

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

Our Company complies with CPCB/SPCB approved standards for air pollutants, effluent quality and discharge, and solid and hazardous waste generation and disposal. We strictly adhere to all applicable environmental regulations and guidelines while disposal of waste. Our waste management strategy focuses on three main areas- waste reduction, recycling and reuse, and responsible disposal. We prioritize reduction at the source by optimizing our manufacturing processes and adopting responsible manufacturing principles. This helps our Company minimize material waste and reduces the overall generation of hazardous and non-hazardous waste.

Our Company actively promotes recycling and reuse of material wherever possible. By segregating waste streams, we ensure that recyclable materials are sent to appropriate recycling facilities. Scrap/waste raw materials generated during our manufacturing process are not recycled on-site and are instead transferred to recycling plants.

We follow a comprehensive approach to reduce the usage of hazardous and toxic chemicals in our products and processes such as hazardous waste management, controlled use of hazardous chemicals, employee training, and are slowly transitioning towards training our vendors/suppliers to shift towards few green procurement practices such as minimal packaging needs when required and improved recycling ability.

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

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
No, we do not have any plants or offices in ecologically sensitive areas			

11. 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
We are committed towards ensuring environmental sustainability throughout our operations; however, we do not conduct EIA for our projects.					

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

Yes, We are in compliance with the following laws which are applicable specifically to our business operations,

1. The Industrial (Development and Regulation) Act, 1951.
2. The Factories Act, 1948 & Central Rules or concerned State Rules, made thereunder.
3. The Environment (Protection) Act, 1986.
4. The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/concerned state rules.
5. The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/concerned state rules.

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
Not Applicable, as we are compliant with all applicable laws and regulations				

Leadership Indicators

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources (in Gigajoules)		
Total electricity consumption (A)	9,729.1	7,907.3
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	12,182.9	9,669.1
Total energy consumed from renewable sources (A+B+C)	21,912.05	17,576.45

From non-renewable sources (in Gigajoules)		
Total electricity consumption (D)	18,385	15,800
Total fuel consumption (E)	250	288
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	18,635	16,088

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kiloliters)	-	-

We will be progressively reporting the details of water discharge in the coming years for our plants in Pune, Nashik and Gujarat. For our plants in MWC and SIPCOT (Tamil Nadu) water discharged is being recycled by the respective industrial areas.

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

Not Applicable. None of our facilities or plants are located in water stressed areas.

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

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	We have not recorded our scope 3 emissions for current and previous financial year.		
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

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

Not Applicable. The Company does not have plants and offices in ecologically sensitive areas.

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

S. No	Initiative undertaken	Details of the initiative (<i>Web-link, if any, may be provided along-with summary</i>)	Outcome of the initiative
1.	Implementing switching electricity, contract supply to renewable energy sources	For detailed steps undertaking, kindly refer <i>Conservation of energy, technology absorption section of Board Report at page number 56.</i>	• Reduced energy consumption
2.	Implementing PV installations on site	For detailed steps undertaking, kindly refer <i>Conservation of energy, technology absorption section of Board Report at page number 56.</i>	• Adoption of renewable energy sources
3.	Implementation of waste reduction, improved monitoring, segregation and recycling systems	For detailed steps undertaking, kindly refer <i>Conservation of energy, technology absorption section of Board Report at page number 56.</i>	• Reduced waste generation and improved waste management system

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

We have a [Risk Management Policy](#) in place which focusses on assessing and mitigating various types of risks which hamper the business and operations. The Risk Management Committee plays a major role in managing the implementation of action plans which focus on identification of business risks for the Company, and it regularly monitors the Company performance towards risk management. The policy further lays down various procedures and mechanisms to ensure risks are mitigated effectively and there is no disruption in Company's operations.

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

We have not identified any significant adverse impact to the environment arising from our value chain , however we are mindful of our activities and ensure sustainable and responsible production.

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

We have not assessed our value chain partners for environmental impacts.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Our Company places a strong emphasis on public welfare as well as creating awareness and providing resources to communities who need them. To make sure that we adhere to our commitments to accountability and transparency, we routinely examine our public engagement and outreach programs. We solicit input from our stakeholders, assess the impact of our actions, and make necessary adjustments to enhance our processes. We have specified our affiliations related to trade and industry associations and we have additionally disseminated information about our ethical conduct, including anti-competitive practices.

Essential Indicators

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

We are affiliated with **one** association as mentioned in response to question 1(b) below.

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.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Automotive Component Manufacturers Association of India	National

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

There were no cases related to anti-competitive conduct hence no corrective actions were taken or underway based on adverse orders from regulatory authorities.

Leadership Indicators

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

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

Principle 8: Businesses should promote inclusive growth and equitable development

As a corporate citizen, we recognize that we must support inclusive growth and equitable development. Through inclusive growth and equitable development, we aim to foster social stability by providing individuals and communities with access to resources, opportunities, and a stake in the overall development process. To accelerate social and economic growth, we work with various organizations to create value for local communities and stakeholders. Through our philanthropic arm Sharda CSR Foundation Trust ("Trust"), we sponsor initiatives and programs in the fields of education and healthcare.

Essential Indicators

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

Name and brief details of 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
Not applicable. Our ongoing projects do not require social impact assessments as per the law in the current year.					

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

S. 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)
There were no projects for which rehabilitation and resettlement (R&R) was required during the year.						

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

In our ongoing dedication to responsible business practices, we have implemented a well-structured framework to engage with the community and effectively address any concerns that may arise. This framework is led by our CSR Committee, consisting of our Board of Directors, who play a pivotal role in community engagement.

To initiate the process, our plant heads liaise with local community leaders to gain insights into community challenges and concerns. Based on these consultations, our CSR Steering Committee develops comprehensive, long-term initiatives and programs. These initiatives predominantly focus on

critical areas such as healthcare, sanitation, education, and the environment. Our commitment extends to supporting underprivileged individuals and facilitating vocational training, ensuring efficient execution for the greater benefit of society through the Sharda CSR Foundation Trust.

For community members seeking to voice their grievances, we have established a dedicated email address, shardacrtrust@shardamotor.com. This email serves as a direct channel for communities to share their concerns, feedback, and grievances. We uphold the values of confidentiality and transparency throughout this process.

Every grievance received is treated with the utmost seriousness and urgency. Our goal is to ensure that each concern is acknowledged promptly and addressed effectively. We adhere to a structured approach, resolving grievances in alignment with their nature and in accordance with the standards outlined in our organizational policy.

Our primary focus is to nurture positive relationships within the community, fostering trust and mutual understanding. Through this committed approach, we strive to create a harmonious partnership that positively impacts the community and reflects our unwavering commitment to responsible and ethical business practices.

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

We always aspire to enable the development of local and regional vendors and procure from them for the ease of conducting our business. At present, we are gradually progressing toward buying raw materials and equipment from local suppliers in multiple plants spread across west, south, and north of India that fall under the category of micro, small, medium enterprises.

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	5.99%	4.61%
Sourced directly from within the district and neighboring districts	70.96%	Nil

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, as we do not conduct social impact assessments.	

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

S. No.	State	Aspirational District	Amount spent (In INR)
Not Applicable			

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

No, at present we do not have a preferential procurement policy, but we actively procure from small and local producers to support their development and nurture our commitment to sustainable growth.

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

Our Company has been procuring several raw materials/ equipment's from local/ regional vendors/ suppliers that falls under the category of micro, small, medium enterprises, considering that the Company has always aimed for the development of local and regional vendors of supplies for the ease of carrying out of business .

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

5.99%

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
We do not have intellectual properties owned or acquired based on traditional knowledge.				

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

Name of authority	Brief of the Case	Corrective action taken
We currently do not have any benefits derived and shared from the intellectual properties owned or acquired based on traditional knowledge hence no corrective actions were taken or underway based on any adverse order.		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Sharda Medical Clinic (We provided funding to 2 different trusts -supported Sparsh project for pediatric dialysis patients, Supported Breast cancer patients and contributed for CT Scan machine).	The exact number of persons benefiting from the CSR projects mentioned has not been determined.	100% (The beneficiaries included cancer and pediatric dialysis patients).
2.	Ambulance Services for nearby communities (SIPCOT, Chakan, Nashik, MWC plants).		100% (The beneficiaries included people from nearby our plant locations).
3.	Sharda Educate (We provided funding to our partners for running education centers in Noida and we also donated power backup systems).	190	100% (The beneficiaries included children).

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

As a pioneer in the automobile industry, we deliver customized comfort through employing state-of-the-art technology. Our Company provides automotive components to the nation's top engine and vehicle manufacturers with a strong foundation in operational excellence. We do it in an efficient, responsible, truthful, and ethically sound manner. We consistently monitor our processes to ensure that they are economical for customers, ecologically friendly and attempt to minimize any potentially harmful effects on the environment by prioritizing quality, safety, and environmental responsibility in our products and services. We consider it crucial to interact with clients in a conscientious manner, assure them of the safety of their information, and stay informed about the most recent cyber security guidelines to establish resilient, enduring relationships and foster a positive atmosphere in the industry we operate in.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Delivering exceptional customer service is becoming more and more crucial to propel advancement because of the fierce rivalry. Having a structure in position that enables our customers to openly express their viewpoints about our products and amenities is equally imperative. We are of the opinion that efficiently addressing our client's issues is vital to cultivate customer allegiance and brand esteem, and we ensure that each patron has the means to avail themselves of this system.

Active interaction with our consumer provides us with the opportunity to adapt and innovate our products as per their complaints and feedback through gaining insights into changing needs, preferences and emerging market trends. We consider the inputs from all our B2B (Business-to-Business) customers through a comprehensive complaint management system and active communication channels such as e-mails, in-person meetings and telecommunication and provide tailored solutions not only to resolve concerns but also prevent future recurrence. Our Company is devoted to resolving our clients' concerns in a fair, quick, and efficient way while enhancing their experience and achieving overall operational excellence.

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%*
Safe and responsible usage	100%*
Recycling and/or safe disposal	100%*

*Our products do not have labels on them as our clients are from the B2B domain. However, we inform our customers through various communication channels such as e-mails, in person meetings, and telecommunication throughout the entire sales process.

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

We have a comprehensive complaint management system for handling, monitoring, addressing, and reporting our customers' complaints. The system has been standardized and made more efficient, and we continuously monitor it using multi-channel complaint-tracking technology that allows us to respond to queries from customers more quickly and ensures that issues are resolved more quickly.

	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Other	Nil	Nil	-	Nil	Nil	-

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

	Number	Reasons for recall
Voluntary recalls		We did not have any instances of voluntary or forced product recalls on account of safety issues.
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.

Yes. As data protection is increasingly becoming an essential element of day-to-day activities for companies of every scale and across all industries. A robust data protection strategy helps safeguard digital resources and information from detrimental internal and external risks. We have a comprehensive IT security system in place that adheres to legislative directives on information and cyber security and is based on industry best practices.

Our organization provides standard grade IT infrastructure with regular preventive and corrective maintenance. Our IT policy's goal is to develop standards and recommendations for the safe, productive, optimal, and proper usage of our Company's IT infrastructure. Our [IT policy](#) is intended to secure the organization's network and resources from incursion by viruses, malware, spyware, and illegal network access. Firewalls are used in our firm to protect against hackers, anti-virus, anti-spam, AV definition, intrusion prevention, IPS definition, and web filtering. Our IT department oversees, develops and administers an infrastructure that allows for the continuous and secure distribution of information within the firm, to partners, and to others via the Internet.

As part of this design, we have developed methods for scanning our information and data to prevent the propagation of viruses, worms, Trojan Horses, and other executable objects that could compromise the system and network's security. Emails that are discovered to be contaminated with a virus, worm, or Trojan horse, or that include another executable item that could constitute a security risk, are not transmitted to the user. If the malicious email cannot be cleansed, it is taken from the delivery system and evaluated by the network and security administrator.

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.

We did not receive any cases or issues in the FY 2022-23 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 hence no corrective action has been taken or underway.

Leadership Indicators

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

Information about our products and services can be accessed on: <https://www.shardamotor.com/products-services/>

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

We serve the B2B market and ensure we educate our customers about safe and responsible usage of products via in-person meetings, telecommunication, e-mail and as and when required during the entire sales process.

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

Our products and services do not fall under the category of essential services. However, we exert control over nonconforming products, take proper action, and carefully monitor the entire process and the

quality system. We also keep our customers informed via email and phone calls so that they may plan alternatively for executing their business operations.

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

Yes, in accordance with national and state laws, our Company communicates all pertinent product information as we consider it to be an effective means of encouraging sustainability, responsible consumption and safe disposal.

Our Company regularly conducts surveys for our customers to determine and measure their satisfaction with our products and services at every plant level. These surveys allow us to get crucial feedback from our customer base and develop innovative solutions to match the requirements and expectations of our customers.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

There were no instances of data breaches in the current year.

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

There were no instances of data breaches involving personally identifiable information of customers in the current year.

Concluding remarks:

In conclusion, Sharda Motor Industries Limited (SMIL) reaffirms its resolute commitment to fostering sustainable and responsible business practices. This report reflects our journey towards creating a positive impact across various dimensions of business responsibility and sustainability. Through rigorous assessments, robust policies, and proactive initiatives, we continue to integrate environmental, social, and ethical considerations into our operations. As we navigate the evolving landscape, we remain dedicated to innovation, collaboration, and continuous improvement. Our vision is not only to meet present challenges but also to contribute to a more sustainable and equitable future. We extend our gratitude to all stakeholders who have joined us on this path, and we embrace the collective responsibility to drive positive change for the well-being of our planet, society, and the generations to come.