

**SGL-11/Sec/2025-26**

**04<sup>th</sup> July, 2025**

**National Stock Exchange of India Limited**

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

**Bombay Stock Exchange Limited**

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

**Stock Code: SHANTIGEAR  
Through NEAPS**

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

Dear Sir / Ma'am,

**Sub: Submission of Business Responsibility and Sustainability Report for the FY 2024-25**

Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Business Responsibility and Sustainability Report (BRSR) adopted by the Company for the Financial Year ended 31<sup>st</sup> March, 2025.

This is for your information and records.

Thanking You,

Yours faithfully,

**For Shanthi Gears Limited**

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

# Business Responsibility and Sustainability Report



## ANNEXURE G TO THE BOARD'S REPORT

### Business Responsibility and Sustainability Report

#### Section A: General Disclosures

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

| Sl.No. | Description  | Details  |
|--------|--|--|
| 1      | Corporate Identity Number (CIN) of the Listed Entity   | L29130TZ1972PLC000649  |
| 2      | Name of the Listed Entity  | Shanthi Gears Limited  |
| 3      | Year of incorporation  | 1972   |
| 4      | Registered office address  | 304-A, Trichy Road, Singanallur, Coimbatore - 641 005, Tamil Nadu, India   |
| 5      | Corporate address  | 304-A, Trichy Road, Singanallur, Coimbatore - 641 005, Tamil Nadu, India   |
| 6      | E-mail   | info@shanthigears.murugappa.com  |
| 7      | Telephone  | +91 422 4545745  |
| 8      | Website  | www.shanthigears.com   |
| 9      | Financial year for which reporting is being done   | 2024-2025 (01 <sup>st</sup> April 2024 to 31 <sup>st</sup> March 2025)   |
| 10     | Name of the Stock Exchange(s) where shares are listed  | National Stock Exchange of India Limited. Bombay Stock Exchange Limited.   |
| 11     | Paid-up Capital  | ₹ 7.67 Cr  |
| 12     | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report   | Name: Mr. Ranjan Kumar Pati<br>Telephone: +91 422 4545745<br>Email Address: ranjanpati@shanthigears.murugappa.com  |
| 13     | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | The reporting boundary comprises all the manufacturing units of the Company in India for the period covering 1 <sup>st</sup> April 2024 to 31 <sup>st</sup> March 2025 |
| 14     | Name of assurance provider   | -  |
| 15     | Type of assurance obtained   | -  |

## ii. Products/Services

|    |  | Sl. No. | Description of Main Activity | Description of Business Activity   | % of Turnover of the entity |
|----|--|---------|------------------------------|--|-----------------------------|
| 16 | Details of business activities (accounting for 90% of the turnover): | 1       | Manufacturing & Services     | Design and Manufacture of Gears, Gear boxes, Geared Motors, and Gear Assemblies, Refurbishing & repairing of old gear boxes. | 100%                        |

|    |  | Sl. No. | Product/ Service                             | NIC Code | % of total Turnover contributed |
|----|--|---------|--|----------|---------------------------------|
| 17 | Products/ Services sold by the entity (accounting for 90% of the entity's Turnover): | 1       | GGB (Gears & Gear boxes)                     | 2814     | 57%                             |
|    |  | 2       | SFW (Service, Foundry, Worm and Gear Motors) | 2814     | 43%                             |

## iii. Operations

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

| Market served by the entity: |   | Locations   | Numbers                         |
|------------------------------|---|---|---------------------------------|
| 19                           | a. No. of Locations   | National (No. of States/UTs)  | 28 States & 8 Union Territories |
|                              |   | International (No. of Countries)  | 27                              |
|                              | b. What is the contribution of exports as a percentage of the total turnover of the entity? | 9.80% is the total turnover in percentage for the reporting period.   |                                 |
|                              | c. A brief on types of customers  | <p>Shanthi Gears has a diverse customer base that encompasses both business to business (B2B) and business-to-consumer (B2C) sectors. In the B2B segment, Shanthi Gears serves Original Equipment Manufacturers (OEMs). The B2C sales channels of Shanthi Gears include dealers and direct sales to end-users.</p> <p>Shanthi Gears' products and services have a wide range of applications across a broad array of industries, such as: Mineral processing, Mining, Off-highway vehicles, Rubber and plastics, Extruders, Power generation, Wind energy, General engineering, Steel, Textiles, Railways, Chemicals, Fertilizers, Non-ferrous metals, Pumps, Valves, Blowers, and Compressors, Lifts, Conveyors, and Cranes, Material handling, Pulp and paper, Cement, Sugar, Foundry, Conveyor systems, Aerospace, Defence, Textile mills and Food processing.</p> <p>This diverse customer base and wide range of industry applications demonstrate the comprehensive nature of Shanthi Gears' product and service offerings.</p> |                                 |

## iv. Employees

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

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

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

## Employees

|   |                              |     |     |     |    |    |
|---|------------------------------|-----|-----|-----|----|----|
| 1 | Permanent (D)                | 266 | 245 | 92% | 21 | 8% |
| 2 | Other than Permanent (E)     | 114 | 108 | 95% | 6  | 5% |
| 3 | <b>Total Employees (D+E)</b> | 380 | 353 | 93% | 27 | 7% |

## Workers

|   |                            |      |      |     |    |    |
|---|----------------------------|------|------|-----|----|----|
| 4 | Permanent (F)              | 237  | 233  | 98% | 4  | 2% |
| 5 | Other than Permanent (G)   | 834  | 797  | 96% | 37 | 4% |
| 6 | <b>Total Workers (F+G)</b> | 1071 | 1030 | 96% | 41 | 4% |

## b. Differently abled employees and workers:

## Differently abled employees

|   |  |   |   |   |   |   |
|---|--|---|---|---|---|---|
| 7 | Permanent (D)                                  | 0 | 0 | 0 | 0 | 0 |
| 8 | Other than Permanent (E)                       | 0 | 0 | 0 | 0 | 0 |
| 9 | <b>Total differently abled employees (D+E)</b> | 0 | 0 | 0 | 0 | 0 |

## Differently abled workers

|    |  |   |   |   |   |   |
|----|--|---|---|---|---|---|
| 10 | Permanent (F)                                | 0 | 0 | 0 | 0 | 0 |
| 11 | Other than Permanent (G)                     | 0 | 0 | 0 | 0 | 0 |
| 12 | <b>Total differently abled workers (F+G)</b> | 0 | 0 | 0 | 0 | 0 |

## 21. Participation/Inclusion/Representation of women

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

## 22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

| Category            | FY 2024-25<br>(Turnover rate in current FY) |        |       | FY 2023-24 (Turnover<br>rate in previous FY) |        |       | FY 2022-23 (Turnover rate in<br>the year prior to the previous FY) |        |       |
|---------------------|---|--------|-------|--|--------|-------|--|--------|-------|
|                     | Male  | Female | Total | Male   | Female | Total | Male   | Female | Total |
| Permanent Employees | 17%   | 1%     | 18%   | 22%  | 0%     | 22%   | 20%  | 0%     | 20%   |
| Permanent Workers   | 2%  | 0%     | 2%    | 1%   | 0%     | 1%    | 0%   | 0%     | 0%    |

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

23. (a) Names of Holding/Subsidiary/Associate Companies/Joint Ventures

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

vi. CSR Details

|    |   |                 |
|----|---|-----------------|
| 24 | (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) | Yes             |
|    | (ii) Turnover (in ₹)  | ₹ 604.62 Crores |
|    | (iii) Net worth (in ₹)  | ₹ 402.99 Crores |

vii. Transparency and Disclosures Compliances

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

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No)<br>(If Yes, then provide web-link for grievance redress policy)   | FY 2024-25<br>Current Financial Year       |  |                | FY 2023-24<br>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 |
| Communities                                       | Yes<br><a href="https://www.shanthigears.com/reg-office/">https://www.shanthigears.com/reg-office/</a>  | Nil  | Nil  | Not Applicable | Nil  | Nil  | Nil     |
| Investors (other than shareholders)               | Yes   | Nil  | Nil  | Nil            | Nil  | Nil  | Nil     |
| Shareholders                                      | Yes<br>Compliance Officer & Nodal Officer for IEPF<br><a href="https://www.shanthigears.com/shareholders-grievance-redressal/">https://www.shanthigears.com/shareholders-grievance-redressal/</a> | Nil  | Nil  | Nil            | Nil  | Nil  | Nil     |
| Employees and workers                             | Yes<br>Employee Engagement Surveys are conducted annually.<br>HR Policy and POSH policy establishes the Grievance Redressal Mechanism   | Nil  | Nil  | Nil            | Nil  | Nil  | Nil     |

|                        |  |     |     |     |     |     |     |
|------------------------|--|-----|-----|-----|-----|-----|-----|
| Customers              | Yes<br><a href="https://www.shanthigears.com/enquiry/">https://www.shanthigears.com/enquiry/</a>       | Nil | Nil | Nil | Nil | Nil | Nil |
| Value Chain Partners   | Yes<br><a href="https://www.shanthigears.com/reg-office/">https://www.shanthigears.com/reg-office/</a> | Nil | Nil | Nil | Nil | Nil | Nil |
| Other (please specify) | -  | Nil | Nil | Nil | Nil | Nil | Nil |

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

| 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      | Corporate Governance      | Opportunity                                | Openness and responsibility are core pillars of effective corporate governance at SGL. This dedication strengthens stakeholder confidence and cultivates a business environment rooted in ethics and long-term sustainability.   | Not Applicable  | Positive   |
| 2      | Legal Compliance          | Risk                                       | The cornerstone of SGL's long-term success is its unwavering compliance with rules. Our robust regulatory intelligence program provides us a thorough grasp of the shifting legal landscape, enabling us to take a proactive approach to anticipating and managing our future responsibilities.                              | Achieving zero regulatory non-compliance is a relentless pursuit at Shanthi Gears. We leverage advanced digital online tool to ensure and continuously monitor adherence to all applicable regulations. | Negative   |
| 3      | Climate Change Strategy   | Opportunity                                | Dependence on alternative, non-fossil energy sources provides a strategic advantage by mitigating the risks associated with fluctuating fossil fuel prices. The adoption of cleaner energy solutions also highlights our commitment to environmental stewardship and aligns us with global efforts to combat climate change. | Not Applicable  | Positive   |

|   |                                       |             |   |   |          |
|---|---------------------------------------|-------------|---|---|----------|
| 4 | Occupational Health & Safety          | Risk        | A strong commitment to occupational health and safety is a fundamental principle at SGL. It promotes a safe, secure and efficient workplace where employee welfare is seamlessly integrated with high performance and operational effectiveness.                                      | All SGL units are certified for ISO: 45001 system requirements.<br>Top Management is committed to ensure “Zero Incident, safe work culture” through established Safety Health & Environment Policy.<br>This approach is instrumental in ensuring our employee SHE performance. Leveraging the technology, management has introduced Online Digital Platform to ensure real time reporting and monitoring. | Negative |
| 5 | Training talent and Skill Development | Opportunity | Ongoing skill enhancement and learning initiatives at SGL equipped employees & workers with the tools to grow and excel, nurturing a culture of continuous improvement. This strategic investment cultivates a resilient and future-ready workforce, essential for long-term success. | Not Applicable  | Positive |
| 6 | Waste Management                      | Risk        | Reducing our ecological footprint is a key focus at SGL. We adopt environmentally responsible waste management practices across all operations and units, with an emphasis on resource efficiency, recovery, and waste reduction.   | All SGL units are certified for ISO 14001 system requirements.<br>Wastes generated at all of our units are segregated as hazardous and non-hazardous and disposed in appropriate ways, while adhering to the applicable norms and regulations for each type of waste.   | Negative |
| 7 | Water and Wastewater Management       | Risk        | Effective & Responsible water resource management is a critical priority for SGL. We employ water-efficient processes and adopt eco-friendly wastewater treatment methods to reduce our environmental footprint.  | All SGL units are equipped with wastewater treatment facilities.<br>All our units possess Rain Water Harvesting practices.  | Negative |
| 8 | Sustainable Supply Chain              | Risk        | Establishing a sustainable supply chain is a strategic focus for SGL. We engage with eco-conscious partners and practice responsible sourcing to reduce our social, environmental and governance impacts.   | SGL has engaged a sustainable supply chain program, which covers capacity building and assessment of ESG practices of our suppliers.  | Negative |

|    |                                    |             |  |   |          |
|----|------------------------------------|-------------|--|---|----------|
| 9  | Risk & Crisis Management           | Risk        | At SGL, we recognize the importance of a comprehensive risk and crisis management framework as a strategic safeguard. By proactively identifying emerging risks, we enhance our ability to mitigate potential disruptions before they evolve into critical challenges. | We conduct regular assessments to identify potential threats, by analyzing the probability & severity, and thereby prioritizing the risk for initiating further actions.  | Negative |
| 10 | Community Engagement               | Opportunity | Fostering meaningful relationships with local communities is a key focus for SGL. Through targeted social initiatives, we invest in improving quality of life and advancing the long-term, sustainable development of the regions and communities in which we operate. | Not Applicable  | Positive |
| 11 | Product Stewardship                | Risk        | SGL places strong emphasis on sustainable product lifecycles. Our design and manufacturing processes prioritize environmental responsibility by incorporating sustainable materials, optimizing resource usage, and planning for effective life cycle management.      | We actively collaborate with our suppliers to encourage the adoption of environmentally responsible practices within their operations. This collective effort helps minimize the ecological footprint across the supply chain and supports SGL commitment to product stewardship.                                       | Negative |
| 12 | Cyber Security and Data Protection | Risk        | High importance on cybersecurity to safeguard vital information assets and operational infrastructure. Comprehensive information security protocols are implemented to ensure adherence to regulatory standards and to reinforce stakeholder trust.                    | At SGL we ensure confidentiality, integrity and availability of information throughout the process and is asserted by proactively performing penetration testing and vulnerability assessments to detect and strengthen potential weaknesses in our cybersecurity framework and thereby ensuring threats are mitigated. | Negative |

## Section B: Management and process disclosures

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

| Disclosure Questions            |  | P1  | P2  | P3  | P4  | P5  | P6  | P7  | P8  | P9  |
|---------------------------------|--|---|-----|-----|-----|-----|-----|-----|-----|-----|
| Policy and Management Processes |  |   |     |     |     |     |     |     |     |     |
| 1.                              | a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)  | Yes   | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
|                                 | b. Has the policy been approved by the Board? (Yes/No)   | Yes   | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
|                                 | c. Web Link of the Policies, if available  | <a href="#">SGL Business Responsibility Policy</a>  |     |     |     |     |     |     |     |     |
| 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)   | No  | No  | No  | No  | No  | No  | No  | No  | No  |
| 4.                              | Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | Shanthi Gears Limited is certified for the following management systems. ISO 9001, ISO 14001, ISO 45001, ISO/TS 22163 (IRIS), AS9100D (Aerospace), NADCAP – NDT & Heat Treating, Pressure Equipment Directive (PED),  |     |     |     |     |     |     |     |     |
| 5.                              | Specific commitments, goals and targets set by the entity with defined timelines, if any.  | <p>Shanthi Gears establishes short-term and long-term goals and targets in ESG areas demonstrating our dedication to sustainability, safety and the well-being of our employees.</p> <p><b>Environment Goals at 2030</b></p> <ul style="list-style-type: none"> <li>• Energy Intensity: 30% reduction in Energy Intensity across all SGL Units</li> <li>• Renewable Energy: 75% of total energy will be from renewable energy</li> <li>• Water Intensity: 50% reduction in Water Intensity across all SGL Units</li> <li>• Waste Intensity: 50% reduction in Waste Intensity across all SGL Units</li> </ul> <p><b>Social Goals at 2030</b></p> <ul style="list-style-type: none"> <li>• Magnify the impact of CSR program: Enhance our CSR program by increasing the employee volunteering hours to 8 hours/Employee/Year</li> <li>• ESG Training man hours (man-hours/employee): 5 Man days per employee per year across all SGL Units</li> <li>• Safety: Achieve and sustain Zero LTIFR</li> <li>• Employee Retention rate year on year: 90% retention rate of employees in Management and Supervisory role</li> <li>• Building an Engaging working place for employees: 85% Achievement of Employee Engagement Score</li> <li>• Creating an opportunity to build equitable workplace that offers diversified workforce: Women in Management and Supervisory role to grow to 20% in SGL Units</li> </ul> |     |     |     |     |     |     |     |     |

|  |   | <p><b>Governance Goals at 2030</b></p> <ul style="list-style-type: none"> <li>• Integrate technology for sustained operations: Production Efficiency 70% of improvement</li> <li>• Supply Chain Assessment: Coverage of 80% critical supply chain partners for ESG assessment. Integrate ESG performance of critical supply chain partners in procurement decision-making for Shanthy Gears Limited</li> </ul> <p>SGL's ESG initiatives will reduce the organization's impact on environment, cultivate an engaged and inclusive team, this emphasizes the importance of having a workforce that is motivated and represents diverse backgrounds and perspectives.</p>  |                              |                  |              |                          |                            |  |  |  |   |                  |     |               |   |                  |     |     |   |                 |     |               |   |                 |     |               |                     |  |  |  |   |   |                           |               |   |                    |                              |                              |   |        |            |            |   |                         |     |     |   |                           |     |     |    |                       |     |    |                         |  |  |  |    |                       |     |     |    |                  |     |      |
|--|---|---|------------------------------|------------------|--------------|--------------------------|----------------------------|--|--|--|---|------------------|-----|---------------|---|------------------|-----|-----|---|-----------------|-----|---------------|---|-----------------|-----|---------------|---------------------|--|--|--|---|---|---------------------------|---------------|---|--------------------|------------------------------|------------------------------|---|--------|------------|------------|---|-------------------------|-----|-----|---|---------------------------|-----|-----|----|-----------------------|-----|----|-------------------------|--|--|--|----|-----------------------|-----|-----|----|------------------|-----|------|
| <p>6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</p> |   | <table border="1"> <thead> <tr> <th></th> <th>Parameter/Metric</th> <th>Target FY 30</th> <th>Achieved (FY 24 &amp; FY 25)</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Environmental Goals</b></td> </tr> <tr> <td>1</td> <td>Energy Intensity</td> <td>30%</td> <td>15% reduction</td> </tr> <tr> <td>2</td> <td>Renewable Energy</td> <td>75%</td> <td>45%</td> </tr> <tr> <td>3</td> <td>Water Intensity</td> <td>50%</td> <td>20% reduction</td> </tr> <tr> <td>4</td> <td>Waste Intensity</td> <td>50%</td> <td>27% reduction</td> </tr> <tr> <td colspan="4"><b>Social Goals</b></td> </tr> <tr> <td>5</td> <td>Magnify impact of CSR Program (Employee volunteering hours)</td> <td>8 Hours/Per employee/Year</td> <td>&lt;2 Hours/Year</td> </tr> <tr> <td>6</td> <td>ESG Training Hours</td> <td>5 Man Days/Per Employee/Year</td> <td>3 Man Days/Per Employee/Year</td> </tr> <tr> <td>7</td> <td>Safety</td> <td>Zero LTIFR</td> <td>Zero LTIFR</td> </tr> <tr> <td>8</td> <td>Employee Retention Rate</td> <td>90%</td> <td>82%</td> </tr> <tr> <td>9</td> <td>Employee Engagement Score</td> <td>85%</td> <td>78%</td> </tr> <tr> <td>10</td> <td>Diversified Workforce</td> <td>20%</td> <td>8%</td> </tr> <tr> <td colspan="4"><b>Governance Goals</b></td> </tr> <tr> <td>11</td> <td>Production Efficiency</td> <td>70%</td> <td>61%</td> </tr> <tr> <td>12</td> <td>Supply Chain ESG</td> <td>80%</td> <td>&lt;20%</td> </tr> </tbody> </table> |                              | Parameter/Metric | Target FY 30 | Achieved (FY 24 & FY 25) | <b>Environmental Goals</b> |  |  |  | 1 | Energy Intensity | 30% | 15% reduction | 2 | Renewable Energy | 75% | 45% | 3 | Water Intensity | 50% | 20% reduction | 4 | Waste Intensity | 50% | 27% reduction | <b>Social Goals</b> |  |  |  | 5 | Magnify impact of CSR Program (Employee volunteering hours) | 8 Hours/Per employee/Year | <2 Hours/Year | 6 | ESG Training Hours | 5 Man Days/Per Employee/Year | 3 Man Days/Per Employee/Year | 7 | Safety | Zero LTIFR | Zero LTIFR | 8 | Employee Retention Rate | 90% | 82% | 9 | Employee Engagement Score | 85% | 78% | 10 | Diversified Workforce | 20% | 8% | <b>Governance Goals</b> |  |  |  | 11 | Production Efficiency | 70% | 61% | 12 | Supply Chain ESG | 80% | <20% |
|  | Parameter/Metric  | Target FY 30  | Achieved (FY 24 & FY 25)     |                  |              |                          |                            |  |  |  |   |                  |     |               |   |                  |     |     |   |                 |     |               |   |                 |     |               |                     |  |  |  |   |   |                           |               |   |                    |                              |                              |   |        |            |            |   |                         |     |     |   |                           |     |     |    |                       |     |    |                         |  |  |  |    |                       |     |     |    |                  |     |      |
| <b>Environmental Goals</b>   |   |   |                              |                  |              |                          |                            |  |  |  |   |                  |     |               |   |                  |     |     |   |                 |     |               |   |                 |     |               |                     |  |  |  |   |   |                           |               |   |                    |                              |                              |   |        |            |            |   |                         |     |     |   |                           |     |     |    |                       |     |    |                         |  |  |  |    |                       |     |     |    |                  |     |      |
| 1  | Energy Intensity  | 30%   | 15% reduction                |                  |              |                          |                            |  |  |  |   |                  |     |               |   |                  |     |     |   |                 |     |               |   |                 |     |               |                     |  |  |  |   |   |                           |               |   |                    |                              |                              |   |        |            |            |   |                         |     |     |   |                           |     |     |    |                       |     |    |                         |  |  |  |    |                       |     |     |    |                  |     |      |
| 2  | Renewable Energy  | 75%   | 45%                          |                  |              |                          |                            |  |  |  |   |                  |     |               |   |                  |     |     |   |                 |     |               |   |                 |     |               |                     |  |  |  |   |   |                           |               |   |                    |                              |                              |   |        |            |            |   |                         |     |     |   |                           |     |     |    |                       |     |    |                         |  |  |  |    |                       |     |     |    |                  |     |      |
| 3  | Water Intensity   | 50%   | 20% reduction                |                  |              |                          |                            |  |  |  |   |                  |     |               |   |                  |     |     |   |                 |     |               |   |                 |     |               |                     |  |  |  |   |   |                           |               |   |                    |                              |                              |   |        |            |            |   |                         |     |     |   |                           |     |     |    |                       |     |    |                         |  |  |  |    |                       |     |     |    |                  |     |      |
| 4  | Waste Intensity   | 50%   | 27% reduction                |                  |              |                          |                            |  |  |  |   |                  |     |               |   |                  |     |     |   |                 |     |               |   |                 |     |               |                     |  |  |  |   |   |                           |               |   |                    |                              |                              |   |        |            |            |   |                         |     |     |   |                           |     |     |    |                       |     |    |                         |  |  |  |    |                       |     |     |    |                  |     |      |
| <b>Social Goals</b>  |   |   |                              |                  |              |                          |                            |  |  |  |   |                  |     |               |   |                  |     |     |   |                 |     |               |   |                 |     |               |                     |  |  |  |   |   |                           |               |   |                    |                              |                              |   |        |            |            |   |                         |     |     |   |                           |     |     |    |                       |     |    |                         |  |  |  |    |                       |     |     |    |                  |     |      |
| 5  | Magnify impact of CSR Program (Employee volunteering hours) | 8 Hours/Per employee/Year   | <2 Hours/Year                |                  |              |                          |                            |  |  |  |   |                  |     |               |   |                  |     |     |   |                 |     |               |   |                 |     |               |                     |  |  |  |   |   |                           |               |   |                    |                              |                              |   |        |            |            |   |                         |     |     |   |                           |     |     |    |                       |     |    |                         |  |  |  |    |                       |     |     |    |                  |     |      |
| 6  | ESG Training Hours  | 5 Man Days/Per Employee/Year  | 3 Man Days/Per Employee/Year |                  |              |                          |                            |  |  |  |   |                  |     |               |   |                  |     |     |   |                 |     |               |   |                 |     |               |                     |  |  |  |   |   |                           |               |   |                    |                              |                              |   |        |            |            |   |                         |     |     |   |                           |     |     |    |                       |     |    |                         |  |  |  |    |                       |     |     |    |                  |     |      |
| 7  | Safety  | Zero LTIFR  | Zero LTIFR                   |                  |              |                          |                            |  |  |  |   |                  |     |               |   |                  |     |     |   |                 |     |               |   |                 |     |               |                     |  |  |  |   |   |                           |               |   |                    |                              |                              |   |        |            |            |   |                         |     |     |   |                           |     |     |    |                       |     |    |                         |  |  |  |    |                       |     |     |    |                  |     |      |
| 8  | Employee Retention Rate                                     | 90%   | 82%                          |                  |              |                          |                            |  |  |  |   |                  |     |               |   |                  |     |     |   |                 |     |               |   |                 |     |               |                     |  |  |  |   |   |                           |               |   |                    |                              |                              |   |        |            |            |   |                         |     |     |   |                           |     |     |    |                       |     |    |                         |  |  |  |    |                       |     |     |    |                  |     |      |
| 9  | Employee Engagement Score                                   | 85%   | 78%                          |                  |              |                          |                            |  |  |  |   |                  |     |               |   |                  |     |     |   |                 |     |               |   |                 |     |               |                     |  |  |  |   |   |                           |               |   |                    |                              |                              |   |        |            |            |   |                         |     |     |   |                           |     |     |    |                       |     |    |                         |  |  |  |    |                       |     |     |    |                  |     |      |
| 10   | Diversified Workforce                                       | 20%   | 8%                           |                  |              |                          |                            |  |  |  |   |                  |     |               |   |                  |     |     |   |                 |     |               |   |                 |     |               |                     |  |  |  |   |   |                           |               |   |                    |                              |                              |   |        |            |            |   |                         |     |     |   |                           |     |     |    |                       |     |    |                         |  |  |  |    |                       |     |     |    |                  |     |      |
| <b>Governance Goals</b>  |   |   |                              |                  |              |                          |                            |  |  |  |   |                  |     |               |   |                  |     |     |   |                 |     |               |   |                 |     |               |                     |  |  |  |   |   |                           |               |   |                    |                              |                              |   |        |            |            |   |                         |     |     |   |                           |     |     |    |                       |     |    |                         |  |  |  |    |                       |     |     |    |                  |     |      |
| 11   | Production Efficiency                                       | 70%   | 61%                          |                  |              |                          |                            |  |  |  |   |                  |     |               |   |                  |     |     |   |                 |     |               |   |                 |     |               |                     |  |  |  |   |   |                           |               |   |                    |                              |                              |   |        |            |            |   |                         |     |     |   |                           |     |     |    |                       |     |    |                         |  |  |  |    |                       |     |     |    |                  |     |      |
| 12   | Supply Chain ESG  | 80%   | <20%                         |                  |              |                          |                            |  |  |  |   |                  |     |               |   |                  |     |     |   |                 |     |               |   |                 |     |               |                     |  |  |  |   |   |                           |               |   |                    |                              |                              |   |        |            |            |   |                         |     |     |   |                           |     |     |    |                       |     |    |                         |  |  |  |    |                       |     |     |    |                  |     |      |

## Governance, Leadership, and Oversight

|    |   |   |
|----|---|---|
| 7. | <p><b>Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).</b></p> | <p>At SGL our decisions are driven by the five lights which comprise – Integrity, Passion, Quality, Respect and Responsibility.</p> <p>We hold a strong and enduring commitment to Environmental, Social, and Governance (ESG) principles, viewing them as essential pillars for sustainable growth, organizational resilience, and long-term stakeholder value. We recognize the interdependence of these dimensions and remain dedicated to fostering meaningful impact across our stakeholder ecosystem—including our employees, customers, investors, and the wider community.</p> <p>Climate change and its impact are critical to business, and SGL adopts a proactive stance in identifying, managing, and mitigating environmental and social impacts across its entire value chain. This includes a strategic focus on renewable energy adoption, rigorous monitoring and reduction of greenhouse gas emissions (GHG), and the enforcement of responsible sourcing practices through comprehensive ESG assessments of suppliers. The company also pursues continuous improvement initiatives to reduce waste generation and optimize resource usage across its operations.</p> <p>In addition to operational sustainability, SGL contributes to the global transition to a low-carbon economy through sustained investment in research and development, particularly in the fields of automation and renewable energy technologies. Our commitment to ESG is reinforced by ongoing evaluations to ensure full compliance with statutory and regulatory requirements, with timely submission of all required reports to relevant authorities.</p> <p>Through this integrated and forward-looking approach, SGL aims to drive sustainable growth while safeguarding environmental integrity, advancing social responsibility, and securing long-term value creation.</p> |
| 8. | <p><b>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</b></p>  | <p>Name: Mr. M. Karunakaran<br/>         Designation: CEO &amp; Whole-time Director<br/>         DIN Number: 09004843<br/>         Contact Details:<br/>         Telephone Number: 0422-4545745<br/>         Email id: <a href="mailto:karunakaranm@shanthigears.murugappa.com">karunakaranm@shanthigears.murugappa.com</a></p>   |
| 9. | <p><b>Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.</b></p>   | <p>Yes, the board of directors are responsible for decision making on sustainability related issues.</p>  |

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

| Subject for Review                                      | Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee |   |   |   |   |   |   |   |   | Frequency (Annually/Half yearly/ Quarterly/Any other – please specify) |   |   |   |   |   |   |   |   |   |
|---|--|---|---|---|---|---|---|---|---|--|---|---|---|---|---|---|---|---|---|
|   | P  | P | P | P | P | P | P | P | P | P  | P | P | P | P | P | P | P | P | P |
| Performance against above policies and follow up action | Board Committee  |   |   |   |   |   |   |   |   | Quarterly  |   |   |   |   |   |   |   |   |   |

| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances   | Board Committee    |     |     |     | Quarterly |     |     |     |     |
|--|--------------------|-----|-----|-----|-----------|-----|-----|-----|-----|
| 11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | P 1                | P 2 | P 3 | P 4 | P 5       | P 6 | P 7 | P 8 | P 9 |
|  | Yes, as necessary. |     |     |     |           |     |     |     |     |
| 12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:  |                    |     |     |     |           |     |     |     |     |
| Questions  | P 1                | P 2 | P 3 | P 4 | P 5       | P 6 | P 7 | P 8 | P 9 |
| The entity does not consider the Principles material to its business (Yes/No)  | Not Applicable     |     |     |     |           |     |     |     |     |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)                                      | Not Applicable     |     |     |     |           |     |     |     |     |
| The entity does not have the financial or/ human and technical resources available for the task (Yes/No)   | Not Applicable     |     |     |     |           |     |     |     |     |
| It is planned to be done in the next financial year (Yes/No)   | Not Applicable     |     |     |     |           |     |     |     |     |
| Any other reason (please specify)  | Not Applicable     |     |     |     |           |     |     |     |     |

### Section C: Principle Wise Performance Disclosure

**PRINCIPLE 1: Business should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

#### Essential Indicators

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

| Segment                           | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact   | Percentages of persons in respective category covered by the awareness programmes |
|-----------------------------------|--|---|---|
| Board of Directors (BoD)          | 10   | Business Management, Corporate Governance, Risk Management, Technology & ESG                              | 100   |
| Key Managerial Personnel (KMPs)   | 3  | Business Management, Corporate Governance, Risk Management, Technology & ESG                              | 100   |
| Employees other than BoD and KMPs | 120  | Occupational Health & Safety, Conservation of Energy, Water and Waste Reduction, ESG, Human Rights, POSH. | 95  |

|         |    |  |    |
|---------|----|--|----|
| Workers | 60 | Occupational Health & Safety, Usage of PPE, Conservation of Energy, Water and Waste Reduction, ESG, activity based SOP's, Human Rights and POSH. | 85 |
|---------|----|--|----|

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

| Monetary & Non-Monetary |                 |   |                   |  |  |
|-------------------------|-----------------|---|-------------------|--|--|
| Type                    | NGRBC Principle | Name of the regulatory/enforcement agencies/judicial institutions | Amount (In INR)   | Brief of the Case                      | Has an appeal been preferred? (Yes/No) |
| <b>a. Monetary</b>      |                 |   |                   |  |  |
| Penalty/Fine            | Nil             | Nil   | Nil               | Nil                                    | NA                                     |
| Settlement              | Nil             | Nil   | Nil               | Nil                                    | NA                                     |
| Compounding fee         | Nil             | Nil   | Nil               | Nil                                    | NA                                     |
| <b>b. Non-Monetary</b>  |                 |   |                   |  |  |
| Type                    | NGRBC Principle | Name of the regulatory/enforcement agencies/judicial institutions | Brief of the case | Has an appeal been preferred? (Yes/No) |  |
| Imprisonment            | Nil             | Nil   | Nil               | NA                                     |  |
| Punishment              | Nil             | Nil   | Nil               | NA                                     |  |

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

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

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

Shanthi Gears Limited places a strong emphasis on a solid governance framework rooted in ethical behavior and transparency. Maintaining ethical and legal conduct is a fundamental principle consistently upheld by the Board of Directors, Senior Management, and all employees. SGL actively fosters a culture that motivates stakeholders to engage in actions that align with these principles, thereby enhancing a favorable external image.

A detailed Code of Conduct regulates the behavior of Directors, Senior Management (including executives at the General Manager level and above), as well as those who report directly to the CEO and Company Secretary. This Code highlights the importance of acting in the Company's best interests while being cognizant of obligations to stakeholders, which is essential for sustainable success.

In the process of selecting value chain partners, SGL gives precedence to those who exhibit a dedication to ethical standards. Additionally, the Company implements a comprehensive strategy to ensure compliance with

these values: regular awareness initiatives and training sessions for employees, along with ongoing communication through various engagement platforms, keep all stakeholders well-informed.

URL: <https://www.shanthigears.com/policies/>

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

| Category  | FY 2024-25<br>Current Year | FY 2023-24<br>Previous Year |
|-----------|----------------------------|-----------------------------|
| Directors | Nil                        | Nil                         |
| KMPs      | Nil                        | Nil                         |
| Employees | Nil                        | Nil                         |
| Workers   | Nil                        | Nil                         |

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

| Topic  | FY 2024-25<br>Current Year |         | FY 2023-24<br>Previous Year |         |
|--|----------------------------|---------|-----------------------------|---------|
|  | Number                     | Remarks | Number                      | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil                        | Nil     | Nil                         | Nil     |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs      | Nil                        | Nil     | Nil                         | Nil     |

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

Nil

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

| Category                            | FY 2024-25<br>Current Year | FY 2023-24<br>Previous Year |
|-------------------------------------|----------------------------|-----------------------------|
| Number of days of accounts payables | 60                         | 55                          |

**9. Open-ness of business**

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

| Parameter                  | Metrics   | FY 2024-25<br>Current Year | FY 2023-24<br>Previous Year |
|----------------------------|---|----------------------------|-----------------------------|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases                            | NA                         | NA                          |
|                            | b. Number of trading houses where purchases are made from                           | NA                         | NA                          |
|                            | c. Purchases from top 10 trading houses as % of total purchases from trading houses | NA                         | NA                          |

|                               |  |     |     |
|-------------------------------|--|-----|-----|
| <b>Concentration of Sales</b> | a. Sales to dealers/distributors as % of total sales                                   | 16% | 18% |
|                               | b. Number of dealers/distributors to whom sales are made                               | 45  | 48  |
|                               | c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributor     | 60% | 64% |
| <b>Share of RPTs in</b>       | a. Purchases (Purchases with related parties/Total Purchases)                          | 0%  | 0%  |
|                               | b. Sales (Sales to related parties/Total Sales)  | 2%  | 2%  |
|                               | c. Loans & advances (Loans & advances given to related parties/Total loans & advances) | Nil | Nil |
|                               | d. Investments (Investments in related parties/Total Investments made)                 | Nil | Nil |

## Leadership Indicators

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

| Total number of awareness programmes held | Topics/principles covered under the training  | % age of value chain partners covered (by value of business done with such partners) under the awareness programmes  |
|---|---|--|
| 5   | Occupational Safety, Employee wellbeing, Legal requirements, Climate change, GHG Protocols & Calculation, Social and Governance | A total of 103 value chain partners, contributing to 88% of total supply value, were invited to participate in ESG awareness programs. Out of these, 77 partners attended the sessions. The remaining partners are scheduled to be covered in the upcoming weeks, ensuring comprehensive engagement across the supply chain. |

### 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.

The Code of Conduct which exemplifies the company's commitment to upholding the principles of loyalty, honesty, and integrity is adhered by the Board of Directors. The Code emphasizes the importance of avoiding conflicts of interest and requires directors to abstain from any activities or associations that could create, or even appear to create, a conflict between their personal interests and the company's business interests.

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

### Essential Indicators

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

|       | FY 2024-25<br>Current Year | FY 2023-24<br>Previous Year | Details of improvements in<br>environmental and social impacts  |
|-------|----------------------------|-----------------------------|---|
| R&D   | 0.00%                      | 0.00%                       |   |
| Capex | ₹ 4.33 crores<br>(21%)     | ₹ 5.59 crores<br>(37%)      | <ul style="list-style-type: none"> <li>• <b>Ambient Air Quality Monitoring Station</b> – Installation of PM10 sensor system to monitor and ensure cleaner air around manufacturing premises.</li> <li>• <b>Admin Building Renovation &amp; Restroom Construction</b> – Enhanced office environment and sanitation for staff, improving health and comfort.</li> <li>• <b>Retrofitting of Inductotherm Furnace &amp; UPS System</b> – Reduced energy wastage and enhanced energy efficiency through advanced furnace upgrades and centralized power backup.</li> </ul> |

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

Yes, Shanthi Gears Limited places strong emphasis on building a sustainable and ethically managed supply chain by promoting responsible sourcing practices across its network of vendors and service providers. The company actively advocates for alignment with globally accepted management systems, particularly those defined by ISO 9001 for quality management and ISO 14001 for environmental management.

Reaffirming its dedication to long-term sustainability, SGL initiated comprehensive ESG Supply Chain Program in the reporting Financial Year. This initiative will introduce rigorous Environmental and Social Responsibility (ESR) evaluations for all suppliers, further strengthening the company's position as a frontrunner in ethical and sustainable procurement.

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

Not Applicable

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

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

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No).**

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

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

**Leadership Indicators**

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

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

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

| Name of Product/Service | Description of the risk/concern | Action Taken   |
|-------------------------|---------------------------------|----------------|
| Not Applicable          | Not Applicable                  | Not Applicable |

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

| Indicate input material | Recycled or re-used input material to total material |                          |
|-------------------------|--|--------------------------|
|                         | FY 2024-25 Current Year                              | FY 2023-24 Previous Year |
| Not Applicable          | Not Applicable                                       | Not Applicable           |

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

|                                | FY 2024-25 Current Year |          |                 | FY 2023-25 Previous Year |          |                 |
|--------------------------------|-------------------------|----------|-----------------|--------------------------|----------|-----------------|
|                                | Re-Used                 | Recycled | Safely Disposed | Re-Used                  | Recycled | Safely Disposed |
| Plastics (including packaging) | Not Applicable          |          |                 | Not Applicable           |          |                 |
| E-waste                        |                         |          |                 |                          |          |                 |
| Hazardous waste                |                         |          |                 |                          |          |                 |
| Other waste                    |                         |          |                 |                          |          |                 |

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

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

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

### Essential Indicators

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

| Category                              | % of employees covered by |                  |             |                    |             |                    |             |                    |             |                     |           |
|---------------------------------------|---------------------------|------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|---------------------|-----------|
|                                       | Total (A)                 | Health Insurance |             | Accident Insurance |             | Maternity Benefits |             | Paternity Benefits |             | Day Care Facilities |           |
|                                       |                           | No. (B)          | % (B/A)     | No. (C)            | % (C/A)     | No. (D)            | % (D/A)     | No. (E)            | % (E/A)     | No. (F)             | % (F/A)   |
| <b>Permanent employees</b>            |                           |                  |             |                    |             |                    |             |                    |             |                     |           |
| Male                                  | 245                       | 245              | 100%        | 245                | 100%        | 0                  | 0%          | 245                | 100%        | 0%                  | 0%        |
| Female                                | 21                        | 21               | 100%        | 21                 | 100%        | 21                 | 100%        | 0                  | 0%          | 0%                  | 0%        |
| <b>Total</b>                          | <b>266</b>                | <b>266</b>       | <b>100%</b> | <b>266</b>         | <b>100%</b> | <b>21</b>          | <b>100%</b> | <b>245</b>         | <b>100%</b> | <b>0%</b>           | <b>0%</b> |
| <b>Other than Permanent employees</b> |                           |                  |             |                    |             |                    |             |                    |             |                     |           |
| Male                                  | 108                       | 0                | 0%          | 108                | 100%        | 0                  | 0%          | 0                  | 0%          | 0                   | 0%        |
| Female                                | 6                         | 0                | 0%          | 6                  | 100%        | 0                  | 0%          | 0                  | 0%          | 0                   | 0%        |
| <b>Total</b>                          | <b>114</b>                | <b>0</b>         | <b>0%</b>   | <b>114</b>         | <b>100%</b> | <b>0</b>           | <b>0%</b>   | <b>0</b>           | <b>0%</b>   | <b>0</b>            | <b>0%</b> |

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

| Category                            | % of workers covered by |                  |             |                    |             |                    |             |                    |             |                     |           |
|-------------------------------------|-------------------------|------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|---------------------|-----------|
|                                     | Total (A)               | Health insurance |             | Accident Insurance |             | Maternity Benefits |             | Paternity Benefits |             | Day Care facilities |           |
|                                     |                         | No. (B)          | % (B/A)     | No. (C)            | % (C/A)     | No. (D)            | % (D/A)     | No. (E)            | % (E/A)     | No. (F)             | % (F/A)   |
| <b>Permanent workers</b>            |                         |                  |             |                    |             |                    |             |                    |             |                     |           |
| Male                                | 233                     | 233              | 100%        | 233                | 100%        | 0                  | 0%          | 233                | 100%        | 0                   | 0%        |
| Female                              | 4                       | 4                | 100%        | 4                  | 100%        | 4                  | 100%        | 0                  | 100%        | 0                   | 0%        |
| <b>Total</b>                        | <b>237</b>              | <b>237</b>       | <b>100%</b> | <b>237</b>         | <b>100%</b> | <b>4</b>           | <b>100%</b> | <b>233</b>         | <b>100%</b> | <b>0</b>            | <b>0%</b> |
| <b>Other than Permanent workers</b> |                         |                  |             |                    |             |                    |             |                    |             |                     |           |
| Male                                | 797                     | 0%               | 0%          | 797                | 100%        | 0                  | 0%          | 0                  | 0%          | 0                   | 0%        |
| Female                              | 37                      | 0%               | 0%          | 37                 | 100%        | 0                  | 0%          | 0                  | 0%          | 0                   | 0%        |
| <b>Total</b>                        | <b>834</b>              | <b>0%</b>        | <b>0%</b>   | <b>834</b>         | <b>100%</b> | <b>0</b>           | <b>0%</b>   | <b>0</b>           | <b>0%</b>   | <b>0</b>            | <b>0%</b> |

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

|  | FY 2024-25<br>Current Year | FY 2023-24<br>Previous Year |
|--|----------------------------|-----------------------------|
| Cost incurred on wellbeing measures as a % of total revenue of the company | 12.94%                     | 13.64%                      |

## 2. Details of retirement benefits.

| Benefits      | FY 2024-25<br>Current Year                         |  |  | FY 2023-24<br>Previous 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%   | Yes  | 100%   | 100%   | Yes  |
| Gratuity      | 100%   | 100%   | Yes  | 100%   | 100%   | Yes  |
| ESI           | 100%   | 100%   | Yes  | 100%   | 100%   | Yes  |
| Other (Bonus) | 100%   | 100%   | Yes  | 100%   | 100%   | Yes  |

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

Yes. Shanthi Gears Limited places a strong emphasis on accessibility across its operations. The company's corporate office buildings and manufacturing facilities are equipped with elevators, ramps, and other infrastructure to ensure inclusivity for individuals with diverse abilities. Furthermore, all SGL manufacturing units are equipped with wheelchairs in occupational health centers (OHCs), reflecting the company's commitment to providing a safe and accessible work environment for all.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Shanthi Gears Limited is committed to promoting equal opportunity for all. The company has implemented a company-wide policy across all its facilities that complies with the Rights of Persons with Disabilities Act of 2016. This policy is readily available to all employees on the company's internal portal, demonstrating the organization's dedication to fostering an inclusive work environment.

URL: <http://www.shanthigears.com/wp-content/uploads/2020/06/SGL-BRR-Policy-May-2020.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%           | Nil                 | Nil            |
| Female       | Nil                 | Nil            | Nil                 | Nil            |
| <b>Total</b> | <b>100%</b>         | <b>100%</b>    | <b>Nil</b>          | <b>Nil</b>     |

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

|                                | Yes/No   | (If Yes, then give details of the mechanism in brief) |
|--------------------------------|--|---|
| Permanent Workers              | Yes, mechanism is available for receipt and redressal of grievances. |   |
| Other than Permanent Workers   |  |   |
| Permanent Employees            |  |   |
| Other than Permanent Employees |  |   |

Shanthi Gears Limited upholds its commitment to cultivating a transparent, equitable, and inclusive organizational culture through structured governance frameworks and proactive stakeholder engagement. The company has instituted a formal Whistle-blower Policy, designed to empower employees to report unethical practices or policy violations via secure and confidential reporting mechanisms.

Welfare Committee is constituted and functions as the primary body for addressing employee grievances, ensuring timely resolution and constructive feedback integration. Periodic stakeholder consultations—covering key themes such as the Prevention of Sexual Harassment (POSH), Union representation, workplace conditions, occupational health and safety, facility management, and internal communication—serve to institutionalize dialogue and reinforce mutual accountability.

To enhance accessibility and procedural clarity, Shanthi Gears Limited has operationalized multiple grievance redressal channels, which included employee engagement surveys to report grievances. These mechanisms are uniformly deployed across all manufacturing units and are applicable to permanent, non-permanent employees, contract personnel, underscoring the organization's commitment to non-discrimination, procedural fairness, and workforce inclusivity.

This comprehensive framework ensures that employee voices are acknowledged and addressed systematically, reinforcing SGLs alignment with best practices in corporate ethics and social governance.

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

| Category                  | FY 2024-25<br>Current Year                                   |  |            | FY 2023-24<br>Previous Year                                     |  |            |
|---------------------------|--|--|------------|---|--|------------|
|                           | Total employees/<br>workers in<br>respective<br>category (A) | No. of<br>employees/<br>workers in<br>respective<br>category, who<br>are part of<br>association(s)<br>or Union (B) | %<br>(B/A) | Total<br>employees/<br>workers in<br>respective<br>category (C) | No. of<br>employees/<br>workers in<br>respective<br>category, who<br>are part of<br>association(s)<br>or Union (D) | %<br>(D/C) |
| Total Permanent Employees | NA   | NA   | NA         | NA  | NA   | NA         |
| Male                      | NA   | NA   | NA         | NA  | NA   | NA         |
| Female                    | NA   | NA   | NA         | NA  | NA   | NA         |
| Total Permanent Workers   | 237  | 158  | 67%        | 248   | 167  | 67%        |
| Male                      | 233  | 154  | 66%        | 243   | 163  | 67%        |
| Female                    | 04   | 04   | 100%       | 05  | 04   | 80%        |

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

| Category                   | FY 2024-25<br>Current Year |                                     |             |                         |             | FY 2023-24<br>Previous Year |                                     |             |                         |            |
|----------------------------|----------------------------|-------------------------------------|-------------|-------------------------|-------------|-----------------------------|-------------------------------------|-------------|-------------------------|------------|
|                            | Total<br>(A)               | On Health<br>and safety<br>measures |             | On Skill<br>upgradation |             | Total<br>(D)                | On Health<br>and safety<br>measures |             | On Skill<br>upgradation |            |
|                            |                            | No. (B)                             | % (B/A)     | No. (C)                 | % (C/A)     |                             | No. (E)                             | % (E/D)     | No. (F)                 | % (F/D)    |
| <b>Permanent Employees</b> |                            |                                     |             |                         |             |                             |                                     |             |                         |            |
| Male                       | 245                        | 245                                 | 100%        | 245                     | 100%        | 220                         | 220                                 | 100%        | 208                     | 94%        |
| Female                     | 21                         | 21                                  | 100%        | 21                      | 100%        | 22                          | 22                                  | 100%        | 21                      | 95%        |
| <b>Total</b>               | <b>266</b>                 | <b>266</b>                          | <b>100%</b> | <b>266</b>              | <b>100%</b> | <b>242</b>                  | <b>242</b>                          | <b>100%</b> | <b>229</b>              | <b>95%</b> |
| <b>Permanent Workers</b>   |                            |                                     |             |                         |             |                             |                                     |             |                         |            |
| Male                       | 233                        | 233                                 | 100%        | 170                     | 73%         | <b>243</b>                  | <b>243</b>                          | 100%        | 184                     | 76%        |
| Female                     | 04                         | 04                                  | 100%        | 04                      | 100%        | <b>05</b>                   | <b>05</b>                           | 100%        | 05                      | 100%       |
| <b>Total</b>               | <b>237</b>                 | <b>237</b>                          | <b>100%</b> | <b>174</b>              | <b>73%</b>  | <b>248</b>                  | <b>248</b>                          | <b>100%</b> | <b>189</b>              | <b>76%</b> |

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

| Category                   | FY 2024-25<br>Current Year |            |            | FY 2023-24<br>Previous Year |            |            |
|----------------------------|----------------------------|------------|------------|-----------------------------|------------|------------|
|                            | Total (A)                  | No. (B)    | % (B/A)    | Total (C)                   | No. (D)    | % (D/C)    |
| <b>Permanent Employees</b> |                            |            |            |                             |            |            |
| Male                       | 245                        | 176        | 72%        | 220                         | 155        | 70%        |
| Female                     | 21                         | 16         | 76%        | 22                          | 16         | 73%        |
| <b>Total</b>               | <b>266</b>                 | <b>192</b> | <b>72%</b> | <b>242</b>                  | <b>171</b> | <b>71%</b> |
| <b>Permanent Workers</b>   |                            |            |            |                             |            |            |
| Male                       | 233                        | 190        | 82%        | 243                         | 192        | 79%        |
| Female                     | 04                         | 02         | 50%        | 5                           | 2          | 40%        |
| <b>Total</b>               | <b>237</b>                 | <b>192</b> | <b>81%</b> | <b>248</b>                  | <b>194</b> | <b>79%</b> |

## 10. Health and safety management system:

### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, what is the coverage of such a system?

Yes, Shanthi Gears Limited has established a comprehensive Occupational Health and Safety Management System across all its manufacturing facilities. The entirety of the company's operations is encompassed within its Environmental and Occupational Health and Safety (EOHS) framework, which is certified in accordance with ISO 45001 (Occupational Health and Safety Management) and ISO 14001 (Environmental Management Systems). This comprehensive approach demonstrates SGL's commitment to maintaining a safe and environmentally responsible work environment.

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

Shanthi Gears takes a structured and proactive approach to ensure the identification, assessment, and mitigation of work-related hazards. The key processes involved include:

1. Hazard Identification and Risk Assessment (HIRA)

- Regular hazard identification and risk assessments are conducted for all routine and non-routine activities.
- Based on these assessments, risk reduction programs are implemented to eliminate or mitigate identified hazards.
- Critical areas undergo assessments at predefined intervals (weekly, monthly, quarterly, and annually) to ensure continuous risk monitoring.

2. Multi-Layered Safety Audits

- Internal leadership teams perform **safety audits** at all units.
- **Annual safety audits** are conducted by external experts to validate compliance with industry best practices and regulations.

3. Workplace Inspections and Safety Walks

- **Safety walks and reviews** are carried out by plant teams and safety professionals to proactively identify and eliminate unsafe acts and conditions.
- **Preventive maintenance checklists and Daily machine autonomous check sheet** ensure the proper functioning of safety-critical components such as limit switches and sensors.

4. Employee Participation and SHE Committee Meetings

- **Safety, Health, and Environment (SHE) Committee meetings** are held with equal participation from workers, management, and contractors.
- These meetings facilitate open discussions on workplace hazards, near-misses, and risk mitigation strategies.

5. Work Permit System

- A **strict work permit system** ensures that hazardous and non-routine tasks are executed only with proper authorization and adherence to safety protocols.

6. Digital Safety Interventions

- SGL has implemented “**digital unsafe act and unsafe condition reporting system**” and an **online work permit system** through an EHS application.
- This system will enable real-time hazard identification, tracking, and resolution, strengthening proactive risk management and improving workplace safety compliance.

By integrating the above stated structured processes, Shanthi Gears Limited ensures a **safe, compliant, and continuously improving workplace**. This approach demonstrates the company's unwavering commitment to employee safety, well-being, and operational excellence.

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

Yes, Shanthi Gears Limited (SGL) prioritizes a safe working environment by providing multiple channels for employees to report work-related hazards and remove themselves from unsafe conditions.

SGL EHS application was developed for the employees and workers to report incidents instantly on real-time basis, additionally workers can report hazards through EHS reporting cards, and participation in Safety Committee meetings.

The company has implemented a **Safety Steward Program**, empowering trained worker representatives to identify and escalate safety concerns. A structured investigation process is in place to assess reported hazards and implement corrective actions. Employees also have the right to refuse work if they perceive any imminent risk to their safety, demonstrating the company's commitment to worker well-being.

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

Yes, Shanthi Gears Limited (SGL) ensures that employees have access to non-occupational medical and healthcare services. The company's occupational health centres offer treatment for minor illnesses and non occupational injuries, with the support of factory medical officer and trained first-aid personnel. For more serious medical needs, employees are referred to hospitals and are covered under the company's medical insurance plan. Furthermore, SGL prioritizes employee well-being through periodic health check-ups and awareness programs. These initiatives demonstrate the company's commitment to providing comprehensive healthcare support, fostering a healthy and productive workforce.

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

| Safety Incident/ Number  | Category  | FY 2024-25 Current Year | FY 2023-24 Previous Year |
|--|-----------|-------------------------|--------------------------|
| <b>Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)</b> | Employees | Zero Lost Time Injury   | Zero Lost Time Injury    |
|  | Workers   | Zero Lost Time Injury   | Zero Lost Time Injury    |
| <b>Total recordable work-related injuries</b>  | Employees | Zero                    | Zero                     |
|  | Workers   | Zero                    | Zero                     |
| <b>No. of fatalities</b>   | Employees | Zero                    | Zero                     |
|  | Workers   | Zero                    | Zero                     |
| <b>High consequence work-related injury or ill-health (excluding fatalities)</b>     | Employees | Zero                    | Zero                     |
|  | Workers   | Zero                    | Zero                     |

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

SGL's commitment for safe and healthy workplace is by placing the highest priority on providing a safe, healthy, and secure working environment for all employees, contractors, and stakeholders. The company adopts a holistic and structured approach to occupational health and safety (OHS), underpinned by strong leadership, employee participation, and continuous improvement.

- **Leadership Engagement:** Senior management demonstrates visible commitment by regularly reviewing the implementation and effectiveness of safety management systems, ensuring alignment with organizational objectives and regulatory standards.
- **Structured Safety Framework:** A comprehensive suite of safety protocols governs all operational processes. These include routine safety inspections, risk and hazard assessments, and tailored training modules designed for all categories of employees.
- **Safety first and 5S Culture Awareness:** SGL promotes a safety-first and 5S culture through continuous communication campaigns, targeted training sessions, and employee recognition programs that reinforce ownership and accountability in safe and clean practices.
- **Proactive Risk Management:** Employees are actively encouraged to report unsafe conditions, near misses, and potential hazards through formal reporting mechanisms, enabling timely corrective and preventive actions.
- **Preventive Maintenance:** All machinery, equipment, and infrastructure undergo systematic preventive maintenance and safety checks to ensure operational integrity and minimize risk.
- **Emergency Preparedness:** The company maintains robust emergency response protocols, including well-structured plans, periodic drills, and simulation exercises covering scenarios such as fires, chemical spills, and medical incidents to enhance response capability.
- **Continuous Monitoring:** Regular safety patrols, workplace walkthroughs, and toolbox talks facilitate real-time identification and mitigation of safety risks across operations.
- **Independent Evaluations:** Internal and external safety audits are conducted periodically to assess compliance, identify gaps, and implement corrective actions as part of the continuous improvement process.
- **Emergency Response Readiness:** Fire drills and mock evacuation exercises are conducted routinely to ensure employee preparedness and coordination during emergency situations.

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

| Category           | FY 2024-25<br>Current Year |                                       |   | FY 2023-24<br>Previous 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 | 2450                       | None                                  | SGL's encourages employees & workers to proactively report unsafe act & conditions and near misses. | 2524                        | None                                  | -       |
| Health and safety  |                            |                                       |   |                             |                                       |         |

### 14. Assessments for the year

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

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

As part of our ongoing safety improvement efforts to proactively reduce safety-related incidents and address significant risks identified through assessments of health and safety practices and working conditions, the following corrective and preventive actions were implemented:

- **Secondary containment** provided for conventional machines and chemical storage areas to prevent land contamination from potential leaks.
- **Double earthing** ensured for all machines and furnaces to minimize electrical hazards.
- **Non-sparking tools** introduced for handling flammable barrels to prevent ignition risks.
- **Fire alarm systems** with heat detectors, manual call points (MCPs), hooters, and strobe lights installed in high-risk zones.
- **GOBO projector systems** deployed in critical areas like Heat Treatment and Foundry to reinforce PPE compliance and safety awareness.
- **Clean agent extinguishers** installed in key electrical and server panels to enable immediate fire suppression.
- **Incident investigation and analysis** conducted for all accidents and near misses, with root causes identified and corrective actions implemented to prevent recurrence.
- **Digital tools**, including incident reporting and work permit systems, have been introduced to monitor safety performance, streamline workflows, and enhance incident response and tracking.

These measures reflect our proactive approach to hazard control, emergency preparedness, and the continuous strengthening of workplace safety standards.

## Leadership Indicators

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

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

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

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

Not Applicable.

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

| Category  | Total no. of affected employees/workers |                             | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment |                             |
|-----------|---|-----------------------------|---|-----------------------------|
|           | FY 2024-25<br>Current Year              | FY 2023-24<br>Previous Year | FY 2024-25<br>Current Year  | FY 2023-24<br>Previous Year |
| Employees | Nil                                     | Nil                         | Nil   | Nil                         |
| Workers   | Nil                                     | Nil                         | Nil   | Nil                         |

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

No, Shanthi Gears Limited does not provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.

5. Details on assessment of value chain partners:

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

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

Value Chain Partners assessment was initiated during the reporting period.

## PRINCIPLE 4: Business should respect the interests of and be responsive to all its stakeholders.

### Essential Indicators

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

Shanthi Gears Limited adopts a participative approach in formulating its sustainability and corporate strategies, emphasizing active stakeholder involvement. The organization engages diverse stakeholder groups through a holistic communication framework that encompasses both structured interactions—such as supplier dialogues, stakeholder engagement sessions, and investor briefings—and informal methods like feedback surveys, community initiatives, and dealer meets.

This inclusive engagement enables the company to assess and address critical social, environmental, and economic priorities that influence both its operations and stakeholder expectations. SGL identifies its stakeholders, including employees, business collaborators, suppliers, channel partners, customers, investors, local communities, and regulatory bodies as integral contributors to its growth and responsibility agenda.

By encouraging transparent dialogue and embracing varied stakeholder insights, the company aligns its strategic direction with sustainable development goals, fostering long-term value creation for all involved.

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

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other          | Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement  |
|-------------------|--|--|---|--|
| Customers         | No   | Digital platforms and social media, Retail outlets and Customer satisfaction survey  | Regular   | <ul style="list-style-type: none"> <li>• <b>Excellence in Quality and Service:</b> Adherence to high quality standards ensures reliable and consistent product and service performance</li> <li>• <b>Customer Satisfaction Focus:</b> Continuous improvement driven by timely delivery, responsive support, and proactive feedback management</li> </ul> |
| Local communities | No   | Corporate social responsibility initiatives  | Regular   | <ul style="list-style-type: none"> <li>• Commitment to environmental sustainability</li> <li>• Rural development initiatives</li> <li>• Enhanced access to healthcare and education</li> </ul>   |
| NGO partners      | No   | Corporate social responsibility initiatives  | Regular   | <ul style="list-style-type: none"> <li>• Commitment to environmental sustainability</li> <li>• Rural development initiatives</li> </ul>  |
| Investors         | No   | Investor calls/presentations, press releases and publications, Statutory reports, Annual General Meeting, Stock Exchange announcements | Regular   | <ul style="list-style-type: none"> <li>• Earnings and fiscal outcomes</li> <li>• Operational developments and milestones</li> <li>• Expansion strategies and innovation roadmap</li> <li>• Environmental, social, and governance (ESG) performances</li> </ul>   |
| Regulators        | No   | Mandatory compliance reports; regular factory visits   | Regular   | <ul style="list-style-type: none"> <li>• Statutory compliance requirements, governance, social, environmental</li> </ul>   |

|                  |    |  |         |  |
|------------------|----|--|---------|--|
| <b>Suppliers</b> | No | Supplier engagements – visits & meetings   | Regular | <ul style="list-style-type: none"> <li>• Capacity Building on ESG</li> <li>• Sustainable practices in procurement</li> <li>• Quality conscious products &amp; services</li> </ul>  |
| <b>Employees</b> | No | Internal communication platform, Digital learning platforms, Career progression programs, Engagement initiatives, Talent Management Engine | Regular | <ul style="list-style-type: none"> <li>• Performance-driven culture</li> <li>• Workforce growth &amp; talent retention</li> <li>• Strategic and sustainable goal alignment</li> <li>• Skill development initiatives</li> <li>• Collaborative &amp; Positive employee relations</li> <li>• Health, safety &amp; secure workplace</li> </ul> |

## Leadership Indicators

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

Shanthi Gears Limited has adopted an integrated communication framework to facilitate stakeholder interaction with the Board. This diversified approach employs a blend of structured and unstructured communication channels. Structured avenues include online portals, regulatory/statutory filings, and internal training resources. The company also ensures that key issues and updates are routinely communicated to the Board through established pathways, ensuring clarity, transparency, and continuity in information exchange.

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

Yes, SGL understands and recognizes the importance of stakeholder engagement in determining key sustainability priorities, commonly referred to as material issues. Through meaningful dialogue with a broad spectrum of stakeholder groups, the company obtains valuable insights into their expectations and concerns. This inclusive approach enables Shanthi Gears to shape a sustainability strategy that focuses on the issues most significant to its stakeholders. Furthermore, the company has outlined a structured action plan and strategic roadmap to effectively address these priorities and align with stakeholder interests.

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

Shanthi Gears Limited, a valued member of the esteemed Murugappa Group, carries forward a longstanding commitment to corporate social responsibility (CSR), with a strong emphasis on supporting marginalized, disadvantaged, and vulnerable segments of society where we operate. The company embraces a participatory approach, working closely with community stakeholders to understand and address their critical needs. Its CSR initiatives are strategically aligned with key impact areas, particularly environmental sustainability, rural development and healthcare, to drive long-term social transformation.

Underscoring its commitment to inclusive development, SGL allocates a defined share of its profits toward CSR programs. In the current financial year, the company executed several impactful projects, including:

**Environmental Sustainability:** Shri. A.M.M. Murugappa Chettiar Research Centre - Green Energy for Rural India. Development on Enzymes and novel application of natural products for health and daily life. This fund facilitates innovative studies in environmental sustainability, covering critical themes such as environmental cleanliness, ecosystem diversity, and climate change

**Rural Development:** Sponsored two E-Vehicles for Garbage Collection and movement. Supply of 150 LED Streetlights for Muthalpalayam, Sulur, Coimbatore District, Tamil Nadu, India.

**Healthcare:** Sponsoring Blood Storage Rack for Primary Health Centre for the benefit of Pregnant Ladies - Semmipalayam, Palladam, Tirupur District, Tamil Nadu, India.

**PRINCIPLE 5: Businesses should respect and promote human rights.****Essential Indicators**

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

| Category               | FY 2024-25<br>Current Year |  |            | FY 2023-24<br>Previous Year |  |            |
|------------------------|----------------------------|--|------------|-----------------------------|--|------------|
|                        | Total<br>(A)               | No. of<br>employees/<br>workers<br>covered (B) | % (B/A)    | Total<br>(C)                | No. of<br>employees/<br>workers<br>covered (D) | % (D/C)    |
| <b>Employees</b>       |                            |  |            |                             |  |            |
| Permanent              | 266                        | 266  | 100%       | 242                         | 242  | 100%       |
| Other than permanent   | 114                        | 0  | 0%         | 144                         | 0  | 0%         |
| <b>Total employees</b> | <b>380</b>                 | <b>266</b>                                     | <b>70%</b> | <b>386</b>                  | <b>242</b>                                     | <b>63%</b> |
| <b>Workers</b>         |                            |  |            |                             |  |            |
| Permanent              | 237                        | 0  | 0%         | 248                         | 0  | 0%         |
| Other than permanent   | 834                        | 0  | 0%         | 911                         | 0  | 0%         |
| <b>Total workers</b>   | <b>1071</b>                | <b>0</b>                                       | <b>0%</b>  | <b>1159</b>                 | <b>0</b>                                       | <b>0%</b>  |

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

| Category                    | FY 2024-25<br>Current Year |                          |            |                           |            | FY 2023-24<br>Previous Year |                          |            |                           |            |
|-----------------------------|----------------------------|--------------------------|------------|---------------------------|------------|-----------------------------|--------------------------|------------|---------------------------|------------|
|                             | Total<br>(A)               | Equal to<br>Minimum Wage |            | More than<br>Minimum Wage |            | Total<br>(D)                | Equal to<br>Minimum Wage |            | More than<br>Minimum Wage |            |
|                             |                            | No. (B)                  | %<br>(B/A) | No. (C)                   | %<br>(C/A) |                             | No. (E)                  | %<br>(E/D) | No. (F)                   | %<br>(F/D) |
| <b>Employees</b>            |                            |                          |            |                           |            |                             |                          |            |                           |            |
| <b>Permanent</b>            | 266                        | 0                        | 0%         | 266                       | 100%       | 242                         | 0                        | 0%         | 242                       | 100%       |
| Male                        | 245                        | 0                        | 0%         | 245                       | 100%       | 220                         | 0                        | 0%         | 220                       | 100%       |
| Female                      | 21                         | 0                        | 0%         | 21                        | 100%       | 22                          | 0                        | 0%         | 22                        | 100%       |
| <b>Other than Permanent</b> | 114                        | 0                        | 0%         | 114                       | 100%       | 144                         | 0                        | 0%         | 144                       | 100%       |
| Male                        | 108                        | 0                        | 0%         | 108                       | 100%       | 136                         | 0                        | 0%         | 136                       | 100%       |
| Female                      | 6                          | 0                        | 0%         | 6                         | 100%       | 8                           | 0                        | 0%         | 8                         | 100%       |
| <b>Workers</b>              |                            |                          |            |                           |            |                             |                          |            |                           |            |
| <b>Permanent</b>            | 237                        | 0                        | 0%         | 237                       | 100%       | 248                         | 0                        | 0%         | 248                       | 100%       |
| Male                        | 223                        | 0                        | 0%         | 223                       | 100%       | 243                         | 0                        | 0%         | 243                       | 100%       |
| Female                      | 4                          | 0                        | 0%         | 4                         | 100%       | 5                           | 0                        | 0%         | 5                         | 100%       |
| <b>Other than Permanent</b> | 834                        | 0                        | 0%         | 834                       | 100%       | 911                         | 0                        | 0%         | 911                       | 100%       |
| Male                        | 797                        | 0                        | 0%         | 797                       | 100%       | 857                         | 0                        | 0%         | 857                       | 100%       |
| Female                      | 37                         | 0                        | 0%         | 37                        | 100%       | 54                          | 0                        | 0%         | 54                        | 100%       |

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

**a. Median remuneration/wages:**

|   | Male   |  | Female |  |
|---|--------|--|--------|--|
|   | Number | Median remuneration/ salary/wages of respective category | Number | Median remuneration/ salary/wages of respective category |
| <b>Board of Directors (BoD)</b>         | 8      | 4,36,692   | 1      | 7,40,000   |
| <b>Key Managerial Personnel</b>         | 3      | 48,61,195  | 0      | -  |
| <b>Employees other than BoD and KMP</b> | 268    | 8,18,160   | 23     | 8,10,285   |
| <b>Workers</b>                          | 225    | 7,63,516   | 4      | 7,51,241   |

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

|  | FY 2024-25<br>Current Year | FY 2023-24<br>Previous Year |
|--|----------------------------|-----------------------------|
| <b>Gross wages paid to females as % of total wages</b> | 100%                       | 100%                        |

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

Shanthy Gears Limited remains firmly dedicated to safeguarding human rights across all aspects of its business operations. To uphold this principle, the company has implemented a comprehensive governance structure. This includes the formation of a designated Internal Complaints Committee (ICC) in compliance with the Prevention of Sexual Harassment (POSH) Act, alongside the proactive involvement of the Human Resources team. Together, the ICC and HR department collaborate closely to identify, address, and resolve any human rights concerns or impacts linked to the company's activities or operations.

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

Shanthy Gears Limited follows a systematic and forward-looking approach to handling customer feedback. Through its Management Information System (MIS), customer complaints are efficiently monitored and documented, enabling prompt escalation to the Customer Grievance Redressal Committee for comprehensive evaluation and resolution.

In addition to its customer-centric focus, SGL actively addresses human rights issues. The company's comprehensive POSH (Prevention of Sexual Harassment) policy provides a robust framework for handling any complaints related to workplace harassment, demonstrating its commitment to upholding the rights and dignity of its employees and workers.

SGL's 'Whistle-blower Policy' and Code of Conduct set forth clear procedures for establishing and operating investigative committees. These measures uphold principles of transparency, ethical responsibility, and accountability in managing all reported matters.

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

|                                      | FY 2024-25<br>Current Year |   |         | FY 2023-24<br>Previous Year |   |         |
|--------------------------------------|----------------------------|---|---------|-----------------------------|---|---------|
|                                      | Filed during<br>the year   | Pending<br>Resolution at the<br>end of year | Remarks | Filed during<br>the year    | Pending<br>Resolution at the<br>end of year | Remarks |
| Sexual Harassment                    | Zero                       | Nil   | Nil     | Zero                        | Nil   | Nil     |
| Discrimination at<br>workplace       | Zero                       | Nil   | Nil     | Zero                        | Nil   | Nil     |
| Child Labour                         | Zero                       | Nil   | Nil     | Zero                        | Nil   | Nil     |
| Forced Labour/<br>Involuntary Labour | Zero                       | Nil   | Nil     | Zero                        | Nil   | Nil     |
| Wages                                | Zero                       | Nil   | Nil     | Zero                        | Nil   | Nil     |
| Other human rights<br>related issues | Zero                       | Nil   | Nil     | Zero                        | Nil   | Nil     |

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

|   | FY 2024-25<br>Current Year | FY 2023-24<br>Previous Year |
|---|----------------------------|-----------------------------|
| Total Complaints reported<br>under Sexual Harassment<br>on of Women at Workplace<br>(Prevention, Prohibition and<br>Redressal) Act, 2013 (POSH) | Zero                       | Zero                        |
| Complaints on POSH as a %<br>of female employees/workers  | Zero                       | Zero                        |
| Complaints on POSH upheld   | Zero                       | Zero                        |

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

Shanthi Gears Limited is steadfastly committed to the upholding of ethical and legal business conduct throughout its operations. Concomitantly, the organization places a strong emphasis on fostering a culture of open communication amongst its stakeholders.

To effectively realize these core organizational objectives, the Company has implemented a comprehensive policy framework encompassing several key elements, as detailed below:

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

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

Yes, Shanthi Gears Limited places a strong emphasis on human rights, making it an integral component integrated into its business agreements and contracts.

**10. Assessments of the year**

|                                    | <b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>  |
|------------------------------------|---|
| <b>Child labour</b>                | The Company has established a comprehensive mechanism to assess and address key elements of its business responsibility, including the evaluation of child/forced labor, sexual harassment, workplace discrimination, and wage-related matters. |
| <b>Forced/involuntary labour</b>   |   |
| <b>Sexual harassment</b>           |   |
| <b>Discrimination at workplace</b> | All the plants and offices are assessed at defined intervals.   |
| <b>Wages</b>                       | During the reporting period there were no concerns/complaints on all these parameters.  |

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

There were no significant risks were identified. Consequently, no corrective action was required to be taken.

**Leadership Indicators**

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

Not Applicable

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

Not Applicable

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

Shanthi Gears Limited is dedicated to promote an inclusive and equitable workplace for everyone. As part of this commitment, the company ensures that its operational sites, corporate offices, and manufacturing facilities are equipped to accommodate individuals with disabilities, providing accessible infrastructure for employees, workers, and visitors alike.

To achieve this, SGL has implemented several key measures:

- **Physical Accessibility:** The company's facilities feature ramps, sidewalks, and elevators, along with all necessary infrastructure to facilitate easy access for people with disabilities.
- **Assistive Communication:** Signage throughout the facilities caters to employees and workers who use hearing aids, enabling effective communication.
- **Mobility Support:** Wheelchairs are readily available in the Occupational Health Centers located across all of SGL units, providing necessary mobility assistance.

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

|                                    | <b>% of value chain partners (by value of business done with such partners) that were assessed</b>  |
|------------------------------------|---|
| <b>Sexual harassment</b>           | Shanthi Gears Limited has initiated the development of a structured Sustainable Supply Chain Program to assess the environmental, social, and governance (ESG) practices of its suppliers. In FY 2024–25, 88% of value chain partners (by value of business done) were identified as top contributors and were sensitized on Shanthi Gears' value chain assessment framework, ESG goals, and sustainability commitments. Formal assessments of these partners are planned for completion in the next financial year, based on defined ESG criteria and compliance requirements. |
| <b>Discrimination at workplace</b> |   |
| <b>Child labour</b>                |   |
| <b>Forced/involuntary labour</b>   |   |
| <b>Wages</b>                       |   |
| <b>Others – please specify</b>     |   |

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

Not Applicable

### PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

#### Essential Indicators

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

| <b>Parameter</b>  | <b>FY 2024-25<br/>Current Year</b>   | <b>FY 2023-24<br/>Previous Year</b> |
|---|--------------------------------------|-------------------------------------|
| <b>From renewable sources</b>   |                                      |                                     |
| Total electricity consumption (A)   | Not Applicable                       | Not Applicable                      |
| Total fuel consumption (B)  | Not Applicable                       | Not Applicable                      |
| Energy consumption through other sources (C)  | 33,094 GJ (Wind)<br>295.4 GJ (Solar) | 36,604.54 GJ (Wind)                 |
| <b>Total energy consumed from renewable sources (A+B+C)</b>   | <b>33,389.34 GJ</b>                  | <b>36,604.54 GJ</b>                 |
| <b>From non-renewable sources</b>   |                                      |                                     |
| Total electricity consumption (D)   | 41,019.18 GJ                         | 34,251.7 GJ                         |
| Total fuel consumption (E)  | 6,498.19 GJ                          | 6,304.67 GJ                         |
| Energy consumption through other sources (F)  | Not Applicable                       | Not Applicable                      |
| <b>Total energy consumed from non-renewable sources (D+E+F)</b>   | <b>47,517.37 GJ</b>                  | <b>40,556.37 GJ</b>                 |
| <b>Total energy consumed (A+B+C+D+E+F)</b>  | <b>80,906.71 GJ</b>                  | <b>77,160.91 GJ</b>                 |
| Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)  | 0.0000134                            | 0.0000144                           |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP) (GJ/INR) | 0.0000028                            | 0.0003230                           |
| Energy intensity in terms of physical output  | Not Applicable                       | Not Applicable                      |
| Energy intensity (optional) – the relevant metric may be selected by the entity   | -                                    | -                                   |

#### Note:

The intensity calculations for FY 2023-24 have been reinstated for the adjusted revenue in terms of PPP. Intensity in terms of physical output is not applicable as our units manufacture diverse range of products measured in numbers, each varying in size and tonnage.

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

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

Not Applicable

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

| Parameter  | FY 2024-25<br>Current Year | FY 2023-24<br>Previous Year |
|--|----------------------------|-----------------------------|
| <b>Water withdrawal by source (in kilolitres)</b>  |                            |                             |
| (i) Surface water  | Nil                        |                             |
| (ii) Groundwater   | 28,765.06 KL               | 25,084.66 KL                |
| (iii) Third party water (Municipal water supplies)   | 13,986.18 KL               | 14,259.89 KL                |
| (iv) Seawater/desalinated water  | Nil                        | Nil                         |
| (v) Others (Rainwater storage)   | Nil                        | Nil                         |
| <b>Total volume of water withdrawal (in kiloliters)<br/>(i + ii + iii + iv + v)</b>  | 42,751.2 KL                | 39,344.55 KL                |
| <b>Total volume of water consumption (in kiloliters)</b>   | 42,751.2 KL                | 39,344.55 KL                |
| <b>Water intensity per rupee of turnover</b> (Total water consumption/<br>Revenue from operations)   | 0.0000071                  | 0.0000073                   |
| <b>Water intensity per rupee of turnover adjusted for Purchasing<br/>Power Parity (PPP)</b> (Total water consumption/Revenue from operations<br>adjusted for PPP) (KL/INR) | 0.0001461                  | 0.0001647                   |
| <b>Water intensity</b> in terms of physical output   | Not Applicable             | Not Applicable              |
| <b>Water intensity (optional)</b> – the relevant metric may be selected by<br>the entity   | -                          | -                           |

Note:

The intensity calculations for FY 2023-24 have been reinstated for the adjusted revenue in terms of PPP. Intensity in terms of physical output is not applicable as our units manufacture diverse range of products measured in numbers, each varying in size and tonnage.

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

4. Provide the following details related to water discharged:

| Parameter   | FY 2025<br>Current Year | FY 2024<br>Previous Year |
|---|-------------------------|--------------------------|
| <b>Water discharge by destination and level of treatment (in kilo liters)</b> |                         |                          |
| (i) To Surface water  | Nil                     | Nil                      |
| - No treatment  | Nil                     | Nil                      |
| With treatment – please specify level of treatment                            | Nil                     | Nil                      |
| (ii) To Groundwater   | Nil                     | Nil                      |
| - No treatment  | Nil                     | Nil                      |
| With treatment – please specify level of treatment                            | Nil                     | Nil                      |
| (iii) To Seawater   | Nil                     | Nil                      |
| - No treatment  | Nil                     | Nil                      |
| With treatment – please specify level of treatment                            | Nil                     | Nil                      |

|  |     |     |
|--|-----|-----|
| (iv) Sent to third parties   | Nil | Nil |
| - No treatment (Water sent for treatment to Central Effluent Treatment Plant)* | Nil | Nil |
| With treatment – please specify level of treatment                             | Nil | Nil |
| (v) Others   | Nil | Nil |
| - No treatment   | Nil | Nil |
| With treatment – Tertiary treatment  | Nil | Nil |
| <b>Total water discharged (in kilo liters)</b>                                 | Nil | Nil |

**Note:**

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

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

Water usage is designed to be used optimally and used water in the processes are treated as per the regulatory requirements. Shanthi Gears emphasizes its commitment to environmental sustainability by operating sewage treatment facilities that repurposes treated water for gardening. This practice helps conserve resources and minimizes environmental effects. Furthermore, the company has obtained the required permits from the state pollution control board, guaranteeing that its operations and water usage adhere to all regulations.

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

| Parameter                           | Please specify unit | FY 2024-25<br>Current Year | FY 2023-24<br>Previous Year |
|-------------------------------------|---------------------|----------------------------|-----------------------------|
| NOx                                 | mg/m3               | 15.25                      | 15.73                       |
| SOx                                 | mg/m3               | 7.97                       | 8.22                        |
| Particulate matter (PM2.5)          | mg/m3               | 21.63                      | 21.18                       |
| Particulate matter (PM10)           | mg/m3               | 43.33                      | 42.22                       |
| Persistent organic pollutants (POP) | NA                  | N/A                        | N/A                         |
| Volatile organic compounds (VOC)    | NA                  | <0.1                       | <0.1                        |
| Hazardous air pollutants (HAP)      | mg/m3               | N/A                        | N/A                         |

**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, external agency.

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

| Parameter  | Unit                                      | FY 2024-25<br>Current Year | FY 2023-24<br>Previous Year |
|--|---|----------------------------|-----------------------------|
| <b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tons of CO <sub>2</sub> equivalent | 473.21                     | 395.4                       |
| <b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tons of CO <sub>2</sub> equivalent | 8,288.15                   | 7,868.4                     |
| <b>Total Scope 1 and Scope 2 emissions</b>   | Metric tons of CO <sub>2</sub> equivalent | 8,761.37                   | 8,263.77                    |

|  |   |                |                |
|--|---|----------------|----------------|
| <b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)   | Metric tons of CO2 equivalent/turnover in INR | 0.000001449    | 0.000001542    |
| <b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP) (MT/INR) | -   | 0.0000299      | 0.0000346      |
| <b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>  | -   | Not Applicable | Not Applicable |
| <b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity   | -   | -              | -              |

**Note:**

The intensity calculations for FY 2023-24 have been reinstated for the adjusted revenue in terms of PPP & In scope 1 emissions, diesel consumed in operations is reported

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, external agency

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

- **Renewable Energy** Shanthi Gears continues its clean energy journey by harnessing 6.66 MW from wind turbines and 190 kW of rooftop solar installations to support in-house manufacturing. Plans are underway to scale up roof top solar capacity, reinforcing our commitment to enhance renewable energy sources in our consumption.
- **Energy Efficiency Measures and Smarter Machinery:** Newly installed machines are with energy-efficient features integrated for optimized performance.
- **Lighting Optimization:** Replaced conventional fixtures with LEDs and enhanced use of natural daylight across facilities, significantly curbing electricity usage.

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

| Parameter  | FY 2024-25<br>Current Year | FY 2023-24<br>Previous Year |
|--|----------------------------|-----------------------------|
| <b>Total Waste generated (in metric tons)</b>  |                            |                             |
| Plastic waste (A)  | 22.07                      | 24.79                       |
| E-waste (B)  | 1.02                       | 0.12                        |
| Bio-medical waste (C)  | 0.046                      | 0.0151                      |
| Construction and demolition waste (D)  | -                          | -                           |
| Battery waste (E)  | 1.85                       | 5.00                        |
| Radioactive waste (F)  | Not Applicable             | Not Applicable              |
| Other Hazardous waste. Haz. Waste from process + Haz. Waste from pollution control equipment's, + Filter bed sand + Filter bags etc. (G) | 230.27                     | 256.03                      |
| Other Non-hazardous waste generated (H). MS Scrap + Aluminum scrap (Break-up by composition i.e., by materials relevant to the sector)   | 5,269.15                   | 6,464.35                    |
| <b>Total (A + B + C + D + E + F + G + H)</b>   | <b>5,524.41</b>            | <b>6,750.38</b>             |
| <b>Waste intensity per rupee of turnover</b> (Total waste generated/Revenue from operations)   | <b>0.00000091</b>          | <b>0.00000126</b>           |

|  |                |                |
|--|----------------|----------------|
| <b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated/Revenue from operations adjusted for PPP) (MT/ INR) | 0.00001888     | 0.00002826     |
| <b>Waste intensity</b> in terms of physical output   | Not Applicable | Not Applicable |
| <b>Waste intensity (optional)</b> – the relevant metric may be selected by the entity  | -              | -              |

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

**Category of waste**

|                                 |        |        |
|---------------------------------|--------|--------|
| (i) Recycled                    | 215.08 | 170.10 |
| (ii) Re-used                    | -      | -      |
| (iii) Other recovery operations | -      | -      |
| <b>Total</b>                    | -      | -      |

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

**Category of waste\***

|                                 |       |       |
|---------------------------------|-------|-------|
| (i) Incineration                | 0.046 | 0.051 |
| (ii) Landfilling                | -     | -     |
| (iii) Other disposal operations | 48.11 | 85.93 |
| <b>Total</b>                    | 48.16 | 85.98 |

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

Shanthi Gears focuses on minimizing waste by implementing a thorough 3R (Reduce, Reuse, Recycle) initiative across all divisions. This initiative relies on a strong environmental management system (EMS) that details operational control processes for waste management, separation, storage, and safe disposal.

All employees are trained to recognize biodegradable, non-biodegradable, and hazardous waste streams to ensure proper waste management. This guarantees secure separation and movement to assigned storage locations without leaks.

Shanthi Gears collaborates with approved waste handlers to ensure responsible waste management, incorporating recycling and co-processing when feasible. For hazardous waste, we secure the required permissions from the State Pollution Control Boards to guarantee safe and compliant disposal of designated amounts.

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

None of Shanthi Gears' plants and offices are situated in ecologically sensitive areas, hence the same is not applicable.

| 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. |
|--------|--------------------------------|--------------------|---|
|        | Not Applicable                 |                    |   |

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

No new projects were undertaken or implemented during the current financial year hence the same is not applicable.

| 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 |
|-----------------------------------|----------------------|----------------|---|--|-------------------|
|                                   | Not Applicable       | Not Applicable | Not Applicable  | Not Applicable                                 | Not Applicable    |

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

Yes, Shanthi Gears is compliant with all the applicable environmental laws and regulations.

| S. No. | Specify the law/regulation/guidelines which was not complied with | Provide details of the non-compliance | Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|--------|---|---------------------------------------|---|---------------------------------|
|        | Not Applicable  | Not Applicable                        | Not Applicable  | Not Applicable                  |

**Leadership Indicators**

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

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

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

| Parameter   | FY 2024-25 Current Year | FY 2023-24 Previous Year |
|---|-------------------------|--------------------------|
| <b>Water withdrawal by source (in kilolitres)</b>                                     |                         |                          |
| (i) Surface water   | NA                      | NA                       |
| (ii) Groundwater  | NA                      | NA                       |
| (iii) Third party water   | NA                      | NA                       |
| (iv) Seawater/desalinated water   | NA                      | NA                       |
| (v) Others  | NA                      | NA                       |
| <b>Total volume of water withdrawal (in kilolitres)</b>                               | NA                      | NA                       |
| <b>Total volume of water consumption (in kilolitres)</b>                              | NA                      | NA                       |
| <b>Water intensity per rupee of turnover (Water consumed/turnover)</b>                | NA                      | NA                       |
| <b>Water intensity (optional) – the relevant metric may be selected by the entity</b> | NA                      | NA                       |

**Water discharge by destination and level of treatment (in kilolitres)\***

|  |    |    |
|--|----|----|
| (i) Into Surface water                               | NA | NA |
| - No treatment                                       |    |    |
| - With treatment – please specify level of treatment |    |    |
| (ii) Into Groundwater                                | NA | NA |
| - No treatment                                       |    |    |
| - With treatment – please specify level of treatment |    |    |
| (iii) Into Seawater                                  | NA | NA |
| - No treatment                                       |    |    |
| - With treatment – please specify level of treatment |    |    |
| (iv) Sent to third parties                           | NA | NA |
| - No treatment                                       |    |    |
| - With treatment – please specify level of treatment |    |    |
| (v) Others   | NA | NA |
| - No treatment                                       |    |    |
| - With treatment – please specify level of treatment |    |    |
| <b>Total water discharged (in kilolitres)</b>        | NA | NA |

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

| Parameter  | Unit  | FY 2024-25<br>Current Year | FY 2023-24<br>Previous Year |
|--|---|----------------------------|-----------------------------|
| <b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent | -                          | -                           |
| <b>Total Scope 3 emissions per Crore of turnover</b>   |   | -                          | -                           |
| <b>Total Scope 3 emission intensity (optional)</b> – the relevant metric may be selected by the entity   |   | -                          | -                           |

We have established a GHG accounting framework (Scope 1 & 2) and working towards accounting of value chain emissions (Scope-3).

**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, external agency

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

Not Applicable

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

| S. No | Initiative undertaken | Details of the initiative<br>(Web-link, if any, may be provided along-with summary)   | Outcome of the initiative   |
|-------|-----------------------|---|---|
| 1.    | Renewable energy      | SGL added 190-Kilowatt Roof Top Solar Power Project in our C-Unit   | As part of its commitment to sustainable energy practices, Shanthy Gears Limited (SGL) added a 190 kWp rooftop solar power project, increasing the share of renewable energy in its overall energy mix. Currently, 45% of SGL's total energy consumption is sourced from renewable energy. Further expansion of rooftop solar capacity is planned in the next financial year, reinforcing the company's focus on transitioning to cleaner and more sustainable energy solutions.  |
| 2.    | Energy efficiency     | LED Street lights installation and continuation of day light saving measures observed in most of shop floor areas<br><br>Internal Energy Audits | To enhance energy efficiency, energy-efficient LED streetlights were installed across the C& D-Unit. The new LEDs offer higher brightness, longer life, and lower power consumption, contributing to both cost savings and improved workplace lighting conditions.<br><br>Daylight saving measures are actively followed. Natural lighting is maximized by reducing artificial light usage in well-lit areas. Certain work schedules are aligned to daylight availability, and employees are trained to switch off lights when not needed, promoting an energy-conscious culture.<br><br>7% reduction in energy intensity compared to the previous financial year, demonstrating the impact of continuous energy-saving measures and operational efficiency improvements. |
| 3.    | Water efficiency      | Shanthy Gears continues to implement focused initiatives to promote responsible water usage and enhance sustainability across its operations.   | To reduce raw water consumption in canteen, Shanthy Gears implemented several operational changes & process improvements. These include installing low-flow taps, optimizing water use in dishwashing, reusing rinse water, and training staff on water-saving practices. These steps have led to a noticeable drop in daily water usage without affecting hygiene or efficiency.   |

|    |                  |   |   |
|----|------------------|---|---|
|    |                  |   | <p>Treated water from the in-house Sewage Treatment Plant (STP) is reused for gardening and landscaping. This helps conserve freshwater and ensures proper disposal of treated effluent. Regular monitoring is carried out to ensure the water meets quality standards for horticultural use.</p> <p>Connection lines for Rainwater harvesting systems have been installed in Unit C, following the successful setup in Unit D. Rainwater collected from rooftops in certain areas and is used for cooling towers, gardening and fire water tanks. This reduces dependence on municipal and bore well water and supports groundwater recharge.</p>  |
| 4. | Waste Management | Shanthi Gears continues to implement focused initiatives to promote responsible waste reduction and resource efficiency | <p>Damaged wooden pallets are reworked and reused for internal material movement, reducing wood waste. Wooden waste bins have been replaced with converted metal bins in phased manner, minimizing disposable wood usage. Additionally, an oil reconditioning unit was commissioned, enabling the reuse of industrial oil and significantly reducing hazardous waste disposal. These steps reflect the company's commitment to sustainable and circular waste management practices. A part quantity of waste sand generated from foundry operations is now sent to an authorized recycler, significantly reducing disposal and promoting sustainable waste handling practices. These combined efforts have contributed to an overall 17% reduction in total waste generation compared to the previous financial year.</p> |

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

Shanthi Gears is in the process of developing a disaster management plan.

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

Not Applicable

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

Focusing on sustainability throughout the supply chain, Shanthi Gears Limited (SGL) has initiated training programs for the suppliers and is also in the process of establishing the assessment criteria to evaluate the social and environmental activities of our suppliers. The business is now classifying suppliers using a criticality matrix in order to give these assessments priority.

**8. How many Green Credits have been generated or procured:**

**a. By the listed entity:**

Nil

**b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners:**

Nil

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

**Essential Indicators**

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

Shanthi Gears Limited is a part of 7 associations.

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

| Sl. No. | Name of the trade and industry chambers/associations | Reach of trade and industry chambers/associations (State/National) |
|---------|--|--|
| 1       | The Indian Chamber of Commerce and Industry          | State  |
| 2       | Confederation of Indian Industry                     | National   |
| 3       | Madras Management Association (MMA)                  | National   |
| 4       | The Employers' Federation of Southern India          | National   |
| 5       | Indian Wind Power Association                        | National   |
| 6       | The Institute of Indian Foundry men                  | National   |
| 7       | American Gear Manufacturers Association              | International  |

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

Not Applicable

**Leadership Indicators**

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

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

The company does not have separate advocacy policy in place. The company collaborates with Industry associations to advocate public policy.

**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.****Essential Indicators****1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

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

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

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

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

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

Not Applicable

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

| Parameter  | FY 2024-25 Current Year | FY 2023-24 Previous Year |
|--|-------------------------|--------------------------|
| Directly sourced from MSMEs/small producers                          | 41%                     | 36%                      |
| Sourced directly from within the district and neighbouring districts | 29%                     | 25%                      |

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

| Location     | FY 2024-25 Current Year | FY 2023-24 Previous Year |
|--------------|-------------------------|--------------------------|
| Rural        | NIL                     | NIL                      |
| Semi-urban   | NIL                     | NIL                      |
| Urban        | NIL                     | NIL                      |
| Metropolitan | NIL                     | NIL                      |

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

## Leadership Indicators

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

| Details of negative social impact identified | Corrective action taken |
|--|-------------------------|
|  | Not Applicable          |

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

| State             | Aspirational District | Amount Spent (in ₹) |
|-------------------|-----------------------|---------------------|
| Tamil Nadu, India | Coimbatore            | 1.72 Crores         |

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

No

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

Not Applicable

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

Not Applicable

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

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

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

| Name of authority | Brief of the Case | Corrective action taken |
|-------------------|-------------------|-------------------------|
| Not Applicable    |                   |                         |

**6. Details of beneficiaries of CSR Projects:**

| S. No. | CSR Projects  | No. of persons benefited from CSR Projects 2024-25 | % of beneficiaries from vulnerable and marginalized groups |
|--------|---|--|--|
| 1      | Shri.A.M.M.Murugappa Chettiar Research Centre Green Energy for Rural India - Research and Development on enzymes and novel application of natural products for health and daily life. | 0  | -  |
| 2      | Two E-Vehicle for Garbage Waste collection & 150 LED Street lights - Muthalipalayam Village Panchayat, Suler, Coimbatore District, Tamil Nadu, India                                  | 5,000  | 12.08%   |
| 3      | Saplings plantation with borewell water supply & fencing in vacant Land, Arasur Village, Suler, Coimbatore District, Tamil Nadu, India  | 25,000   | 60.39%   |
| 4      | Blood storage rack for pregnant Ladies Use in Primary Health Centre, Block Medical Officer, Semmipalayam, Palladam, Tirupur District, Tamil Nadu, India                               | 300  | 0.72%  |
| 5      | Renovation of the lake/ground leveling & Borewell provision, K. Krishnapuram Village Panchayat, Palladam, Tirupur District, Tamil Nadu, India   | 100  | 0.24%  |
| 6      | Renovation of park and sapling plantation drive, Mylapatti Panchayat, Suler, Coimbatore District, Tamil Nadu, India   | 1,000  | 2.42%  |
| 7      | Saplings plantation – Palladam Block, Tirupur District, Tamil Nadu, India   | 10,000   | 24.15%   |
|        | <b>Total</b>  | <b>41,400</b>                                      | <b>100%</b>  |

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

**Essential Indicators**

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

Customer complaints received by Shanthi Gears' marketing team are promptly routed to the Quality Department via the company's online portal. Upon receipt, the complaint is systematically shared with all relevant stakeholders to enable a coordinated response to the customer within seven days.

The resolution timeline varies depending on the complexity and severity of the issue. On average, Shanthi Gears takes approximately 29 days to fully investigate, address, and close a customer complaint.

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

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

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

|                                | FY 2024-25<br>Current Year |                                   | Remarks         | FY 2023-24<br>Previous Year |                                   | Remarks |
|--------------------------------|----------------------------|-----------------------------------|-----------------|-----------------------------|-----------------------------------|---------|
|                                | Received during the year   | Pending resolution at end of year |                 | Received during the year    | Pending resolution at end of year |         |
| Data privacy                   | 0                          | 0                                 |                 | 0                           | 0                                 |         |
| Advertising                    | 0                          | 0                                 |                 | 0                           | 0                                 |         |
| Cyber-security                 | 0                          | 0                                 |                 | 0                           | 0                                 |         |
| Delivery of essential services | 0                          | 0                                 |                 | 0                           | 0                                 |         |
| Restrictive Trade Practices    | 0                          | 0                                 |                 | 0                           | 0                                 | 0       |
| Unfair Trade Practices         | 0                          | 0                                 |                 | 0                           | 0                                 | 0       |
| Other                          | 112                        | 0                                 | 100% resolution | 143                         | 0                                 | 0       |

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

|                   | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | 0      |                    |
| 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.**

SGL does not have a formal policy in place but adheres to its requirements.

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

Not Applicable

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

- a. Number of instances of data breaches - 0
- b. Percentage of data breaches involving personally identifiable information of customers - 0
- c. Impact, if any, of the data breaches - 0

### Leadership Indicators

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

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

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

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

Shanthi Gears remains firmly committed to delivering genuine, high-quality products that consistently meet the precise expectations of its discerning customers. To uphold this commitment, each product undergoes stringent quality inspections at every stage of the production lifecycle, ensuring alignment with the highest industry standards.

The company has also established comprehensive Standard Operating Procedures (SOPs) aimed at fostering continuous process improvement and proactively addressing potential issues. In addition, Shanthi Gears ensures full compliance with the Legal Metrology Act by clearly labeling all products with essential information, thereby supporting the safe and responsible use of its offerings by customers.

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

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

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

Shanthi Gears ensures full compliance with Indian legal requirements, including the provisions of the Legal Metrology Act, through the clear and comprehensive labeling of all its products. Furthermore, the Company goes above and beyond the minimum requirements by providing additional information that helps customers better understand, utilize, and maintain the products they have purchased.