

**BUSINESS
RESPONSIBILITY
REPORT**
FY 2016-17

AIM OF BUSINESS RESPONSIBILITY REPORTING

CG Power and Industrial Solutions Limited firmly believes that the aim of Business Responsibility Reporting is to monitor the effectiveness of its entrepreneurship in contributing to the economic and social betterment of communities and to make its operations sustainable in a manner that enables the Company to meet its current needs without compromising the needs of the future generations. The Company believes that sustainability of its business can only be accomplished by balancing economic success, environmental stewardship and social progress to the benefit of all its stakeholders.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identity Number (CIN) of the Company	L99999MH1937PLC002641
Name of the Company	CG Power and Industrial Solutions Limited ('the Company' or 'CG') (Formerly Crompton Greaves Limited)
Registered address	CG House, 6 th Floor, Dr. Annie Besant Road, Worli, Mumbai – 400 030, Maharashtra, India
Website	www.cgglobal.com
E-mail id	investorservices@cgglobal.com
Financial Year reported	2016-17
Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus - 271 Manufacture of other electrical equipment - 279
List three key products/services that the Company manufactures/ provides (as in balance sheet)	Power Transformers; Motors; Switchgears
Total number of locations where business activity is undertaken by the Company	Refer to section titled 'Establishments' which forms part of the 80 th Annual Report of the Company.
a. Number of International Locations	
b. Number of National Locations	
Markets served by the Company – Local/State/National/ International	India, Europe, Americas, South East Asia Pacific and Middle East

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR in crore)	125.35
2. Total Turnover (INR in crore)	4,761 (for standalone continuing operations)
3. Total profit after taxes (INR in crore)	157 (for standalone continuing operations)
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.46
5. List of activities in which expenditure in 4 above has been incurred	Please refer to Annexure 2 - Annual Report on Corporate Social Responsibility Initiatives for FY 2017 of the section titled 'Directors Report' of the 80 th Annual Report of the Company.

SECTION C: OTHER DETAILS

Does the Company have any Subsidiary Company/Companies?	Please refer to the complete list of Subsidiary Companies in Annexure 5 - Extract of Annual Return of the section titled 'Directors Report' of the 80 th Annual Report of the company
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such Subsidiary Company(s) :	The Company's Code of Conduct and Business Practices is applicable to all Employees and Directors of the Company and also extends to all Subsidiary/Group entities.
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	CG's commitment to best business practices extends to all its suppliers, contractors and other entities acting on behalf of them, regardless of their size or geographical location.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

Details of Director/Directors responsible for BR for implementation of the BR policy/ policies	
DIN Number	05122610
Name	Mr K. N. Neelkant
Designation	CEO and Managing Director
Details of BR Head:	
DIN Number (if applicable)	07308407
Name	Mr Sanjay Singh
Designation	Executive Vice - President and Global Head – HR
Telephone number	+91 22 2423 7818
E-mail id	sanjay.singh@cgglobal.com

2. Principle-wise (as per NVGs) BR Policy/Policies

a. Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for.... P1: Ethics and Transparency P2: Product Responsibility P3: Wellbeing of employees P4: Responsiveness to Stakeholders P5: Respect Human Rights P6: Environmental Responsibility P7: Public policy advocacy P8: Support inclusive Growth P9: Engagement with Customers	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Refer Note 1								
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy confirm to any national/international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Refer Note 1								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. All the policies communicated to internal stakeholders are available on the Company's website and intranet. Policies are communicated to external stakeholders through the website of the Company and Regulatory Filings.								
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note:

1. Principle-wise Policy Index :

P1: Ethics and Transparency	Code of Conduct and Business Practices, Supplier Code of Conduct, Whistle Blower Policy, Prevention of Sexual Harassment Policy, Code for Fair Disclosure, Policy for Determination of Materiality of Disclosures.	Whistle Blower Policy and Prevention of Sexual Harassment Policy are available on Company's Intranet. Rest policies can be accessed through Company's Website: www.cgglobal.com
P2: Product Responsibility	Corporate Quality Policy	Available on Company's Intranet
P3: Wellbeing of employees	Code of Conduct and Business Practices, Whistle Blower Policy, Prevention of Sexual Harassment Policy, EHS Policy, Employee Handbook on Company Policies.	Whistle Blower Policy, Prevention of Sexual Harassment Policy and Employee Handbook on Company Policies are available on Company's Intranet. Rest can be accessed through Company's Website: www.cgglobal.com
P4: Responsiveness to Stakeholders	CG Values Corporate Social Responsibility Policy	Can be accessed through Company's Website: www.cgglobal.com
P5: Respect Human Rights	Code of Conduct and Business Practices, Supplier Code of Conduct.	Can be accessed through Company's Website: www.cgglobal.com
P6: Environmental Responsibility	EHS Policy and EHS Cardinal Rules Code of Conduct and Business Practices, Supplier Code of Conduct.	EHS Policy and EHS Cardinal Rules are available on Company's Intranet. Rest policies can be accessed through Company's Website: www.cgglobal.com
P7: Public Policy Advocacy	The same is advocated in the Code of Conduct and Business Practices and internal processes and practices established based on this principle.	The Code of Conduct and Business Practices can be accessed through Company's Website: www.cgglobal.com
P8: Support Inclusive Growth	Corporate Social Responsibility Policy	Can be accessed through Company's Website: www.cgglobal.com
P9: Engagement with Customers	Corporate Quality Policy	Available on Company's Intranet

- b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Not applicable since the response to none of the Principles at serial number 1 is in negative.

Responsibility initiatives and actions as part of the Directors' Report which is available on the website of the Company www.cgglobal.com

at all levels and across all value chains. Further the Code of Conduct and Business Practices, Supplier Code of Conduct, prohibits any form of unethical behaviour by employees and suppliers and explicitly mandates compliance with Anti-Corruption legislations worldwide.

These Codes/Policies strive to provide guiding principles in various business situations and act as the lighthouse for decision making and actions, with integrity and discipline.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?

The Company's Code of Conduct and Business Practices extends to all employees, Board Members, Subsidiaries of the Company. Further the Supplier Code of Conduct is applicable to all our suppliers, service providers and to other entities acting on their behalf.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1 : ETHICS, TRANSPARENCY AND ACCOUNTABILITY

The Company believes in conducting its business in a fair and transparent manner by adopting high standards of professionalism, integrity and ethical behavior and considers Corporate Governance as an integral part of its management. With this underlying philosophy, various governance structures, policies and practices viz. Code of Conduct and Business Practices, Supplier Code of Conduct, Whistle Blower Policy, Prevention of Sexual Harassment Policy, Code for Fair Disclosure, Policy for Determination of Materiality of Disclosures have been developed to ensure and promote ethical conduct, transparency and accountability

3. Governance related to BR :

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year :

The BR performance of the Company is reviewed on a quarterly basis.
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes an Annual Report on its Corporate Social

Acknowledgement to the provisions of these Codes is a mandatory pre-condition for any employment, contract or business relationship with the Company. The Company also obtains timely annual confirmations from its employees and directors on the Code of Conduct and Business Practices of the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During FY 2017, the Company has received 3 complaints under Whistle Blower mechanism / Vigil reporting mechanism, out of which 2 were resolved and 1 complaint is under investigation and completion.

PRINCIPLE 2 : PRODUCT RESPONSIBILITY

The Company recognizes the fact that to sustain its operations in an increasing resource constrained world which is further depleting, it is imperative to align its business objectives with its sustainability actions. The Company has therefore invested time and resources to ensure optimal utilization of its resources in its product development and also in its supply chain management, thus ensuring that our products and solutions contribute to sustainability throughout their life cycle.

All manufacturing plants of the Company alongwith its vendors, suppliers and service providers work towards achieving our environment and socio-economic sustainability objectives in the best possible manner. The Company also actively utilizes 6-sigma techniques for quality enhancement and control in its processes and has a full time qualified 6-sigma black belt employee at its manufacturing units. All the manufacturing divisions of the Company are ISO 14001 and OSHAS 18001 compliant.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- a. Vacuum Circuit Breakers (VCB): CG is the largest manufacturer of VCB in India and is accredited by renowned market research firms like Frost & Sullivan for its VCB's. In line with our ecological requirements and customers' economical needs, the Company has started housing its VCB's in hollow porcelain insulators filled with dry Nitrogen gas as against SF6, which not only safeguards against condensation but as a greenhouse gas helps reduce environmental pollution.

- b. Energy Efficient Motors: CG offers an entire range of energy efficient motors as per the latest IEC, IS & NEMA standards and also complies with the efficiency norms of various geographies across the world. Through CG's International Efficiency class motors - IE1 and IE2, the potential energy saving is 2 to 6 percent more as against their standard counterparts. This efficiency improvement translates into substantial energy conservation which in turn helps the environment by reducing the CO₂ emissions.

- c. Transformers: CG's Statcom Transformers and Variable Shunt Reactors are some products, where the environmental and social impact of their utilization is addressed in various ways such as:

- conservation of fossil fuels by reducing the heat losses produced by these equipments;
- using innovative, environment friendly materials such vegetable based ester oils and synthetic ester oils, which are fully bio-degradable and conserve the mineral reserves;
- providing leak-proof transformers, thereby preventing the soil contamination by leaked transformer oil;
- using non-carcinogenic oils which are free from polychlorinated biphenyls;

- acoustic efficient designs that mitigates noise pollution.
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):
 - (a) Reduction during sourcing/ production/distribution achieved since the previous year throughout the value chain?
 - (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Due to constant innovations and energy efficient technologies adopted by the Company, our customers benefit on energy consumption, reduction of CO₂ emissions, conservation of resources etc.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company's sustainability objectives covers all domains of operations with emphasis on energy and resource efficient products, systems and services, ways of lowering our own energy intensity and waste, occupational health safety, environment and community development.

Our sustainability agenda also extends to suppliers, vendors and business partners through the Supplier Code of Conduct and the Policy on Environment, Health and Safety (EHS) to which they have to commit. The Company also conducts Supplier Qualification Programme (SQP) Audits, Safety Audits and EHS drives for its vendors.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

The Company has a practice of purchasing goods and services

from both local and global suppliers including SMEs subject to the cost effectiveness and availability of local suppliers, geographically nearest to the Company's manufacturing facility.

The Company also regularly conducts various trainings, skill development programmes, technical seminars, safety workshops that improve the capabilities of its vendors.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has undertaken the following green initiatives that have helped make the Company's operational processes sustainable:

- Use of environment friendly packaging material;
- Reuse and recycling of raw materials such as transformer oil, copper and aluminum used in various manufacturing processes;
- Sewage and effluent treatment plants are installed and waste water from these plants is re-used for portable use;

- Segregation and appropriate disposal of waste.

PRINCIPLE 3 : WELLBEING OF EMPLOYEES

The Company's success is dependent on how it values, engages, includes and utilizes its employees. The Company's goal is to attract, develop and retain the best and brightest from all walks of life and backgrounds and hence the Company promotes a culture of inclusion where all employees feel respected, are treated fairly, provided work-life balance and an equal opportunity to excel in their chosen careers.

The Company has implemented several policies and initiatives which promote the welfare of all its employees. CG's Code of Conduct and Business Practices and Handbook on Company policies provides guidelines for employee wellbeing related to participation, freedom, equality, good environment and harassment free workplace. CG's policy on 'Prevention of Sexual Harassment' ensures safety and security of women employees. Employee related policies are updated on timely basis in line with the amendments in laws applicable for employees welfare.

CG also provides a wide range of opportunities to all its employees to constantly sharpen their competencies through its learning and development programmes. The rules of engagement are well defined to create lasting relationships which are embedded in our 3i Values of Integrity, Imagination and the Individual, the core of our Group Ideology.

CG fosters a culture of openness and transparency and hence in the FY 2017, the Company, in association with Great Place to Work, launched an employee survey- Drishtikon which provided all its employees a platform to freely express their opinion and feedback with a view to enhance their experience of working at CG.

Fun activities at the work place, such as talent contests and offsite team-building conducted across businesses, boost motivation and productivity and also contribute to a positive work environment. The Company also has an active rewards platform - RECONGIZE that frequently celebrates outstanding achievements of our employees across the globe for behaviors, actions and attitudes that reflect our core values.

Please indicate the Total number of employees:	6277
Please indicate the Total number of employees hired on temporary/contractual/casual basis:	2858
Please indicate the Number of permanent women employees:	152
Please indicate the Number of permanent employees with disabilities:	6
Do you have an employee association that is recognized by management:	Yes
What percentage of your permanent employees is members of this recognized employee association:	32.46%
What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	
- Permanent Employees	25.50%
- Permanent Women Employees	26.32%
- Casual/Temporary/Contractual Employees	3.95%

Details of Number of complaints received in the last financial year and pending, as on the end of the financial year:

Complaints	Child/forced/involuntary labour	Sexual Harassment	Discriminatory Employment	Others
Received during the year	NIL	NIL	NIL	46
Resolved during the year	NIL	NIL	NIL	43
Pending at the year end	NIL	NIL	NIL	3 (under investigation)

PRINCIPLE 4 : RESPONSIVENESS TO STAKEHOLDERS

Establishing trustworthy long-term relationships with business partners, employees and communities is crucial for continued growth and success. Through our corporate values – Performance Excellence, Customer Orientation, Leading Edge Knowledge, Intellectual Honesty and Nurturance, we employ various mechanisms and practices, at periodic intervals, for engaging with both our internal stakeholders (employees) and external stakeholders (customers, suppliers, investors, society) with an aim to create sustainable impact in the lives of the beneficiaries and thus, enable them to be facilitators of further and larger development.

As part of our effort to create an inclusive organisation that responds to the needs of employees, we believe in a flexible work culture and strongly propagate work-life balance. The Company encourages and provides various platforms to all its employees to speak up and voice their concerns through employment surveys, whistle blower mechanisms etc.

The Company also constantly reaches out to its internal and external stakeholders on regular basis through general meetings, analyst meets, press releases, training programmes and community outreach.

1. Has the Company mapped its internal and external stakeholders? Yes/No

The Company has mapped its key internal and external stakeholders and carries out engagements with our investors, employees, customers, suppliers, business partners, civil society organisations etc.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

The Company endeavors to create meaningful and sustainable value for the society. In order to make a lasting impact in the areas it operates in, it is imperative that we understand the requirements of these regions. If necessity is the mother of invention, then evaluating the necessities is the first step towards finding relevant

solutions. With this simple philosophy in mind the Company has adopted a Corporate Social Responsibility (CSR) Policy which acts as a directive in identifying and reaching the right beneficiary, project management, implementation process, monitoring and evaluation.

Exhaustive Needs Assessment Surveys, involving both internal and external stakeholders, are carried out across multiple locations in the country in collaboration with our partners to identify the stakeholders. The assessment also includes obtaining views from our employees along with focused group discussions with government officials, industries and the local communities.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

We continually strive towards holistic development of the economically backward areas through our CSR interventions focusing on Health, Skill Development and Education, that support their aspirations, make them self reliant and sustain in the competitive market.

The livelihood of disadvantaged youth and women from slums, tribal community and remote rural areas is addressed through various skill development projects comprising of soft skills, technical, vocational skills and entrepreneurship skills trainings, executed through domain expert organisations at community level.

To ensure accessibility of essential health care services and mitigate malnourishment, CG has implemented Mother and Child Health Care Projects in the rural areas of Maharashtra, Madhya Pradesh, Uttarakhand and Bihar.

The Company is also inter-alia implementing mobile science laboratory in 60 rural schools across Maharashtra and Madhya Pradesh with the objective of improving education quality.

For more details of the CSR initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders, please refer Annexure 2 - Annual Report on Corporate Social Responsibility Initiatives for FY2016-17 of the section titled 'Directors Report' of the 80th Annual Report of the Company.

PRINCIPLE 5 : RESPECT HUMAN RIGHTS

We believe that prejudice, oppression and discrimination are counterproductive to human development and that a vibrant and diverse community enhances the learning environment of the populations that we serve. We believe that performance, potential and meritocracy, shine above an individual's race, colour, creed, ancestry, ethnic origin, religion, sex, nationality, age, physical handicap/disability or marital status and must be respected and hence we value and recognise every individual equally. The only factor that measures an individual's stature in the CG work environment is his/her level of performance and potential, which determines overall meritocracy.

We are committed to treating all with dignity and respect and to work collectively on an ongoing basis to build and maintain a community that understands, celebrates and promotes diversity while promoting inclusivity at all levels. The Company's Values of Performance Excellence and Nurturance encourage a performance culture and discourages personal bias.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes, aspects of human rights are included in the Company's Code of Conduct and Business Practices and various human resource practices/policies which extend to all employees, Board Members, Subsidiary/Group/Joint Venture entities of the Company. We also expect the same high standards on human rights protection from all of Stakeholders. Thus, as part of our contracting processes through our Supplier Code of Conduct, we

encourage our suppliers to respect human rights and commit to eradicate forced, compulsory or trafficked labour from their businesses.

The provisions of these Codes are a mandatory condition for any employment, contract or business relationship with the Company.

2. How many stakeholder complaints with respect to Human Rights violation have been received in the past financial year and what percent was satisfactorily resolved by the management?

Nil

PRINCIPLE 6 : ENVIRONMENTAL RESPONSIBILITY

Industrial activities impact the society and the environment and this makes EHS policies all the more crucial. One of the prime pillars of sustainable business is environmental stewardship, which is majorly accomplished through Environment, Health and Safety (EHS) initiatives.

Through our EHS Policy, we aim at not only complying with legal requisites of safeguarding our employees, environment and the society at large but also setting high internal standards for compliance.

Our 'zero-harm culture' endeavors to create a meaningful and sustainable value for the environment and the community we operate in. As we expand our global footprint, we stay committed in conducting our business in a responsible manner that creates a sustained positive impact on society, improves the quality of life of the underserved communities and preserve the ecosystem that supports the communities and the Company. With this philosophy, CG has also adopted EHS Cardinal Rules which outlines and reflects our EHS commitment.

All our manufacturing units in Asia, EMEA and Americas are ISO 14001 and OHSAS 18001 certified. We also regularly conduct trainings on safety awareness and sustainable growth at all plant locations and Safety Campaigns with an aim renewing commitments of employees and general public to work safely and ensure integration of Occupational Health and Safety in work culture and lifestyle.

During the year under review, the Company's Mandideep Manufacturing Unit

was felicitated with Annual Outstanding Achievement Award 2016 in the EHS category of large industry sector from the Federation of Madhya Pradesh Chamber of Commerce and Industries (FMPCCI). Mandideep Unit received the award in the EHS category after stringent evaluation of various parameters such as EHS processes, risk identification and assessment, zero accidents, number of days lost, number of near misses, emergency response process and arrangements, best practices adopted and EHS Training programmes during the year.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

The EHS Policy and Cardinal Rules are applicable to all employees and extend to all visitors and contractors of the Company. Moreover, through the Company's Code of Conduct and Business Practices and the Supplier Code of Conduct, our employees, subsidiaries, suppliers and partners are encouraged to be compliant with the Code and applicable laws and regulations, including environmental laws and regulations.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

By sharing knowledge and best practices and calling on all stakeholders to take action, we, through our CSR initiatives, address some of the greatest challenges facing the world. The Company initiates tree plantation drives on a periodic basis, maintains green areas inside the factory and office premises.

Being in the space of 'Energy Management', the Company, addresses, contributes and develops awareness about energy conservation, energy sustainability and alternate energy utilization in the communities that we are part of. The Company also continuously improvises its products and technologies in terms of energy

efficiency, material use and recyclability to reduce carbon emissions and minimise the environmental impacts of the Company's products.

3. Does the Company identify and assess potential environmental risks? Y/N

EHS targets are assigned to each division and are regularly monitored through an EHS scorecard at business review meetings and are linked with SMART goals for annual performance management process. Corporate EHS audit, with focus on EHS implementation and performance, are conducted on quarterly basis. Corrective actions generated from these audits and various EHS events are captured and tracked for closure in Online Event Reporting System portal (ERS), an EHS one stop shop. Further the Board of Directors of the Company also review compliance processes every quarter, internal control systems and material occurrences in areas of EHS.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

The Company has not applied for any projects under the Clean Development Mechanism. However as a part of its commitment towards sustainable development and conservation of the environment, the Company is continually undertaking several initiatives for effective utilization of energy resources and minimization and control of waste.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. During the year, the Company continued its several initiatives to reduce energy consumption and generate renewable energy across its locations. These are:

- a. 'Zero Waste Water' Culture - Sewage and Effluent Treatment Plants at all the major units

treat and re-use waste water for gardening purpose. Critical Effluents are sent to Common Effluent Treatment plants for further processing;

- b. Maintaining green areas inside the factory and office premises and conducting periodical plantation drives;
- c. Installation of solar electrical panels thus generating 1 mw of solar energy;
- e. Using Thermic Fluid Heated Ovens for Transformer manufacturing;
- f. Use of higher efficiency motors for captive use;
- g. Replacement of existing lighting with LED lighting for energy conservations.

More details pertaining to conservation of energy and technology absorption are provided in Annexure – 1 - Conservation of energy, technology absorption and foreign exchange earnings and outgo of section titled 'Directors Report' of the 80th Annual Report of the Company.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Considering the nature of industry, the quantum of wastes/emissions is relatively less and within the permissible limits.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

None

PRINCIPLE 7: PUBLIC POLICY ADVOCACY

The Company participates in policy advocacy through various national and international bodies. Through membership with trade and industry associations, the Company makes efforts to further contribute on specific sustainable business issues and participates in a number of exhibitions organized by these associations/bodies.

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a member of various industry associations viz.:

- a. Confederation of Indian Industries (CII);
- b. Bombay Chambers of Commerce and Industry (BCCI);
- c. Engineering and Export Promotion Council of India (EEPC);
- d. Federation of Indian Exporters Organization (FIEO);
- e. Indian Electrical and Electronics Manufacturers Association (IEMA);
- f. Maharashtra Economic Development Council (MEDC);
- g. Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

The Company's authorized officials represent the Company in various industry forums. They understand their responsibility while representing the Company in such associations and while they engage in constructive dialogues and discussions they refrain from lobbying or influencing public policy with vested interests. This principle is also embodied in the Code of Conduct and Business Practices of the Company applicable to Company representatives and group entities.

PRINCIPLE 8 : SUPPORT INCLUSIVE GROWTH

Any business enterprise is an engine of economic development and in order to drive a culture of shared and inclusive growth, CG has adopted, through our Corporate Social Responsibility Policy, an integrated outreach strategy that focuses

on social change and empowerment of the communities we work in.

For CG, being a socially responsible corporate means:

- Upholding and promoting the principles of inclusive growth, diversity and equitable development in society;
- Collaborating with local government agencies and like minded corporates, voluntary and academic organisations in pursuit of our goals;
- Building active and long term partnerships with the surrounding communities to significantly improve the condition of the most underserved amongst them;
- Making a sustained effort in preserving the environment;
- Using environment friendly, energy efficient and safe processes;
- Promoting transparency in disclosure and reporting procedures;
- Getting our employees involved and sensitised at our communities, so that they develop into better leaders.

CG's modus operandi for achieving the above and making lasting positive impact on the community is championing initiatives that provide sustainable livelihood to people by making them self sufficient and confident. This means working with the underserved communities to improve the quality of their life and preserve the ecosystem that supports the communities and the Company.

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. Details of the programmes/initiatives/projects undertaken during the year under review are provided in Annexure – 2 - Annual Report on Corporate Social Responsibility Initiatives for FY2017 of section titled 'Directors Report' of the 80th Annual Report of the Company.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

We focus our Corporate Social Responsibility (CSR) initiatives across all geographies in three distinct areas - Community Outreach, Health, Education and Skill Development and Sustainability directly and by partnering with specialized agencies such as non-governmental organisations, government agencies, employee volunteering etc. to leverage synergies in delivering various community development initiatives. The Company also has an in-house dedicated CSR team.

3. Have you done any impact assessment of your initiative?

The Company engages in regular conversation with community members during and post CSR project implementation and undertakes timely assessments of implemented projects for ensuring their desired impact and continued sustenance. The CSR Committee of the Board of Directors also internally performs an impact assessment of its initiatives at the end of each half year to understand the efficacy of the programmes in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

Details of the projects undertaken by the Company and contributions made therefor during the year under review are listed out in Annexure – 2 - Annual Report on Corporate Social Responsibility Initiatives for FY2017 of section titled 'Directors Report' of the 80th Annual Report of the Company.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company ensures that community members participate in the initiatives being undertaken/implemented and

constantly makes attempts to ensure that projects continue and sustain within communities beyond our interactions. The Company authorizes/ conducts surveys, tests and field visits to measure the effectiveness of the initiatives undertaken. This regular interaction, allows for improvisation of ongoing initiatives while also serving as an input in planning the Company's future course of action.

PRINCIPLE 9 : ENGAGEMENT WITH CUSTOMERS

The Company ensures its culture of safety and sustainability is embodied in the products and services offered to our customers. Each product is sold with an owner's manual which includes safety checking mechanisms, do's and don't's, thus encouraging customers to use the Company's products in a responsible manner. Effective redressal mechanisms are in place for addressing and handling customer complaints and are periodically reviewed by management teams as well. The Company has a dedicated customer desk and 24x7 toll free call centre – CG Customer Connect for customers complaints, redressal and feedback. Redressal of customer complaints is done on real-time basis by all the manufacturing plants. Additionally, the Company's marketing department executives visit and interact with customers on regular basis to understand their business needs, service requirements and others expectations and concerns.

We also believe in educating our vendors, customers and other stakeholders about our products and services, their features and industry updates and hence conduct various training sessions, programmes, vendor meets, dealer conferences etc. to help them make informed decisions.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

The Company business is in the B2B segment and contracts are governed with agreed warranty terms with customers. Customer complaints

are attended on priority to ensure compliance with agreed terms of the contracts. All cases of complaints are either attended or in the process of being resolved.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks(additional information)

The Company manufactures industrial products for the B2B segments and adheres to all applicable laws and regulations on product labeling. The Company's products are CE certified and supplied with a comprehensive catalogue and product manual giving details of the standards to which the product complies, details of unpacking, installation and commissioning, methods of use and end life disposal. It also provides the list of DO's and DONT's, which ensure the smooth functioning of the equipment.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There are no cases filed by any of our stakeholders against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of the financial year.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

Yes. Our agents/dealers worldwide consistently bridge communication between the Company and end-users. The Company actively conducts annual surveys, vendor meets, training programs and seminars for customers, service contractors, channel partners meet, where we get regular feedback on various aspects of business including product performance.