



Smart solutions.
Strong relationships.

business responsibility report 2017-18



AVANTHA
GROUP COMPANY

AIM OF BUSINESS RESPONSIBILITY REPORTING

The Company aims to create value for its stakeholders by providing integrated solutions and superior knowledge based products and services in the domain of generation, transmission, distribution and utilisation of electrical energy by inculcating in all our operations and processes, the principles of transparency, integrity, professionalism and accountability. We are inspired to attain environmental excellence by optimum utilization of our resources and make products that have economic and social value. This vision of the Company can be reflected in its various Corporate Social Responsibility initiatives in the field of education, community development and sustainability. This Business Responsibility Report is a validation of the Company's efforts in balancing its social, economic and environmental goals.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L99999MH1937PLC002641
2. Name of the Company	CG Power and Industrial Solutions Limited ('the Company' or 'CG') (Formerly Crompton Greaves Limited)
3. Registered address	CG House, 6 th Floor, Dr. Annie Besant Road, Worli, Mumbai – 400 030, Maharashtra, India
4. Website	www.cgglobal.com
5. E-mail id	investorservices@cgglobal.com
6. Financial Year reported	2017-18
7. 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
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	Power Transformers; Motors; Switchgears
9. Total number of locations where business activity is undertaken by the Company	Refer to section titled 'Establishments' forming part of 81 st Annual Report.
a. Number of International Locations	
b. Number of National Locations	
10. Markets served by the Company – Local/State/National/International	India, Europe, Americas, South East Asia Pacific, Africa and Middle East

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (₹ in crore)	125.35
2. Total Turnover (₹ in crore)	5,079 (Gross revenue from operations - standalone)
3. Total profit/loss after taxes (₹ in crore)	(325) (Net loss for FY 2018 - standalone)
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Not applicable in view of net losses in FY 2017-18.
5. List of activities in which expenditure in 4 above has been incurred	Please refer to Annexure 2 of the Annual Report on Corporate Social Responsibility Initiatives for FY 2017-18 of the section titled 'Directors' Report' forming part of the 81 st Annual Report.

SECTION C: OTHER DETAILS

1. 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' forming part of the 81 st Annual Report.
2. 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.
3. 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

(a) Details of Director/Directors responsible for BR for implementation of the BR policy/ policies:	
1. DIN Number	05122610
2. Name	Mr K N Neelkant
3. Designation	CEO and Managing Director
(b) Details of BR Head:	
1. DIN Number (if applicable)	07308407
2. Name	Mr Sanjay Singh
3. Designation	Executive Vice - President and Global Head – HR
4. Telephone number	+91 22 2423 7777
5. 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 are communicated to internal stakeholders and 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 of the 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, EHS 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	Environment, Health and Safety (EHS) Policy and EHS Cardinal Rules, Code of Conduct and Business Practices, Supplier Code of Conduct and Corporate Social Responsibility Policy	EHS Policy and EHS Cardinal Rules are available on Company's intranet. Rest of the 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.

website of the Company www.cgglobal.com. These Reports are published annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1 : ETHICS, TRANSPARENCY AND ACCOUNTABILITY

We have built our business on the fundamentals, which aims in creating long term value for our stakeholders' by not only complying with all applicable legal requirements but to ensure that all our activities are sustainable and have significant value for society. We believe in the importance of a strong compliance culture that is fully embedded in our business. Our business practices reflect this commitment and thus protect the trust of our customers and stakeholders. We are committed to protect employees, contractors and others stakeholders. We require our suppliers, agents and employees to demonstrate honesty, integrity and fairness by adopting high standards of professionalism, integrity and adhere to our non-negotiable ethical

standards. Our governance practices forms an integral part of the management and is well reflected in the policies adopted and implemented by the Company 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. These policies serve as a guide for all the employees and suppliers and prohibit any form of unethical behavior.

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 and 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.

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 2018, the Company has received 2 complaints under Whistleblower mechanism / Vigil mechanism, out of which 1 was resolved and 1 complaint is under investigation and completion.

PRINCIPLE 2 : PRODUCT RESPONSIBILITY

The Company strives to create value products by investing in Research & Development, Innovation & Technology while continue to focus on its key areas: Growth, Productivity, Technology and People. It has demonstrated its world-class engineering practices with an array of institutional strengths including deep consumer insights, brand building capability, trade marketing and distribution infrastructure. The Company has invested its substantial time, effort and resources in its product development and also in its supply chain management, thus ensuring that its products and solutions contribute to sustainability throughout their life cycle. All the products of the Company have adequate labeling to avoid any accidents and have instructions with regard to its disposal.

All manufacturing plants of the Company alongwith its vendors, suppliers and service providers work towards achieving 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 six-sigma team having black belt employees across its manufacturing units.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities:
 - a. **Ester oil filled Transformers:**
The increasing demand for environment friendly energy

has led to huge investments in developing the new eco-friendly dielectric medium for Transmission & Distribution sector. Ester oil transformers are a viable natural alternative providing environmental friendly, fire safe, low maintenance, extended asset life and continuous over loading benefits from base power rating over and above conventional mineral oil transformers. Consequently, Ester oil transformer offers better benefit-to-cost ratios than mineral oil transformers through long life and low maintenance. It is bio-degradable, non-toxic and helps in prevention of pollution by reducing carbon emissions. In August 2017, T2 Malanpur got the first natural Ester Oil transformer order for 8 MVA, 33/11kV from the most prestigious client – Central Public Works Department (CPWD) Dhanbad.

b. Energy Efficient Motors:

CG offers an entire range of energy efficient motors as per the latest IEC, IS and NEMA standards and also complies with the efficiency norms of various geographies across the world. Through CG's International Efficiency class motors – IE2 and IE3, the potential energy saving is 2 to 5 percent more as against standard motors. This efficiency improvement translates into substantial energy conservation which in turn helps the environment by reducing the CO₂ emissions and support the energy conservation drive of Indian Government.

c. Solar Drive:

CG's Solar Drive (Suraj) is a variable frequency drive dedicated for solar pump set. It has Maximum Power Point Tracking function which enables it to use optimum power from photovoltaic array (PV array). It is more advantageous over earlier used diesel pumps and also cost effective. It eliminates fuel spills and is pollution and noise free and can also be monitored through GPRS module.

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. While procurement of any new equipment or raw material we focus on environmental concern and hazard identification. Simultaneously our focus is on constant reduction in use of hazardous material like chrome, cyanide, lead etc.

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 & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their 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.

Various initiatives were undertaken by the Company for sustainable growth and for protection of environment including:

- elimination of hazardous chemical and effluent generation;
- use of renewable energy sources;
- reduction of waste through continuous monitoring;
- recycling of wood for making packaging material;
- rain water harvesting;
- 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;

- h) Segregation and appropriate disposal of waste.

PRINCIPLE 3 : WELLBEING OF EMPLOYEES

A climate of creativity and innovation coupled with a culture of care and concern enables our employees to enhance value creation for all its stakeholders and address the challenges of tomorrow with conviction and confidence. The superior capability of the Company's talent pool is premised on a work culture that nurtures quality talent and promotes a conducive work environment. 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's 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.

The Company has been consistent in its efforts towards enhancing the capabilities of its employees by continuously designing and deploying variety of learning intervention. With the same focus in mind several training sessions were conducted including situational leadership, which was primarily designed to build leadership capability across the Company's middle management and special training programs were also conducted for sales professionals to enhance their skills.

The Company's engagement with its employees has significantly improved which was reflected in the Great Place to Work survey organized during the year. The employee perception across all product lines has been enhanced and the employees who have participated in the survey consider the Company as 'Great Place to Work'.

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

1. Please indicate the Total number of employees:	6512
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis:	3135
3. Please indicate the Number of permanent women employees:	157
4. Please indicate the Number of permanent employees with disabilities:	9
5. Do you have an employee association that is recognized by management:	Yes
6. What percentage of your permanent employees is member of this recognized employee association:	47.41%
7. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	
- Permanent Employees	77.41%
- Permanent Women Employees	100%
- Casual/Temporary/Contractual Employees	99.46%

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

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

PRINCIPLE 4 : RESPONSIVENESS TO STAKEHOLDERS

Values are the core of any sustainable organization and the driving force for its people at all levels. The ideology for CG's businesses emanates from its 5 Values of Performance Excellence; Leading Edge Knowledge; Nurturance; Customer Orientation and Intellectual Honesty. The Company endeavors to create meaningful and sustainable value for the society, with that end and intent we employ various mechanisms and practices, at periodic intervals, for engaging with both our internal stakeholders (employees) and external stakeholders (customers, suppliers, investors and society) to create sustainable impact in the lives of the beneficiaries and thus, enable them to be facilitators of further and larger development.

CG believes, being a Socially Responsible Corporate means upholding and promoting the principles of inclusive growth, diversity and equitable development in society, building active and long term partnerships with the surrounding communities to significantly improve the condition of the most underserved amongst them and getting our employees involved and sensitised towards our communities, so they develop as better leaders, with this aim the Company has adopted a Corporate Social Responsibility (CSR) Policy. The CSR policy is available at www.cgglobal.com.

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 at regular intervals through general meetings, analyst meets, press releases, training programmes and community outreach.

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

Company believes in holistic development of the underprivileged communities and supports interventions in the field of skill development, education and sustainability. To identify direct and indirect stakeholders having real difficulties in accessing basic necessities, exhaustive need assessment surveys, involving both internal and external stakeholders, are carried out across CG locations in collaboration with our partner organizations. While working with

identified communities Company gets referrals for other needy, underprivileged communities from the existing stakeholders.

The assessment also includes obtaining views from our employees along with focused group discussions with government officials, industries and the local communities. Due to Company's credibility of being responsive towards stakeholders' needs, sometimes people from peripheral localities approach Company units with the community requirements. Our units in Nashik, Aurangabad, Ahmednagar, Gwalior and Bhopal have received total 50 applications from different villages and communities where infrastructural support for government schools, police station, Anganwadi and such other community resources was provided.

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.

Through our CSR interventions focusing on Skill Development and Education, Community outreach and sustainability we intend to make a positive, sustainable change in communities located around our plants.

We work with various academic, socio-cultural organizations, governmental and non- governmental systems, as well as public and private institutions that are contributing for the upliftment of underserved communities.

One of the special initiatives taken during the year is promotion of science education through mobile science laboratories in Gwalior and Bhopal. In Malanpur (Gwalior), mobile science laboratories has reached out to 20 Government schools, promoting science education amongst 3358 students from weaker sections of the society. The District collector appreciated this project and requested Company to extend this support to the schools in tribal districts like Bhind.

In Maharashtra, quality education program specifically focusing upon enhancing learning abilities, reaches out to 250 children living in urban slums in Mumbai and supplementary education project in Ahmednagar supports 250 students from socio-economically deprived communities.

To improve the livelihood of disadvantaged women and youth from slums and tribal communities, the Company has extended trainings to improve vocational skills, which could help them to raise their economic and social conditions. Through vocational and soft skills trainings, Company has made a difference in lives of around 1650 youth and women.

The Company has undertaken various employee-volunteering drives like, teaching in schools, stationary donation, blood donation, tree plantation in and around the Company's Plants where the employees can contribute their time and resources towards the betterment of the marginalized stakeholders.

For more details of the CSR initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders, please refer to Annexure 2 - Annual Report on Corporate Social Responsibility Initiatives for FY2017-18 of the section titled 'Directors' Report' of the 81st Annual Report of the Company.

PRINCIPLE 5 : RESPECT HUMAN RIGHTS

The Company believes in treating all with equality and fairness irrespective of their race, colour, creed, ancestry, ethnic origin, religion, sex, nationality, age, physical handicap/disability or marital status. The only factor that measures an individual's stature in our work environment is his/her level of performance and potential, which determines overall meritocracy.

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 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.

The Company prohibits forced labour, child labour etc. The Company is committed towards the preservation of human rights across the value chain. The Company believes that a sustainable organisation

rests on a foundation of ethics and respect for human rights.

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 our 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.

Acknowledgment of 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

The Company puts great emphasis on environmental conservation. The Company is conscious of its responsibility towards environmental sustenance, creating, maintaining and ensuring a safe and clean environment for sustainable development. The Company encourages sharing of process and product innovations within the group and extending it to benefit of the industry and key members of its value chain. 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 commitment towards EHS.

All our manufacturing units are ISO 14001:2015 and OHSAS 18001:2007 certified. We are in the process of upgrading to ISO 45001. We also regularly conduct trainings on safety awareness and sustainable growth at all plant locations and conduct EHS campaigns with an aim of renewing commitments of employees and general public to work safely and ensure integration of Occupational Health and Safety in work culture and lifestyle.

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 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 and also 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 & 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 footprints and minimize 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 through ISO 14001 (Environmental Management System), audits and are regularly monitored through an EHS scorecard at business review meetings and are linked with annual performance evaluations. Corporate EHS audit, with focus on EHS implementation and performance, are conducted periodically. Corrective actions generated from these audits and various EHS events are captured and tracked for closure in an online Event Reporting System (ERS). 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. Further, the Company also encourages complete elimination of hazardous substances from its manufacturing process. Annual Environmental Statement are being submitted to State Pollution Control Board (SPCB) by the respective entities.

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. Towards Company's objective of sustainable development, several initiatives were taken for use of renewable sources of energy and clean technology. Some of them are as follows:

- a. Maintaining green areas inside the factory and office premises and conducting periodical plantation drives;
- b. Replacement of conventional roof with insulated MS roof for use of natural light and regulating temperature, thus control on power consumption;
- c. Installation of solar electrical panels and use of natural gas against conventional fuel;
- d. Elimination of use of hazardous materials from manufacturing across several products;
- e. Using Thermic Fluid Heated Ovens for transformer manufacturing;
- f. Replacement of conventional lights with energy efficient LEDs;
- g. Water sprinklers installed to regulate temperature;
- h. Preventive maintenance of plant and equipment performed to reduce the energy consumption;
- i. Conducted energy audits to save energy and awareness on conservation were created among employees through leaflets, posters and seminars.

More details pertaining to conservation of energy and technology absorption Annexure 1 - are provided in Annexure 1- Conservation of energy, technology absorption and foreign exchange earnings and outgo, of section titled 'Directors' Report' of the 81st 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 well within the permissible limits laid down by CPCB/SPCB in their consent to operate.

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.

NIL

PRINCIPLE 7: PUBLIC POLICY ADVOCACY

In order to balance interests of diverse stakeholders, the Company deals with various national and international bodies. The Company has memberships with trade and industry associations through which 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 (EPEC);
- 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

At CG, we believe we have a responsibility to give back to the society we live in. We therefore endeavour in creating meaningful, sustainable, value for the community.

As we expand our global footprint, we intend to focus our Corporate Social Responsibility initiatives across all our geographies. 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.

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. The Company has been implementing various interventions in the fields of Skill development, education, community outreach and sustainability. 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 FY2017-18 of section titled 'Directors' Report' of the 81st 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 have partnered with various specialized agencies including government, non government and also engaged our employees in delivering various community development initiatives. Some of these non government organizations are Pratham, Teach For India, Agastya International Foundation, Sahayini to cater educational support to the students in identified communities. We have also tied up with organisations like National Institute for Women Child Youth Development, Amhi Amchya Arogyasathi, and Lok Kala Jagruti Manch for developing skills. The society at large has been benefited with this collaboration. The Company also has an in-house dedicated CSR team.

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

The Company conducts regular monitoring and evaluation meetings with all the partner organizations. Community meetings were conducted during and post CSR project implementation to ensure desired impact and continued sustenance.

The CSR Committee of the Board of Directors also internally performs an

impact assessment of its initiatives at regular intervals 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 thereof during the year under review are listed out in Annexure 2 - Annual Report on Corporate Social Responsibility Initiatives for FY2017-18 of section titled 'Directors' Report' of the 81st 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.

Company emphasizes the need of strengthening capacities of community people in order to make the development initiative self reliant. 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. While implementing community initiatives, Company ensures that it has an end date to each project from when the community members being equipped with required skills, knowledge and resources can independently lead the initiative.

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

CG provides a comprehensive range of products, solutions and services for meeting the requirements of its Customers. The Company ensures its culture of safety and sustainability is embodied in the products and services offered to its customers. Each product is sold with an owner's manual which includes safety checking mechanisms, do's and don'ts, 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 for customers complaints, redressal and feedback. Redressal of customer complaints is done on real-time basis by all the manufacturing plants. In addition, the Company's marketing department executives visit and interact with customers on regular basis to understand their business needs, service requirements, expectations and other concerns.

Company also believe in educating its customers and channel partners about the products and services offered, its features, updates. Company also conduct various training sessions, programmes, dealer conferences, customer seminars, 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. With the dedicated service set up, the 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 conforms to relevant standards prevailing in the country and are supplied with a comprehensive product manual giving details 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 DON'Ts 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. The Company also participates in relevant trade exhibitions.