



Smart solutions.
Strong relationships.

Sustainability at its Core



murugappa

CG POWER AND INDUSTRIAL SOLUTIONS LIMITED
Sustainability Report FY2022-23



Table of Contents

Theme: Sustainability at its Core	2	Environment Value Creation	36
About the report	4	• Materials Management	39
CG Power at a Glance	6	• Energy Management	41
Key ESG Highlights FY2022-23	12	• Emissions Management	45
From the Managing Director's desk	14	• Water Stewardship	47
Board of Directors	18	• Waste Management and Circular Economy	49
Applying good Governance	20	• Biodiversity and Land-use	51
• Board Diversity	21	Social Value Creation	54
• Skill Diversity	22	• People Centricity	55
• ESG Roadmap and Sustainability Governance	22	• Diversity & Inclusion	55
• Code of Conduct and Policies	22	• Benefits to Employees and Workers	57
• Board and Management Committees	25	• Employee Engagement	59
• Ethics and Compliance	26	• Training and Development	61
• Risk Management	26	• Human Rights	63
• Information Security Framework	28	• Occupational Health and Safety	64
• Responsible Supply Chain	28	• Grievance Redressal Mechanism	67
• Grievance Redressal Mechanism (GRM)	29	• Supply Chain Sustainability	67
• Cultivating Stronger Stakeholder Connection	29	• Customer Centricity	69
• Creating Economic Value	34	• Corporate Social Responsibility (CSR)	71
• Tax Strategy	35	• CSR in FY2022-23	73
		GRI Content Index	74



SUSTAINABILITY AT ITS CORE



In our unwavering effort towards sustainability, we are deeply committed to our role as a responsible enterprise, contributing to an environmentally conscious and sustainable world. The Power, Industrial and Railway divisions have played a pivotal role in nation building. As one of the leading companies in the sector, CG is committed to contribute to country's economic growth and fortify its resilience.

This commitment extends beyond our business to generating value for our stakeholders by ensuring high governance standards, wellbeing of people, care for communities and environmental stewardship. We are utilizing our engineering expertise for creating a better world. We firmly believe in the significance of creating tangible positive impacts through our products and processes across the value chain. Genuine sustainability, for us, covers every aspect of the business from responsible sourcing, cultivating partnerships with channel partners, to our operations and product delivery. Our economic goals are inherently linked to a positive social and environmental impact.

“Sustainability at its Core,” the theme of our first Sustainability Report, throws light on our effort to wards sustainability, technical innovation, and responsible business practices. It demonstrates our commitment to reducing our environmental footprint, improving



performance, cultivating a culture of equal opportunity and safe working conditions by creating a shared value for our stakeholders to navigate towards a sustainable future. We are paving a road towards an ecologically balanced tomorrow through pioneering methods and conscientious consumer choices. We are continuously evolving and offering cutting-edge products and services to meet customer expectations with delight. We are encouraging the culture of innovation and incorporating gradual digitalization and automation into our operational facilities.

To address the evolving business paradigm and for catering to future needs, we are enhancing our capacities by increasing the market share, obtaining consumer confidence, and investing in green energy and resource efficiency.

As we embark on this path to design a brighter future, our commitment to innovation and sustainability is resolute.

Reporting Guidelines and Content

This report covers the Fiscal Year 2022–23. It provides both qualitative and quantitative data on how CG, while seizing opportunities, ensures that it reduces potential hazards related to Environmental, Social, and Governance (ESG) issues. Along with giving a thorough analysis of the Company's performance in each of the aforementioned categories it also highlights important advancements in each of them. These contain important indicators, goals and activities implemented to address the environmental and social issues emphasizing the Company's governance processes and policies. Unless otherwise specified or implied by the context, any references to "CG," or "the Company," in this report refers to CG and Industrial Solutions Limited, a publicly traded Company reporting on a standalone basis.

The report is with reference to Global Reporting Initiative (GRI) and ensures following the guidelines and framework provided by GRI to ensure transparency and accountability in reporting Sustainability and Corporate Social Responsibility (CSR) performance. The reporting period is from April 1, 2022 to March 31, 2023.

The process of identifying and analyzing environmental, social, and governance risks and opportunities that may have an impact on the long-term value of the organization and related stakeholders is referred to in this report by the term "materiality" and other terms of a similar kind. (For further information on Materiality Assessment, please see 'Prioritizing Materiality Assessment' Section.)

ABOUT THE REPORT



Feedback

Any queries or suggestions about this report may be sent through an email to soumya.dalai@cgglobal.com. The Company provides global access to Sustainability Report via CG's [Website](#).

Statements in this report that use the words or phrases "will," "would," "believe," "may," "expect," "continue," "anticipate," "estimate," "intend," "plan," "contemplate," "seek to," "future," "objective," "goal," "strategy," "philosophy," "project," "should," "will pursue" and similar expressions or variations of such expressions may constitute "forward-looking statements" except for these predictions are based on forward-looking information that is subject to a variety of risks, uncertainties and other factors that might cause actual outcomes to substantially differ from those projected. The Company undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof. The data in this report are estimates based on techniques and assumptions and they might change in the future with additional information or developments.

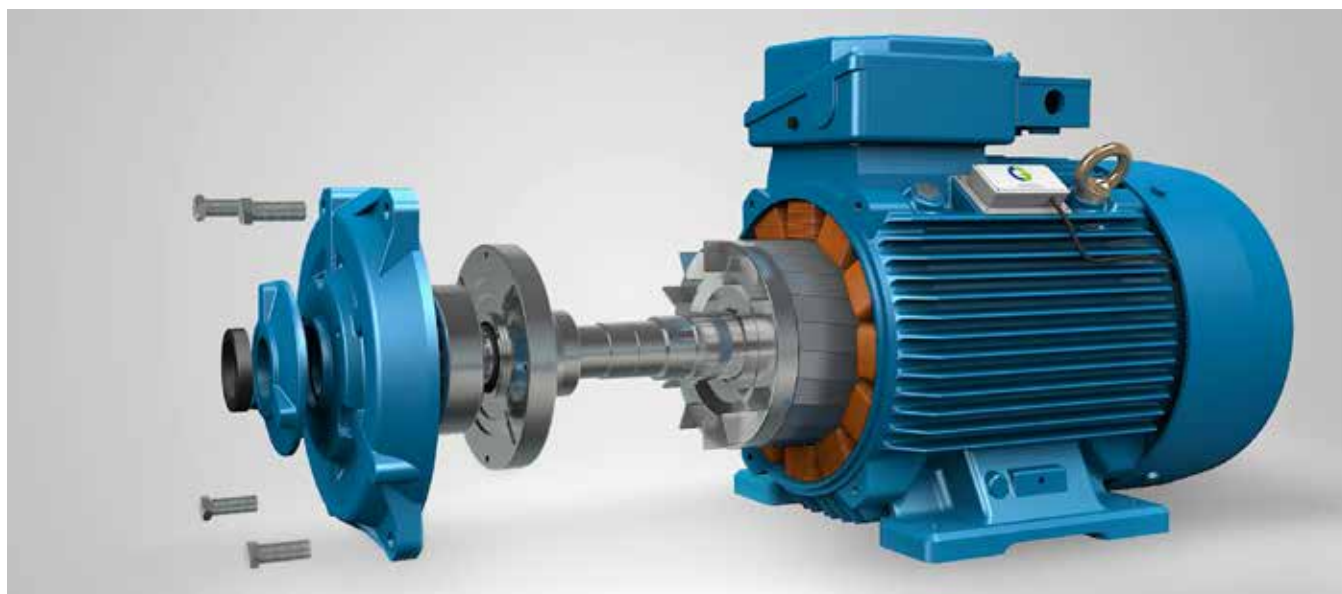


CG AT A GLANCE



The Company is at the heart of Atmanirbhar Bharat being a player in the Industrial Machinery segment with a variety of products that include, Industrial Motors, Drives and Automation, Railway Products, Commercial Products, Transformers and Switchgears and having all operations in India.

Industrial Systems Business manufactures and sells power conversion equipment for all industrial applications such as Medium and Low Voltage Rotating Machines (Motors, Generators, Alternators), Drives and Stampings for all industrial applications, equipment and solutions to Indian Railways for Rolling Stock, Traction Machines, Railway Propulsion Control Equipment, Coach Panels, and Signaling Equipment.



Established in 1937, CG has been a pioneer and a market leader in the management and application of electrical energy. Driven by the Company's values with a national footprint, CG has embarked on its journey for 86 years now. The Company is an engineering conglomerate with a diversified portfolio of power and industrial equipment and solutions, as well as consumer products, solutions and services. For the fiscal year ending March 31, 2023, its two primary business segments are Industrial Systems and Power Systems.

Power Systems Business manufactures and sells Electric equipment for the Power Transmission and Distribution and generation and industrial sectors, including Transformers, Reactors, and Switchgear products, and Turnkey Solutions.

CG is a publicly traded Company listed on both the BSE Ltd. and the National Stock Exchange (NSE) India Ltd.

CG's footprint



2,700+
Manpower



86
Years in
Business



9
locations in
India



17
Manufacturing
facilities across

Power Systems

- Power Transformer Division (Mandideep, Madhya Pradesh)
- Distribution Transformer Division (Malanpur, Madhya Pradesh)
- Switchgear Division (Nashik, Maharashtra)
- Vacuum Interrupters & Power Quality Division (Aurangabad, Maharashtra)

Industrial Systems

- Traction Machines & System Division (Mandideep, Madhya Pradesh)
- Large Industrial Machines Division (Mandideep Madhya Pradesh)
- LT Motors (Unit I) Division (Ahmednagar, Maharashtra)
- LT Motors (Unit II) Division (Ahmednagar, Maharashtra)
- LT Motors (Unit III) Division (Colvale, Goa)
- Commercial Motors Division (Ponda, Goa)
- Commercial Products Division (Ponda, Goa)
- Drives & Automation Division (Mandideep, Madhya Pradesh)
- Rail Transportation & Traction Electronics Division (Mandideep, Madhya Pradesh)
- Railway Signaling Division (Pithampur, Madhya Pradesh)
- Stampings Division (Ahmednagar, Maharashtra and at Goa)

Mission

To create value by providing integrated solutions and superior knowledge-based products and services in the domain of generation, transmission, distribution and utilization of electrical energy.

To become the Company of choice for utilities, industry and households in the global market, by leveraging technology and productivity through a highly empowered and engaged team.

Vision

Transforming your needs into smart solutions for an enhanced quality of life.



Product Portfolio

Industrial Systems

Motors & Drives, Railways

- CG's Industrial Systems delivers an effective market presence and industry leadership in numerous categories and international marketplaces. The product line consists of DC Motors, Drives, Home and Commercial Pumps and Fans, Generators and Motors, along with wide range of consumer electrical products such as Domestic and Agricultural Pumps and Industrial and Domestic Exhaust Fan, Ceiling Fans, Table Wall Pedestal (TPW), and all purpose and Domestic Exhaust. CG also offers an



extensive range of solutions for Rolling stock and signaling equipment. Traction Electrics, IGBT-based Propulsion Systems & Loco Panels, Traction Machines and Systems, AC & DC Traction Motors, Traction Alternators, Self-Propelled Vehicle Solutions, Railway Signaling Products, Panels and Carriage Fans, and Coach Products are some of the main product categories.



Power Systems

Transformers, Reactors, Switchgears & other allied products

- CG's Power Systems division offers a wide range of products including Power Transformers, Power Utilities GIS substation projects, EHV Switchgears and MV Switchgears
- Products conforming to IEC, IEEE, ANSI & GOST
- Power System Products are supplied to Core Infrastructure sectors of the country like Railways, Nuclear Power Plants, Steel Mills, Metro Train Networks, etc.

Value Proposition of CG's Offerings



Workforce

The Company has a team of enthusiastic professionals with a customer-centric attitude. By offering education, professional growth, and career promotion to the people, CG has fostered a culture of excellence and a strong sense of belonging. With the people focus initiatives and by promoting inclusivity, the Company has started a revolutionary journey towards conquering new heights.



We are a proud family of **1,631** permanent employees and **1,140** permanent workers.



KEY HIGHLIGHTS OF THE YEAR

Environment, Social and Governance highlights for FY2022-23

ENVIRONMENT

- **13%** reduction in GHG emissions intensity with respect to FY2021-22
- **15%** reduction in energy intensity with respect to FY2021-22
- **10.5%** renewable energy consumption
- **4,507 kW** of installed solar energy capacity



SOCIAL

- **7.87%** women workforce hired in FY2022-23
- **16,703** total training hours
- **100%** employee engagement
- **Zero** fatalities



GOVERNANCE

- **No instances** of corruption, anti-competitive behavior, or anti-trust and monopoly practices in the reporting period
- **No materially** significant related party transactions during the year
- **No incidents** of sexual harassment reported during this year





FROM THE MANAGING DIRECTOR'S DESK



Mr. Natarajan Srinivasan

Managing Director

‘We put all our energy into saving yours’ is a commitment that we as a Company resonate in synchronicity across CG. For reducing energy consumption of our esteemed customers, we have also successfully certified super-premium non safe areas (FLP IIA, IIB, IIC) AC motor IE4 range from ATEX, PESO, BIS for frames 80 to 160, variety of variable frequency drives for Industrial application, Regenerative Converters for Electric Locomotive Propulsion Systems, etc. Notably, the Company has reduced its energy intensity by 15% compared to FY2021-22. As a result, transitioning to sustainable energy consumption is an important component of the Company’s sustainability goal. CG also ensures compliance with the regulatory waste management guidelines and goes above and beyond to incorporate efficient waste management practices. This initiative in action can be observed in our facilities in Nashik, where we have successfully transformed to using 100% bio-degradable packaging plastic.

Dear Stakeholders,

I am pleased to share CG's Annual Sustainability Report for FY2022-23. This report demonstrates our ongoing commitment to adopt a comprehensive strategy that takes into account the economic, environmental, and social value creation of our daily business activities.

on CG's Journey...

We have grown and successfully moved past the hurdles linked with our legacy issues over the recent years. Our Company's overall success in the fiscal year ending March 31, 2023, was quite impressive. We have effectively navigated through phases of stabilization, turnaround, and growth over the last nine quarters. We are now entering the next phase of our journey, focused on consolidation, expansion, profitable growth, and now primarily, sustainability.

on our path to sustainability...

CG has released its first Business Responsibility and Sustainability Report (BRSR) in conjunction with its first Sustainability Report. We at CG, aim to enhance the lives of people, customers, and communities through a target oriented ESG approach that prioritizes incorporating sustainability into the business. Today as I write to you all, the Company is in the process of creating an ESG roadmap and strategy to imbibe sustainability with short- and medium-term objectives by making conscious efforts towards carbon footprint reduction, resource efficiency, water stewardship, product stewardship and supply chain resilience etc.

on promoting sustainability and operational efficiency...

We have entered FY2023-24 with a strategic forward orientation; one which will steer us for

the next 5 years. We intend to pursue a dual approach that will attempt to reinforce our present fundamental capabilities, while also moving towards sustainability.

We recognize the need for constant evolution and providing cutting-edge products and services which not only meet but also surpasses consumer expectations. Our culture is built on product stewardship, energy-efficient products and innovation, while digitalization and automation are simultaneously and seamlessly getting woven into our operational facilities. Through these efforts we hope to generate shared benefits for all our stakeholders, thereby together, moving towards a more sustainable and responsible future.

This strategy also finds its roots in CG's mission to effectively implement Kaizen concepts for continuous process improvement, lean initiatives and sustainability targeted towards improving the Company's operational efficiency. This comprehensive initiative has encouraged both employees and workers across CG to actively participate via the Kaizen portal or the 'My e-novation' app available on the intranet at CG.

on ESG's positive impacts...

CG has made many strides in pioneering the transition from conventional energy sources to sustainable, renewable energy. Our share of renewable energy has been 10.4% of our total energy consumption this financial year which was generated in house by roof top solar.

We have taken up an aspiring target of achieving Carbon neutral in our Scope 1 and Scope 2 emission by the end of year 2030. We are also making proactive efforts to reduce

the carbon footprint throughout our value chain by effective management of resources. We are creating local procurement strategies and promoting energy efficiency initiatives across manufacturing facilities to facilitate a sustainable value chain.

The customers are vital to the ethos of CG. We use long-term service contracts and provide life evaluation and upgrade programs for our products to foster long-term partnerships with our customers. Recognizing the importance of responding to any issues our customers may have, we have put in place comprehensive customer grievance management processes to ensure their queries are resolved.

With comprehensive policies on Sustainable Supply Chain Policy, Human Rights policy, Product Stewardship Policy, Human Resource Policy, and Environment Policy being in place, the Company's strong Code of Conduct underpins our business practices, and is being applied to not only to our employees but also to our suppliers, service providers and all other stakeholders engaged with CG.

Focusing on employee wellbeing, we place a high value on maintaining a safe and healthy work environment. We implement essential learning and development, and upskilling programs to make our people ready to address the present expectations and evolving business paradigm and cater to the future. Across the social domain, we encourage proactive involvement with respect to community engagement. As one of the initiatives, we partnered with internal and external stakeholders to construct a 12-foot high flood water management mitigation mechanism to divert, delay and protect the nearby community

Our Company's strategic journey in our pursuit of ESG excellence encompasses significant investments in environmental efforts, the development of energy-efficient products, the integration of digitalization and smart solutions, a strong R&D focus, a dedication to employee engagement and effective good governance procedures. Our leadership is committed to take responsible decisions that are in line with ESG values, and systematically assess performance against these parameters.

from flood inundation in the area in vicinity of river at Mandideep, Bhopal.

Our motto of **"Smart Solutions, Strong Relationships"** remains key to our strategic initiatives, with a special emphasis on preserving the environment and responsible social actions. We thank all our stakeholders and look forward to growth focused on enhancing stakeholder value, achieving manufacturing excellence, continual technological advancements and fostering an inclusive culture, all working as the backbone of sustainability.

As we navigate the future, our commitment to sustainability remains unwavering and we reaffirm our dedication to create a positive impact on the environment, society at large and all our stakeholders. Together, we can build a sustainable future for generations to come.

Natarajan Srinivasan
Managing Director



BOARD OF DIRECTORS

The Board consists of a wide range of expertise and talents that are relevant to the needs of the organization. Industry knowledge, financial acumen, legal understanding, operational experience, strategic thinking, and other applicable competencies are amongst the Board's core competencies. The board is crucial in creating the organization's vision, mission, and long-term goals. The Board ensures that the organization is focused on achieving its objectives and is aligned with its purpose by providing strategic direction. The board fosters an organizational culture of integrity and ethical behavior. It monitors ethical behavior and oversees the development of successful compliance systems. Strong governance helps to avoid the legal and reputational dangers that come with non-compliance or unethical activity.

**For more details on the collective knowledge of the highest governance body please refer to page no. 55 of the annual report FY2022-23.*



Mr. Vellayan Subbiah

Chairman



Mr. Natarajan Srinivasan
Managing Director



Mr. M A M Arunachalam
Non-Executive Director



Ms. Sasikala Varadachari
Independent Director



Mr. P S Jayakumar
Independent Director



Mr. Sriram Sivaram
Independent Director



Mr. Kalyan Kumar Paul
Non-Executive Director



Mrs. Vijayalakshmi R Iyer
Independent Director

Our Leadership



Mr. Natarajan Srinivasan
Managing Director



Mr. Ramesh Kumar N
President - Industrial Business



Mr. Mukul Srivastava
President - Switchgear Business



Ranjan Singh
Vice President - Railways Business



Mr. Susheel Todi
Chief Financial Officer



Mr. Sanjay Kumar Chowdhary
Company Secretary

**For more details on the role of the highest governance body and evaluation of their performance please refer to page no. 60 of the annual report FY2022-23.*

**Refer Corporate Governance Report for more information*



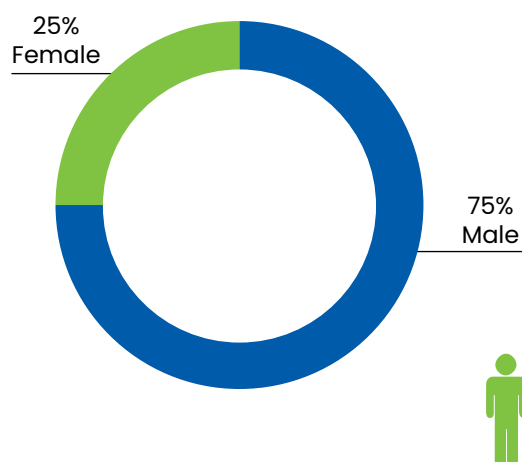
APPLYING GOOD GOVERNANCE

A sound governance framework forms the structure through which the Company delivers its commitments while keeping a steady focus on sustainability and safety. CG upholds the highest standards of governance and conducts its business with integrity and fairness. CG believes that governance forms an integral part of the management and business philosophy. The Company's Governance practices emanate from its commitment towards discipline, accountability, transparency, and fairness.

The Company views sustainability as critically important to its overall business and growth strategy. CG believes that internalizing and aligning ESG within its policies, systems, processes, and culture is crucial for future sustainability. The ethics and compliance function are owned by the highest governing body of the organization, the Board of Directors with additional oversight provided by the Audit Committee of the Board.

Board Diversity

Gender-wise Board Diversity at CG



*Refer 'Annexure 3' Section of Annual Report FY2022-23 for Annual Compensation Ratio.

CG's Core Values



CG understands the value of having a diversified Board. The Company is committed to promote diversity across all its management and non-management levels (Board of Directors, KMPs, Employees and Workers). Every individual is equally valued, acknowledged, and treated fairly with respect. The Company also encourages others associated with CG to uphold the highest standards of business ethics.

The Board of CG consists of a total of eight directors, seven of whom are non-executive directors.

Four Independent Directors (including two women directors).

Skill Diversity

The Company operates efficiently, as the Board is comprised of qualified individuals who have the necessary skills, expertise, competence, and ability to contribute to its committees and strategic oversight decisions. The key skillsets identified for constructive functioning are as follows:

- Financial Management
- Global Business Environment perspective
- Business Leadership
- Technology
- Mergers and Acquisitions
- Board Insights

For more details, the Profile of Directors are available on CG's [website](#)

ESG Roadmap and Sustainability Governance

Sustainability is always at the core of the Company's ethos and for the first time formally the Company is stepping into its sustainability reporting by disclosing its performance across Environment, Social and Governance (ESG) through the ESG Report after publishing its first Business Responsibility and Sustainability Report (BRSR) for FY2022-23.

In line with the sustainability journey, the Company is planning to develop a structured ESG roadmap as a guiding document to manage its sustainability performance.

Code of Conduct and Policies

CG's Code of Conduct is the foundation of the Company's culture and decision-making. CG's code specifies and helps in the implementation of the best Business practices by establishing certain basic non-negotiable standards of behaviour in key areas. These principles and ethics cover all aspects of the operations. It applies to each person and organization that helps serve the Company's stakeholders. It specifies the guidelines and governance processes that constitute the operating framework for the compliance program. All directors, officers and employees of the Company are informed of the code on joining the Company.

To maintain fair governance and a long-term sustainable future for the organization, an unbiased perspective with impactful decision-making is essential.



List of Policies

Code of Conduct and Business Practices	CG's Code of Conduct describes the organization's expectations from its employees (at all levels of management). It applies to each person or organization that helps the Company serve all stakeholders. For more details, refer to CG's Code of Conduct policy .
Cyber Security and Data Privacy	This policy acts as an overarching framework for IT security standards and policies. It functions as a strategic guideline which establishes controls, provides direction, promotes a security-conscious organizational culture, and supports efficient incident response and recovery, risk management and the protection of valuable information assets.
Related Party Transactions Policy	Related Party Transactions policy is reviewed and approved to ensure that the Company is protected from any conflicts of interest that may arise between the Company and its Related Parties. For more details, refer to CG's Related Party Transactions policy on the subject .
Product Stewardship Policy	Product Stewardship is the guiding philosophy for CG's products. Through this policy the Company addresses its goal to minimize the impact of the Company's products on health and safety of its customers as well as on the environment. For more details, refer to CG's policy on the subject .
Customer Care Policy	Effective customer relationship management is facilitated by this policy. By implementing this policy, the Company respects consumer rights. For more details refer to CG's Customer Care policy .
Environment Policy	Environment Policy ensures environmental stewardship in CG's business planning and management system. The Company understands its responsibility towards the environment and strives to limit the negative impact of its operations on the environment. For more details, refer to CG's Environment policy .
Human Rights Policy	The purpose of this policy is to provide the guiding principles for respecting and safeguarding human rights throughout CG's activities. Areas covered under this policy include Equal Opportunity and Fair Treatment, Forced Labor, Harassment-Free Workplace, Child Labor. For more details, refer to CG's policy , on the subject.
Occupational Health and Safety Policy	Occupational Health and Safety Policy ensures health, safety, and welfare at work, complying with applicable occupational health & safety related regulatory requirements, minimizing the risk of work-related injuries and ill-health and establishing a framework for setting Occupational Health and Safety (OHS) objectives. For more details, refer to CG's OHS policy .

List of Policies

Whistle Blower Policy	The Company's Whistle Blower Policy enables employees to raise and file any concerns of suspected misconduct. The mechanism provides for adequate safeguards against victimization of the persons using the mechanism and provides direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. For more information, the policy is available on the Company's website .
Anti-Bribery and Anti-Corruption practices and Policy	The Company has zero tolerance towards bribery and corruption. The Company's Anti-Bribery policy is applicable to all employees, representatives, vendors, and business partners and enables CG to reduce the risk of consequences from improper behavior, such as bribery, corruption, and helps the Company to quickly identify and report a potential breach. CG has not received any instances of corruption, anti-competitive behavior, or anti-trust and monopoly practices during FY2022-23. For more information, the policy is available on the Company's website .
Prevention of Sexual Harassment Policy	CG has a zero-tolerance policy towards sexual harassment. In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has a 'Prevention of Sexual Harassment Policy' in place. The purpose of this policy is to make the workplace safer for women by preventing, prohibiting, and redressing acts of sexual harassment at the workplace. There were no incidents of sexual harassment reported in the financial year 2022-23.
Supplier Code of Conduct	The Company's Supplier Code of Conduct spells out CG's ethical and business practices, which helps to ensure set standards are met by suppliers. This document highlights the mutual commitment the Company has towards the responsibilities and obligations for sourcing responsibly. The Company encourages all its suppliers to join in this commitment to provide and maintain a safe working environment for all its employees and to conduct its business in an environmentally responsible and sustainable manner. The Board routinely evaluates procedures and policies as needed and ensures that any necessary corrective actions are taken. For more information, the policy is available on the Company's website.
Determination of Materiality for Disclosure of Information/ Events to Stock Exchanges	This policy is based on the principles governing the disclosures as stated in the SEBI LODR Regulations and the circular(s) & guideline(s) issued by the Securities and Exchange Board of India ("SEBI") in this regard. This policy lays down the guidelines for determining the materiality thresholds with respect to certain events or information of the Company as permitted under the SEBI LODR Regulations.

The Company regularly tracks and resolves shareholder complaints in a structured manner. During FY2022-23, CG received 28 complaints which were in nature of non-receipt of share certificates sent for Transfer/Demat, non-receipt of dividend, non-receipt of Annual Report and Legal Notice in relation to transmission case. However, none of the Complaints were pending for a period exceeding 30 days during the year. Complaints, if any received from shareholders, are attended to and resolved by the Management in co-ordination with the Registrar and Transfer agents of the Company and reported to the Board, on quarterly basis. CG has various Board-Level committees to monitor the overall business performance with effective implementation of its code of conduct and policies.

Board and Management Committees

Nomination and Remuneration Committee (NRC)

The Company has a duly constituted Nomination and Remuneration Committee (NRC) in compliance with the provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II of SEBI LODR regulations, including the scope and terms of reference. For more details, please refer to the Nomination and remuneration committee (NRC) Policy and Section in the Annual Report.

The Committee comprises of Mr. Vellayan Subbiah, Mr. P S Jayakumar, and Mrs. Vijayalakshmi R Iyer.

Risk Management Committee (RMC)

The Risk Management Committee (RMC) is constituted in compliance with the provisions of Regulation 21 of SEBI LODR in order to manage the risks associated with the Company. For more information on the Risk Management Committee (RMC) please refer Annual Report regulations.

The Risk Management Committee comprises of Mr. Vellayan Subbiah, Mr. Sriram Sivaram, Mr. M A M Arunachalam, Mr. Natarajan Srinivasan and Mr. Ramesh Kumar.

The Stakeholders Relationship Committee (SRC)

The composition of the Stakeholders' Relationship Committee (SRC) constituted by the Board of Directors is in compliance with the provisions of Regulation 20 read with Part D of Schedule II of SEBI LODR and Section 178 of the regulations, including the scope, role and terms of reference. For more information, please refer to the SRC section in the Annual Report of FY 2022-23 on page no. 61. The Committee comprises of Mr. Vellayan Subbiah, Mr. M A M Arunachalam, Mr. Natarajan Srinivasan and Mr. Sriram Sivaram.

Corporate Social Responsibility Committee (CSR)

The composition of the Corporate Social Responsibility (CSR) Committee is in line with the provisions of Section 135 of the Companies Act, 2013. For more information on CSR please refer to the CSR section in the Annual Report. CG's Corporate Social Responsibility (CSR) Committee consists of Mr. M A M Arunachalam, Ms. Sasikala Varadachari and Mrs. Vijayalakshmi R Iyer.

Audit Committee (AC)

The composition of the Audit Committee (AC) of the Board of Directors is in compliance with the provisions of Section 177 of the Act and Regulation 18 read with Part C of Schedule II of SEBI LODR regulations, including the scope and terms of reference. For more information, please refer to the AC section in the Annual report.

The committee comprises of Mr. P S Jayakumar, Ms. Sasikala Varadachari and Mr. Vellayan Subbiah.



Ethics and Compliance

To conduct business with high ethical standards, the Company has adopted a proactive approach towards compliance in order to avoid non-conformities to applicable legal and other obligatory requirements and to integrate responsible governance in the set of policies and processes. The compliance framework is aligned with the sustainability management approach in ensuring that compliance issues related to any initiatives are handled appropriately to ensure minimal negative impact on the Company. CG positions ethics and compliance programs as a responsibility of each employee to nurture the Company's culture.

Additionally, the Company has developed a comprehensive set of procedures and regulations to incorporate responsible governance. These policies are applicable to CG's employees, suppliers, contractors, service providers and are accessible on the Company's website. They encourage fair employment practices, transparency, competitiveness, diversity, prohibition of abuse and harassment and safety.

The Company is committed to create a shared value for its stakeholders by upholding the strong and compliant mechanism around social and environment by following the ESG policies.

Risk Management

As the world is extremely dynamic and interconnected, a multitude of shifting influences are constantly changing the corporate landscape. Because of the unstable environment in which the business functions the Company must be better equipped to handle risks and uncertainties in the constantly changing corporate environment. CG constantly strives to make wise and risk-aware business decisions since the Company is dedicated to safeguarding and increasing value for its stakeholders. One of the main tenets of sound corporate governance is risk management which supports an organization's long-term viability and expansion.

One of CG's top strategic goals is to maintain efficient risk management procedures which are regularly examined by the Senior Management and the Risk Management Committee. The Company is in the process of updating the current risk management policy, procedures, and framework, which will serve as the cornerstone for risk management operations. CG acknowledges the value of having a strong and comprehensive risk management system.

The Company's updated policy aims to provide a more solid and organized framework for enterprise risk management. This will set up a methodical approach to risk management at the unit, business division, and leadership levels within the firm. Roles and duties for risk management have been established at every level. In order to identify potential hazards under multiple categories, including both internal and external, the Risk Management framework will be used.

Types of risks identified



The Company has not presently formally assessed the financial implications of climate change related risks.

Risk Management Process



Scope, Context and Criteria for Risk Process

Defining the scope of the process after understanding the internal and external context within CG's risk appetite.



Risk Identification

It requires identifying and recording possible risks, threats and uncertainties which might have a negative impact on goals or outcomes. It involves identification of sources of risk, areas of impacts, events, and their causes along with their potential consequences on the achievement of business objectives.



Risk Analysis, Evaluation and Prioritization

It involves evaluating and assessing the potential impact, likelihood and velocity of the identified risks and prioritization of risks based on the risk rating to identified key risks. It allows CG and the employees to make informed decisions and prioritize resources to effectively manage and mitigate risks.



Risk Mitigation

It involves the process of planning and implementing risk mitigation plans and response strategies, and assessing the effectiveness of the treatment. It requires being proactive in order to reduce the adverse impacts that could result from prospective risks.



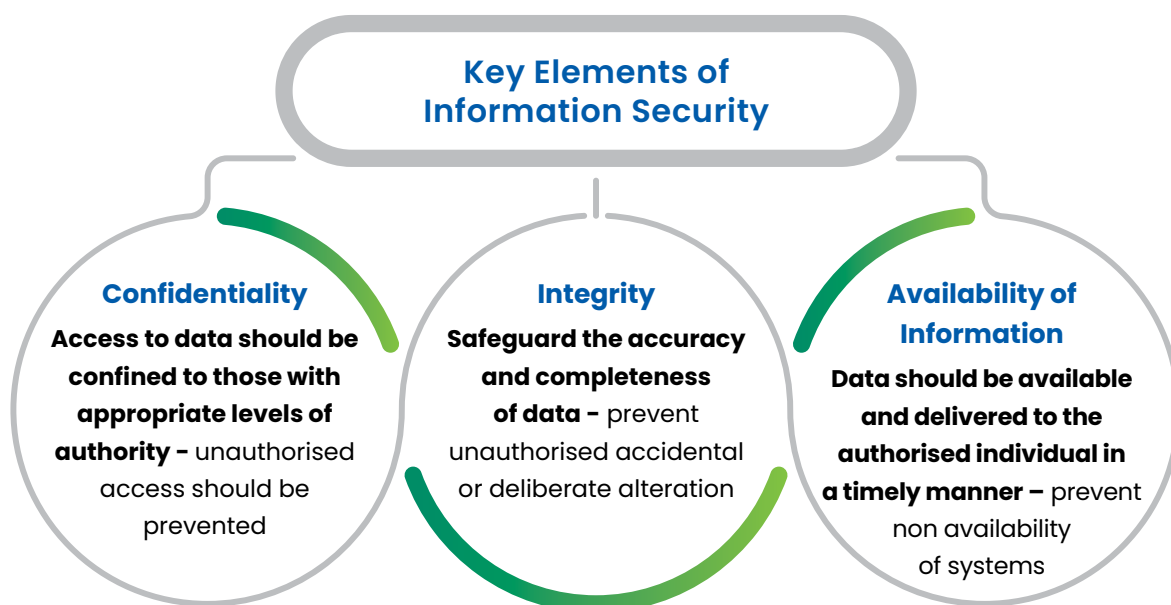
Risk Monitoring and Reporting

To ensure that risks are effectively managed and controlled, it encompasses routinely analyzing and updating risk information. The status of the risks needs to be monitored periodically with the changing external environment and the key enterprise risks must be reported on a periodic basis to evaluate progress of mitigation plans.

Information Security Framework

To manage risks pertaining to confidentiality and integrity it becomes essential to have a robust system in place which ensures that the information stored in the devices is safe and secure. Digital security and customer privacy considerations are crucial for the Company and can have a significant impact on the business. CG respects the privacy of its customers and endeavors to protect their data and information.

however be shared with relevant contractors or third parties after signing the confidentiality and non-disclosure agreements with them. The policy is based on international frameworks and practices such as ISO/IEC 27002, Control Objectives for Information and Related Technology (COBIT) and National Institute of Standards and Technology (NIST) protocols.



CG's Information security strategy is based on a holistic approach covering people, process, and technology. It strives to maintain confidentiality, integrity, and availability of information, stored and processed in CG systems by implementing administrative, procedural, and technical controls at all levels in the organization. For meeting the organization's security requirements and laws, internal audits are being conducted on a regular basis.

CG has an Information Security Policy which can be accessed internally and is meant for circulation within the CG Group. The policy may

Responsible Supply Chain

In this changing time, responsibility refers to more than merely protecting the interests of shareholders and promoting employee welfare. It equally emphasizes on making a difference in the social and environmental spheres and developing a culture of good governance. To achieve this, CG chooses 'Responsible Sourcing' as one of the cornerstone principles of the ESG (Environment, Social, Governance) framework which is evident in the objectives of the

Company's Supply Chain Sustainability Policy and the Supplier Code of Conduct.

CG's Supplier Code of Conduct and Supply Chain Sustainability Policy outlines the expectations, guidelines and establishes obligations for third parties, and vendors or suppliers to commit to fair treatment, ethical behavior, safe and sustainable business practices. The Company aspires to develop a responsible supply chain framework which comprises of a clear policy with supporting processes to incorporate additional ESG criteria for supplier evaluation, including contractual compliance obligations, where necessary. Its regular evaluation would give the Company useful information for risk management and make it easier to find suppliers who have underdeveloped ESG practices. CG would encourage them by assisting them in expanding their ESG capacities. For more information on shared value creation for suppliers, refer to the Social Value Creation section of this Sustainability Report.

Grievance Redressal Mechanism (GRM)

The Company's grievance redressal mechanism is aimed at minimizing instances of complaints and grievances through proper provision of stakeholder GRM management by ensuring prompt redressal of complaints and grievances. All the grievances received through various available channels are registered and managed. CG ensures to keep the stakeholder informed throughout the entire process of complaint resolution.

The Company has a grievance redressal system which provides a fair and transparent process. GRM is an important aspect for ensuring strong relations with all stakeholders.

For more information on GRM, refer to Section A, Question 23, of the Business Responsibility and Sustainability Report, on page no. 77 of Annual Report for FY2022-23.

Cultivating Stronger Stakeholder Connection



The Company recognizes the value of strong relationships with its stakeholders to form a strong foundation of business. In the evolving regulatory landscape and shift in the business paradigm it is imperative to have a resilient business model to cater to the needs of stakeholders.

Stakeholder engagement forms a bedrock of CG's sustainable business model. The Company values all its stakeholders as collaborators in achieving the business objectives. Building strong relationships with the stakeholders is a priority. CG recognizes that each viewpoint is different and valuable which may impact and influence business activities, decision making and strategy.

Fostering a culture of positive environment and cultivating a productive engagement enables CG to create a long-term value for the business and stakeholders. The Company understands that engaging and interacting with internal and external stakeholders helps in ensuring

a synchronistic relationship by addressing their grievances and acknowledging their views. It is important to value the significance of each stakeholder for business to ensure business continuity and long-term resilience against any uncertainty, challenges, and risks.

Through the stakeholder engagement process, CG identifies the key stakeholders that have material influence on the value creation model. Below are the group of stakeholders important to CG:

Our Stakeholders



Aligning with the corporate mission of becoming the Company of choice through an empowered and engaged team, the Company has developed a robust stakeholder engagement mechanism. This enables the Company to

have constructive communication with all its stakeholders at regular intervals and identify the matters that are important to them. In FY2022-23, CG engaged with all its stakeholders through different modes of engagement as shown below:

Stakeholder Group	Relevance to CG	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
 Investors	Investors form the backbone of CG. They enable our access to financial capital and influence the business operations, including ESG and finance related decisions	- AGM - Financial Information Release - Investor Presentations - Earnings Calls	- AGM – Annually - Quarterly Investor Presentations - Need Based interactions	To inform on how the Company is currently performing and what it plans to do in near term future

Stakeholder Group	Relevance to CG	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
 Employees	Employees are crucial and key internal stakeholders of the organization. They are responsible for carrying out various tasks and operations within the Company. They play a vital role in contributing to the Company's culture and fostering a positive workplace	• Emails • Employee Satisfaction Surveys • Face-to-Face Meetings • HR Sessions • Rewards and Recognitions • Employee Newsletters • Team Building Workshops and Employee Grievance Portal	Need Basis	To keep employees updated on key development and initiatives undertaken by the Company and also address their grievances
 Customers	Customers are central to the value chain and success of the Company. They play a critical role in shaping the business ecosystem.	• Emails • Customer Engagement Surveys • Quality Business Reviews • Channel Partner Meetings • Regular Operations Reviews and Grievance Portal	Need Basis	To acquire new customers, service the existing ones and improve customer experience.

Stakeholder Group	Relevance to CG	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
 Suppliers	Suppliers are important stakeholders that contribute to the success of the Company. They influence the Company's quality and cost management structure. A well-managed and strategic relationship with suppliers can lead to a Company's growth and success.	CG Portal for Suppliers and Vendors	Need Basis	Engagement on supply planning, Quality and Supply chain management
 Communities	Communities at large refer to Society which CG believes in empowering along with generating profits. Community engagement and contribution are more likely to build sustainable business models.	Focus group discussions	Need Basis	Need assessment, Impact assessment, Holistic development of underprivileged communities

The Company is a member of several trade and industry associations, and it participates in a number of exhibitions held by these associations/bodies in order to further contribute on specific sustainable business topics.

The authorized representatives of the Company represent the Company in various industrial forums. They are aware of their responsibilities when representing the Company in such organizations. They engage in meaningful debates and discussions but do not lobby or influence public policy with entrenched interests.

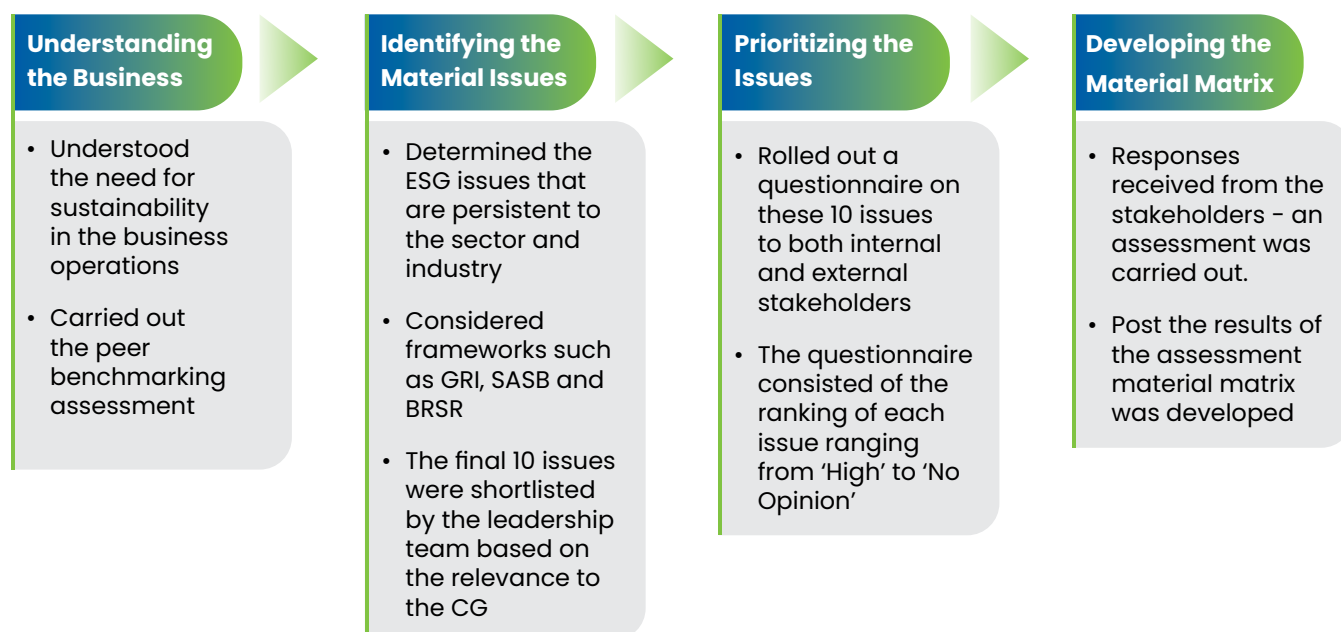
**Refer page no. 99 of the Annual Report FY2022-23 for more details on Membership Associations*

Prioritizing Materiality Assessment

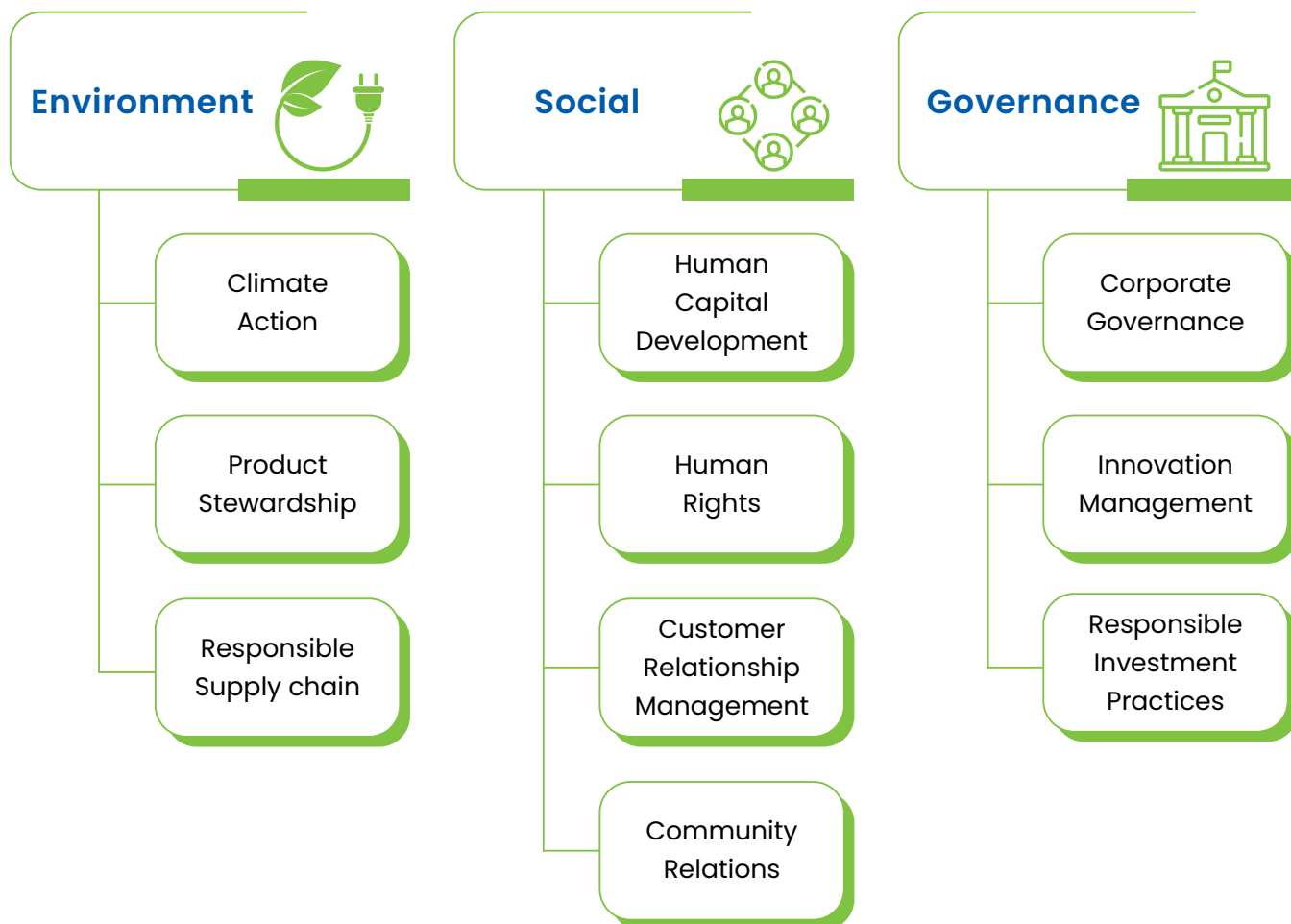
Through materiality assessment CG has identified the Environmental, Social and Governance issues which are important to the business and significant for the stakeholders. This process helps the Company in keeping itself aligned to the values and to meet sustainability

goals. The idea of sustainability has been embedded in the foundation of the business and has been made wider to include aspirations of stakeholders and responsibility to society and the environment. Understanding the interest of the stakeholders and identifying the material topics that are important to the business is the cornerstone for the Company. CG constantly interacts with them to meet their evolving needs. The Company is dedicated to integrating sustainability principles into the business model and growth strategy focusing on key dimensions such as climate change, product stewardship, responsible supply chain management, and related topics of interest and concern.

To comply with the Global Reporting Initiative (GRI) standards for FY2022-23, CG carried out a comprehensive materiality assessment to identify, evaluate, and finalize the non-financial or sustainability issues relevant to the industry and sector. CG's approach consists of five phases from understanding the business and industry to developing its material matrix.



Provided below are 10 material topics to demonstrate priorities of the key stakeholders and CG's management.



Creating Economic Value

CG reported a positive economic value for FY2022-23. In comparison to the prior financial year, the Company's top line and bottom line

improved during the year. In partnership with the stakeholders and value chain partners CG has created value for the economy through Industrial, Railway and Power divisions by providing customized solutions. The Company has catered to the needs of large segments of the economy.

The below table represents the economic value created by the Company.

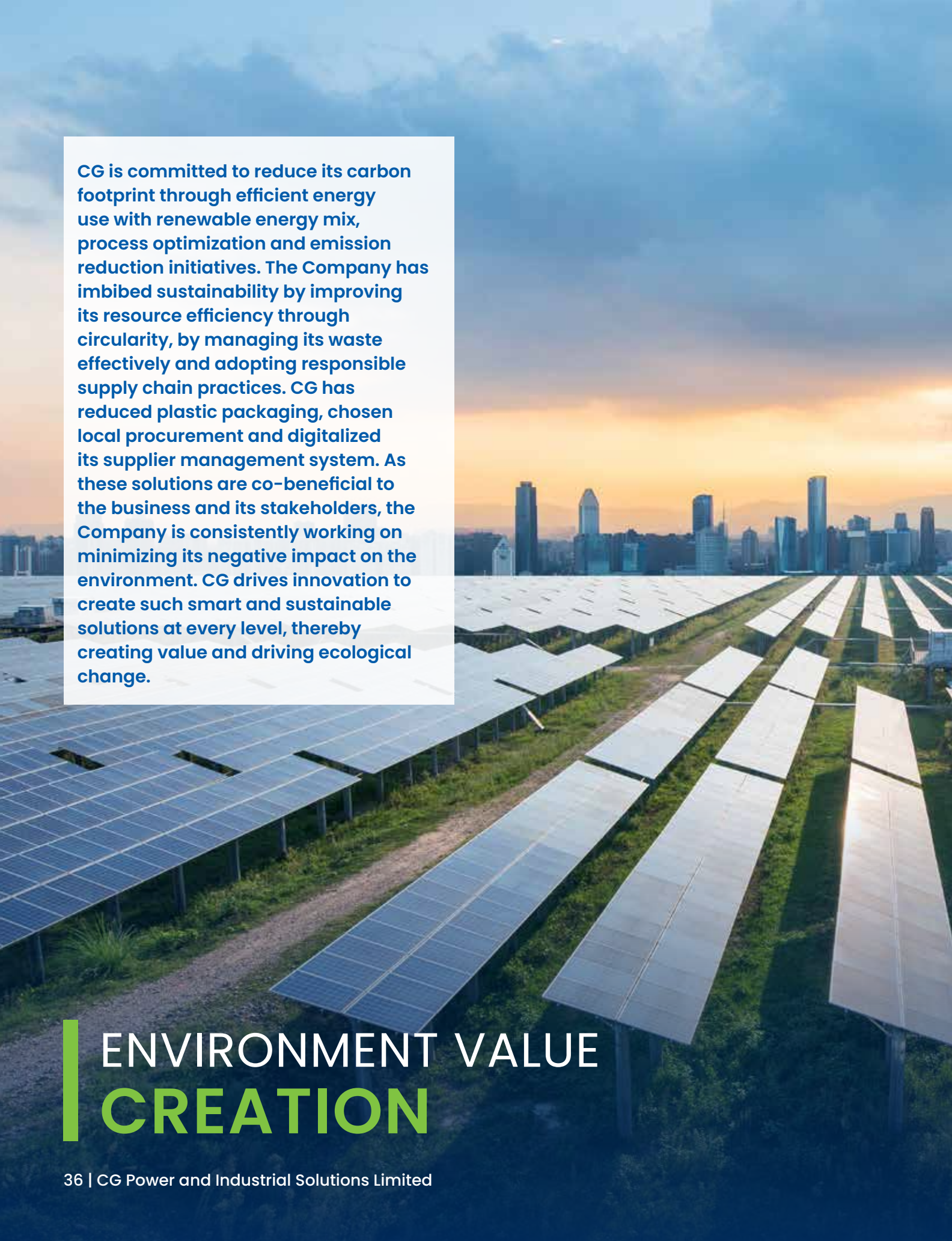
Direct economic value generated and distributed (In ₹ Crore)			
Particulars	FY2022-23	FY2021-22	FY2020-21
Direct Economic Value Generated	6,656.52	5,203.72	2,567.92
Revenues	6,579.63	5,159.18	2,525.89
Other Income	76.89	44.54	42.03
Economic Value Distributed	5,878.37	4,574.54	2,376.41
Operating Costs	5,301.87	4,285.91	2,088.20
Employee Wages and Benefits	331.35	287.52	258.90
Payment to Providers of Capital	235.26	46.78	26.57
Payments to Governments (incl. Taxes)	9.20	(45.67)	2.74
Community Investments	0.69	-	-
Economic Value Retained	778.15	629.17	191.51

For more information, refer to the Annual Report FY2022-23.

Tax Strategy

The Company recognizes the importance of tax in the Nation's economic development. The Company believes that tax responsibility is crucial for business sustainability. Compliance with all applicable tax regulations (including all the jurisdictions it operates in) as well as internal policies, guidelines and governance procedures relating to taxation is the prime responsibility of the Management and the Head of the Department. They are responsible for compliance with the tax strategy. CG has a dashboard that provides regular

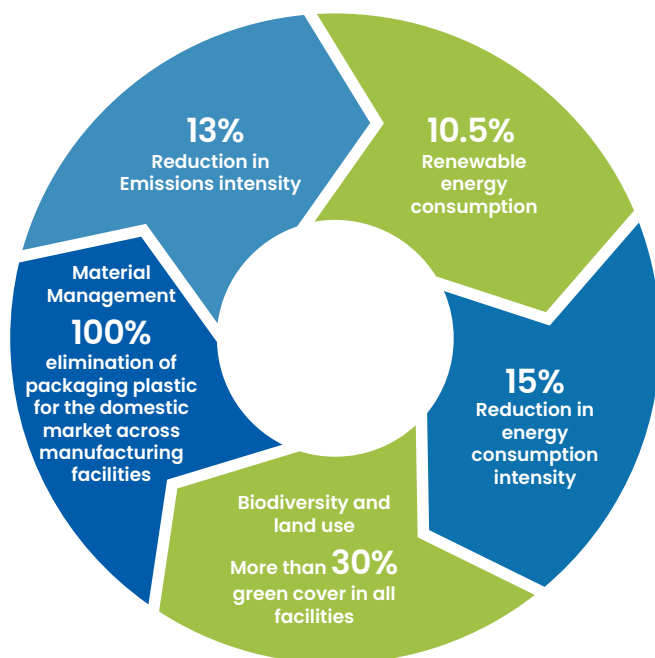
updates on taxation to the concerned department and management on the status of tax compliance which enables efficient monitoring and adherence to compliances. The Company discourages any tax planning which is not aligned with the tax laws of the respective jurisdiction in which it operates. The Company regularly engages with the relevant stakeholders, including tax authorities, in a constructive way to resolve tax disputes, if any. Applicable details on income tax, deferred tax, customs duty, excise tax, GST, etc. are provided in the Financial Statements and the notes in the Annual Report.



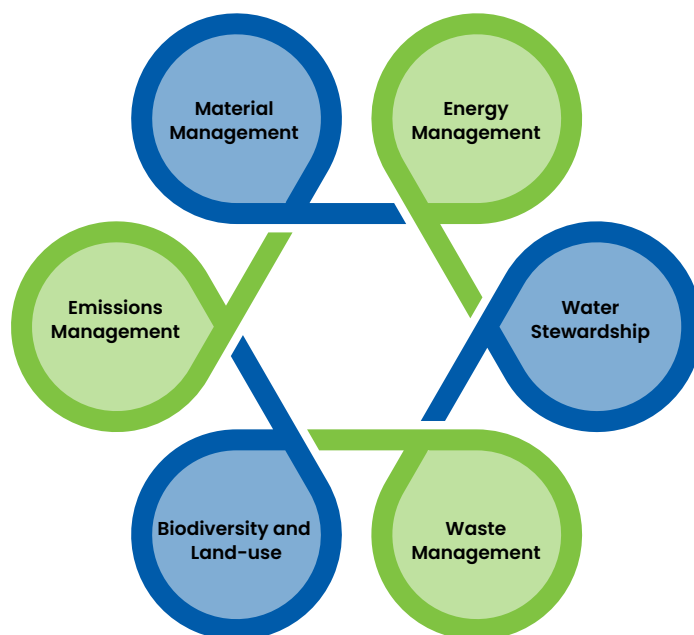
CG is committed to reduce its carbon footprint through efficient energy use with renewable energy mix, process optimization and emission reduction initiatives. The Company has imbibed sustainability by improving its resource efficiency through circularity, by managing its waste effectively and adopting responsible supply chain practices. CG has reduced plastic packaging, chosen local procurement and digitalized its supplier management system. As these solutions are co-beneficial to the business and its stakeholders, the Company is consistently working on minimizing its negative impact on the environment. CG drives innovation to create such smart and sustainable solutions at every level, thereby creating value and driving ecological change.

ENVIRONMENT VALUE CREATION

Key Highlights



Key Focus Areas



Material Management	Energy Management
CG understands the importance of sourcing raw materials in a sustainable manner and ensures responsible procurement of materials to provide quality products with customer satisfaction. CG places a high priority on effective material management since it directly affects the risk of product damage during shipping and distribution. Thus, the Company has deployed resilient solutions to improve productivity across manufacturing, transportation, and installation processes in order to address the challenges. The Company's internal processes place a strong emphasis on minimizing product damage and incorporate dependable storage procedures all the way through the supply chain.	Energy conservation and the use of renewable energy sources are given top priority at CG. The Company regularly evaluates its energy management systems, considering generation, consumption, and overall efficiency to achieve operational productivity. Through initiatives like solar rooftop projects as a renewable energy source various initiatives around energy saving have been implemented. CG is committed to shift to cleaner and greener sources of energy.

Reducing Emissions	Water Stewardship
The potential effects of GHG emissions on business, society, and the environment are acknowledged by CG. As a responsible business entity, the Company is committed to decarbonize its operations. CG has started monitoring its Scope 1 and Scope 2 GHG emissions and is in the process of inventorization of its Scope 3 emissions. In the case of air emissions, CG complies with the regulatory guidelines issued by the Pollution Control Boards (PCBs) adhering strictly to the laws that regulate the monitoring and management of air pollutants like SO_x, NO_x, and suspended Particulate Matter (PM). The Company has put in place a thorough system for calculating, monitoring, and carrying out corrective actions to reduce emissions. To reduce and balance emissions, the Company is committed to a gradual switch to increase renewable energy sources.	Water is regarded as a shared and valued resource by CG. The Company is committed to judicious use of water resources. Responsible withdrawal, consumption, recycling, and wastewater management are all part of this commitment. As part of the commitment, CG regularly monitors the water consumption and quality of the used water. CG has notable water conservation measures put into practice like Rainwater harvesting. To ensure efficient management of water resources, CG optimizes water use while gradually lowering water intensity.
Waste Management	Biodiversity and Land-use
Effective waste management techniques are extensively used by CG by advocating the philosophy of circular economy of reduce, reuse, recycle, and recover across its operations. The Company manages its waste as per the regulatory guidelines on storage, handling, transportation, and end of life processes. CG also encourages local enterprises by procuring alternative and biodegradable packaging material in order to reduce overall packaging waste and its impact.	CG is committed to protecting and restoring natural habitats as part of its mission to encourage the revitalization of regional biodiversity and the surrounding landscape. The Company's objective is to increase local biodiversity while promoting a peaceful atmosphere that upholds ecological balance. CG actively promotes these goals by implementing eco-restoration projects and tree-planting activities in the communities and on the grounds of the facilities.

CG reinforces its dedication by actively contributing to resolving the intricate challenges brought on by addressing climate change, reducing carbon footprints, and establishing sustainable supply chains. CG has proven its persistent commitment to tackling the complexity of climate change with concrete, significant steps, going beyond mere rhetoric.

Recognizing the global ramifications of climate change, CG is committed to protecting the environment, as evidenced by its unwavering commitment. By maintaining the ideals of the Paris Agreement, CG assumes a leading position in environmental sustainability, ethical business behavior, and industry-wide climate action, prioritizing long-term business viability



and carrying out corporate responsibility. With the help of its resources, connections, and expertise, CG aims to significantly advance the global fight to battle climate change and create a resilient and sustainable future for the newer generations.

Addressing Climate Change

Mitigating the effects of climate change constitutes a central focus at CG. With the implementation of innovative and sustainable methods throughout its operations, CG sees itself in this situation as a proactive agent of positive climate change and seeks to lead the paradigm change towards a low-carbon economy through a comprehensive strategy that includes technology improvements, resource optimization, and stakeholder involvement. The Company has committed to achieve 'Carbon Neutrality' over its Scope 1 and Scope 2 emission by the end of 2030.

Meeting and Exceeding Regulatory Requirements

CG facilities are purposefully designed to exceed local regulatory requirements producing environmental positive outcomes that go above planning requirements set forth by local authorities. In addition to aligning CG with current standards, this proactive approach places the Company in a favorable position to benefit from upcoming legislative developments, such as the passage through the Business Responsibility and Sustainability Reporting (BRSR) directive as given by the SEBI.

Material Management Responsible Sourcing



Recognizing the importance of the value chain, CG highlights the imperative need for a sustainable supply chain in its [Supply Chain Sustainability Policy](#). For mutual advantage, the business places a high priority on developing

resilient relationships with its suppliers. In addition to environmental stewardship, corporate governance, regulatory compliance, healthcare, diversity, inclusion and the defense of human rights, supply chain management is essential to CG's commitment to sustainable development. The goal is to encourage suppliers to adhere to the ethical, occupational health and safety, and environmental standards established in CG's [Supplier Code of Conduct](#). The business actively pushes suppliers to adhere to these values.

Product Stewardship

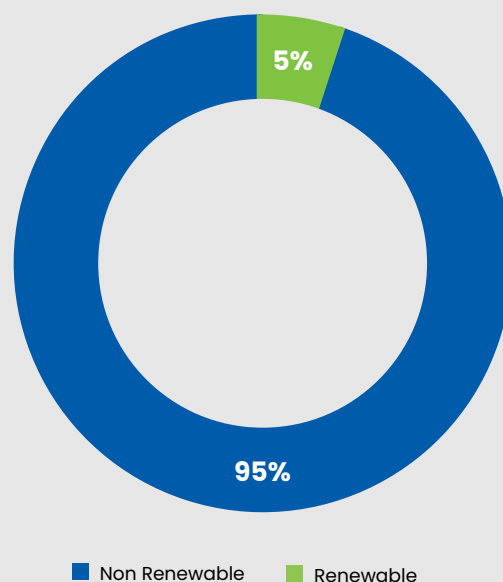
Integrated Product Stewardship directs thoughtful decisions across the product life cycle. It serves as the guiding principle for CG's intellectual capital. The Company has a [Product Stewardship Policy](#) which takes accountability of the supply chain from research and development, sourcing, manufacturing, marketing, distributing and discontinuing of each product. The Company's goal is to minimize the impact of all its products on the health and safety of the customers as well as on the environment. This Policy states that the Company selects its suppliers, taking into consideration environmental, ethical, social and safety criteria across the product life cycle. The Supplier Code of Conduct and Supply Chain Sustainability Policy works coherently with the Product Stewardship Policy providing further guidance on transforming CG's supply chain.

Material Index

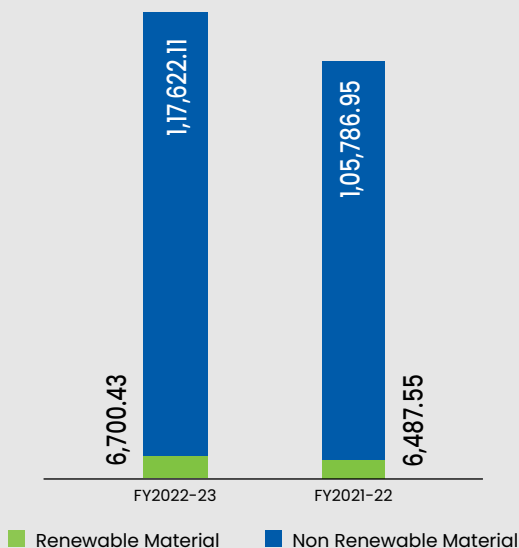
A key component of CG's environmental approach is efficient resource management. The Company strives to efficiently use natural resources and reduce process waste. CG is always focusing on enhancing its operational productivity by eliminating process bottlenecks

and effective control of material movement. The cornerstone of CG's sustainability approach stresses on resource efficiency in material management by continuously optimizing the usage of raw materials and using environment friendly substitutes. To ensure smooth operations and reduce risks in material management across production, shipping, and logistics, the Company uses dependable storage solutions. Internal policies place a high priority on preventing product damage throughout the supply chain by using reliable storage techniques. The materials used as non-renewable raw materials are steel, stamping, copper, aluminum, paper, and other metals varnish, choke, resins and Cold Rolled Grain Oriented Steel (CRGO) including renewable materials such as wood. CG is constantly looking into increasing the amount of renewable material inputs such as wood for packaging to endorse recycling, reusing and overall circularity in process manufacturing.

Material Mix in FY2022-23



Material Consumption in MT



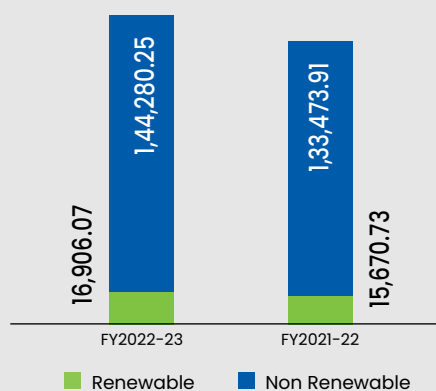
Energy Management

CG is moving toward sustainable energy sources through the integration of renewable energy systems with the goal of reducing total energy consumption sourced from fossil-based energy sources. Notably, the Company has achieved a reduction in energy intensity by 15% compared to FY2021-22. Thus, a crucial component of the Company's sustainability agenda is to transition towards sustainable energy consumption. The Company actively pursues efforts to make the switch to cleaner and non-fossil-based energy sources in order to achieve its decarbonization goal. **CG has 4,507 kW of installed solar energy capacity as of FY2022-23.** To help with this effort, CG is committed to creating energy-efficient processes. Effectively, 10.5% of its energy consumption consists of renewable energy and the Company aims to continue increasing its stake in sustainable sources of energy. The Company strives to utilize its energy effectively through various initiatives throughout its facilities.

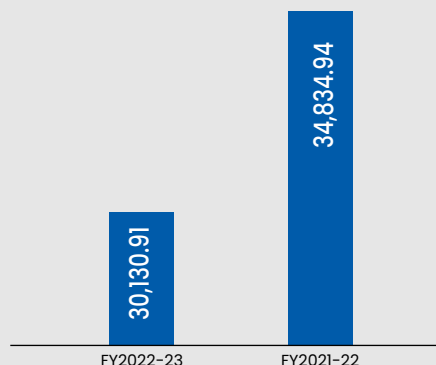
Energy Consumption

The primary energy sources used by CG are grid electricity and energy from Diesel Generators (DGs), Light Diesel Oil, Liquified Petroleum Gas (LPG) and Solar Rooftops. To reduce Greenhouse Gas Emissions (GHGs) the Company is dedicated to a progressive renewable energy capacity installation. Solar rooftops were noted as a significant renewable energy source. CG's total energy consumption for FY2022-23 is poised at 1,61,186.32 GJ with renewable energy usage showing a positive trend and accounting for 10.5% of all energy consumed across 17 industrial locations. However, the Company is not monitoring energy consumption outside the organization.

Total Energy Consumption in GJ

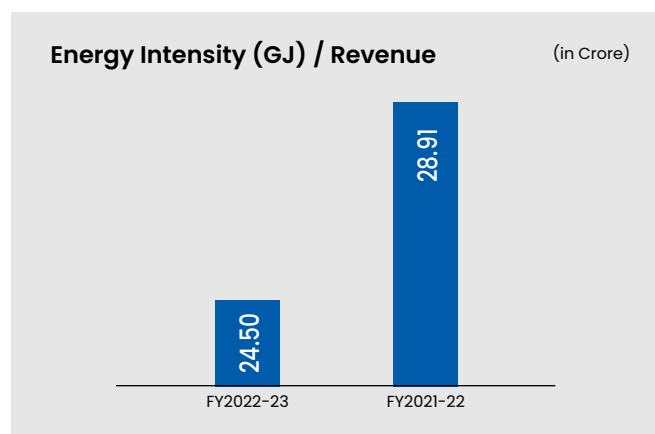


Fuel Consumption in GJ



Energy Intensity

CG was able to identify energy efficiency opportunities by real-time and regular monitoring of the energy consumption at all facilities. It was identified that the optimal utilization of energy could be achieved through improved operating procedures, digitalization, and installation of energy-efficient equipment. This resulted in a significant improvement in FY2022-23's total energy intensity reduction. The Power division and Industrial division have witnessed the reduction in energy intensity by 10.74% and 19.58%, respectively. *For detailed information on initiatives, please refer to the table below.*



Energy Saving Initiatives

Key Initiatives

- **VFD Drive Implementation:** The use of a Variable Frequency Drive (VFD) on a 15-ton T3L crane and a 5-ton crane's LT and CT movements demonstrates a dedication to precise control for the best possible use of energy.
- **LED Lighting Enhancement:** As part of a shift to more energy-efficient lighting options for improved sustainability, 100 wall-mounted LED lights were replaced 150 streetlights.



- **Integration of a GA55 Compressor** for the power testing setup demonstrates an investment in cutting-edge technology to reduce energy consumption. This has helped save 2,88,000 kWh of energy and 205.92 tCO₂e of emissions in FY2022-23.
- **New testing infrastructure** for small tasks has been established, with a focus on reducing power consumption during high voltage testing to improve operating efficiency.
- The Company started on an energy-efficient path to improve our lighting system at the Distribution Transformer Plant in Gwalior. CG generated significant annual energy savings by replacing obsolete Metal Halide fixtures with



contemporary LED street lights. This program is consistent with the commitment to a more environmentally friendly and sustainable future.

- Implementation of Timed Control: The installation of timers in Air Handling Units (AHUs) to reduce power usage emphasizes CG's rigorous attention to energy saving. This has helped save 3,12,000 kWh of energy and 223.08 tCO₂e of emission in FY2022-23.

Key Initiatives – Elaboration on VFD Drive Implementation

- VFD Drive Implementation: The use of a Variable Frequency Drive (VFD) on a 15-ton T3L crane and a 5-ton crane's Long Travel (LT) and Cross Travel (CT) movements demonstrates a dedication to precise control for the best possible use of energy.
- The standard airline was replaced with a leak-proof compressed air pipeline, leading to reduction of the energy consumption of air compressors. Additionally, multiple winding machines have VFDs installed, which reduce the power usage of the equipment.
- The Stamping division purchased a battery-operated forklift and a hand pallet truck to lessen the amount of pollution inside the facility. This also helps the Company to use less diesel.

- Switch from a manual dip-and-bake oven to an automatic conveyORIZED baking oven to cut down on electricity use and varnish cake waste.
- A significant reduction in energy usage was observed with installation of industrial fans using 200W induction motor technology were replaced with fans using 85W BLDC motor technology.

Key Initiatives at the Railway Division in Industrial Systems

- The installation of Variable Frequency Drive (VFD) and Conventional AC-based test beds was a part of the drive to address high energy usage during Traction Motor testing. Taking into account a 50% deployment of the new test bed together with a 50% usage of the existing test bed, anticipates better efficiency. A recurrent energy savings of 50 kWh per motor is one of the long-term advantages, enhancing corporate sustainability and environmental responsibility.



Energy saved: 80 kWh to 30 kWh per motor

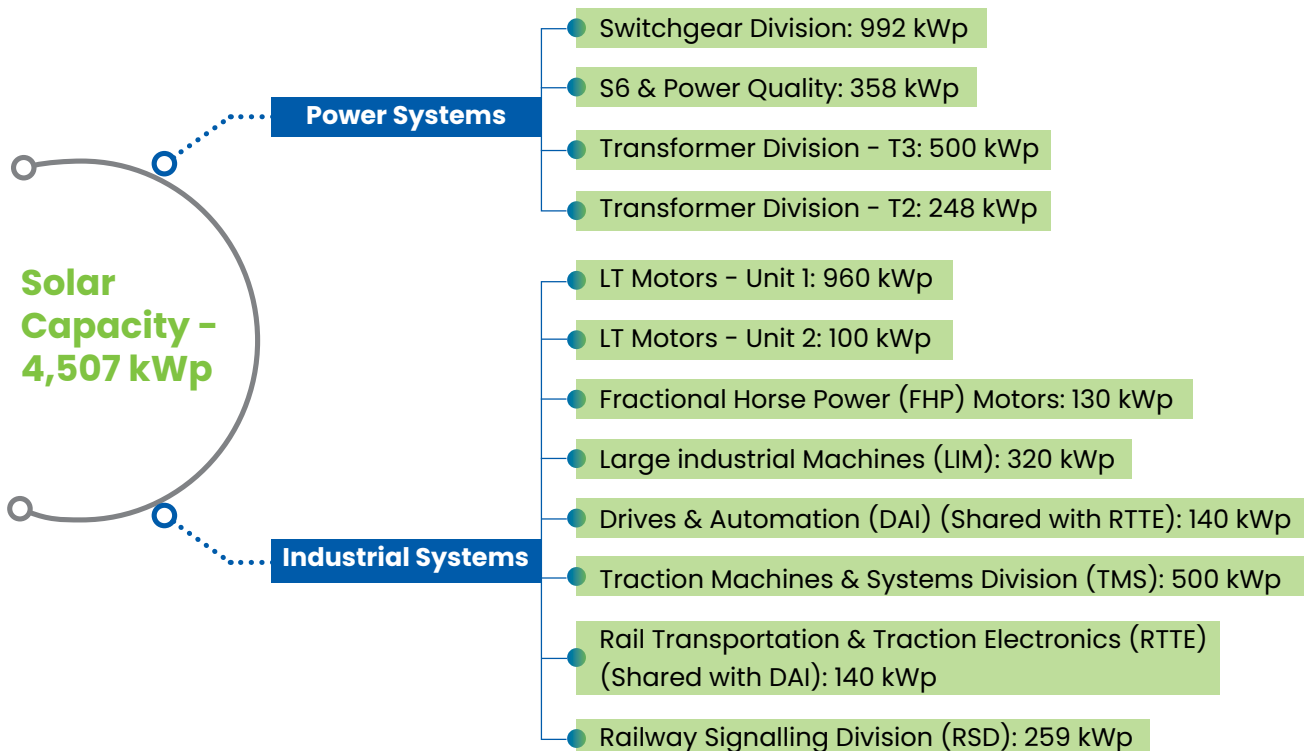
Renewable Energy

Presently 10.5% of all energy used comes from renewable sources, specifically through rooftop solar installations. The Company saved 3,357.75 tCO₂e of emissions with the help of renewable energy consumption. The Company's renewable energy portfolio has improved after the installation of rooftop solar capacity of **4,507 kWp** across the manufacturing facilities. Plans for boosting 'Green energy' targets with continued solar power rooftop system installations across other sites are a part of the commitment to sustainable energy. The Industrial Systems Division units are using rooftop solar panels to generate about 16.9% of their electricity demands (with the exception of Unit 3 and Stamping). Sunlight reflectors on the rooftops of



Switchgear Products Manufacturing Unit at Nashik, Maharashtra

the Company's new M6 Goa unit offers sufficient lighting negating the requirement for daytime lighting. Additionally, Traction Machines and Systems Division (TMS) now has a 500 kWp rooftop solar power plant enabling the Railways Division's to increase the usage of renewable energy from 5% to 20% and thereby resulting in a 10% reduction in carbon emissions. Furthermore, the Transformers Division completed installation of a 348 kW solar generation facility in Gwalior



under a Power Purchase Agreement producing 4.32 lakh solar units leading to a savings of ₹ 22.41 lakhs in FY2022-23. Similar setup of 500 kWp at Transformers Division Mandideep in February 2022 generated 64 thousand units and savings of ₹ 2.4 lacs. Further this is expected to produce ~ 8 lakh solar units and save ₹ 32 lakhs in FY23-24. The installation of rooftop solar panels (992 kWp) for EHV and MV Switchgear plants in Nashik produced energy savings of 12.28 lakh units and cost savings of ₹ 72.08 lakhs under a 'Solar as A Service' model.



Emissions Management

Innovation is one of the key drivers at CG, and the Company implements cutting-edge solutions to create sustainable outcomes. With energy saving initiatives and use of clean energy sources the Company has successfully led its emission reductions objectives. In FY2022-23, CG formally initiated the accounting and reporting of its GHG emissions with respect to Scope 1 and Scope 2 categories. In addition to this, the Company has also initiated accounting and inventorisation of its Scope 3 emissions with respect to the 7 categories.

CG also aims to reduce its emissions by championing local procurement across the value chain, which is contributing in reducing its emissions from its logistical operations. The Company has successfully reduced its GHG emission intensity (Scope 1 and 2) from the previous year by **13%**. The Power Division and Industrial Division have witnessed reduction in emissions intensity by 9.99% and 16.58%, respectively. Additionally, the Company has

initiated Life Cycle Analysis (LCA) of selected Power Systems products to assess the overall impact of the product, and identify and reduce its life cycle emissions.

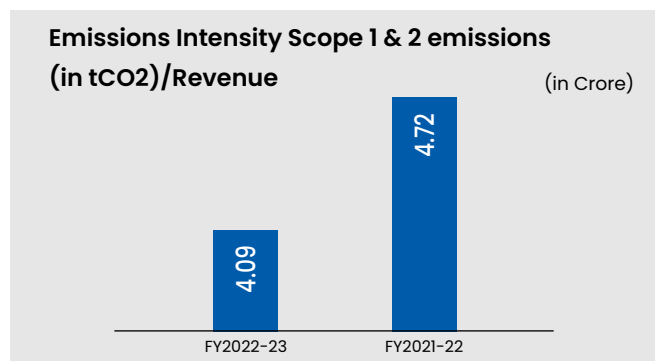
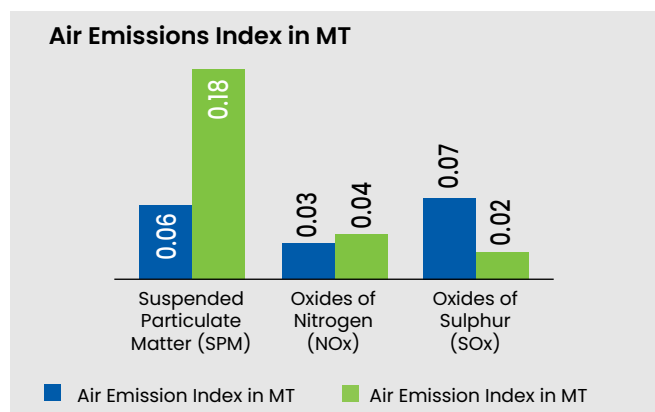
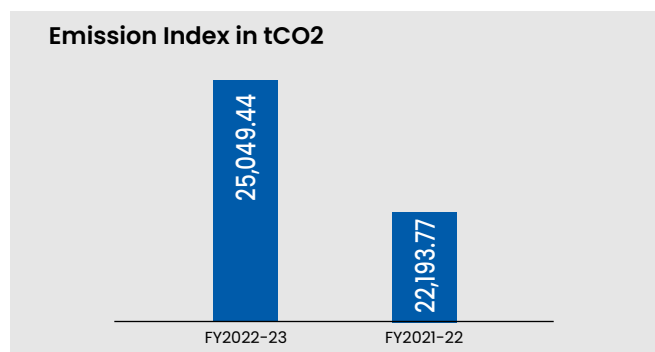
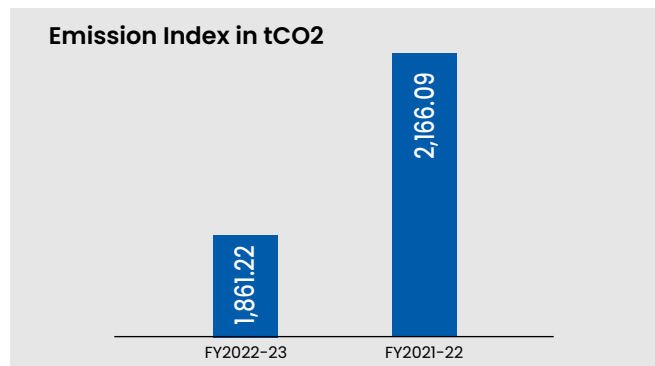
Solutions like these, which are borne from innovation and create effective ecological benefits are the epitome of CG's ESG philosophy.



GHG Emissions and Climate Change

It has become imperative for industries to modify their business models towards a low-carbon economy and to battle climate change and lower Greenhouse Gas (GHG) emissions. The evidence of climate change and its effects is undeniable on a worldwide scale. The reduction of direct and indirect emissions is CG's top objective because GHGs have a significant impact on climate change. To cut down on the carbon footprint, the Company is investing in low-carbon technologies and circular business models through effective logistic planning, identifying local procurement opportunities, encouraging recycling and reducing waste. CG is broadening the scope of the project to encompass additional operational locations. All of CG's facilities actively work on initiatives to lower GHG emissions. The rigorous implementation of emission reduction initiatives is ensured by meticulous monitoring of industrial procedures and the use of green energy. To reduce emissions, the Kaizen principle of continual improvement serves as the foundation for process innovations at CG's facilities.

Scope 1 and Scope 2 Emissions



*The Company is in the process of implementing carbon accounting to assess the reduction in GHG emissions

Air Emissions and Other Emissions

CG undertakes quarterly evaluations of air emissions across all its facilities to identify and track ambient air quality and monitor its stack emissions. The major contribution of the air emissions for CG are via stacks of Diesel Generator (DG) sets. In addition to adhering to regulatory requirements, the Company focuses on reducing its emissions and ensures to comply within the permissible limits as per Consent To Operate (CTO). By actively adopting strategies to reduce emissions, CG places a strong emphasis on environmental stewardship and maintains strict compliance. CG is also in a process of exploring opportunities with respect to greener and alternative fuel sources to achieve emission reductions.

CG has put in place measures to limit its stack emissions at source and maintain a healthy environment for the areas in which it operates. This is discernible from the internal target that is set by all the plants of CG. The Company continues to strengthen its existing systems for regularly monitoring of its air emissions and measures these emission rates by considering the concentration of the contaminants and volumetric stack gas flow rate.

Parameter (in tons)	FY2022-23	FY2021-22
Nox	0.0329	0.039
Sox	0.0662	0.0217
Particulate matter (PM)	0.0588	0.1784

Water Stewardship

Water is one of the most precious and shared natural resources on the planet. CG aims to make the operations water efficient through various operational measures for storage, recycling and reuse of water as per the regulatory guidelines. The Company is committed to minimizing the utilization of natural resources like water, ensuring productivity and quality of the product. CG has taken a number of steps to reduce its water consumption. To ensure water stewardship, the Company has Sewage Treatment Plants (STPs) for recycling and reuse of water within the premises in order to ensure no liquid discharge outside the premises. In addition to this, the Company has dedicated rainwater harvesting catchment areas. Recycled water after treatment is used for various purposes including cooling, cleaning and gardening with water from sewage treatment plants.

Sustainable Water Consumption

CG recognizes the significance of effective water management to reduce the adverse impacts on resources. For an organization to be sustainable, intensive water use in activities requires prudent and sustainable water resource management. When collecting water from several sources, including surface water, groundwater, and municipal supplies, the water management strategy takes into consideration site-specific risks, water quality, and regulatory compliance. CG strives to achieve water neutrality across all its sites because it appreciates the worth of natural resources. To save water resources, the organization uses a variety of techniques, concentrating on rainwater harvesting, recycling, and reuse. The entirety of produced wastewater is treated

before being used on and around the plant grounds for cleaning, gardening, and domestic needs. Sewage Treatment Plant (STP) is responsible for providing thorough treatment for all wastewater generated, including that generated by utilities and operations. Gardening is the main use of STP-treated water. This wastewater management strategy ensures that any water discharged from the facility has been properly treated while also promoting environmental sustainability and responsible use of water resources.

Divisions	STP Capacity	ETP Capacity
Industrial Systems	330 KLD	32 KLD
Power Systems	282 KLD	27 KLD

**Refer Annexure for the detailed information on page no. 84 of Annual Report.*



Rainwater Recharge system at LT Motors Unit-1 Facility, Ahmednagar

Rainwater Harvesting

Rainwater harvesting constitutes a beneficial methodology contributing to the mitigation of storm-water runoff volume and velocity concurrently serving as an alternative water source to preserve potable water reservoirs. Three essential steps make up the process, they are, gathering, moving, and either infiltration or storage and use. By rerouting and using

the rainfall instead of letting it quickly flow via stormwater drains, the plant's use of rainwater harvesting equipment effectively stops that flow. Infrastructure like recharge pits, percolation pits, and porous trenches are carefully built to assist effective storm-water management. This allows storm water to percolate into the soil and reduce wasteful runoff.

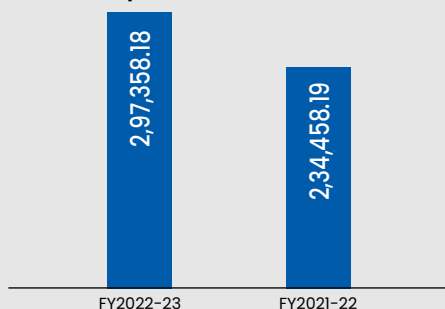
Rainwater collection systems have been installed on rooftops and in areas where roads are paved in order to maximize rainfall collection. These systems direct runoff from plant grounds into specified rainwater collection ponds. This all-encompassing strategy includes paved roads, greenbelt areas, and open spaces, enabling a methodical and complete installation of rainwater harvesting devices across the plant sites.



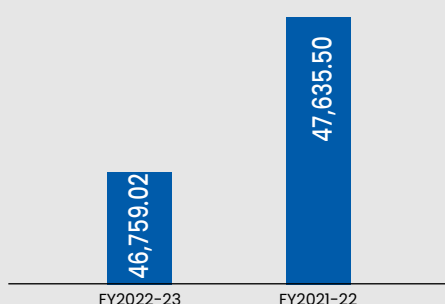
2,870 KL/Annum

The Railways Division and the Industrial Motor Division of LIM at Mandideep have installed rooftop rainwater recharge systems at their respective facilities.

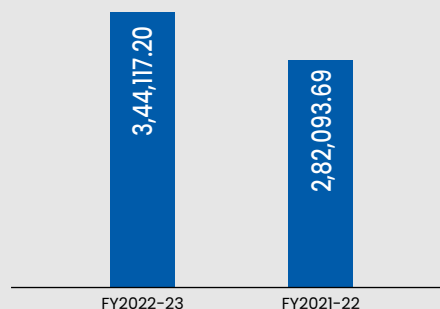
Water Consumption in (KL) - Total



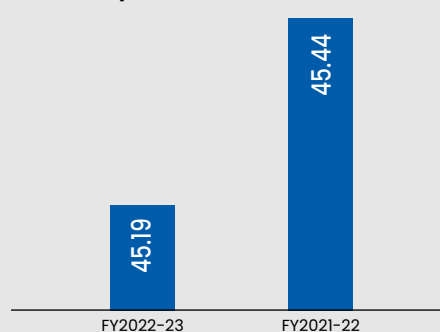
Waste Water Discharge in (KL) - Total



Water Withdrawal in (KL) - Total



Water Intensity (m3) / Revenue (in Crore)



Water Withdrawal by Source (In KL)	FY2022-2023	FY2021-2022
Surface water	3,350	3,330
Groundwater	78,854.00	73,706.00
Third party water	2,61,913.20	2,05,087.69

**Though the water is procured from the industrial authorities such as Maharashtra Industrial Development Corporation (MIDC) and Madhya Pradesh Industrial Development Corporation (MPIDC), yet the below mentioned production facilities are located in the water stressed regions. The below table represents the status of water stressed regions as per CGWA 2022 required to be disclosed as per GRI criteria.*

Division	Water Stress
Transformer Division, Bhopal	Semi-Critical
Traction Machines & System Division, Bhopal	Semi-Critical
Large Industrial Machines, Bhopal	Semi-Critical
Drives & Automation, Bhopal	Semi-Critical
Rail Transportation & Traction Electronics, Bhopal	Semi-Critical
Railway Signaling Division, Dhar	Over-Exploited

Waste Management and Circular Economy

CG prioritizes in creating a circular business by using the reduce, reuse, recover and recycle approach. These confirmatory actions form CG's ethos, and the Company uses these ideas to ensure compliance with Central Pollution Control Board (CPCB) and State Pollution Control Boards (SPCB) regulations on plastic, electronic and hazardous waste management to ensure that its effect on the environment is minimal. CG has created partnerships with authorized waste management agencies such as waste transporters and recyclers to ensure that the waste generated by the Company does not cause harm to ecosystem. CG also promotes the elimination of hazardous substances from its manufacturing processes to ensure limited wastage.

CG manages its hazardous and non-hazardous waste in a compliant, sustainable and responsible manner. CG has a standard waste management procedure on hazardous, non-hazardous, e-waste, battery waste, canteen waste and plastic waste streams. Committed to regulatory compliance, CG has implemented robust protocols including the Hazardous Waste Management System (HWMS) and Extended Producer Responsibility (EPR) guidelines for Plastic Waste Management (PWMS) and E-waste Management Rules.

All business processes are assessed for possible waste generation prior to the start of the operation in accordance with the regulatory guidelines as per Pollution Control Boards (PCBs). To handle those wastes, CG looks at alternative resources, technologies and procedures that can enable waste generation optimization. Throughout business operations,

these processes are regularly reviewed, proper improvement actions are put into place, and they are consistently monitored. Through collaborative partnerships along the value chain, (authorized waste management agencies such as collection partners, recycling and incineration partners). CG ensures the compliant storage, handling, transportation, pre-processing and end of life management of waste. This collective approach enables the Company to unlock the economic value from discarded materials, embracing practices such as recycling, refurbishing, reusing, and reclaiming. The initiative not only aligns with sustainable disposal practices but also contributes to energy generation from waste and the development of alternative raw materials for various industries.

Refer to the charts below for the waste management details-

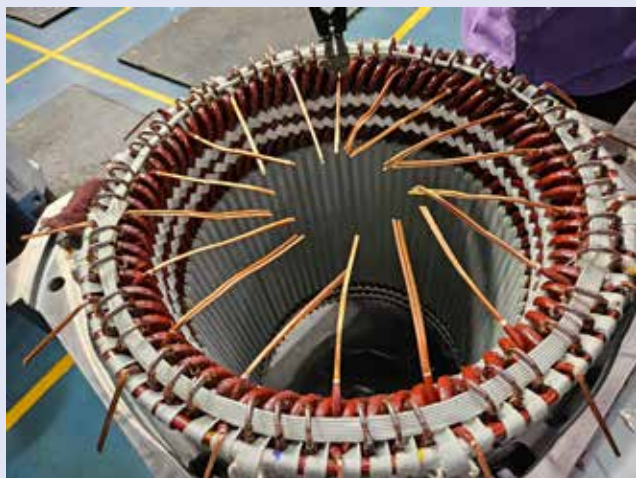
Hazardous waste is provided to PCB-approved waste management agencies for compliant and sustainable end of life

E-waste and post consumer plastic waste is managed by EPR (Extended Producer Responsibility) Guidelines as per E-waste and Plastic Management Rules respectively

Non hazardous waste with recyclable value is auctioned to authorised vendors and recyclers

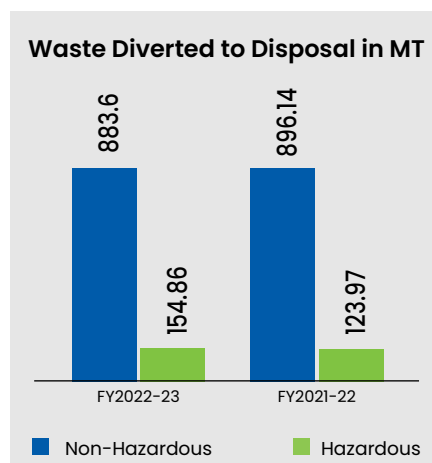
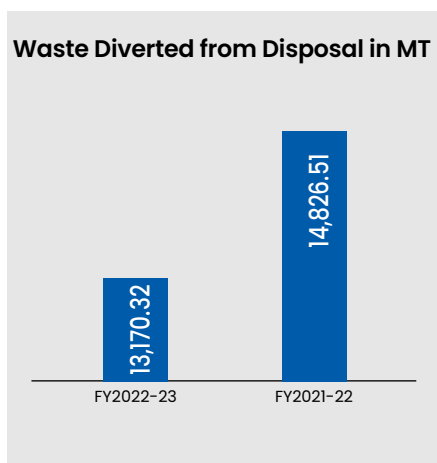
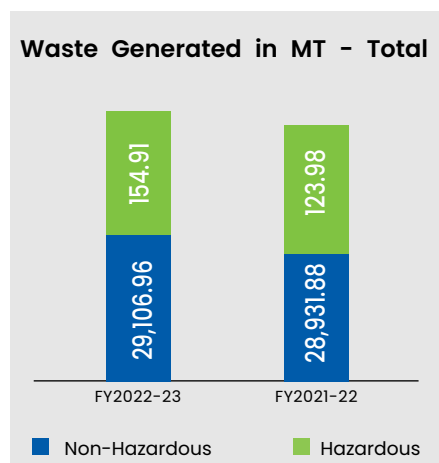
Key Initiatives at the Switchgear Division

- To implement a zero plastic usage effort, CG has encouraged a local enterprise to develop and supply industrial grade biodegradable plastic that has received the CPCB (Central Pollution Control Board) certification. Power Systems division in Nashik has successfully transformed itself to a 100% bio-degradable packaging plastic state across all of its facilities, eliminating more than 50 metric tons of conventional plastic per year as a result.



Key Initiatives at the Railway Division

- The reduction of copper scrap in the Copper Stator winding for the Traction Motor displays noteworthy accomplishments in the context of decreasing copper waste. The implementation of Kaizen has led to about 30% decrease in the amount of scrap produced per coil during the production process.
- The reduction and recycling of food waste, places an emphasis on practical advantages including cost savings through resource efficiency. Composting food waste to make fertilizer contributes to a greener environment and sustainable agriculture. Additionally, by removing carbon dioxide emissions linked to food waste breakdown, the projects actively support environmental conservation.



*The method for disposal includes incineration, landfilling and other disposal operations as described in Consent to Operate (CTO)

Waste Generated in MT

Year	Non-Hazardous	Hazardous
FY2022-23	29,106.96	154.91
FY2021-22	28,931.88	123.98

The Company continues to strengthen its existing systems for regular compiling and reporting of waste management related information.

Biodiversity and Land-Use

The Company's operational facilities are located outside of identified biodiversity protected areas. Despite being situated in commercial areas, the Company's production activities have no significant negative effects on the local wildlife. CG satisfies the legal requirements for green cover as the Company promotes local biodiversity by growing native plant species within the facilities avoiding the removal of existing woods and protecting wildlife.

Step towards continuous improvement - Kaizen

Kaizen Initiatives at CG

In CG's relentless pursuit of a competitive edge, the Company has undertaken a strategic endeavor for the successful implementation of Kaizen for continuous process improvement and Lean projects to refine the Company's operational processes. The holistic cost optimization drives the employees and workers alike to engage through the Kaizen portal or 'My e-novation' application to identify any activities contributing to design optimization, alternate sourcing, new specifications or improvements, energy efficiency, renegotiation, waste reduction and recycling, and exploration of alternate processes and process optimization. This initiative exemplifies the Company's commitment to operational excellence and strategic efficiency in a dynamic business landscape.



Case Study

Operation / Method	Before Kaizen	After Kaizen
Coil Movement	Coils carried by hand from preceding stage to next stage by operator	Set of 72 coils (1 motor) moved between processes based on call given by next process (Pull System)
		
Walk steps of operator for coil movement	9,979	1,064
WIP Inventory of Copper	Over 50% reduction in WIP inventory of Copper in coil making	
Relay Handling	On stationary racks	On moving trolley
		
Space required for relay storage	22 Sq. Meter	6 Sq. Meter

Recognized with Awards at the Kaizen Competition

To acknowledge the proactive engagement undertaken by our employees and workers, CG participated in the 17th edition of 'CII-SR Kaizen Competition 2022' and was bestowed with awards.



Lean Journey with Kaizen

November 2021

More than 100 Kaizens identified

January 2022

100s Line Kaizen implementation

- Line balancing activity done
- Installed lifting arrangement on 100s CNC machining

February 2022

100s Line Kaizen implementation

- CNC program modified to reduce tool travel CT reduced from 125 seconds to 79 Seconds
- First step towards production quantity 200 nos

March 2022

100s Line Kaizen implementation

- Established 220 nos per shift capacity

October 2022

100s Line Kaizen implementation

- Setup time reduced from 45 minutes to 9 minutes

November 2022

100s Line Kaizen implementation

- Initiated actions for 100S Assembly capacity of 340 per shift
- SKW2 for Rotor Line



Employee and worker well-being, customer delight, community development, and effective value chain management are the four pillars that CG emphasizes in order to have a positive impact on the Company's stakeholders. CG continuously focuses and invests in creating an inclusive workplace where employees' skills and efforts are acknowledged, their perspectives are valued, and they have the chance to grow both personally and professionally. CG continuously enhances brand value to provide stakeholders with long-term value through strong customer relationships, an engaged workforce, and ethical business practices. For the benefit of its value chain partners' growth and development, the Company has developed awareness programs. Using initiatives in education, employability, community development, CG strategically plans and tracks CSR operations to create tangible impact.

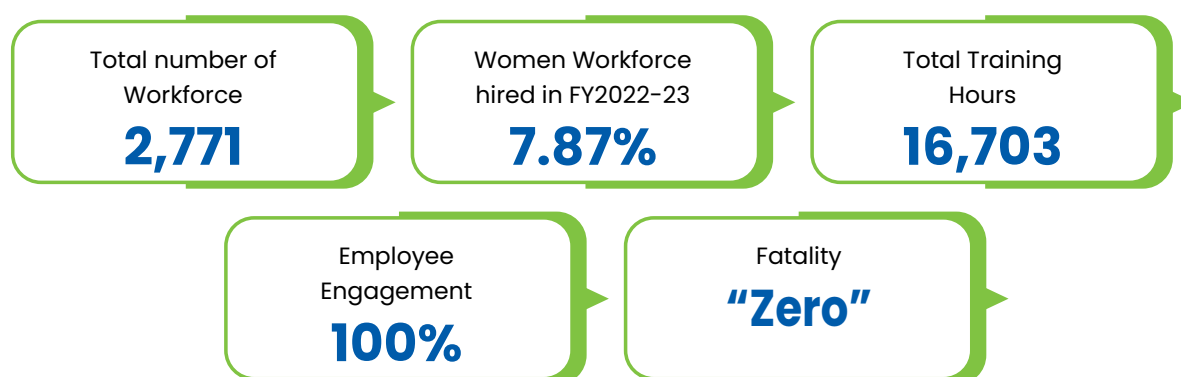
SOCIAL VALUE CREATION

People Centricity

The Company strives to create an atmosphere where people can prosper, thrive, and flourish.

Employees and workers play a leading role in successfully navigating the diverse business offerings, creating value and supporting the business in meeting expectations of the stakeholders. By using efficient technologies and processes, people actively contribute to build a sustainable future, and the Company is committed to ensure their health, safety, and well-being.

Key Highlights



Focus Areas



Diversity and Inclusion

CG's Human Resource policy promotes a culture of diversity and inclusion. Apart from gender diversity, the Company has educational and geographical diversity. CG is an equal opportunity employer and focuses on increasing diversity at the workplace. With two female Directors on the Board, beyond gender diversity the Company has geographical diversity in its human capital bringing diverse viewpoints and opportunities to create a shared value for the Company. Gender Diversity and Equality

is encouraged at CG to enhance inclusion across the Company. Further, the Company has welcomed in particular, specially-abled female candidates through its hiring process. Through strong people policies, the Company aims to create a diverse and inclusive workplace.

The Company strives to make the workplace diverse and inclusive through robust inclusive policies. In addition to the corporate locations, CG has provided opportunities to women workforce in its facilities. CG has implemented a number of programs to enhance the employment process and working conditions for

female employees. CG plans to increase hiring women employees at its plant sites and office locations. With respect to the hiring initiatives, CG encourages internal hiring within the functions along with the external hiring. CG has improved diversity in hiring in its workforce.

Case Study:

Diversity in Railway Division

As an endeavour to CG's diversity initiative, CG's Traction Machines and Systems (TMS) Unit of Railway Division has accommodated livelihood opportunities to the nearby community women by creating empowerment and livelihood generation opportunity with CG. More than 60 women workers are employed for supporting production activities and the skilled and experienced women thereby train and upskill fellow women in the community to achieve self-reliance. They also contribute to offering a quality life to their families.



Women working on an assembly line at
Traction Machines System Facility, Mandideep

The below table highlights the age and gender-wise composition of the workforce in FY2022-23 and FY2021-22. All employees and workers are based out of India.

Permanent Employees FY2022-23	Males	Females	Total
<30 years	287	37	324
30-50 years	1,093	45	1,138
>50 years	157	12	169
Total	1,537	94	1,631

Permanent Employees FY2021-22	Males	Females	Total
<30 years	199	33	232
30-50 years	1,015	41	1,056
>50 years	142	9	151
Total	1,356	83	1,439

Permanent Workers FY2022-23	Males	Females	Total
<30 years	142	2	144
30-50 years	750	18	768
>50 years	228	0	228
Total	1,120	20	1,140

Permanent Workers FY2021-22	Males	Females	Total
<30 years	163	1	164
30-50 years	737	17	754
>50 years	231	0	231
Total	1,131	18	1,149

The below table presents the employees and workers hiring and turnover by gender and age-group (permanent category).

Employees hired in FY2022-23	Males	Females	Total
<30 years	199	22	221
30-50 years	225	16	241
>50 years	7	0	7
Total	431	38	469

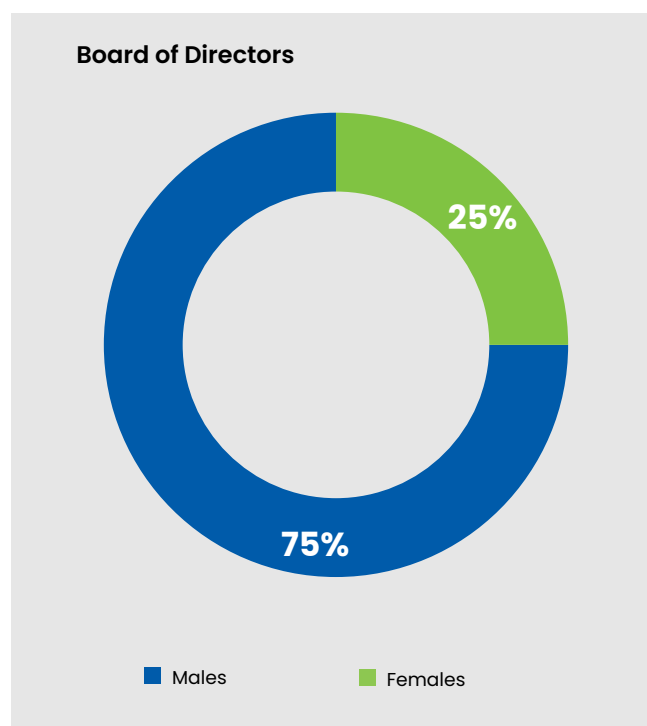
Workers hired in FY2022-23	Males	Females	Total
<30 years	29	1	30
30-50 years	8	1	9
>50 years	0	0	0
Total	37	2	39

Employee Turnover in FY2022-23	Males	Females	Total
<30 years	58	12	70
30-50 years	174	13	187
>50 years	20	1	21
Total	252	26	278

Worker Turnover in FY2022-23	Males	Females	Total
<30 years	1	0	1
30-50 years	4	0	4
>50 years	39	0	39
Total	44	0	44

Board Diversity

In FY2022-23, CG has 25% diversity at the Board comprising 6 male members and 2 female members as shown below :

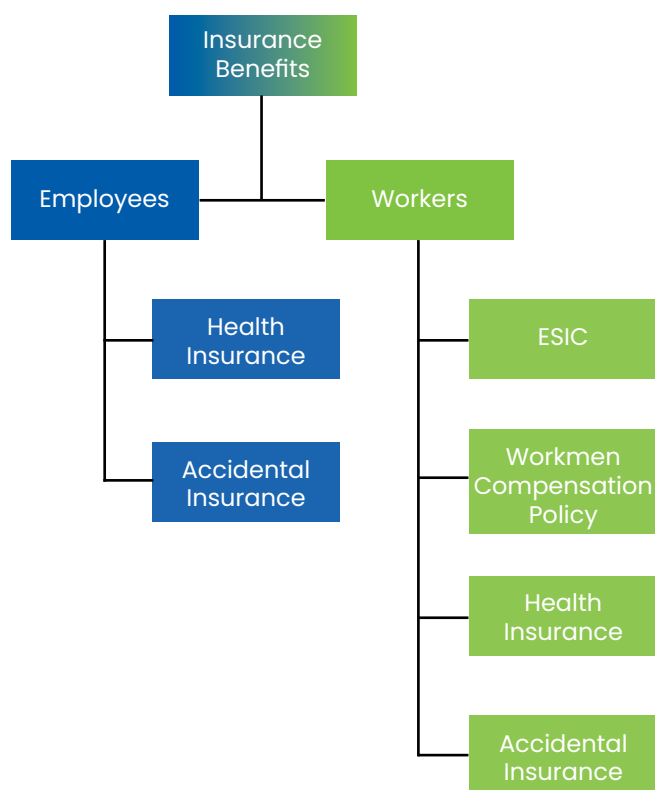


Benefits to Employees and Workers

The policies related to benefits for employees and workers adopted at the Company level are incorporated at the plant level with the necessary changes to cater to the requirements of the local laws. The following benefits are extended to employees and workers. For detailed information, please refer to 'Employee Benefits' on page no. 120 of the Annual report FY2022-23.

Insurance

The Company is providing insurance benefits to its employees and workers in the form of health insurance and accidental insurance. For contractual workmen, the Company has a 'Workmen Compensation Policy' to accommodate any support to the workers and their families. In addition, the Company ensures extension of Employee State Insurance Corporation (ESIC) benefits to eligible workers in accordance with the ESIC Act.



Leave Policies

CG encourages its people to take time off from their work to ensure work-life balance and to take care of personal well-being, as well as to offers them with an opportunity to rejuvenate. The various types of leaves provided by CG are:

Privilege Leave

To enable employees to plan for their days off from work and be able to spend quality time with their family and the loved ones, and to be able to enhance their well-being.

Sick Leave

To enable employees to take required day offs if they have to get required treatment/rest in case of any illnesses.

Casual Leave

To enable employees to take day offs for taking care of their necessary errands and attend to exigencies, if any.

Maternity leave, Pre-natal leave

CG is committed to abide by the provisions of Maternity Benefit Act, 1961 and Maternity Benefit (Amendment) Act 2017. CG's leave policy allows 26 weeks of paid maternity leave and pre-natal leave for eight weeks.

Adoption

CG is committed to provide the adoption leave for 12 weeks for a women employee, as per the provisions of Maternity Act.

Miscarriage or medical termination of pregnancy

In the unfortunate event of a miscarriage or medical termination of pregnancy, the bereaved woman employee is entitled to leave for a period of 6 weeks immediately following the day of her miscarriage or medical termination of pregnancy.

Paternity Leave

CG's Paternity leave is extended to all its eligible employees for 5 days. Paternity leave is also extended to the adoptive parents.



47 males & **1** female

No. of employees availed parental leave in FY2022-23

Particulars	Males	Females	Total
Total Employees	1,537	94	1,631
Employees who availed parental leave	47	1	48
Returned to work rate	100%	100%	100%
Retention rate	100%	100%	100%

CG Production System (CGPS)

The productivity platform known as 'CGPS' is available within the Company to define, calculate, implement, and review the productivity across the manufacturing facilities and offices. The productivity system calculates the required time for carrying out tasks based on several assessments and necessary changes are made depending on the efficiency level of the individuals. The incentives are linked based on the performance of the employees which are documented within the portal itself.

Employee Engagement

CG believes in the holistic development of its people and has several programs around the mental, physical, and financial well-being of its employees. Additionally, CG encourages its employees and workers to take part in numerous festivities, and training and development initiatives to upgrade their skill set of its workforce.

Health, Wellness and Recreation

• Yoga and Meditation, and Health Check-ups

The Company has conducted Yoga and Meditation sessions for the mental and physical well-being of its employees and workers. Annual health check-ups are provided to all people in CG to support them in their growth and development. In addition, blood donation camps are also carried out annually.

• Employee Assistance Programs

Through CG's Employee Assistance Program (EAP) an awareness and counselling session was conducted on mental health by Industrial Psychologist Dr. Vrushali Raut. All of the Company's facilities regularly conduct these sessions in association with various experts.

• Cultural Events

The Company fosters employee involvement on significant days such as the 'World Environment Day' where the Company sows seeds to improve the plantation efforts within CG's facilities and also at external locations. Ganesh Charturthi, Diwali, Navratri and many other festivals are celebrated with enthusiasm and vigor.

• Birthday Celebrations

The Company also celebrates birthdays of employees and workers on a monthly basis to foster a culture of celebration and inclusiveness.

- **Sports and Games**

Annual sports and games are organized for people to participate in recreational activities. Annual Day celebrations are also held, inviting both employees and their families to participate in a variety of activities and events. Besides, periodic town-halls are conducted by all the divisions to strengthen connect with the employees.

- **Special Lunches with milestone celebrations**

The Company also organizes 'Special Lunches' to celebrate its association with the people of CG and their families. The internal milestones that CG achieves in manufacturing operations are also acknowledged and celebrated.

Case Study:

Life Enhancement Program organized in Panchgani, Maharashtra:

Every year, 10 employees from the workers and supervisor categories along with their families are encouraged to join the life-enhancement program. This program offers a platform to the people where challenges related to their mental health are communicated and addressed. Through this program, experts share their experiences and motivate people to lead a happy and prosperous life with rejuvenating themselves through engaging recreational activities. Brainstorming sessions are conducted to improve various aspects of daily life to reduce the negative impacts on individuals and their personal well-being. In the past five years more than 100 workers and supervisors have availed this program.

Initiatives for Women Empowerment

The Company has implemented 'Creche' facility at sites where women workers are employed. To encourage working mothers, this facility with stimulating environment for children, provides ease and comfort to them to take care of their children along with their jobs. In order to encourage and provide equal opportunity, the Company has set up a dedicated medical room with female doctor at the plant sites. In addition, bus for employee commute is provided to women employees and workers to ensure safety and ease while travelling.

Kaizen Initiatives



Railway Division employees being recognized for Kaizen initiatives at Mandideep, Bhopal

Manufacturing processes require continuous monitoring and improvements. Taking this into account, CG has implemented a system of 'Kaizen' across its facilities. An online portal is established where the employees are encouraged to effectively report on any area where improvements are needed with respect to energy efficiency, cost savings, potential safety related incidents or any other area of improvement. The reported Kaizens are efficiently managed and implemented. A system has been developed to reward and recognize the employees and workers who have suggested the Kaizens. The reward and recognition act as a motivation to

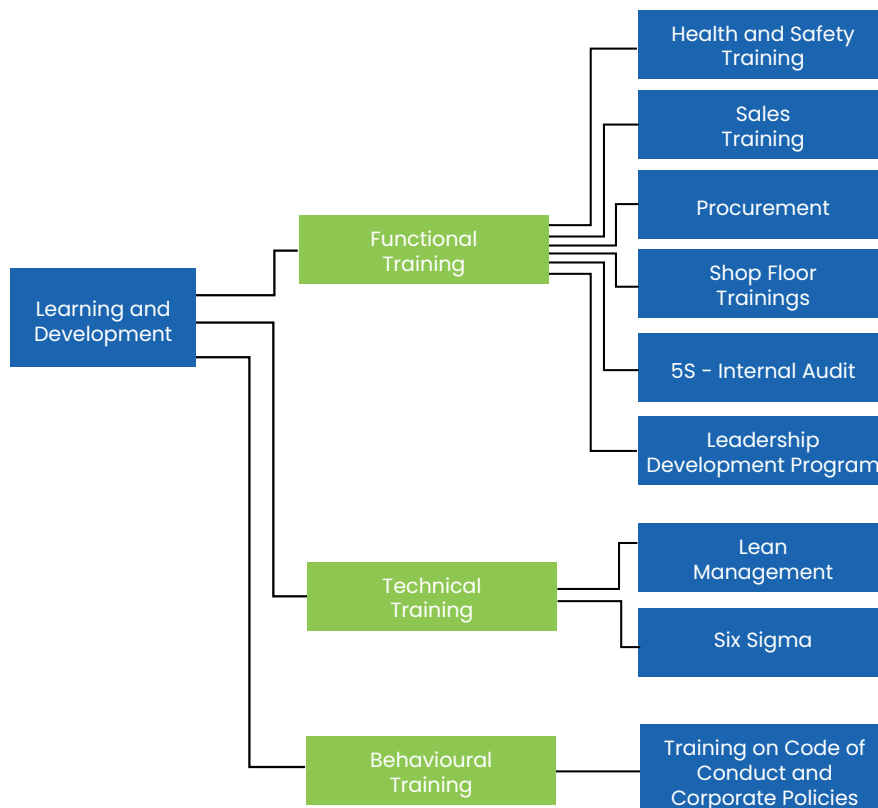
enhance employee and worker engagement and participation. The Kaizens have led to the implementation of 'Lean' systems across the plant sites.

More details on Kaizen initiatives are covered in the Environment Value Creation section.

Training and Development

Capacity building and skill development are the key drivers of the Company's growth, and CG recognizes the essence of a strong learning and development centric culture to accommodate its people for new responsibilities arising out of the changing market dynamics. CG has a structured learning and development program to assist its people at all the stages of employment from hiring to retirement. CG supports its people in climbing the professional ladder to upskill and accept higher responsibilities in the Company. CG has various learning and development programs such as higher education, function and job level wise upgradation and skills development programs, succession planning program, and transition assistance program.

CG's Learning and Development Programs



Learning Management System

Learning Management System (LMS) is an online training and development tool implemented across all the divisions of CG to provide several training programs for the employees and workers. Multiple training programs are made available to the people to upgrade their knowledge and skills required for their own functional departments. Most of the training programs are conducted through the online learning system with

some of the trainings like technical or team-building trainings being held in an offline or a classroom mode. To become familiar with the Company's policies and processes the individual must go through a number of mandatory trainings during the onboarding phase and annually, such as the Code of Conduct (CoC), Prevention of Sexual Harassment (POSH), and other essential policies mandated to adhere with compliance. The Company has also collaborated with selected universities for technical

trainings, which enhances the skillset of the people working across the technical functions. The Company has embedded a culture of 'Lean Management' across all its facilities which leads to efficient management of its operations.

Training Initiatives

- **Training on Retirement Planning:** An initiative was recently undertaken at the Corporate Office in collaboration with ICICI securities to provide financial awareness on retirement planning.
- **Train the Trainer:** CG has programs for effective delivery and training the trainers. The trainers register themselves and learnings are imparted through a structured program curated and developed by CG. The feedback received by trainers has been positive mentioning the benefits and better time management and efficiency attained in the process.

Learning and Development Index

The average number of training hours in FY2022-23 was 6 hours for the permanent employee and permanent worker categories.

Training Hours at CG

	Average hours of training per year per employee	Total number of training hours	Total number of employees	Average training hours for FY2022-23
1	Permanent Males	8,950	1,537	5.82
2	Permanent Females	755	94	8.03
3	Permanent Employees	9,705	1,631	5.95

	Average hours of training per year per workers	Total number of training hours	Total number of workers	Average training hours for FY2022-23
1	Permanent Males	6,846	1,120	6.11
2	Permanent Females	152	20	7.60
3	Permanent Workers	6,998	1,140	6.14

Performance and Development Reviews

CG regularly engages with its employees and workers to obtain their feedback. The Company ensures continuous performance reviews for its employees. Formally, the employees receive performance feedback and career development reviews on an annual basis.

Stories on employee association with CG

CG has undertaken several measures for employee and worker retention. Numerous employees have been with the Company for a long period and CG appreciates their continuous dedication. Few testimonials from people who have been associated with CG for a long time are stated below:

Case Study 1: Arya who works with the Supply Chain department says, "I joined the Company in 2007, in the design team of the Transformer unit of Power Systems. After getting exposure in various roles at initial phases of my association with CG, I was selected for an upskilling program in Hungary. I have had the opportunity to associate with diverse people on various prospects over the years. Post moving to Marketing from

General Management, I achieved a great understanding of the market dynamics and customer expectations, eventually leading me to the Supply Chain Planning department. During this time, I was then selected by IIM Indore for enhancing my exposure to Business Administration. Multiple challenges and opportunities over the years gave me an edge to deliver enabling a better future on a personal and professional note. My association with CG has empowered me with significant exposure and experience. I feel motivated everyday as I enjoy my work, and this has been the reason of my association with the Company for the last 16 years.”

Case Study 2: Nalini Naidu who works in the finance department shares her views, “The working environment is very warm, encouraging, and comfortable. When I joined in 1995, this was my first job, and I was merely a new trainee. My long tenure with CG is a testimony of a great workplace that provides enormous growth opportunities. I joined the Purchase department in 1995 and eventually shifted to finance department over the years.”

Human Rights

CG has a responsibility to respect human rights by positively contributing to the communities in which it operates and by adhering to the National and International Policy Frameworks. CG strives to create and sustain discrimination free environment, promote harmony, and advocate fair employment opportunities. The Company values and recognizes every individual equally and treats them fairly and with dignity. The Company encourages its stakeholders (including value chain partners) to uphold the highest standards of human rights protection.

CG encourages diversity and equal opportunity with commitment to promote equality across all its management and non-management levels. CG has people-centric culture which offers equal opportunities in all the aspects of association and employment regardless of gender, ethnic background, disabilities, age, transgender people, pregnancy, religion or other beliefs, sexual orientation or any other status protected by law. The Company has a dedicated Human Rights Policy as a comprehensive document for the guidance on Human Rights which is developed in line with the National Guidelines on Responsible Business Conduct (NGRBC). All employees and workers, including security personnel, are made aware of the policy and undergo training on human rights, including Prevention of Sexual Harassment (POSH), the Code of Conduct (CoC), and other related topics.

The Company recognizes the significance of workers unions’ and protects their collective bargaining rights as well as regularly engages with the unions to address any concerns and create a shared value. The workers are represented by formal representative groups and the Company has 1,021 permanent male workers and 20 permanent female workers as member of recognized unions. The Company has formal processes in place for communicating with relevant stakeholders in context to change in operations. The Company provides adequate notice period to its stakeholders in case of any change in operations.

During the period under reporting, the Company has not observed any incident of non-compliance with respect to the human rights (including child labor, forced labor, safe-working conditions or discrimination).

**For more information on the Human Right performance, refer Principle 5 of Business Responsibility and Sustainability Report (BRSR) in the Annual Report.*

Identification of Human Rights issues as per CG's policies:

Freedom of Association and Collective Bargaining	Child Labor, Forced Labor	Diversity and Inclusion
Health and Safety	Grievance Redressal	Training and Awareness
Fair Wages	Compliance to Local Laws	Stakeholder Engagement

Occupational Health and Safety

CG OHS Policy

CG is committed to the health, safety, and welfare of its people at work. CG complies with applicable occupational health & safety related regulatory requirements, minimizing the risk of work-related injuries and ill-health and establishing a framework for setting Occupational Health and Safety (OHS) objectives. The Company strives to be a leader in OHS excellence in the industry.

Event Reporting System (ERS)

CG has implemented a robust Occupational Health and Safety system across its divisions. All divisions have an Event Reporting System (ERS) which is a digital platform for workers and employees to report on the various incidents and hazards. Then corrective actions are taken upon review and analysis of the same.

Occupational Health Centre

All of CG's manufacturing facilities are certified with ISO 45001:2018 - Occupational Health & Safety Management System Standard.

Occupational Health Centre (OHC) is present at each of the Company's plant locations as per the requirements of the Factories Act and a Health and Safety Officer is also designated at each plant location.

Safety Committee

The Company has Health and Safety Committees across all of its facilities consisting of workmen and employees. These Committees conduct monthly meetings to provide regular updates on health and safety aspects. Mock drills are conducted on a quarterly basis. Noise level, stack monitoring, work zone monitoring, food water testing, drinking water testing is done on a monthly basis. Additionally, a weekly visit of the facilities led by the head of safety in each facility is undertaken as part of a 'Safety Observation Tour' (SOT). Risks and hazards are identified and reported. During the tour, safety-related aspects are discussed with the workers and employees, and risks and dangers that have been noticed are communicated and resolved.

Medical Aid and Health Checkups

All of CG's facilities are well equipped with emergency medical rooms and ambulance. The Company has tie-ups with the local hospitals to accommodate any kind of response in the time of emergency and hazard. We have first-aid boxes placed across the manufacturing and production lines with on-ground first-aid and health and safety experts. Half-yearly medical checkups are conducted for workmen who work in hazardous intensive processes and annual medical checkup is conducted for the entire workforce to ensure the safety.

Safety Audits and Emergency Preparedness and Response Plan (EPRP)

Safety audits, cross-functional audits and internal audits are conducted as scheduled. Each of CG's manufacturing facilities is equipped with the required quantity of fire extinguishers, fire hydrant network, smoke detection and gas detection system. Emergency Preparedness and Response Plan (EPRP) is also available for all of CG's facilities basis which each plant conducts mock drills to ensure its effectiveness with employee participation.

Key OHS initiatives in FY2022-23

Reduction of Injury Risk:



In this setup, there was no protective guard while conducting the manual operation on the above machine.



A trolley wheel guard was installed in the trolley to eliminate leg injury and minimize the risk during operation.

Elimination of Breakdown:



The eye-wash is used when some irritants enter the eye. It was stationed at a single place.



Portable eyewash was secured and it is easy to carry across locations. In addition, no maintenance is required for the same.

Improvement in Ergonomics:



In a manufacturing process in the Power Systems Division, an FRL Air Leakage problem was identified.



A solution was devised to completely eliminate the FRL air leakage.



The ladders caused a risk of slipping for the workers due to its slippery surface.



The Company came up with a solution to provide an antiskid tape on every ladder to eliminate the risk of injury to workers while climbing.

Details of safety related incidents

Safety Incident	Category	FY2022-2023	FY2021-2022
Lost Time Injury (LTI)	Employees	1	1
	Workers	9	7
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.37	0.33
	Workers	1.98	1.51
Total recordable work-related injuries	Employees	12	3
	Workers	74	31
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

Grievance Redressal Mechanism (GRM)

CG has a GRM for its internal as well as external stakeholders. The grievances of internal stakeholders can be resolved through an internal online platform, or they can be discussed offline with the HR or the head of the respective department. For external stakeholders, grievances are majorly received through emails and during the meetings. Vendors and dealers may also report grievances through the online portal.

Supply Chain Sustainability

Supply Chain Management

CG is motivated to reduce emissions and maximizing resource efficiency by promoting sustainable products and responsible sourcing. The Company makes sure that all parties in its

value chain such as distributors and suppliers abide by a set of predetermined standards with respect to the Supplier Code of Conduct. In order to source raw materials and create a productive distribution network, CG places a high importance on forming long-term strategic partnerships.

For the Company's continued success and resilience, CG understands the critical necessity of creating a sustainable supply chain. The business understands how important it is to develop strong connections with suppliers, support its growth, and improve their performance. Supply chain management along with environmental stewardship, adherence to good corporate governance, regulatory compliance, healthcare, promotion of diversity and inclusion, and protection of human rights is seen as an essential part of CG's commitment to the sustainable advancement of its operations as mentioned in the Company's [Supply Chain Sustainability Policy](#) and [Supplier Code of Conduct](#).

Value chain initiatives promoting Supply Chain Sustainability at the Railway Division

A number of innovative supply chain efforts have been implemented to reduce costs and improve efficiency in the traction motor domain. These approaches include identifying alternate suppliers, improving material receipt consistency, enhancing in-house machining capacity, and lowering inventory expenses. Significant efficiencies were obtained with comparable reductions in lead times. These initiatives enhance CG's dedication to cost-effective and efficient operations strengthening its competitive position and market sustainability.

Enhancing Supply Chain Engagement

CG's supply chain engagement efforts are methodically planned to pursue operational excellence to encourage effective communication, evaluation, and collaboration with the Company's valued suppliers. Maintaining strong relationships and ensuring the smooth flow of products and services requires a proactive attitude. An overview of CG's main supply chain involvement activities is provided below:

1. Regular Supplier Meetings

As per requirements of individual facilities supplier meetings serve as a regular forum for real-time updates, grievance redressals and collaborative discussions. Effective communication with the suppliers fosters

transparency and aligns expectations promptly. This process strategically allows the Company to interact with each supplier, and evaluate and strengthen partnerships over time.

2. Strategic Partners Meets

CG's dedication to strategic collaborations is demonstrated by its participation in formal events. These events bring all suppliers together, establishing a shared comprehension of market dynamics and encouraging a cohesive approach to problems.

3. Collaboration with Governments for Localized Development

The Company works closely with the relevant ministries to address regulatory issues. In line with the Company's dedication to localization and self-sufficiency, seeking relaxation is essential for promoting domestic production in India. The Company has identified local alternatives wherever possible to promote procurement of raw materials locally and to support the local suppliers.

Supplier Evaluation

CG has implemented a system for evaluation of its vendors. A questionnaire is sent to vendors during the preliminary stage to evaluate their systems and procedures. The surveys rate them on a series of criteria including their adherence to pertinent rules and regulations, their product safety parameters, and a number of Environmental, Health and Safety (EHS) parameters. Once responses are received, they are assessed and scored by the procurement team. Based on the responses the suppliers are approved for onboarding and are regularly evaluated to maintain the status of compliance.

This process and the continued evaluation and monitoring of all suppliers is documented in the Vendor Portal across all the divisions of the Company. No significant actual or potential impacts were identified in FY2022-23.

Customer Centricity

The two divisions of CG, namely, the Industrial Systems and Power Systems cater mainly to B2B and B2G customers. CG interacts on a frequent basis with its customers and caters to them through its products as per requirements prescribed by them. In a dynamic market, the product requirements and specifications keep on changing continuously. Hence, production processes and activities are carried out in a manner to cater to the needs of a changing market. For instance, the market has changed from production of diesel engines to electrical engines used in major automobile industries such as the railways. Hence, production processes are changing to cater to the requirements of electrical engines. CG regularly holds customer seminars and dealer conferences to understand the customer requirements and share business updates.

CG embraces the principle of customer delight and places a high priority on adapting to its customers' changing needs. This dedication includes first-rate post-sale service to ensure customer satisfaction in addition to the provision of quality goods and services. The main goal of CG's customer-centric culture has been to continually understand customer sentiments throughout the customer experience, not just at the point of purchase.

This culture has organically developed through time. This steadfast commitment to comprehending and meeting client demands reaffirms CG's dedication to excellence in client interactions.

Initiatives for Enhancing Customer Experience

CG organized an Industrial Customers Meet at Pune



CG's Pune branch organized an Industrial Customer Meet on 10th June, 2023 at Pune. Around 72 customers from 27 Companies attended the event including OEMs from Pune region. The meet was conducted with an objective to showcase latest product range of Low Tension (LT) Motors, Large Industrial Machines (LIM), Drives and also to update direct customers on swift recovery of business over the year.

Industrial Customer Meet at Kolkata



Industrial System's Eastern Region team organized an Industrial Customer Meet on 17th March 2023. The event was attended by 38 industry leaders from 32 companies – mainly OEMs, end users and EPCs from the region. The objective of the meeting was to showcase the

Company's latest product range of LT Motors, Smartor, Large Industrial Machines and Drives and update direct customers on CG's business growth over the years.

CG Industrial Systems Hosts Regional Dealers Conference (RDC), 2022 at Goa

To continue the tradition of rewarding and



recognizing dealers of Industrial Systems across India, CG organized the RDC 2022 in Goa from 1st to 3rd December. Around 175 Dealers attended this conference amidst the radiant sun and charming sightseeing. During these three days, CG's Senior Executive Team interacted with the Dealers.

CG organizes a Technical Seminar for its Industrial Customers

On 7th July 2023, CG organized an exclusive Seminar on LT Motors, HT Motors, Drives and



Single Phase Motors for Industrial customers in New Delhi. Customers from all industry segments – Sugar, Cement, Power, Oil and Gas, HVAC and Water attended the Seminar.

Case Study

Srinagar Railway Project

To support Indian Railway's ambitious 100% electrification vision CG has developed state-of-the-art facilities to accommodate this vision. The Railway Division has supplied Indian Railways with electrics for 275+ self-propelled DETC (Diesel Electric Tower Cars) which plays a crucial role in the track electrification process, even in tough environmental conditions.



One of the DETCs aiding in the tracking of electrification in remote areas of India was commissioned in Srinagar, Jammu & Kashmir. It represented CG's caliber to contribute to the nation building with infrastructure and connectivity support in all-weather transport and commute.

Compliance with Health, Safety and Product Specific Standards

The Company works diligently to ensure that each of its products complies with the necessary regulatory standards relevant to their category, target market, and international markets. CG tracked down and reported zero incidents of product recalls or impacts on health and safety throughout the fiscal year.

No reports of non-compliance with legal or voluntary standards relating to product health and safety, labeling, or marketing communication were made to CG during FY2022–23. This outstanding track record highlights CG's ongoing dedication to upholding the highest standards of product safety, compliance, and quality assurance.

Customer Grievance Management

CG provides its clients with a specialized channel for resolving complaints. For client complaints the customer relations team examines these grievances in further depth and after drawing conclusions, corrective measures are implemented. During the regular visits, the Company's front line sales executives interact with the customers and channel partners, understand their business needs, expectations, suggestions, feedback and other concerns. On a regular basis, all outstanding issues are

addressed. The Company periodically conducts various interactive programs like seminars, workshop, factory visits, dealer conferences, and other such interactions to help them make informed decisions. In FY2022–23, 99.73% of customer complaints were resolved.

**refer to 'Transparency and Disclosures Compliances' section of BRSR in Annual Report for more information on Customer Privacy.*

Corporate Social Responsibility (CSR)

As a part of the Murugappa Group, the Company aims to create a social value with positive impact on communities around its focus areas of education and healthcare. CG carries out its CSR through Agastya Foundation, an autonomous charitable trust which works in the education and healthcare sectors. Additionally, it also carries out programs that benefit the local communities in the places where they operate.

The Company has constituted a CSR Committee to ensure that the projects and programs undertaken by the Company are compliant with regulations effectively. The Committee effectively carries out the mandates provided in the CSR policy, which is approved by the Board of Directors.

The Company's CSR policy applies to all CSR projects and is reviewed and updated periodically with reference to changes in governance, international standards, and sustainable practices.

CSR Key Focus Areas

The Murugappa Group supports a wide range of initiatives through its [CSR activities](#).



CG is committed to creating a change through its outreach programs, both within and beyond the fields of education and healthcare. For FY2022-23, no formal impact assessment was conducted by a third party, although the Company has monitored its social impact on community initiatives. As the Company operates in industrial clusters, there are no operations with significant actual and potential negative impacts observed on local communities. The main areas of focus for CG to carry out its activities are:

Providing basic Healthcare facilities to economically backward societies across geographical areas	
Provision of Skill Development/ Vocational Training	Rural Development
Environmental Sustainability	Promoting Sports, Arts & Culture
Improving Access to Education	Sustainable Livelihood

CG's CSR Project Design

Needs Assessment In order to create a sustainable and effective change through CSR, CG is committed to conduct a thorough needs assessment before it undertakes any project. The needs assessment will be unbiased and comprehensive, considering the community and its members, NGOs, the Company's stakeholders and the government.	Project Planning External organisations may be engaged for designing, monitoring and evaluation of the CSR projects or programmes as per the CSR policy as well as for capacity building of the Company's own personnel for CSR.	Presentation to CSR Committee As per CG's policy, the CSR Committee is responsible for the Company's CSR projects and programs. The Committee is given a presentation about funding for CSR projects, and projects are carried out in accordance with their approval.	Partner Identification The Company shall implement its CSR programs by itself or through an implementing partner as specified in the CSR Rules. The Company shall formulate criteria and procedure for selection, screening and due diligence of its implementing partners.	Project Launch Through partnerships with NGOs and collaborations with organisations that are subject matter experts in the respective industry, CSR projects are implemented. This strategy enables the Company to accomplish the shared goal of having a positive and lasting impact on communities and reach out to a larger beneficiary base by utilising the combined strength of like-minded organisations.	Project Monitoring and Evaluation In order to evaluate the processes and gauge the outputs, outcomes, and impacts of the interventions, a framework for routine monitoring based on a variety of indicators needs to be appropriately developed.
---	--	---	---	--	--

CSR in 2022-23

The CSR initiatives carried out in FY2022-23 focused on women's education, hospital support, individuals with disabilities, and flood mitigation.

Flood Mitigation

The Mandideep area in Bhopal is prone to floods, and this in particular, impacts the communities situated near the riverbed. In FY2022-23, heavy rains for a couple of days in the month of August plagued Bhopal which led to the area being impacted by floods. The water level rose to as high as 5 feet due to which all residents in that area had to be evacuated from their houses and were setup at the nearby community hall. With a view to improve the living conditions of the people and to mitigate risks to their life and property during such flood situations, the Company undertook the construction of 12 feet high concrete retaining wall, and also trench drain/PCC drain for safer water management. benefited the most severely hit areas of Bhopal.

Healthcare Support

CG has ensured its support to one of the hospitals in the form of CSR initiative. It has donated fans and geysers in 'Breach Candy' hospital in Mumbai. This provides patients with comfort and assists hospital with improved facilities.

Walking Sticks to Support life

CG has taken several steps to support the life of people with disabilities. The Company aided visually challenged people by providing walking sticks in association with the Bright Future Organization.

Women Empowerment Through Education

CG has made significant efforts to support women empowerment by promoting girl child education. In FY2022-23, the Company donated ₹ 15 Lakhs to 'Sampraday Patashala' through Implementing Agency – 'Sri Pratayaksha Charitable Trust' for the education of girl child.



A View of the 12 Feet Reinforced Cement Concrete (RCC) Curtain Wall for Flood Control at Mandideepat Mandideep

GRI Content Index

GRI CONTENT INDEX		
Statement of use		CG Power and Industrial Solutions Limited has reported the information cited in this GRI content index for the period of 1st April 2022 – 31st March 2023 with reference to the GRI standards 2021.
GRI 1 used		GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)		Not Applicable
GRI Standard/ Other Source	Disclosure	Location
General disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	CG at a Glance
	2-2 Entities included in the Organization's sustainability reporting	About the Report
	2-3 Reporting period, frequency and contact point	About the Report
	2-4 Restatements of information	Not applicable as this is the first year of reporting
	2-5 External assurance	Presently external assurance is not carried out
	2-6 Activities, value chain and other business relationships	CG at a Glance & Supply Chain Sustainability
	2-7 Employees	People Centricity
	2-8 Workers who are not employees	People Centricity
	2-9 Governance structure and composition	Board Of Directors and Key Management Personnel
	2-10 Nomination and selection of the highest governance body	Code of conduct and Policies & Board and Management Committees
	2-11 Chair of the highest governance body	Board Of Directors, Key Management Personnel and Code of Conduct and Policies

GRI Standard/ Other Source	Disclosure	Location
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	Board of Directors and Key management Personnel
	2-13 Delegation of responsibility for managing impacts	Board and Management Committees
	2-14 Role of the highest governance body in sustainability reporting	Board and Management Committees
	2-15 Conflicts of interest	Ethics and Compliance
	2-16 Communication of critical concerns	Grievance Redressal Mechanism
	2-17 Collective knowledge of the highest governance body	Board of Directors
	2-18 Evaluation of the performance of the highest governance body	Board of Directors
	2-19 Remuneration policies	Board and Management Committees
	2-20 Process to determine remuneration	Board and Management Committees
	2-21 Annual total compensation ratio	Board Diversity
	2-22 Statement on sustainable development strategy	From the MD's desk
	2-23 Policy commitments	Code of Conduct and Policies
	2-24 Embedding policy commitments	Code of Conduct and Policies
	2-25 Processes to remediate negative impacts	Cultivating Stronger Stakeholder Connection, Human Rights
	2-26 Mechanisms for seeking advice and raising concerns	Grievance Redressal Mechanism, Code of Conduct and Policies
	2-27 Compliance with laws and regulations	Ethics and Compliance

GRI Standard/ Other Source	Disclosure	Location
	2-28 Membership associations	Cultivating Stronger Stakeholder Connection
	2-29 Approach to stakeholder engagement	Cultivating Stronger Stakeholder Connection
	2-30 Collective bargaining agreements	Human Rights
Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Cultivating Stronger Stakeholder Connection
	3-2 List of material topics	Cultivating Stronger Stakeholder Connection
Economic performance		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Creating Economic Value
	201-2 Financial implications and other risks and opportunities due to climate change	Risk Management
	201-3 Defined benefit plan obligations and other retirement plans	Benefits to Employees and Workers
Market presence		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Human Rights
	202-2 Proportion of senior management hired from the local community	People Centricity
Indirect economic impacts		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Corporate Social Responsibility
	203-2 Significant indirect economic impacts	Corporate Social Responsibility

GRI Standard/ Other Source	Disclosure	Location
Procurement practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	
Anti-corruption		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Code of Conduct and Policies, Ethics and Compliance
	205-2 Communication and training about anti-corruption policies and procedures	Code of Conduct and Policies
	205-3 Confirmed incidents of corruption and actions taken	Code of Conduct and Policies & Ethics and Compliance
Anti-competitive behavior		
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Code of Conduct and Policies
Tax		
GRI 207: Tax 2019	207-1 Approach to tax	Tax Strategy
Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Material Management
	301-2 Recycled input materials used	Material Management
	301-3 Reclaimed products and their packaging materials	Material Management
Energy (Climate Action)		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Management
	302-3 Energy intensity	Energy Management

GRI Standard/ Other Source	Disclosure	Location
	302-4 Reduction of energy consumption	Energy Savings
	302-5 Reductions in energy requirements of products and services	Energy Savings
Water and effluents		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Stewardship
	303-2 Management of water discharge-related impacts	Water Stewardship
	303-3 Water withdrawal	Water Stewardship
	303-4 Water discharge	Water Stewardship
	303-5 Water consumption	Water Stewardship
Emissions (Climate Action)		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Emission Management
	305-2 Energy indirect (Scope 2) GHG emissions	Emission Management
	305-3 Other indirect (Scope 3) GHG emissions	NA
	305-4 GHG emissions intensity	Emission Management
	305-5 Reduction of GHG emissions	Energy Management & Emission Management
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Emissions and other emissions
Waste (Product Stewardship)		
GRI 3: Material Topics 2021	3-3 Management of material topics	

GRI Standard/ Other Source	Disclosure	Location
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management and Circular Economy
	306-2 Management of significant waste-related impacts	Waste Management and Circular Economy
	306-3 Waste generated	Waste Management and Circular Economy
	306-4 Waste diverted from disposal	Waste Management and Circular Economy
	306-5 Waste directed to disposal	Waste Management and Circular Economy
Supplier environmental assessment (Responsible Supply Chain)		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Sustainability
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Sustainability
Employment (Human Capital Development)		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	People Centricity
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits to Employees and Workers, Employee Engagement
	401-3 Parental leave	Benefits to Employees and Workers: Leave Policies
Labor/management relations (Human Rights)		
GRI 3: Material Topics 2021	3-3 Management of material topics	

GRI Standard/ Other Source	Disclosure	Location
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Human Rights
Occupational health and safety (Human Capital Development)		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupation Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-3 Occupational health services	
	403-4 Worker participation, consultation, and communication on occupational health and safety	
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8 Workers covered by an occupational health and safety management system	
	403-9 Work-related injuries	
	403-10 Work-related ill health	
Training and education (Human Capital Development)		
GRI 3: Material Topics 2021	3-3 Management of material topics	

GRI Standard/ Other Source	Disclosure	Location
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Training and Development
	404-2 Programs for upgrading employee skills and transition assistance programs	Training and Development
	404-3 Percentage of employees receiving regular performance and career development reviews	Training and Development
Diversity and equal opportunity (Human Capital Development)		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Board Diversity
	405-2 Ratio of basic salary and remuneration of women to men	Human Rights
Non-discrimination (Human Rights)		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Rights
Freedom of association and collective bargaining (Human Rights)		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights
Child labor (Human Rights)		
GRI 3: Material Topics 2021	3-3 Management of material topics	

GRI Standard/ Other Source	Disclosure	Location
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Supply Chain Sustainability
Forced or compulsory labor (Human Rights)		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Supply Chain Sustainability
Security practices (Human Rights)		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Human Rights
Rights of indigenous peoples (Human Rights)		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Human Rights
Local communities (Community Relations)		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Corporate Social Responsibility
	413-2 Operations with significant actual and potential negative impacts on local communities	Corporate Social Responsibility
Supplier social assessment (Responsible Supply Chain)		
GRI 3: Material Topics 2021	3-3 Management of material topics	

GRI Standard/ Other Source	Disclosure	Location
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Sustainability
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Sustainability
Customer health and safety (Customer Relationship Management)		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Customer Centricity
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Centricity
Marketing and labeling (Customer Relationship Management)		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Customer Centricity
	417-2 Incidents of non-compliance concerning product and service information and labeling	Customer Centricity
	417-3 Incidents of non-compliance concerning marketing communications	Customer Centricity
Customer privacy (Customer Relationship Management)		
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Centricity

Annexures

Sewage Treatment Plant and Effluent Treatment Plant data

Divisions	STP Capacity in KLD	ETP Capacity in KLD
Switchgear Complex Nashik	180	15
Switchgear S6, Aurangabad	22	17
Transformer T2, Malanpur	30	0
Transformer T3, Mandideep	50	0
Traction Machines & Systems (TMS), Mandideep	15	0
Rail Transportation-Traction Electronics (RTTE), Mandideep	0	0
Railway Signaling Division (RSD), Pithampur	20	10
Industrial Division, Ahmednagar	295	17

The Spirit of the Murugappa Group

These **five lights** guide us
as we navigate through professional
and personal decisions.

The five lights

The light of
INTEGRITY
that gives us the courage to
always do the right thing

The light of
RESPONSIBILITY
that gives us the humility to
think about the world around us

The light of
PAS2ION
that provides us with
the desire to win

The light of
RESPECT
that inspires people
around us to perform

The light of
QUALITY
which makes us
dream of excellence



CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

Registered Office:
CG House, 6th Floor, Dr Annie Besant Road, Worli,
Mumbai - 400 030, India.