SGL-15/Sec/2026-27 **06th July, 2026**

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No.C-1, Block G
Bandra-Kurla Complex
Bandra (E),
Mumbai 400 051

Stock Code: SHANTIGEAR
Through NEAPS

Bombay Stock Exchange Limited
1st Floor
New Trading Ring, Rotunda Building
P J Towers, Dalal Street
Fort,
Mumbai 400 001

Stock Code: 522034
Through BSE Listing Centre

Dear Ma'am/ Sir,

Sub: Submission of Business Responsibility and Sustainability Report for the FY 2025-26

Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Business Responsibility and Sustainability Report (BRSR) adopted by the Company for the Financial Year ended 31st March, 2026.

This is for your information and records.

Thanking You,

Yours faithfully,

For Shanthi Gears Limited

WALTER VASANTH P J
Digitally signed by WALTER VASANTH P J
Date: 2026.07.06 11:36:43 +05'30'

Walter Vasanth P J
Company Secretary & Compliance Officer

Business Responsibility & Sustainability Report

ANNEXURE - G TO THE BOARD'S REPORT

Business Responsibility and Sustainability Report

Section A: General Disclosures

i. Details of the Listed Entity

Sl.No.	Description	Details
1	**Corporate Identity Number (CIN) of the Listed Entity**	L29130TZ1972PLC000649
2	**Name of the Listed Entity**	Shanthi Gears Limited
3	**Year of incorporation**	1972
4	**Registered office address**	304-A, Trichy Road, Singanallur, Coimbatore - 641 005, Tamil Nadu, India
5	**Corporate address**	304-A, Trichy Road, Singanallur, Coimbatore - 641 005, Tamil Nadu, India
6	**E-mail**	info@shanthigears.murugappa.com
7	**Telephone**	0422-4545745
8	**Website**	www.shanthigears.com
9	**Financial year for which reporting is being done**	2025-2026 (01st April 2025 to 31st March 2026)
10	**Name of the Stock Exchange(s) where shares are listed**	National Stock Exchange of India Limited Bombay Stock Exchange Limited
11	**Paid-up Capital**	₹ 7.67 Crores
12	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	Name: Mr. Walter Vasanth P J Telephone: +91 422 4545745 Email Address: waltervasanthpj@shanthigears.murugappa.com
13	**Reporting boundary** **Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).**	Standalone basis - The reporting boundary comprises all the manufacturing units of the Company in India for the period covering 1st April 2025 to 31st March 2026
14	**Name of assurance provider**	-
15	**Type of assurance obtained**	-

ii. Products/Services

		Sl. No.	Description of main activity	Description of business activity	% of turnover of the entity (FY24)
16	**Details of business activities *(accounting for 90% of the turnover):***	1	Manufacturing & Services	Design and Manufacture of Gears, Gear boxes, Geared Motors, and Gear Assemblies, Refurbishing & repairing of gear boxes.	100%

		Sl. No.	Product/ Service	NIC Code	% of total turnover contributed
17	**Products/ Services sold by the entity *(accounting for 90% of the entity's Turnover):***	1	GGM (Gears & Gear Motors)	2814	48%
		2	GDS (Gear Drives & Services)	2814	52%

iii. Operations

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

	Market served by the entity:	Locations	Numbers
19	**a. No. of Locations**	National (No. of States/UTs)	28 States & 8 Union Territories
		International (No. of Countries)	27
	b. What is the contribution of exports as a percentage of the total turnover of the entity?	13% is the total turnover in percentage for the reporting period.	
	c. A brief on types of customers	Shanthi Gears caters to a broad and diversified customer base, in Business to Business (B2B) segment, the Company primarily supplies to Original Equipment Manufacturers (OEMs). The products and services offered by Shanthi Gears find application across a wide spectrum of industries, including but not limited to mineral processing, mining, off highway vehicles, rubber and plastics, extruders, power generation, wind energy, general engineering, steel, textiles, railways, chemicals, fertilizers, non ferrous metals, pumps, valves, blowers and compressors, lifts, conveyors and cranes, material handling, pulp and paper, cement, sugar, foundry operations, conveyor systems, aerospace and defense, textile mills, and food processing. This extensive customer mix and the diversity of industry applications underscore the comprehensive and versatile nature of Shanthi Gears' product portfolio and service capabilities.	

iv. Employees

20. Details as at the end of Financial Year

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
a. Employees and Workers (including differently abled)						
Employees						
1	Permanent (D)	263	240	91%	23	9%
2	Other than Permanent (E)	133	121	91%	12	9%
3	**Total employees (D + E)**	396	361	91%	35	9%
Workers						
4	Permanent (F)	216	213	99%	3	1%
5	Other than permanent (G)	823	766	93%	57	7%
6	**Total workers (F + G)**	1039	979	94%	60	6%
b. Differently abled Employees and Workers						
Differently abled employees						
7	Permanent (D)	0	0	0	0	0
8	Other than Permanent (E)	0	0	0	0	0
9	**Total differently abled employees (D + E)**	0	0	0	0	0
Differently abled workers						
10	Permanent (F)	0	0	0	0	0
11	Other than permanent (G)	0	0	0	0	0
12	**Total differently abled workers (F + G)**	0	0	0	0	0

21. Participation/Inclusion/Representation of women

Sl. No.	Particulars	Total (A)	No. and percentage of Females	
			No. (B)	% (B/A)
1	Board of Directors	9	2	22
2	Key Management Personnel	3	Nil	Nil

22. Turnover rate for permanent employees and workers

Category	FY 2026			FY 2025			FY 2024		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	17%	0%	17%	17%	1%	18%	22%	0%	22%
Permanent Workers	1%	0%	1%	2%	0%	2%	1%	0%	1%

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

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

Sl. No.	Name of the holding/ subsidiary/associate companies/joint ventures (A)	Indicate whether holding/ Subsidiary/Associate/ Joint Venture	% of shares held by listed Entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Tube Investments of India Limited	Holding Company	70.46	Yes

vi. CSR Details

24	(i) Whether CSR is applicable as per section 135 of the Companies Act, 2013: (Yes/No)	Yes
	(ii) Turnover (in ₹)	518.72 Crores
	(iii) Net worth (in ₹)	440.06 Crores

vii. Transparency and Disclosures Compliance

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

Stakeholder group from whom the complaint is received	Grievance redressal mechanism in place (Yes/No)	FY 2026 Current Financial Year			FY 2025 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Investors (other than shareholders)	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Communities	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Employees and workers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Others	Yes	Nil	Nil	Nil	Nil	Nil	Nil

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Corporate Governance	Opportunity	Openness and responsibility are core pillars of effective corporate governance at SGL. This dedication strengthens stakeholder confidence and cultivates a business environment rooted in ethics and long-term sustainability.	Not Applicable	Positive
2	Legal Compliance	Risk	The cornerstone of SGL's long-term success is its unwavering compliance with rules. Our robust regulatory intelligence program provides us with a thorough grasp of the shifting legal landscape, enabling us to take a proactive approach to anticipating and managing our future responsibilities.	Achieving zero regulatory non-compliance is a relentless pursuit at Shanthi Gears. We leverage advanced digital online tools to ensure and continuously monitor adherence to all applicable regulations.	Negative
3	Climate Change Strategy	Opportunity	Dependence on alternative, non-fossil energy sources provide a strategic advantage by mitigating the risks associated with fluctuating fossil fuel prices. The adoption of cleaner energy solutions also highlights our commitment to environmental stewardship and aligns us with global efforts to combat climate change.	Not Applicable	Positive
4	Occupational Health & Safety	Risk	A strong commitment to occupational health and safety is a fundamental principle at SGL. It promotes a safe, secure and efficient workplace where employee welfare is seamlessly integrated with high performance and operational effectiveness.	All SGL units are certified for ISO: 45001 system requirements. Top Management is committed to ensure "Zero Incident, safe work culture" through established Safety Health & Environment Policy. This approach is instrumental in ensuring our employee SHE performance. Leveraging the technology, management has introduced Online Digital Platform to ensure real time reporting and monitoring.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Training talent and Skill Development	Opportunity	Ongoing skill enhancement and learning initiatives at SGL equipped employees & workers with the tools to grow and excel, nurturing a culture of continuous improvement. This strategic investment cultivates a resilient and future-ready workforce, essential for long-term success	Not Applicable	Positive
6	Waste Management	Risk	Reducing our ecological footprint is a key focus at SGL. We adopt environmentally responsible waste management practices across all operations and units, with an emphasis on resource efficiency, recovery, and waste reduction.	All SGL units are certified for ISO 14001 system requirements. Waste generated at all of our units are segregated as hazardous and nonhazardous and disposed in appropriate ways, while adhering to the applicable norms and regulations for each type of waste.	Negative
7	Water and Wastewater Management	Risk	Effective & Responsible water resource management is a critical priority for SGL. We employ water-efficient processes and adopt eco-friendly wastewater treatment methods to reduce our environmental footprint.	All SGL units are equipped with wastewater treatment facilities. All our units possess Rainwater Harvesting practices.	Negative
8	Sustainable Supply Chain	Risk	Establishing a sustainable supply chain is a strategic focus for SGL. We engage with eco conscious partners and practice responsible sourcing to reduce our social, environmental and governance impacts.	SGL has engaged in a sustainable supply chain program, which covers capacity building and assessment of ESG practices of our suppliers.	Negative
9	Risk & Crisis Management	Risk	At SGL, we recognize the importance of a comprehensive risk and crisis management framework as a strategic safeguard. By proactively identifying emerging risks, we enhance our ability to mitigate potential disruptions before they evolve into critical challenges	We conduct regular assessments to identify potential threats, by analyzing the probability & severity, and thereby prioritizing the risk for initiating further actions.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10	Community Engagement	Opportunity	Fostering meaningful relationships with local communities is a key focus for SGL. Through targeted social initiatives, we invest in improving quality of life and advancing the long-term, sustainable development of the regions and communities in which we operate.	Not Applicable	Positive
11	Product Stewardship	Risk	SGL places strong emphasis on sustainable product lifecycles. Our design and manufacturing processes prioritize environmental responsibility by incorporating sustainable materials, optimizing resource usage, and planning for effective life cycle management.	We actively collaborate with our suppliers to encourage the adoption of environmentally responsible practices within their operations. This collective effort helps minimize the ecological footprint across the supply chain and supports SGL commitment to product stewardship.	Negative
12	Cyber Security and Data Protection	Risk	High importance on cybersecurity to safeguard vital information assets and operational infrastructure. Comprehensive information security protocols are implemented to ensure adherence to regulatory standards and to reinforce stakeholder trust.	At SGL we ensure confidentiality, integrity and availability of information throughout the process and is asserted by proactively performing penetration testing and vulnerability assessments to detect and strengthen potential weaknesses in our cybersecurity framework and thereby ensuring threats are mitigated.	Negative

Section B: Management and process disclosures

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

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes										
1.	**a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	The following policies of Shanthi Gears are available on the Company's website and can be accessed at https://www.shanthigears.com/policies/ • Policy for Preservation of Documents & Archival • Board Diversity Policy • Code of Conduct to Regulate, Monitor and Report Trading by Insiders in Securities • Dividend Distribution Policy • Business Responsibility Policy • Material Subsidiary Policy • Corporate Social Responsibility (CSR) Policy • Materiality Policy • Policy on Related Party Transactions • Terms and Conditions for Appointment of Independent Directors • Familiarization Programme for Independent Directors • Code of Conduct for Directors and Senior Management • Whistle Blower Policy • Policy on Fair Disclosures • Remuneration Policy								
2.	**Whether the entity has translated the policy into procedures. (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	**Do the enlisted policies extend to your value chain partners? (Yes/No)**	No	No	No	No	No	No	No	No	No
4.	**Name of the national and international codes/ certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.**	Shanthi Gears Limited is certified for the following management systems. ISO9001, ISO14001, ISO45001, ISO/TS22163(IRIS), AS9100D(Aerospace), NADCAP – NDT & Heat Treating, Pressure Equipment Directive (PED)								

<table>
<tr><th colspan="2">Disclosure Questions</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td>5.</td><td>Specific commitments, goals and targets set by the entity with defined timelines, if any.</td><td colspan="9">Shanthi Gears establishes short-term and long-term goals and targets in ESG areas demonstrating our dedication to sustainability, safety and the well-being of our employees.

Environment Goals at 2030
• Energy Intensity: 30% reduction in Energy Intensity across all SGL Units
• Renewable Energy: 75% of total energy will be from renewable energy
• Water Intensity: 50% reduction in Water Intensity across all SGL Units
• Waste Intensity: 50% reduction in Waste Intensity across all SGL Units

Social Goals at 2030
• Magnify the impact of CSR program: Enhance our CSR program by increasing the employee volunteering hours to 8 hours/Employee/Year
• ESG Training man hours (man-hours/employee): 5 Man days per employee per year across all SGL Units
• Safety: Achieve and sustain Zero LTIFR
• Employee Retention rate year on year: 90% retention rate of employees in Management and Supervisory role
• Building an Engaging working place for employees: 85% Achievement of Employee Engagement Score
• Creating an opportunity to build equitable workplace that offers diversified workforce: Women in Management and Supervisory role to grow to 20% in SGL Units

Governance Goals at 2030
• Integrate Technology for sustained operations: Production Efficiency 70% of improvement
• Supply Chain Assessment: Coverage of 80% critical supply chain partners for ESG assessment. Integrate ESG performance of critical supply chain partners in procurement decision-making for Shanthi Gears Limited

SGL's ESG initiatives will reduce the organization's impact on environment, cultivate an engaged and inclusive team, this emphasizes the importance of having a workforce that is motivated and represents diverse backgrounds and perspectives.</td></tr>
<tr><td>6.</td><td>Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</td><td colspan="9">
<table>
<tr><th>S.No.</th><th>Parameter/Metric</th><th>Target FY 30</th><th>Performance (FY 25-26)</th></tr>
<tr><td colspan="4">Environmental Goals</td></tr>
<tr><td>1</td><td>Energy Intensity</td><td>30%</td><td>10% Reduction</td></tr>
<tr><td>2</td><td>Renewable Energy</td><td>75%</td><td>61% Renewable Energy</td></tr>
<tr><td>3</td><td>Water Intensity</td><td>50%</td><td>13% Reduction</td></tr>
<tr><td>4</td><td>Waste Intensity</td><td>50%</td><td>12% Reduction</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th colspan="2">Disclosure Questions</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
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<table>
<tr><th>S.No.</th><th>Parameter/Metric</th><th>Target FY 30</th><th>Performance (FY 25-26)</th></tr>
<tr><td colspan="4">Social Goals</td></tr>
<tr><td>5</td><td>Magnify impact of CSR Program (Employee volunteering hours)</td><td>8 Hours/Per employee/Year</td><td><2 Hours/Year</td></tr>
<tr><td>6</td><td>ESG Training Hours</td><td>5 Man Days/Per Employee/Year</td><td>3 Man Days/Per Employee/Year</td></tr>
<tr><td>7</td><td>Safety</td><td>0 LTIFR</td><td>0.35 LTIFR</td></tr>
<tr><td>8</td><td>Employee Retention Rate</td><td>90%</td><td>83%</td></tr>
<tr><td>9</td><td>Employee Engagement Score</td><td>85%</td><td>77%</td></tr>
<tr><td>10</td><td>Diversified Workforce</td><td>20%</td><td>6%</td></tr>
<tr><td colspan="4">Governance Goals</td></tr>
<tr><td>11</td><td>Production Efficiency</td><td>70%</td><td>61%</td></tr>
<tr><td>12</td><td>Supply Chain ESG</td><td>80%</td><td><20%</td></tr>
</table>
</td></tr>
<tr><td colspan="11">Governance, Leadership, and Oversight</td></tr>
<tr><td>7.</td><td>Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)</td><td colspan="9">At SGL, our strategic choices and operational priorities are guided by our core values of Integrity, Passion, Quality, Respect, and Responsibility, which serve as the foundation of our corporate culture. We place strong emphasis on Environmental, Social, and Governance (ESG) principles, recognizing them as integral to long-term sustainability, business continuity, and value creation for stakeholders. SGL acknowledges the interconnected nature of environmental stewardship, social responsibility, and sound governance, and remains committed to creating positive outcomes for all stakeholders, including employees, customers, investors, and communities.

SGL recognizes climate change as a material business consideration and actively works to identify, address, and mitigate environmental and social risks across its end-to-end value chain. Our approach includes accelerating the adoption of renewable energy, closely tracking and reducing greenhouse gas emissions, and strengthening responsible procurement practices through structured ESG evaluations of suppliers. In parallel, we continue to implement initiatives aimed at minimizing waste and improving efficiency in the use of natural resources across our operations.

Beyond operational initiatives, SGL supports the broader transition to a low-carbon economy through sustained investments in research and development, with a particular focus on automation and renewable energy–related technologies. Our ESG framework is reinforced by periodic assessments to ensure adherence to applicable legal and regulatory requirements, along with the timely submission of all mandated disclosures and filings.

Through this holistic and future-oriented approach, SGL seeks to balance economic performance with environmental protection and social progress, while fostering resilience and delivering enduring value to stakeholders.</td></tr>
<tr><td>8.</td><td>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies</td><td colspan="9">Name: Mr. M Karunakaran
Designation: CEO & Whole-time Director
DIN Number: 09004843
Contact Details:
Telephone Number: 0422-4545745
Email id: karunakaranm@shanthigears.murugappa.com</td></tr>
</table>

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
9.	**Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.**	Yes, the board of directors are responsible for decision making on sustainability related issues.								

10. Details of Review of NGRBCs by the Company

Subject for Review	Indicate whether the review was undertaken by the Director/the Committee of the Board/ Any other Committee									Frequency (Annually/Half yearly/Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against the above policies and follow-up action	Board Committee									Quarterly								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Board Committee									Quarterly								

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out an independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency	Yes, as Necessary.								

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

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	Not Applicable								
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)	Not Applicable								
It is planned to be done in the next financial year (Yes/No)	Not Applicable								
Any other reason (please specify)	Not Applicable								

Section C: Principle Wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentages of persons in respective category covered by the awareness programmes
Board of Directors (BoD)	9	Business Management, Corporate Governance, Risk Management, Technology & ESG	100%
Key Managerial Personnel (KMPs)	3	Business Management, Corporate Governance, Risk Management, Technology & ESG	100%
Employees other than BoD and KMPs	132	Occupational Health & Safety, Conservation of Energy, Water and Waste Reduction, ESG, Human Rights, POSH, Technical Trainings	95%
Workers	63	Occupational Health & Safety, Usage of PPE, Conservation of Energy, Water and Waste Reduction, ESG, activity based SOP's, Human Rights and POSH.	87%

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

Monetary					
Type	**NGRBC Principle**	**Name of the regulatory/ Enforcement agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
a. Monetary					
Penalty/Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

b. Non-Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ Judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

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

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

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

Shanthi Gears Limited upholds a robust governance framework that is firmly grounded in ethical conduct, accountability, and transparency. The Company places paramount importance on compliance with legal and ethical standards, a principle that is consistently reinforced across the Board of Directors, senior leadership, and the wider workforce. SGL actively promotes a culture that encourages stakeholders to act responsibly and ethically, thereby strengthening trust and reinforcing a positive corporate reputation.

The Company has established a comprehensive Code of Conduct that governs the professional behaviour of Directors, senior management—including executives at the General Manager level and above—and individuals reporting directly to the Chief Executive Officer and Company Secretary. The Code emphasizes decision-making in the best interests of the Company while maintaining a balanced consideration of stakeholder responsibilities, which is vital for long-term value creation.

In engaging with value chain partners, SGL prioritizes associations with organizations that demonstrate a commitment to ethical business practices. To embed these principles across the organization, the Company has implemented a structured compliance approach that includes regular training and awareness programs for employees, supported by continuous communication through multiple engagement platforms to ensure stakeholders remain informed and aligned with the Company's values.

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

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

Category	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

Topic	FY 2026 Current Financial Year		FY 2025 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

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

Nil

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

Category	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Number of days of accounts payables	79	60

9. Open-ness of business

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

Parameter	Metrics	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	18%	16%
	b. Number of dealers/distributors to whom sales are made	35	45
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributor	64%	60%
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	3%	3%
	b. Sales (Sales to related parties/Total Sales)	1%	2%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	NA	NA
	d. Investments (Investments in related parties/Total Investments made)	NA	NA

Leadership Indicators

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

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

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

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

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

Essential Indicators

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

	FY 2026 Current Financial Year	FY 2025 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	1%	0%	Investment focused on improving energy efficiency and enhancing product quality
Capex	₹3.71 Crores (6%)	₹4.33 Crores (21%)	Modernization of facilities and energy-efficient equipment

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

   b. If yes, what percentage of inputs were sourced sustainably? 70%

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

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

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

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

   Shanthi Gears is in the process of formulating Standard Operating Procedures (SOPs) for the recycling of plastic waste across its operations. These SOPs will be rolled out following the successful completion of the Company's Extended Producer Responsibility (EPR) registration.

Leadership Indicators

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

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

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

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

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
	Not Applicable	Not Applicable

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

	FY 2026 Current Financial Year			FY 2025 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not Applicable			Not Applicable		
E-waste						
Hazardous waste						
Other waste						

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

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

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

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent employees											
Male	240	240	100%	240	100%	0	0%	240	100%	0	0%
Female	23	23	100%	23	100%	23	100%	0	0%	0	0%
Total	**263**	**263**	**100%**	**263**	**100%**	**23**	**9%**	**240**	**91%**	**0**	**0%**
Other than Permanent employees											
Male	121	0	0%	121	100%	0	0%	121	100%	0	0%
Female	12	0	0%	12	100%	12	100%	0	0%	0	0%
Total	**133**	**0**	**0%**	**133**	**100%**	**12**	**9%**	**121**	**91%**	**0**	**0%**

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

Category	% of workers covered by										
	Total (A)	Health insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent workers											
Male	213	0	0%	213	100%	0	0%	213	100%	0	0%
Female	3	0	0%	3	100%	3	100%	0	0%	0	0%
Total	**216**	**0**	**0%**	**216**	**100%**	**3**	**1%**	**213**	**99%**	**0**	**0%**
Other than Permanent workers											
Male	766	0	0%	766	100%	0	0%	0	0%	0	0%
Female	57	0	0%	57	100%	0	0%	0	0%	0	0%
Total	**823**	**0**	**0%**	**823**	**100%**	**0**	**0%**	**0**	**0%**	**0**	**0%**

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

	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Cost incurred on wellbeing measures as a % of total revenue of the company	15%	13%

2. Details of retirement benefits.

Benefits	FY 2026 Current Financial Year			FY 2025 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers Covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	100%	100%	Yes	100%	100%	Yes
Other (Bonus)	100%	100%	Yes	100%	100%	Yes

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

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

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

Shanthi Gears Limited is committed to promoting equal opportunity for all. The company has implemented a company-wide policy across all its facilities that complies with the Rights of Persons with Disabilities Act of 2016.

This policy is readily available to all employees on the company's internal portal, demonstrating the organization's dedication to fostering an inclusive work environment.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

	Permanent employees		Permanent Workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	100%	Nill	Nill	Nill
Female	Nill	Nill	Nill	Nill
Total	**100%**	**Nill**	**Nill**	**Nill**

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

	Yes/No	(If Yes, then give details of the mechanism in brief)
Permanent Workers	*Yes*	Mechanisms are available for receipt and redressal of grievances. Shanthi Gears Limited upholds its commitment to cultivating a transparent, equitable, and inclusive organizational culture through structured governance frameworks and proactive stakeholder engagement. The company has instituted a formal Whistleblower Policy, designed to empower employees to report unethical practices or policy violations vide secure and confidential reporting mechanisms. Welfare Committee is constituted and functions as the primary body for addressing employee grievances, ensuring timely resolution and constructive feedback integration. Periodic stakeholder consultations—covering key themes such as the Prevention of Sexual Harassment (POSH), Union representation, workplace conditions, occupational health and safety, facility management, and internal communication—serve to institutionalize dialogue and reinforce mutual accountability. To enhance accessibility and procedural clarity, Shanthi Gears Limited has operationalized multiple grievance redressal channels, which included employee engagement surveys to report grievances. These mechanisms are uniformly deployed across all manufacturing units and are applicable to permanent, non-permanent employees, contract personnel, underscoring the organization's commitment to nondiscrimination, procedural fairness, and workforce inclusivity. This comprehensive framework ensures that employee voices are acknowledged and addressed systematically, reinforcing SGLs alignment with best practices in corporate ethics and social governance.
Other than Permanent Workers		
Permanent Employees		
Other than Permanent Employees		

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

Category	FY 2026 Current Financial Year			FY 2025 Previous Financial Year		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or union (D)	% (D/C)
Total Permanent Employees	263	0	0%	0	0	0%
Male	240	0	0%	0	0	0%
Female	23	0	0%	0	0	0%
Total Permanent Workers	216	149	69%	237	158	66%
Male	213	146	69%	233	154	66%
Female	3	3	100%	4	4	100%

8. Details of training given to employees and workers.

Category	FY 2026 Current Financial Year					FY 2025 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent Employees										
Male	240	240	100%	240	100%	245	245	100%	245	100%
Female	23	23	100%	23	100%	21	21	100%	21	100%
Total	263	263	100%	263	100%	266	266	100%	266	100%
Permanent Workers										
Male	213	213	100%	213	100%	233	233	100%	170	73%
Female	3	3	100%	3	100%	4	4	100%	4	100%
Total	216	216	100%	216	100%	237	237	100%	174	73%

9. Details of performance and career development reviews of employees and workers.

Category	FY 2026 Current Financial Year			FY 2025 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Permanent Employees						
Male	240	183	76.25%	245	176	72%
Female	23	16	69.57%	21	16	76%
Total	**263**	**199**	**75.67%**	**266**	**192**	**72%**
Permanent Workers						
Male	213	158	74.18%	233	190	82%
Female	3	2	66.67%	4	2	50%
Total	**216**	**160**	**74.07%**	**237**	**192**	**81%**

10. Health and safety management system.

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

Yes, Shanthi Gears Limited has implemented a robust Occupational Health and Safety Management System across all its manufacturing units. The Company's entire operational footprint is covered under its Environmental and Occupational Health and Safety (EOHS) framework, which is certified to ISO 45001 for occupational health and safety and ISO 14001 for environmental management. This integrated approach reflects SGL's strong commitment to ensuring a safe workplace and promoting environmentally responsible operations.

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

Shanthi Gears adopts a systematic and proactive methodology to identify, evaluate, and manage workplace hazards across its operations. The Company's approach is anchored in the following key processes:

1. Hazard Identification and Risk Assessment (HIRA)

Regular HIRA exercises are carried out for both routine and non-routine activities. Based on these assessments, appropriate risk-reduction measures are implemented to eliminate or mitigate hazards. Critical operational areas are assessed at defined frequencies—weekly, monthly, quarterly, and annually—to ensure continuous risk oversight.

2. Multi-Tier Safety Audits

Internal leadership teams conduct safety audits across all units to verify compliance and identify improvement areas. In addition, annual audits by external specialists are undertaken to benchmark practices against industry standards and regulatory requirements.

3. Workplace Inspections and Safety Walk-Throughs

Plant teams and safety professionals conduct safety walks and workplace inspections to proactively identify and correct unsafe acts or conditions. Preventive maintenance checklists and daily autonomous machine checks support the reliability and safe functioning of essential equipment, including sensors and limit switches.

4. Employee Participation and SHE Committee Engagement

Safety, Health, and Environment (SHE) Committee meetings are held with active participation from employees, management, and contractors. These forums encourage open discussions on hazards, near-miss events, and potential risk-mitigation strategies.

5. Work Permit System

A stringent work permit process ensures that hazardous or non-routine tasks are undertaken only with proper authorization and adherence to established safety protocols.

6. Digital Safety Systems

SGL has introduced digital platforms for reporting unsafe acts and conditions, as well as an online work permit system through an EHS application. These digital tools support real-time hazard identification, tracking, and closure, thereby strengthening proactive risk management and improving compliance.

Through this integrated framework, Shanthi Gears Limited maintains a safe, compliant, and continuously improving work environment, demonstrating its strong commitment to employee safety, well-being, and operational excellence.

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

Yes

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

Yes, Shanthi Gears Limited (SGL) ensures that employees have access to appropriate non-occupational medical and healthcare support. The Company's occupational health centers provide care for minor ailments and non-work-related injuries, supported by a factory medical officer and trained first-aid personnel. For conditions requiring more advanced treatment, employees are referred to hospitals and are covered under the Company's medical insurance scheme. Additionally, SGL promotes overall employee well-being through periodic health screenings and awareness programmes. These initiatives underline the Company's commitment to offering comprehensive healthcare support and fostering a healthy, productive workforce.

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

Safety Incident/ Number	Category	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.35	0
Total recordable work-related injuries	Employees	0	0
	Workers	1	0
No. of fatalities	Employees	0	0
	Workers	1	0
High consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

Shanthi Gears Limited (SGL) is committed to providing a safe and healthy work environment and places strong emphasis on safeguarding the well-being of employees, contractors, and all stakeholders. The Company follows a comprehensive and structured Occupational Health and Safety (OHS) approach, grounded in strong leadership oversight, active employee involvement, and a focus on continual improvement.

- **Leadership Commitment:** Senior management plays an active and visible role in reviewing the effectiveness of safety management systems, ensuring alignment with regulatory requirements and organizational objectives.
- **Structured Safety Management:** A robust framework of safety protocols governs all operational activities. This includes regular safety inspections, systematic hazard and risk assessments, and targeted training programmes tailored for various employee groups.
- **Safety-First & 5S Awareness:** SGL promotes a safety-first mindset and 5S culture through ongoing communication campaigns, structured training, and recognition programmes that encourage accountability and ownership of safe and orderly workplace practices.
- **Proactive Risk Reporting:** Employees are encouraged to report unsafe conditions, near-miss events, or potential hazards through established channels, enabling timely corrective and preventive actions.
- **Preventive Maintenance:** All machinery, equipment, and infrastructure undergo planned preventive maintenance and routine safety checks to ensure proper functioning and minimize operational risks.
- **Emergency Preparedness:** Comprehensive emergency response procedures—including fire safety, spill response, and medical emergency protocols—are in place. Regular drills and simulation exercises enhance preparedness and coordination during emergencies.
- **Continuous Monitoring:** Safety patrols, workplace walkthroughs, and toolbox talks are conducted regularly to identify risks in real time and reinforce safe work practices.
- **Independent Assessments:** Periodic internal and external audits are carried out to assess compliance, identify improvement opportunities, and support the ongoing enhancement of safety systems.
- **Emergency Response Capability:** Routine fire drills and mock evacuation exercises are conducted to ensure employee readiness and effective response during critical situations.

Through this integrated and disciplined approach, SGL reinforces its commitment to maintaining a safe, healthy, and compliant work environment for all.

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

<table>
<tr><th rowspan="2"></th><th colspan="3">FY 2026
Current Financial Year</th><th colspan="3">FY 2025
Previous Financial Year</th></tr>
<tr><th>Filed during the year</th><th>Pending resolution at the end of year</th><th>Remarks</th><th>Filed during the year</th><th>Pending resolution at the end of year</th><th>Remarks</th></tr>
<tr><td>Working conditions</td><td rowspan="2">1920</td><td rowspan="2">283</td><td rowspan="2">SGL actively encourages employees and workers to promptly report any unsafe actions, unsafe conditions, or near-miss events to support proactive risk management.</td><td rowspan="2">2450</td><td rowspan="2">None</td><td rowspan="2">SGL's encourages employees & workers to proactively report unsafe act & conditions and near misses.</td></tr>
<tr><td>Health and safety</td></tr>
</table>

14. Assessments for the year.

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

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

- **Enhanced Material Handling Safety:** Wooden pallets used in industrial-grade racks were replaced with metal plates to reduce wood usage and improve overall rack stability.
- **Improved Machine Safety:** A reinforced machine platform with integrated secondary containment was installed to enhance operational stability and prevent spillages during handling activities.
- **Process Hazard Analysis:** A detailed HAZOP study was completed in the Heat Treatment facility to identify and mitigate process-related risks effectively.
- **Ergonomic Improvements:** Customized fixtures were introduced in the Foundry Division to safely secure cylindrical and circular components during cleaning and fettling tasks.
- **Guarding of Equipment:** Tailor-made safety guards were installed on conventional machines to improve operator safety without affecting productivity.
- **Environmental Safeguards:** Secondary containment systems were added to conventional machines and chemical storage zones to prevent soil contamination in the event of leaks or spills.
- **Electrical Risk Reduction:** Double earthing was implemented for all machines and furnaces to minimize electrical hazards.
- **Specialized Tools:** Non-sparking tools were introduced for handling flammable barrels to reduce ignition risks.
- **Fire Safety Enhancements:** Fire alarm systems equipped with heat detectors, manual call points, hooters, and strobe lights were installed in high-risk operational zones.
- **Behaviour-Based Safety Reinforcement:** GOBO projector systems were deployed in critical areas such as Heat Treatment and Foundry to promote PPE compliance and reinforce safety messaging.

- **Fire Suppression Capability:** Clean agent fire extinguishers were installed at key electrical and server installations for rapid response to potential fire incidents.
- **Incident Investigation:** All accidents and near-miss events were thoroughly investigated, with root causes identified and corrective actions implemented to prevent recurrence.
- **Digital Integration:** Digital platforms for incident reporting and work permit management were introduced to improve monitoring, workflow efficiency, and response times.

Collectively, these initiatives highlight SGL's proactive approach to hazard control, emergency preparedness, and continuous enhancement of safety standards across the organization.

Leadership Indicators

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

   a. *Yes* ***b.*** *Yes*

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

   Not Applicable.

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

Category	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2026 Current Financial Year	FY 2025 Previous Financial Year	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Employees	Nil	Nil	Nil	Nil
Workers	1	Nil	Nil	Nil

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

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

5. **Details on assessment of value chain partners.**

Topic	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety conditions	100%
Working conditions	100%

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

   Nil

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

Essential Indicators

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

Internal and external group of stakeholders have been identified. Presently the given stakeholder groups have the immediate impact on the operations and working of the company. This includes Employees, Shareholders & Investors, Customers, Communities and Vendors.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Digital platforms and social media, Retail outlets and Customer satisfaction survey	Regular	• **Excellence in Quality and Service:** Adherence to high quality standards ensures reliable and consistent product and service performance • **Customer Satisfaction Focus:** Continuous improvement driven by timely delivery, responsive support, and proactive feedback management
Local communities	No	Corporate social responsibility initiatives	Regular	• Commitment to environmental sustainability • Rural development initiatives • Enhanced access to healthcare and education
NGO partners	No	Corporate social responsibility initiatives	Regular	• Commitment to environmental sustainability • Rural development initiatives
Investors	No	Investor calls/presentations, press releases and publications, Statutory reports, Annual General Meeting, Stock Exchange announcements	Regular	• Earnings and fiscal outcomes • Operational developments and milestones • Expansion strategies and innovation roadmap • Environmental, social, and governance (ESG) performances
Regulators	No	Mandatory compliance reports; regular factory visits	Regular	• Statutory compliance requirements, governance, social, environmental
Employees	No	Internal communication platform, Digital learning platforms, Career progression programs, Engagement initiatives, Talent Management Engine	Regular	• Performance-driven culture • Workforce growth & talent retention • Strategic and sustainable goal alignment • Skill development initiatives • Collaborative & Positive employee relations • Health, safety & secure workplace
Suppliers	No	Supplier engagements – visits & meetings	Regular	• Capacity Building on ESG • Sustainable Practices in Procurement • Quality conscious products & services

Leadership Indicators

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

Shanthi Gears Limited has adopted an integrated communication framework to facilitate stakeholder interaction with the Board. This diversified approach employs a blend of structured and unstructured communication channels.

Structured avenues include online portals, regulatory/statutory filings, and internal training resources. The company also ensures that key issues and updates are routinely communicated to the Board through established pathways, ensuring clarity, transparency, and continuity in information exchange.

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

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

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

Shanthi Gears Limited, a valued member of the esteemed Murugappa Group, carries forward a longstanding commitment to corporate social responsibility (CSR), with a strong emphasis on supporting marginalized, disadvantaged, and vulnerable segments of society where we operate. The company embraces a participatory approach, working closely with community stakeholders to understand and address their critical needs. Its CSR initiatives are strategically aligned with key areas, particularly environmental sustainability, rural development and healthcare, to drive long-term social transformation. Underscoring its commitment to inclusive development, SGL allocates a defined share of its profits toward CSR programs. In the current financial year, the company executed several impactful projects, including:

- **Environmental Sustainability:**
  - i) 34,000 Saplings planting combined with land cleaning, fencing, drip irrigation and EB room - Karamadai, Coimbatore;
  - ii) Maintenance and upkeep of the 10,000 plants - Arasur, Coimbatore;
  - iii) 2,000 Sapling planting combined with drip irrigation and EB room - K Krishnapuram Panchayat, Palladam, Tirupur.
- **Rural Development:**
  - i) Road expansion from Pollachi Road to Mathampalayam Village ad-measuring (1.2 km) Palladam, Tirupur;
  - ii) CCTV installation in highway junction near Kamanaickenpalayam Police Station, Palladam, Tirupur;
  - iii) LED Street Lights to Muthugoundenpudur Panchayat, Coimbatore.
- **Healthcare:** X-Ray Machine for Somanur Primary Health Centre, Karumathampatti, Coimbatore.
- **Education:** Construction of two class rooms for PUM School, Kaduvettipalayam Village, Coimbatore.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

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

Category	FY 2026			FY 2025		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	263	247	94%	266	266	100%
Other than permanent	133	98	74%	114	76	67%
Total employees	**396**	**345**	**87%**	**380**	**342**	**90%**
Workers						
Permanent	216	205	95%	237	186	78%
Other than permanent	823	675	82%	834	450	54%
Total workers	**1039**	**880**	**85%**	**1071**	**636**	**59%**

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

Category	FY 2026 Current Financial Year					FY 2025 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (`F/D)
Employees										
Permanent	263	0	0%	263	100%	266	0	0%	266	100%
Male	240	0	0%	240	100%	245	0	0%	245	100%
Female	23	0	0%	23	100%	21	0	0%	21	100%
Other than Permanent	133	0	0%	133	100%	114	0	0%	114	100%
Male	121	0	0%	121	100%	108	0	0%	108	100%
Female	12	0	0%	12	100%	6	0	0%	6	100%
Workers										
Permanent	216	0	0%	216	100%	227	0	0%	227	100%
Male	213	0	0%	213	100%	223	0	0%	223	100%
Female	3	0	0%	3	100%	4	0	0%	4	100%
Other than Permanent	823	0	0%	823	100%	834	0	0%	834	100%
Male	766	0	0%	766	100%	797	0	0%	797	100%
Female	57	0	0%	57	100%	37*	0	0%	37	100%

*The decline is attributable to the outsourcing of the canteen operations.

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

a. Median remuneration/wages.

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	7	7,40,000	2	3,90,000
Key Managerial Personnel	3	55,57,255	0	Nil
Employees other than BoD and KMP	313	8,67,305	27	8,64,130
Workers	233	7,31,620	4	7,30,117

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

	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Gross wages paid to females as % of total wages	6%	5.4%

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

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

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

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

In addition to its customer-centric focus, SGL actively addresses human rights issues. The company's comprehensive POSH (Prevention of Sexual Harassment) policy provides a robust framework for handling any complaints related to workplace harassment, demonstrating its commitment to upholding the rights and dignity of its employees and workers. SGL's 'Whistle-blower Policy' and Code of Conduct set forth clear procedures for establishing and operating investigative committees. These measures uphold principles of transparency, ethical responsibility, and accountability in managing all reported matters.

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

	FY 2026 Current Financial Year			FY 2025 Previous Financial Year		
	Filed during the year	Pending Resolution at the end of year	Remarks	Filed during the year	Pending Resolution at the end of year	Remarks
Sexual Harassment	0	0	Nil	0	0	Nil
Discrimination at workplace	0	0	Nil	0	0	Nil
Child Labour	0	0	Nil	0	0	Nil
Forced Labour/ Involuntary Labour	0	0	Nil	0	0	Nil
Wages	0	0	Nil	0	0	Nil
Other human rights related issues	0	0	Nil	0	0	Nil

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

	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/workers	0%	0%
Complaints on POSH upheld	0	0

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

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

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

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

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

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

10. Assessments of the year.

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

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

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

Leadership Indicators

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

Not Applicable

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

Not Applicable

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

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

To achieve this, SGL has implemented several key measures:

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

4. Details on assessment of value chain partners.

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

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

   Not Applicable

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

Essential Indicators

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

Parameter	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
From renewable sources		
Total electricity consumption (A)	38,486 GJ	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	33,094 GJ (Wind) 295 GJ (Solar)
Total energy consumed from renewable sources (A+B+C)	38,486 GJ	33,389 GJ
From non-renewable sources		
Total electricity consumption (D)	28,070 GJ	41,019 GJ
Total fuel consumption (E)	6,545 GJ	6,498 GJ
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	34,615 GJ	47,517 GJ
Total energy consumed (A+B+C+D+E+F)	73,101 GJ	80,906 GJ
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	0.0000141	0.0000134
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	0.0002865	0.0000028
Energy intensity in terms of physical output (FTE)	153	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No, the assessment was done by the Company.

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

   Not Applicable

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

Parameter	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	25,281	28,765
(iii) Third party water (Municipal water supplies)	14,216	13,986
(iv) Seawater/desalinated water	0	0
(v) Others (Rainwater storage)	0	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	39,497	42,751
Total volume of water consumption (in kiloliters)	39,497	42,751
Water intensity per rupee of turnover (Total water consumption/ Revenue from operations)	0.0000076	0.0000071
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	0.00015	0.00014
Water intensity in terms of physical output	82	86
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

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

4. Provide the following details related to water discharged.

Parameter	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(ii) To Groundwater	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iii) To Seawater	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third parties	Nil	Nil
- No treatment (Water sent for treatment to Central Effluent Treatment Plant) *	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(v) Others	Nil	Nil
- No treatment	Nil	Nil
- With treatment – Tertiary treatment	Nil	Nil
Total water discharged (in kiloliters)	Nil	Nil

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

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

Water consumption at Shanthi Gears is planned and managed efficiently to ensure optimal utilization, with process water being treated in accordance with applicable regulatory requirements. The Company demonstrates its commitment to environmental sustainability through the operation of sewage treatment facilities, where treated water is reutilized for gardening purposes. This approach supports resource conservation and helps mitigate environmental impact. Additionally, Shanthi Gears has obtained all requisite approvals from the State Pollution Control Board, ensuring that its operations and water usage comply fully with statutory regulations.

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

Parameter	Please specify unit	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
NOx	mg/m3	14.65	15.25
SOx	mg/m3	7.48	7.97
Particulate matter (PM2.5)	-	-	-
Particulate matter (PM10)	mg/m3	40.78	43.33
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	-	<0.1	<0.1
Hazardous air pollutants (HAP)	-	NA	NA
Others – Please Specify	-	NA	NA

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

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

Parameter	Unit	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tons of CO2 equivalent*	391	**473**
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tons of CO2 equivalent*	5,536	**8,148**
Total Scope 1 and Scope 2 emissions	*Metric tons of CO2 equivalent*	5,927	8,761
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	*Metric tons of CO2 equivalent/ turnover in crores*	0.000001142	0.0000014
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations adjusted for PPP)	-	0.000023228	0.000029
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	12	16
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

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

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

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

Parameter	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Total Waste generated (in metric tons)		
Plastic waste ***(A)***	**7.36**	**22.07**
E-waste ***(B)***	**0**	**1.02**
Bio-medical waste ***(C)***	**0.03**	**0.05**
Construction and demolition waste ***(D)***	**0**	**0**
Battery waste ***(E)***	**1.07**	**1.85**
Radioactive waste ***(F)***	**0**	**0**
Other Hazardous waste. Haz. Waste from process + Haz. Waste from pollution control equipment's, + Filter bed sand+ Filter bags etc.***(G)***	**349.80**	**230.27**
Other Non-hazardous waste generated ***(H)***. MS Scrap + Aluminum scrap (Break-up by composition i.e., by materials relevant to the sector)	**5343.21**	**5269.15**
Total (A+B + C + D + E + F + G + H)	**5701.47**	**5524.41**
Waste intensity per rupee of turnover (Total waste generated/ Revenue from operations)	0.00000110	0.00000091
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.000022	0.000018
Waste intensity in terms of physical output	0.00000004	0.00000004
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)		
Category of waste		
(i) Recycled	5386.90	**5308.85**
(ii) Re-used	0	**0**
(iii) Other recovery operations	0	**0**
Total	5386.90	5308.85
For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)		
Category of waste*		
(i) Incineration	0.03	**0.04**
(ii) Landfilling	0	**0**
(iii) Other disposal operations	314.55	**215.50**
Total	314.58	**215.54**

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

Shanthi Gears actively works to reduce waste generation through the implementation of a comprehensive **3R approach—Reduce, Reuse, and Recycle—across all its operations.** This effort is supported by a well established environmental management system (EMS) that defines clear operational controls for waste handling, segregation, storage, and environmentally responsible disposal.

Employees are regularly trained to identify and distinguish between biodegradable, non biodegradable, and hazardous waste streams, ensuring effective segregation and safe movement of waste to designated storage areas without risk of spillage or contamination.

The Company partners with authorized waste management service providers to promote responsible disposal practices, including recycling and co processing wherever feasible. For hazardous waste, Shanthi Gears obtains all necessary approvals from the State Pollution Control Boards to ensure that handling and disposal are carried out in a safe and fully compliant manner.

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

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
None of Shanthi Gear's plants and offices are situated in ecologically sensitive areas, hence the same is not applicable.			

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
No new projects were undertaken or implemented during the current financial year hence the same is not applicable.					

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

S. No.	Specify the law/ regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Yes, Shanthi Gears is compliant with all the applicable environmental laws and regulations.				

Leadership Indicators

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

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

i. Name of the area: Nil

ii. Nature of operations: Nil

iii. Water withdrawal, consumption, and discharge in the following format: Nil

Parameter	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed/turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)*		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

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

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

Parameter	Unit	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 3 emissions per Crore of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

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

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

Not Applicable.

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

S. No	Initiative undertaken	Details of the initiative *(Web-link, if any, may be provided along-with summary)*	Outcome of the initiative
1.	Renewable energy	In addition to the captive power generation from 6.7 MW wind mill and 190-kWh rooftop solar, the company purchased renewable power from third party.	As part of its commitment to sustainable energy practices, Shanthi Gears Limited increased its share of renewable energy in its overall energy mix. Currently, 61% (53% from captive and 8% from third party) of company's total energy is consumed from renewable energy. Further expansion of rooftop solar capacity is planned in the next financial year, reinforcing the company's focus on transitioning to cleaner and more sustainable energy solutions.

S. No	Initiative undertaken	Details of the initiative *(Web-link, if any, may be provided along-with summary)*	Outcome of the initiative
2.	Energy efficiency	Installation of LED street lighting has been undertaken, along with the continued adoption of daylight saving measures across the majority of shop floor areas. In addition, periodic internal energy audits are conducted to identify and enhance energy efficiency opportunities.	To improve energy efficiency, energy efficient LED street lighting has been installed across the C & D Units. These LED fixtures provide enhanced illumination, longer operational life, and reduced power consumption, resulting in cost efficiencies as well as improved lighting conditions across the facility. In addition, daylight conservation practices are actively implemented. Natural light is leveraged by minimizing the use of artificial lighting in adequately illuminated areas, while certain work schedules are aligned with daylight availability. Employees are also sensitized to switch off lights when not in use, fostering an energy efficient and mindful workplace environment. As a result of these sustained initiatives and continuous improvements in operational efficiency, the Company has achieved a 7% reduction in energy intensity compared to the previous financial year, reflecting the effectiveness of its energy conservation measures.
3.	Water efficiency	Shanthi Gears continues to undertake targeted initiatives aimed at promoting efficient water management and strengthening sustainability practices across its operations.	To reduce freshwater consumption in the canteen, Shanthi Gears has implemented a series of operational and process level improvements. These measures include the installation of low flow taps, optimization of water usage during dishwashing activities, reuse of rinse water, and employee training on water efficient practices. Collectively, these initiatives have resulted in a measurable reduction in daily water consumption while maintaining hygiene standards and operational efficiency. Treated wastewater from the in house Sewage Treatment Plant (STP) is reused for gardening and landscaping purposes. This practice supports freshwater conservation and ensures environmentally responsible management of treated effluent. The quality of treated water is monitored regularly to confirm its suitability for horticultural applications. In addition, rainwater harvesting infrastructure has been expanded, with connection lines installed in Unit C following the successful implementation in Unit D. Rainwater collected from rooftop catchments is utilized for cooling towers, gardening, and fire water storage, thereby reducing reliance on municipal and bore well water sources while contributing to groundwater recharge.

S. No	Initiative undertaken	Details of the initiative *(Web-link, if any, may be provided along-with summary)*	Outcome of the initiative
4.	Waste Management	Shanthi Gears continues to undertake targeted actions aimed at reducing waste generation and improving resource efficiency across its operations.	Damaged wooden pallets are refurbished and reused for internal material handling activities, thereby reducing wood waste. As part of a phased transition, wooden waste bins have been replaced with modified metal bins, significantly lowering the use of disposable wooden materials. In addition, an oil reconditioning unit has been commissioned, enabling the reuse of industrial oil and resulting in a substantial reduction in hazardous waste generation. The Company has also begun diverting a portion of waste foundry sand to authorized recyclers, minimizing landfill disposal and supporting sustainable waste management practices. Collectively, these initiatives reflect Shanthi Gears' commitment to circular waste management and have contributed to an overall 17% reduction in total waste generation compared to the previous financial year.

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

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

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

Not Applicable.

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

As part of its commitment to sustainability across the value chain, Shanthi Gears Limited (SGL) has initiated supplier training programs and is in the process of developing structured assessment parameters to evaluate the environmental and social practices of its suppliers. The Company has also begun categorizing suppliers based on a criticality matrix, enabling prioritized assessments and focused engagement with key value chain partners.

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

Essential Indicators

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

Shanthi Gears Limited is a part of 5 associations.

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

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry	National
2	Madras Management Association (MMA)	National
3	The Employers' Federation of Southern India	National
4	Indian Wind Power Association	National
5	The Institute of Indian Foundry men	National

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

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

Leadership Indicators

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

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/ Others – please specify)	Web Link, if available
The company does not have separate advocacy policy in place. The company collaborates with Industry associations to advocate public policy.					

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

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

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

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

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

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

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

   Not Applicable

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

Parameter	FY 2026 Current Calendar Year	FY 2025 Previous Calendar Year
Directly sourced from MSMEs/small producers	48%	41%
Directly from within India	28%	29%

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

Location	FY 2026 Current Calendar Year	FY 2025 Previous Calendar Year
Rural	0%	0%
Semi-urban	20%	27%
Urban	0%	0%
Metropolitan	80%	73%

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

Leadership Indicators

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

Details of negative social impact identified	Corrective action taken
Not Applicable	

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

State	Aspirational District	Amount Spent (in ₹)
Tamil Nadu, India	Coimbatore	2.19 Crores

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

   No

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

   Not Applicable

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

   Not Applicable

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

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

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

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

6. Details of beneficiaries of CSR Projects.

S. No.	CSR Projects	No. of persons benefited from CSR Projects 2025-26 (Approx.)	% of beneficiaries from vulnerable and marginalized groups
1	**Education:** Construction of two class rooms - PUM School, Kaduvettipalayam Village, Coimbatore.	80	100%
2	**Health Care:** X-Ray Machine - Somanur Primary Health Centre, Karumathampatti, Coimbatore.	360	100%
3	**Rural Development:** Road expansion from Pollachi Road to Mathampalayam Village ad-measuring (1.2 km) Palladam, Tirupur.	600	100%
4	**Environmental Sustainabilty:** Maintenance and upkeep of the 10,000 plants, Arasur, Coimbatore.	2,000	100%
5	**Environmental Sustainability:** 34,000 Saplings planting combined with land cleaning, fencing, drip irrigation and EB room - Karamadai, Coimbatore.	1,500	100%
6	**Environmental Sustainabilty:** 2,000 Sapling planting combined with drip irrigation and EB room - K Krishnapuram Panchayat, Palladam, Tirupur.	600	100%
7	**Rural Development:** CCTV installation in highway junction near Kamanaickenpalayam Police Station, Palladam, Tirupur.	600	100%
8	**Rural Development:** LED Street Lights - Muthugoundenpudur Panchayat, Coimbatore.	800	100%

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

Essential Indicators

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

Customer complaints received by Shanthi Gears' marketing team are promptly forwarded to the Quality Department through the company's online portal. Upon receipt, the complaint is systematically disseminated to all concerned stakeholders to facilitate a coordinated response to the customer within seven days.

The time required to resolve complaints varies based on their complexity and severity. On average, Shanthi Gears takes approximately 29 days to thoroughly investigate, address, and close a customer complaint.

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

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

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

	FY 2026 (Current Calendar Year)		Remarks	FY 2025 (Current Calendar Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	112	0	100% of the complaints have been resolved

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

	Number	Reasons for recall
Voluntary recalls	Nil	
Forced recalls	Nil	

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the policy is maintained as an internal document and is accessible only to employees of the Company.

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

Nil

7. Provide the following information relating to data breaches.

a. Number of instances of data breaches - Nil

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

c. Impact, if any, of the data breaches - Nil

Leadership Indicators

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

   Gears & Gear boxes - https://www.shanthigears.com/product-category/standard/

   Foundry - https://www.shanthigears.com/foundry/

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

   Shanthi Gears remains steadfast in its commitment to delivering authentic, high quality products that consistently meet the exacting requirements of its customers. To ensure this, rigorous quality checks are conducted at every stage of the manufacturing process, ensuring adherence to applicable industry standards.

   The Company has established well defined Standard Operating Procedures (SOPs) to drive continuous improvement and proactively identify and address potential process deviations. Additionally, Shanthi Gears ensures full compliance with the provisions of the Legal Metrology Act by clearly and accurately labeling products with all mandatory information, thereby supporting safe, transparent, and responsible use by customers.

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

   Not Applicable

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

   Shanthi Gears ensures strict adherence to all applicable Indian legal requirements, including the provisions of the Legal Metrology Act, by providing clear and comprehensive product labelling. In addition to meeting statutory obligations, the Company extends its efforts by including supplementary information that enables customers to better understand, use, and maintain the products, thereby enhancing user awareness and product experience.