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E-mail : info@shanthigears.murugappa.com
Website : www.shanthigears.com
CIN : L29130TZ1972PLC000649
GST : 33AADCS0692L1Z7

SGL-19/Sec/2023-24_R

04th July, 2023

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

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

Stock Code: SHANTIGEAR
Through NEAPS

Stock Code: 522034
Through BSE Listing Centre

Dear Sir / Ma'am,

Sub: Submission of Business Responsibility and Sustainability Report for the FY 2022-23

We hereby attach the Business Responsibility and Sustainability Report for the Financial Year 2022-23.

This is for your information and records.

Thanking You,

Yours faithfully,

For Shanthi Gears Limited

Walter Vasanth P J

Company Secretary & Compliance Officer

Business Responsibility and Sustainability Report

Section A: General Disclosure

i. Details of the Listed Entity

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 – 641005
5	Corporate address	304-A, Trichy Road, Singanallur, Coimbatore – 641005
6	E-mail	info@shanthigears.murugappa.com
7	Telephone	+91 422 4545745
8	Website	www.shanthigears.com
9	Financial year for which reporting is being done	2022-2023
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Ltd. BSE Ltd.
11	Paid-up Capital	₹.7.67cr
	Contact Person	
	Name of the Person	Mr. Ranjan Kumar Pati
12	Telephone	+91 422 4545745
	Email address	ranjanpati@shanthigears.murugappa.com
	Reporting Boundary	
13	Type of Reporting	The reporting boundary covers all the manufacturing units of the Company in India for the period from 1 April 2022 to 31 March 2023
	If selected consolidated:	Not Applicable

ii. Product/Services

		Sl. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
14	Details of business activities	1	Manufacturing & Services	Designs and manufactures Gears, Gearboxes, Geared Motors, and Gear Assemblies; Refurbishing & repairing of old gearboxes and foundry operations	100%

		Sl. No.	Product/Service	NIC Code	% of Total Turnover contributed
15	Products/ Services sold by the entity	1	GGB (Gears & Gear boxes)	2814	62%
		2	SFW (Service, Foundry and Worm)	2814	38%

iii. Operations

		Location	Number of plants	No. of Offices	Total
16	Number of locations where plants and/ or operations/offices of the entity are situated:	National	3	8	11
		International	Nil	Nil	Nil

	Market served by the entity	Locations	Numbers
17	a. No. of Locations	National (No. of States)	All States in India
		International (No. of Countries)	29
17	b. What is the contribution of exports as a percentage of the total turnover of the entity?	Exports contribute around 7% of the total turnover of the entity.	
	c. A brief on types of customers	The entity has B2B and B2C customers. In the B2B category, the entity supplies to OEMS. In the B2C category, the entity supplies to dealers and end users. The customers are from different sectors like Mineral; Mining; Off highway; Rubber; Plastics; Extruders; Power and Windmill; Dealer; General Engineering; Steel; Textile; Railways; Chemical; Fertilizers; Non-Ferrous; Pump, Valve, Blower, Compressor; Lift, Convey, Crane, Material handling; Pulp and Paper; Cement; Sugar; Foundry; Conveyor; Aviation; Defence; Textile mills and Food processing.	

iv. Employees

18 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						
Employees						
1	Permanent Employees (A)	265	247	93%	18	7%
2	Other than Permanent Employees (B)	149	139	93%	10	7%
3	Total Employees (A+B)	414	386	93%	28	7%
Workers						
4	Permanent (C)	271	266	98%	5	2%
5	Other than Permanent (D)	883	830	94%	53	6%
6	Total Workers (C+D)	1,154	1,096	95%	58	5%
b. Differently abled employees and workers						
Employees						
7	Permanent Employees (E)	0	0	0	0	0
8	Other than Permanent Employees (F)	0	0	0	0	0
9	Total Employees (E+F)	0	0	0	0	0
Workers						
10	Permanent (G)	0	0	0	0	0
11	Other than Permanent (H)	0	0	0	0	0
12	Total Differently Abled Employees (G+H)	0	0	0	0	0

19 Participation/Inclusion/Representation of women				
Sl. No.	Particulars	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	8	1	13%
2	Key Management Personnel	3	0	0%

20 Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)									
Category	FY 2022-2023 (Turnover rate in current FY)			FY 2022-2021 (Turnover rate in previous FY)			FY 2020-2021 (Turnover rate in the year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10%	0%	10%	18%	2%	20%	20%	0%	20%
Permanent Workers	1%	0%	1%	1%	0%	1%	0%	0%	0%

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

21. Names of Holding, Subsidiary, and Associate Companies (including joint ventures)

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

vi. CSR Details

22	a. Whether CSR is applicable as per section 135 of Companies Act, 2013:	Yes
	Turnover (in ₹)	₹. 445.65 Crores
	Net worth (in ₹)	₹. 302.35 Crores

vii. Transparency and Disclosures Compliances

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	If Yes, then provide web-link for the grievance redress policy	FY 2022-23 Current Financial Year			FY 2021-2022 Previous Financial Year		
			Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
			Communities	No	Not Applicable	Nil	Nil	Nil
Investors (other than shareholders)	Yes	Link	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	Yes	Link	Nil	Nil	Nil	Nil	Nil	Nil
Employees and workers	Yes	Link	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Yes	Link	Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners	No	Not Applicable	Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)	-	-	Nil	Nil	Nil	Nil	Nil	Nil

24 Overview of the entity's material responsible business conduct issues

Material Issue Identified	Indicate whether risk or opportunity	The 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)
Climate Change Action	Risk	Shanthi Gears, believe that managing our impact on the climate is an important key to decarbonization. With the increasing awareness and concern about Climate across our key stakeholder groups like investors, customers, local communities, and employees, it becomes imperative that we treat this global risk as a company risk and turn it into an opportunity while there is still time.	The company has adopted a clear road map to reduce its Green House Gas (GHG) footprint with initiatives in place like Renewable energy (off-site wind), energy efficiency etc,	Negative
Water Management	Risk	Shanthi Gears is conscious that water is a scarce resource and that we have a duty to our social and ecological ecosystems to ensure adequate availability of fresh and clean water.	Wastewater is treated and used for Gardening purpose in our company. Also we have introduced processes to minimize the use of water in our canteens.	Negative
Waste Management	Risk	Our approach to waste management reflects the principles of a circular economy, namely Reduce, Reuse and Recycle. We operate to zero defect standard in our manufactured products in order to minimize the generation of waste and maximize its reuse and recycling after the completion of manufacturing processes.	Waste at all of our units is segregated as hazardous and non-hazardous and disposed in appropriate ways, while adhering to the applicable safety norms and regulations for each type of waste. Going forward, we are committed to working to ensure zero waste to landfills from Shanthi Gears operations.	Negative
Responsible Supply Chain	Risk	We understand that a responsible supply chain is paramount to a business' survival. More importantly, in today's world, it extends to protecting our partners in value chain. It is our responsibility to build responsible supply chains, towards which we engage with our supply partners to adopt and implement practices that align with our ESG requirements and policies.	Presently, we are looking into formulating a sustainable supply chain program to assess social and environmental practices of our suppliers. We generate local employment by engaging with local suppliers and service providers and actively develop and manage local supply chains around our manufacturing sites.	Negative

Occupational Health and Safety	Risk	For us, employees are the backbone of our organisation. We emphasize and safeguard the health and safety of our employees. We are constantly working towards ensuring total adherence to the Company's safety, health, and environmental policy.	Our Safety policies (SHE) are instrumental in ensuring our employee performance. We work to promote a 'Zero incident work culture' and provide health and safety training to all our employees on how to maintain safety in the workplace environment.	Negative
Employee Wellbeing	Opportunity	We continuously ensure the physical, mental, emotional and financial well-being through various employee welfare initiatives.	NA	Positive
Human Rights	Risk	One of the core values that acts as an anchor for Shanthi Gears is respect for individual rights and non-tolerance of discrimination. Our commitment to fair and dignified treatment of those we engage with draws from the Five Guiding Lights of the Murugappa Group.	Our Company's Code of Conduct covers our respect for Human Rights and encompasses both our internal as well as external stakeholders and extends to subsidiaries as well. The Company also encourages suppliers, contractors and others to follow the values enshrined in our founding philosophy. We also follow 'Zero non-compliance to human rights'.	Negative
Customer Centricity	Opportunity	Customer centricity will remain a key driver of our growth initiatives and we will continue to align all our operations with internationally established standards to address dynamic customer needs and deliver zero deficit products.	NA	Positive
Compliance	Risk	An uninterrupted adherence to applicable regulations and monitoring of upcoming regulations is crucial in the sustenance of Shanthi Gears.	Shanthi Gears relentlessly strives to ensure zero noncompliance towards regulatory requirements and also uses various digital tools to ensure and track regulatory compliance.	Negative
Social Responsibility and Equitability	Opportunity	Social Responsibility is enshrined in our founding philosophy. We recognize the rights of communities around our operations and uphold these in the various social initiatives through which we engage with them.	NA	Positive

Section B: Management and process disclosures

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	SGL Business Responsibility Policy (shanthigears.com)								
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								
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) adopted by your entity and mapped to each principle.	ISO 9001, ISO 14001, OHSAS 18001, ISO/TS 22163 and Company's Environment, Health and Safety (EHS) Guidelines								
5	Specific commitments, goals, and targets set by the entity with defined timelines, if any.	The company has integrated ESG objectives into its business strategy. Some of the common key objectives include,								
		Products/Services			Objectives					
		GGB and SFW			i. To achieve Zero reportable safety incidents ii. To retain talents by reducing attrition rate to 14% iii. To achieve a customer satisfaction index of 90% in FY 22-23 iv. To achieve 100% supplier evaluation of RM & OSP (Supplier parts) in FY 22-23 v. To achieve 100% statutory and regulatory compliance in FY 22-23					

		Products/Services	Objectives	Performance
6	Performance of the entity against the specific commitments, goal, and targets along with reasons in case the same are not met.	Shanthi Gears Limited	<ul style="list-style-type: none"> i. To achieve Zero reportable safety incidents ii. To retain talents by reducing attrition rate to 14% iii. To achieve a customer satisfaction index of 90% in FY 22-23 iv. To achieve 100% supplier evaluation of RM & OSP (Supplier parts) in FY 22-23 v. To achieve 100% statutory and regulatory Compliance in FY 22-23 	<ul style="list-style-type: none"> i. Achieved zero reportable safety incidents ii. Achieved attrition rate of 20% as against target of 14% in FY 22-23 iii. Achieved a customer satisfaction index of 90% iv. 100% supplier evaluation of RM & OSP (supplier parts) achieved v. Achieved 100% compliance

Governance, Leadership, and Oversight

7	Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements	<p>Shanthi Gears, a socially responsible company has committed to make its business truly sustainable in bringing together all the 3 dimensions (Environmental, Social and Economic) to create a long-term positive impact to our stakeholders. Our company recognises climate change as a key business risk and thus focuses on identifying and mitigating environmental and social risks both in operations and value chain by adopting practices like renewable energy generation for captive consumption, monitoring and tracking greenhouse gases in operations to reduce the carbon footprint, ensuring supplier evaluation on environment & social aspects, reducing waste and water consumption in our operations on a continuous improvement basis etc., In order to support the transition to low carbon economy, our company actively engages in rigorous research and development in fields like automation and renewable energy. Our ESG performance is constantly reviewed to ensure that it meets statutory requirements and committed to submit all compliance reports to the appropriate authorities on a regular basis. Finally, as part of the company's vision, our goal is to give back to the community by operating as a philanthropic, service-oriented organisation with a primary focus on healthcare and education.</p>		
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8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>DIN Number: 09004843 Name: Mr. Karunakaran M Designation: CEO Telephone Number: 0422-4545745 email id: karunakaranM@shanthigears.murugappa.com</p>		
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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.	<p>Yes, the board of directors are responsible for decision making on sustainability-related issues.</p>		
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10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether the review was undertaken by the Director/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 the rectification of any non-com pliances	Board Committee									Quarterly								
11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	P 1									P 2								
	P 3									P 4								
									Yes (as necessary)									

Section C: Principle Wise Performance Disclosure

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 b/y 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	% age of persons in respective category covered by the awareness programmes
Board of Directors			
Key Management Personnel			
Employees other than BODs and KMPs		Shanthi Gears offers various training programmes throughout the year such as code of conduct; POSH; whistle-blower policy; environmental, health & safety etc., For example: new joiners are trained on a series of programmes (Technical and non-technical) that starts with basic environmental, health & safety, as part of induction program. There is a coverage of 100% for all these training programmes.	
Workers			

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.

a. 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)
Penalty/Fine					
Settlement			Nil		
Compounding fee					

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				
Punishment			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. 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.

The Company's governance policies are based on upholding ethics, being transparent with stakeholders, providing proper and timely disclosure, etc. All of the Group's entities have similar policies in place. All stakeholders of the Company – internal as well as external are expected to work within the framework of the aforesaid policies/principles. The Company's commitment to ethical and lawful business conduct is a fundamental shared value of the Board of Directors, the Senior Management and all other employees of the Company. It encourages the stakeholders of the entity to take positive actions, which not only are commensurate with the Company's values and beliefs but are also perceived to be so.

Further, the Code of Conduct is applicable to the Directors and Senior Management personnel which includes executives who are in the grade of General Manager and above; all executives directly reporting to the Chief Executive and Company Secretary. The Code of Conduct embodies the belief that acting always with the Company's legitimate interest in mind and being aware of the Company's responsibility towards its stakeholders is an essential element of the Company's long-term excellence. In the selection of its vendors and contractors, the Company ensures to identify and deal with those who can maintain and follow ethical standards. The Company further on a regular basis endeavour to reiterate awareness and impart training on these values to its employees. The relevant stakeholders of the Company are also made aware through different engagement channel of the said values from time to time.

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 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Directors	Nil	Nil
KMPs		
Employees		
Workers		

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

Topic	FY 2022-2023 (Current Financial Year)		FY 2021-2022 (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 KMPs				

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.

Not Applicable

Leadership indicators

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

Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in value chain covered by the awareness programmes
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We, at Shanthi Gears Limited, addressed awareness programs to our value chain partners like security staffs, contractor and non-permanent staffs located inside the factory premises. We conducted awareness programmes like code of conduct, POSH, basic environmental, health and safety program etc., with 100% coverage.

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 specifies avoidance of conflict of interest. However, this is only a guiding principle and in case of any potential conflict, it will be disclosed, and necessary action will be considered by the Board and the management. Further, the Board of Directors provide necessary disclosures about entities/firms in which they and/or their relatives are interested. Any transactions with these entities/firms gets prior approval of the Audit Committee or the Board as part of Related Party Transactions. If a Director is interested, she or he does not participate in the discussion in which this item is considered.

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.

Type	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)	Details of improvement in social and environmental aspects
Research & Development (R&D)	₹ 0.20 Crores	₹ 0.06 Crores	<ol style="list-style-type: none"> 1. Energy efficient batching plant gearbox development 2. High speed gearbox noise and performance checking test bed development 3. Development of products with optimized weight
Capital Expenditure (CAPEX)	₹ 9.54 Crores	₹ 3.03 Crores	<ol style="list-style-type: none"> 1. Diesel forklifts are replaced with Electric forklifts to reduce air pollutants emission and reduce diesel consumption 2. Energy efficient (Profile grinding machine) with dust extraction system, safety interlock system 3. Dedicated storage facility with complete fire alarm and fire detection system for storage of hazardous waste 4. Electric pallet truck for shifting of raw materials from store 5. Installation of energy efficient air compressors

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

Yes, Shanthi Gears always advocates for sustainable supply chain. Vendors/service providers are encouraged to follow management practises outlined in international standards such as ISO 9001 and ISO 14001. In the future, the company plans to create a sustainable supply chain programme that will formalise environmental and social assessments for suppliers.

b. If yes, what percentage of inputs were sourced sustainably? Not Applicable

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

We have environmental management system where we have operational control procedures to generate, handle, store and disposal of wastes like plastics, E waste, hazardous wastes and other wastes.

Reclamation of product is not applicable due to the nature of business.

Product	Process to safely reclaim the product
a. Plastics (including packaging)	NA
b. E-Waste	NA
c. Hazardous Waste	NA
d. Other Waste	NA

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

EPR is now required for all plastic packaging materials used in businesses. As a result, the organisation is in the process of applying for and registering for the EPR. The SOPs for recycling plastic waste is under development and it will be established across all operations after the registration process.

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.

SGL casings are mainly sourced from foundry process, which uses recycled material as a feed. With this, we are in the process of shortlisting few products to evaluate positive life cycle impact of few product categories in the near future.

NIC code	Name of Product/ Service	% of total Turnover contributed	The boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by an independent external agency (Yes/No)	Results communicated in the public domain (Yes/No) If yes provide web-link
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Nil

2. If there are any significant social or environmental concerns and/or risks arising from the 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.

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). Not Applicable

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Reused	Recycled	Safely Disposed	Reused	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.

Reclamation of product is not applicable due to the nature of business.

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	247	247	100%	247	100%	0	0%	247	100%	0	0%
Female	18	18	100%	18	100%	18	100%	0	0%	0	0%
Total	265	265	100%	265	100%	18	100%	247	100%	0	0%

Other than Permanent Employees

Male	139	0	0%	139	100%	0	0%	0	0%	0	0%
Female	10	0	0%	10	100%	0	0%	0	0%	0	0%
Total	149	0	0%	149	100%	0	0%	0	0%	0	0%

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

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	266	266	100%	266	100%	0	0%	266	100%	0	0%
Female	5	5	100%	5	100%	5	100%	0	0%	0	0%
Total	271	271	100%	271	100%	5	100%	266	100%	0	0%

Other than Permanent Employees

Male	830	0	0%	830	100%	0	0%	0	0%	0	0%
Female	53	0	0%	53	100%	0	0%	0	0%	0	0%
Total	883	0	0%	883	100%	0	0%	0	0%	0	0%

2. Details of retirement benefits, for Current FY and Previous Financial Year:

Sl.No.	Benefits	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	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 worker	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	100%	100%	Yes	100%	100%	Yes
2	Gratuity	100%	100%	Yes	100%	100%	Yes
3	ESI	100%	100%	Yes	100%	100%	Yes
4	Others-Please Specify	-	-	-	-	-	-

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, the venues where Shanthi Gears conducts business are accessible to those with disabilities. Elevators, ramps, and other infrastructure are present in corporate office buildings and manufacturing facilities to accommodate people with diverse abilities. In all our significant units, occupational health centres with wheelchairs are available.

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.

Yes. We have implemented equal opportunity policy across all our operating facilities in accordance with the Rights of Persons with Disabilities Act, 2016. The policy is available to all our employees through the company portal. [SGL Business Responsibility Policy \(shanthigears.com\)](http://SGL Business Responsibility Policy (shanthigears.com))

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

Gender	Total number of people returned after parental leave in FY	Total Number of people who took parental leave in FY	Return to work rate	Total Number of people retained for 12 months after returning from parental leave	Total number of people returned from parental leave in prior FY	Retention Rate
Permanent Employees						
Male	2	2	100%	0	0	-
Female	0	0	-	0	0	-
Others	-	-	-	-	-	-
Total	2	2	100%	0	0	-
Permanent Workers						
Male	0	0	-	0	0	-
Female	0	0	-	0	0	-
Others	-	-	-	-	-	-
Total	0	0	-	0	0	-

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.

Category	Yes/No	Details of the mechanism in brief
Permanent Workers	Yes	Yes, the Company has in place the Whistle Blower policy and Welfare Committee that takes care of employee grievances. It also conducts POSH Meetings and Union Meetings, Canteen/Works/Safety Committee meetings Communication meeting. Dedicated channels for raising such grievances have been put in place and communicated to all the concerned stakeholders for smooth and direct communication. All non-permanent employees who work in Shanthi Gears manufacturing locations are covered as part of Shanthi Gear's policy frameworks
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 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
	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)

Permanent Employees

Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Others	-	-	-	-	-	-
Total	NA	NA	NA	NA	NA	NA

Permanent Workers

Male	266	182	68%	277	187	68%
Female	05	05	100%	05	05	100%
Others	-	-	-	-	-	-
Total	271	187	69%	282	192	68%

8. Details of training given to employees and workers:

	Category	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
		Total employees/workers in respective category (A)	No. of employees/workers in respective category, who received Skill Training (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who received Skill Training (D)	% (D/C)
a. Details of Skill training given to employees and workers.	Permanent Employees						
	Male	247	217	88	NA	NA	NA
	Female	18	18	100	NA	NA	NA
	Total	265	235	89	NA	NA	NA
	Permanent Workers						
	Male	266	266	100	NA	NA	NA
	Female	05	05	100	NA	NA	NA
	Total	271	271	100	NA	NA	NA
	Category	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
		Total employees/workers in respective category (A)	No. of employees/workers in respective category, who received training on Health and Safety (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who received training on Health and Safety (D)	% (D/C)
b. Details of training on Health and Safety given to employees and workers	Permanent Employees						
	Male	247	247	100%	259	259	100%
	Female	18	18	100%	11	11	100%
	Total	265	265	100%	270	270	100%
	Permanent Workers						
	Male	266	266	100%	261	261	100%
	Female	05	05	100%	41	41	100%
	Total	271	271	100%	302	302	100%

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

Category	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who had a career review (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who had a career review (D)	% (D/C)
Employees						
Male	386	250	65%	393	156	40%
Female	28	20	71%	30	19	63%
Total	414	270	65%	423	175	41%
Workers						
Male	1,096	493	45%	1,035	846	82%
Female	58	12	21%	63	20	32%
Total	1,154	505	44%	1,098	866	79%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)	Yes, Occupational health & safety management system has been implemented in all plant locations. 100% of our operations are covered under EOHS and certified for ISO 45001 (Occupational health & Safety standards) and ISO 14001 (Environmental Management standards).		
a.1. What is the coverage of such system?	Management Standards	Total Plant locations	Certified*
	ISO 14001	3	3
	ISO 45001	3	3
Note: * Certificates are expected by 1st week of April 2023			
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	<ul style="list-style-type: none"> Hazard identification and risk assessment is being carried out for identifying potential hazards/risks and risk reduction programs are taken up based on this risk assessment for elimination/minimizing risks. SHE committee meetings are conducted with equal participation from workmen, management & contractors for addressing safety hazards & risks. Safety critical points such as Limit switches, sensors etc. checks are covered under PM checklist and their working conditions are ensured. Annual safety audit through external experts are also planned for all the plant locations. Work permit system to ensure safety during hazardous and non-routine activities. On a weekly basis - Safety review meetings are conducted at all levels/Safety walk carried out by Plant team and safety professionals. Identified critical areas will undergo assessment on a weekly/monthly/quarterly/annual basis, which includes unsafe acts, unsafe working conditions, etc. 		

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)	Yes, workers would use EHS Reporting card/EHS Suggestion scheme to report their work-related hazards. SGL has implemented Safety Steward Program, where workers are trained to collate/update/report safety observations, also they will participate in Safety committee meetings, to report work related hazards.
d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)	Yes, the employees/workers have access to non-occupational medical and health care services. For smaller issues/concerns they get treated at factory occupational health centres and assisted by trained first aid personal. For other issues, on a need basis they are referred to hospitals and get covered under medical insurance.

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

Safety Incident/Number	Category	FY 2021-2022 Current Financial Year	FY 2020-2021 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Zero Lost Time Injury	Zero Lost Time Injury
	Workers	Zero Lost Time Injury	Zero Lost Time Injury
Total recordable work-related injuries	Employees	Zero	Zero
	Workers	Zero	Zero
No. of fatalities	Employees	Zero	Zero
	Workers	Zero	Zero
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Zero	Zero
	Workers	Zero	Zero

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

- For ensuring a safe and healthy workplace, the following actions are being taken,
- For preventing re-occurrence of same phenomenon, each accident is being analysed, root causes are identified, and corrective measures are taken. Through, Incident alerts through email communication for PC users and visual display for Shop floor employee on the root cause, corrective & preventive measures.
- As a proactive approach, for eliminating potential hazards & risks the following actions are being taken:
- Leadership dashboard update on Safety performance
- Regular Leadership guidance/review on the safety process establishments
- Safety patrol/walkthroughs/Toolbox talks
- Safety audit (Internal & External experts)
- Process wise hazard identification & risk assessment.
- Safety training to all categories of employees including safety induction
- Fire drills & mock drills for emergency preparedness and handling.
- Health camps & medical check-ups
- Consequence management for safety
- LOTO system for electrical safety
- Work permit system
- Safety checks & testing on material handling equipments, pressure vessels, earth pits, Power presses for ensuring safe operation
- Acoustic enclosures for identified high noise equipments
- Interlock & machine guarding has been implemented on the applicable processes

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

Topic	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	1,437	28	Pending resolutions are being monitored and are at the final stage	1,219	0	
Health & Safety						

14. Assessments for the year:

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

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.

- Hydraulic scissor lifting platform for handling materials in component stores
- Human detection system (Artificial Intelligence) installation in applicable forklifts for preventing accidents during forklift movement
- Inter-bay transfer trolley for shifting the materials from one bay to other in Helical assembly
- Ammonia leak detection system in furnace (Gas Nitriding Furnace)
- Self-contained breathing apparatus kit to safely evacuate victims during emergency
- Moving alarm and Reverse movement indication Light in forklifts
- Extraction system for thread milling machines
- Portable cylinder handling trolleys provided for safe movement
- ELCB Installation in electrical panel boards of applicable power tools
- Ground leakage detector (GLD) for all Electric Induction Furnace
- Dust extraction system in applicable areas (Furnace, Knockout areas)
- Acoustic enclosure for applicable equipment of high noise generation
- Interlock arrangements in Electric panel of Induction furnace for Dust extraction system and cooling line system
- Pouting platform for safe operation in hand moulding area
- Roof sheet replacement in applicable areas
- Anti-slippery mats in applicable working tables of worm assembly

Leadership Indicators

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

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

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

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners Not Applicable

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

Category	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Employees	Nil		Nil	
Workers				

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 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 practices	SGL conducts assessments for all its value chain partners through site visits to their respective facilities.
Working Conditions	SGL will also review suppliers' safety standards and working conditions and ensures that the partners comply with all relevant laws and regulations in and around SGL premises.

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

We are, at present, looking into formulating a sustainable supply chain program to assess social and environmental practices of our suppliers.

Principle 4: Businesses should respect the interests of and be responsive to all their stakeholders.

Essential Indicators

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

At Shanthi Gears, we place a great value on stakeholder input and feedback, which is taken into account while developing our business strategy and sustainability practises. We work with our stakeholders to identify the social, environmental, and economic issues that are important to them and also to the organization, through formal and informal channels that include consultations with local communities, supplier/vendor meetings, customer/employee engagement surveys, investor forums, Corporate Social Responsibility (CSR) initiatives, dealer conferences etc. The Company considers its employees, business associates, suppliers, dealers, customers, shareholders/investors and communities surrounding its operations and regulatory authorities who have the potential to impact the Organisation, as its key stakeholders.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Digital platforms and social media, Retail outlets and Customer satisfaction survey	Regular	<ul style="list-style-type: none"> • High standards of product quality and service delivery • Consistent improvement in customer satisfaction
Local communities	No	Corporate social responsibility initiatives	Regular	<ul style="list-style-type: none"> • Improved access to healthcare, education • Skill development and livelihood opportunities • Disaster management and relief • Community development • Environmental preservation
NGO partners	No	Corporate social responsibility initiatives	Regular	<ul style="list-style-type: none"> • Improved access to healthcare, education • Skill development and livelihood opportunities • Disaster management and relief • Community development • Environmental preservation
Investors	No	Investor calls/presentations, press releases and publications, Statutory reports, Annual General Meeting, Stock Exchange announcements	Regular	<ul style="list-style-type: none"> • Financial performance • Business updates • Growth plans and product pipeline • Sustainability performance
Regulators	No	Mandatory compliance reports; regular factory visits	Regular	<ul style="list-style-type: none"> • Statutory compliance requirements; governance, social, environmental
Employees	No	Internal communication platform, Digital learning platforms, Career progression programs, Engagement initiatives, Talent Management Engine	Regular	<ul style="list-style-type: none"> • High Performance Work Culture • Talent development and retention • Fulfilment of Company's vision, mission and achieving sustainability objectives • Professional capacity building • Cordial industrial relation • Occupational health and safety and safe working environment

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.

The Company leverages various formal as well as informal channels communication to engage its stakeholders with the Board. These encompass digital means as well as Corporate Social Responsibility (CSR) initiatives, statutory report, learning and development platforms and events for internal communications. Other significant topics are communicated to the Board at regular intervals through various channels.

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. Stakeholder Consultation plays a pivotal role in arriving at the material issues for Shanthi Gears. Each of the stakeholder group bring a different perspective on materiality and the Company has developed the strategy basis stakeholder priorities. Further, action plan and roadmap have been set in place to fulfil the requirements of expectations of stakeholders.

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

Shanthi Gears, being part of Murugappa Group is known for its tradition of philanthropy and community service. The Company's philanthropy is to reach out to the community especially the underprivileged disadvantaged, vulnerable and marginalized stakeholders and continuously engages with all such stakeholders in identifying, prioritising, and serving their needs accordingly especially in the field of education and healthcare (core focus area).

The company has been upholding the Group's tradition by earmarking a part of its income for carrying out its social responsibilities. Various program identified & implemented in the last fiscal year include providing infrastructure support to Kannampalayam & Muthalipalayam Government school i.e., smart digital learning tools, refurbishing classrooms to upgrade the facilities available to students; providing scholarships to meritorious students with financial constraints, providing e-truck to a Krishnapuram panchayat for collection of garbage and fund for research and development program.

The research & development fund has been allocated to Shri AMM Murugappa Chettiar Research Centre (MCRC), for conducting research in the fields of clean environment, biodiversity and climate change and its impact on the underprivileged communities. Ex: Developing & scaling up sustainable technologies (Solar based applications) for improved livelihood in rural India.

Principle 5: Businesses should respect and promote human rights.

Essential Indicators

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

Category	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
Employees						
Permanent	265	265	100%	249	249	100%
Other than permanent	149	0	0%	174	0	0%
Total Employees	414	265	64%	423	249	59%
Workers						
Permanent	271	0	0%	282	0	0%
Other than permanent	883	0	0%	816	0	0%
Total Workers	1154	0	0%	1098	0	0%

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

Category	FY 2022-2023 (Current FY)					FY 2021-2022 (Previous FY)				
	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										
Male	247	-	-	247	100%	223	-	-	223	100%
Female	18	-	-	18	100%	26	-	-	26	100%
Other than Permanent										
Male	139	-	-	139	100%	170	-	-	170	100%
Female	10	-	-	10	100%	04	-	-	4	100%
Workers										
Permanent										
Male	266	-	-	266	100%	277	-	-	277	100%
Female	05	-	-	05	100%	05	-	-	05	100%
Other than Permanent										
Male	830	20	2.5%	810	97.5%	767	20	2.6%	747	97.4%
Female	53	53	100%	-	-	49	49	100%	-	-

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

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	7	–	1	–
Key Managerial Personnel	3	38,53,600	–	–
Employees other than BoD and KMP	247	6,00,000	18	5,18,520
Permanent Workers	266	5,03,034	5	4,96,188

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)

Yes, the Internal Complaints Committee (w.r.t POSH) and the human resources departments are responsible for addressing human rights impacts or issues caused or contributed to by the business

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

An MIS on customer complaints is circulated to the customer grievance redressal committee (“the committee”). The Company has a POSH policy in place that acts as a blanket in addressing grievances related to human rights issues. Further, Shanthi Gears Whistle Blower Policy and Code of Conduct provides guidelines for the committee formation and working, should there be an investigation.

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

	FY 2022-2023 (Current FY)			FY 2021-2022 (Previous FY)		
	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	Zero Complaints			Zero Complaints		
Discrimination at workplace						
Child Labour						
Forced Labour/ Involuntary Labour						
Wages						
Other human rights related issues						

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

The Company has an internal committee (w.r.t POSH policy) which addresses grievances related discrimination and harassment cases. Whistle-blower Policy provides Directors, Employees, customers and vendors an avenue to raise concerns, in line with the commitment of Shanthi Gears to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication.

Code of Conduct addresses grievances related to employee’s conduct at work.

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

Yes, the Company gives human rights high importance thereby making it an integral part of its business agreements and contracts.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	The company has implemented a mechanism in place to assess child/forced labour; Sexual harassment; discrimination at workplace and wages as part of business responsibility policy. In terms of coverage, 100% of our plants and offices were assessed by the entity.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

There were no significant risks identified. Hence, no corrective action has been 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?

Yes, the Company’s operating locations are accessible to differently abled employees, workers and visitors. Corporate office locations and plants have Ramps, sidewalks and elevators and all the necessary infrastructure to support differentially abled. Sign-boards are placed at every location to assist employees/workers with hearing aids. Wheel-chairs are available in Occupational Health Centres in all major facilities.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	We are, at present, looking into formulating a sustainable supply chain program to assess social and environmental practices of our suppliers
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
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 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Total electricity consumption (A) (GJ)	9,614	10,720
Total fuel consumption (B) (GJ)	4,316	4,049
Energy consumption through other sources (C) (GJ)	Wind: 39,329	Wind: 35,715
Total energy consumption (A+B+C) (GJ)	53,259	50,484
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) (GJ per crore INR of revenue)	120	150
Energy intensity (optional) – the relevant metric may be selected by the entity	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.

No assessment was carried out by any external agencies, however internal control points are adhered to keep track of data.

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 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Water withdrawal by source (in kilolitres)		
i. Surface water	Nil	Nil
ii. Groundwater	27,385	28,137
iii. Third party water	11,647	9,477
iv. Seawater/desalinated water	Nil	Nil
v. Others (Rainwater storage)	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	39,032	37,614
Total volume of water consumption (in kilolitres)	39,032	37,614
Water intensity per rupee of turnover (Water consumed / turnover) (kl per crore INR of revenue)	88	112
Water intensity (optional) – the relevant metric may be selected by the entity	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.

No assessment was carried out by any external agencies, however internal control points are adhered to keep track of data

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

Yes, the Company is equipped with sewage treatment plant and the treated water is recycled and reused for Gardening. Relevant consent to operate with the state pollution control board is obtained with the limits of operations and usage of the water.

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

Parameter	Please specify unit	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
NOx	mg/m3	18	19
SOx	mg/m3	10	11
Particulate matter (PM)	mg/m3	47	46
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	<0.1	<0.1
Hazardous air pollutants (HAP)	mg/m3	NA	NA
Others – please specify	PPM	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. No

No assessment was carried out by any external agencies, however internal control points are adhered to keep track of data.

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

Parameter	Unit	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	250	284
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	2,163	2,412
Total Scope 1 and Scope 2 emissions	tCO ₂ e	2,414	2,696
Total Scope 1 and Scope 2 emissions per rupee of turnover (tonnes per crore INR of revenue)	tCO ₂ e/crore INR	5	8

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 assessment was carried out by any external agencies, however internal control points are adhered to keep track of data.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide detail

- **Renewable energy:**

- i. The company has 9 Windmills with a total capacity of 6.7 MW and the generated units were used for captive production

- **Energy efficiency measures:**

- i. Diesel forklifts replaced with Electric forklifts to reduce air emissions

- ii. Installation of energy efficient machine with dust extraction system and safety interlock system

- iii. Conventional lights replaced with LED lights and day light saving measures observed in most of our buildings

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

Parameter	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	11.4	7.3
E-waste (B)	0.8	1.4
Bio-medical waste (C)	0.06	0.04
Construction and demolition waste (D)	-	-
Battery waste (E)	6.85	5.10
Radioactive waste (F)	Not Applicable	Not Applicable
Other Hazardous waste. Please specify, if any. (G)	316.01	307.64
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	2,085.68	1,884.91
Total (A+B + C + D + E + F + G+ H)	2,420.83	2,206.38

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

Category of waste		
i. Recycled	5.8	-
ii. Re-used	-	-
iii. Other recovery operations	-	-
Total	5.8	-

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

Category of waste		
i. Incineration	-	-
ii. Landfilling	-	-
iii. Other disposal operations (Co-processing in Kilns)	172.37	190.09
Total	172.37	190.09

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 assessment was carried out by any external agencies, however internal control points are adhered to keep track of data.

9. 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.

- SGL has adopted the 3R principle (Reduce, Reuse & Recycle) to effectively manage and reduce its waste generation. Safe and effective practices are employed across all the business units for handling the wastes generated in the respective areas. We have environmental management system where we have operational control procedures for control, segregation, storage, and safe disposal of waste generation.
- Training is provided to all employees for identifying and disposal of Bio degradable, Non-biodegradable and hazardous waste.
- All waste is segregated safely and moved to the concerned storage area without spillage. The waste is disposed to authorised waste handlers for recycling and co processing. Hazardous waste authorisations are obtained from the respective State Pollution control boards for the safe and authorised disposals with the specified quantities.

10. 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:

Sl. 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.
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Not Applicable

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

Sl. 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.
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Not Applicable

12. 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:

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

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
From renewable sources		
Total electricity consumption (A) (GJ)	39,329	35,715
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C) (GJ)	39,329	35,715
From non-renewable sources		
Total electricity consumption (D) (GJ)	9,614	10,720
Total fuel consumption (E) (GJ)	4,316	4,049
Energy consumption through other sources (F) (GJ)	-	-
Total energy consumed from non-renewable sources (D+E+F)	13,930	14,769

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 assessment was carried out by any external agencies, however internal control points are adhered to keep track of data.

2. Provide the following details related to water discharged:

Parameter	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Water discharge by destination and level of treatment (in kiloliters)		
i. To Surface water	Nil	Nil
- No treatment		
- With treatment - please specify level of Treatment		
ii. To Groundwater		
- No treatment		
- With treatment - please specify level of Treatment (KL)	18,318 ETP – Oil skimmer; STP – Anaerobic/Aerobic	19,356 ETP – Oil skimmer; STP – Anaerobic/Aerobic
iii. To Seawater	Nil	Nil
- No treatment		
- With treatment - please specify level of Treatment		
iv. Sent to third-parties	Nil	Nil
- No treatment		
- With treatment - please specify level of Treatment		
v. Others	Nil	Nil
- No treatment		
- With treatment - please specify level of Treatment		
Total water discharged (in kiloliters)	18,318	19,356

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 assessment was carried out by any external agencies, however internal control points are adhered to keep track of data.

3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters): Not Applicable

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

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

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 assessment was carried out by any external agencies, however internal control points are adhered to keep track of data.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format: Not Applicable

Parameter	Unit	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)			
Total Scope 3 emissions per rupee of turnover			Not Applicable
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.

No assessment was carried out by any external agencies, however internal control points are adhered to keep track of data.

5. 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

6. 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:

Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative (Impact)
1	Renewable energy	i. Offsite wind captive generation	Reduction of climate change by having more than 80% of energy source through renewable power. Through this we have reduced around 8,900 tones of CO2 Eq. in the current year
2	Energy efficiency	i. Diesel forklifts replaced with Electric forklifts to reduce air emissions ii. Installation of energy efficient machine with dust extraction system and safety interlock system iii. Conventional lights replaced with LED lights and day light saving measures observed in most of	We at SGL, always improve efficiency levels year on year. Through those initiatives we have saved around 30 tons of CO2 Eq. in the current year
3	Water efficiency	i. Reduction of raw water consumption in canteens through process improvements ii. Treated wastewater from sewage treatment plant used for gardening purposes	i. Initiatives for decrease in raw water consumption a. Installation of aerated taps in hand wash areas b. Float valve installation to prevent excess overflow of water from tanks c. Process improvement in canteen to reduce freshwater consumption by reducing multiple washing of cups after each batch d. Installation of flow meters to track and monitor the water consumption e. Water leak rectifications in Canteen and Toilet areas ii. Reduction of ground water consumption for gardening, by using treated waste water
4	Waste Management	i. Non-recyclable wastes are diverted to co-processing in cement kilns ii. Recyclable wastes like cardboard and plastics are sold for recycling	i. In total 168.62 Metric tons of non-recyclable wastes were diverted from landfill and sent to co-processing units ii. In total 1816.65 Metric tons of wastes like cardboard and plastics were sold to authorized recycler

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

The company is working towards developing a disaster management plan for the future.

8. 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

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

We are, at present, looking into formulating a sustainable supply chain program to assess social and environmental practices of our suppliers. In terms of the coverage it will around suppliers around SGL, we are in the process of categorizing our supplier base based on criticality matrix to the start the assessment

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 trade and industry chambers/associations.

Shanthi Gears Limited is a part of 7 associations.

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

Sl.No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	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
6	American Gear Manufacturers Association	International
7	The Indian Chamber of Commerce and Industry	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
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Not Applicable

Leadership Indicators

1. Details of public policy positions advocated by the entity

Sl.No.	Public policy advocated	Method resort for such advocacy	Whether the information is available in public domain? (Yes/No)	Frequency of review by board (Annually/Half yearly/Quarterly/ Other-please specify)	Web Link, if available
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As a responsible corporate citizen, the Company as a part of major industry associations/chambers makes recommendations/representations before regulators and associations for advancement and improvement of industrial climate in India. The Company also represents its views/opinions on energy security, economic reforms, governance etc.

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.

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

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 local or small-scale suppliers:

	FY 2022-2023 (Current FY)	FY 2021-2022 (Previous FY)
Directly sourced from MSMEs/Small producers	37%	35%
Sourced directly from within the district and neighbouring districts	24%	12%

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):

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 information	Amount spent in INR
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Currently, CSR projects are identified and carried out based on the requirement of the community, in Coimbatore district (Tamil Nadu)

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

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.

Not Applicable

6. Details of beneficiaries of CSR Projects.

Sl.No.	CSR Project	No of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized group
1	School renovation project: Kannampalayam The Company has taken initiatives of providing infrastructure support to Kannampalayam Government school i.e., smart digital learning tools, refurbishing classrooms to upgrade the facilities available to students.	60	100%
2	School renovation project: Muthalipalayam The Company has taken initiatives of providing infrastructure support to Muthalipalayam Government school i.e., smart digital learning tools, refurbishing classrooms to upgrade the facilities available to students.	60	100%
3	Scholarship: This scholarship aims to provide financial incentives to students who are meritorious but are unable to afford it due to financial constraints. Every year, 4 students from PSG Institutions are awarded each with INR 20,000 as part of this initiative	4	100%
4	E-truck for community garbage collection: The Krishnapuram panchayat has received a e-truck to assist with its garbage waste collection from 5000 inhabitants	5,000	100%
5	Research & Development Programme: The fund has been allocated to Shri AMM Murugappa Chettiar Research Centre (MCRC), for conducting research in the fields of clean environment, biodiversity and climate change and its impact on the underprivileged communities. Ex: Developing & scaling up sustainable technologies (Solar based applications) for improved livelihood in rural India.	Not applicable	100% (As the project is set to be implemented in Rural India)

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

Essential Indicators

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

The Customer complaints are received by Shanthi Gear’s marketing team and forwarded to the quality team through online portal. The complaint is then sent to all relevant stakeholders in order to respond to the customer within 7 days of the complaint receipt. Based on the severity, the company takes time to close the complaint. The average duration of closing the complaints are within 29 days.

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

Type	As a percentage to total turnover
Environment and Social parameters relevant to product	Not Applicable
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints:

	FY 2022-2023 Current Financial Year		FY 2021-2022 Previous Financial Year	
	Received during the year	Pending resolution at the end of year	Received during the year	Pending resolution at the end of year
Data privacy	-	-	-	-
Advertising	-	-	-	-
Cyber-security	-	-	-	-
Delivery of essential services	-	-	-	-
Restrictive Trade Practices	-	-	-	-
Unfair Trade Practices	-	-	-	-
Others (Quality)	134	-	37	-

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

	Number	Reason for recall
Voluntary recalls		The Company follows high quality standards which are monitored through productivity and quality metrics. Any quality issues are addressed through the above methods to reduce the impact of safety concerns for its products.
Forced recalls		

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

Shanthi Gears does not have a formal policy in place but adheres to its requirement.

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

Not Applicable

Leadership Indicators

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

Gears & Gear boxes – Standard – Shanthi Gears Limited – India Leading Industrial Gearbox Manufacturer Foundry – Foundry – Shanthi Gears Limited – India Leading Industrial Gearbox Manufacturer

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

The Company firmly believes in being a quality and customer centric organisation offering products/goods of genuine value to all its discerning customers that meets with their expectations every time. The products/goods of the Company undergo several quality checks at every level of the production process chain. Well-defined Standard Operating Procedures (SOPs) and processes aid in identifying and eradicating process/system impediments. Also, the Company displays product information on all product/goods of the Company in accordance with the Legal Metrology Act, 2011 for the safe and responsible usage.

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

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

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief.

Yes, the Company displays product information on all product/goods of the Company in accordance with the Legal Metrology Act, 2011 and the applicable Rules thereunder/other laws. In addition, wherever it is considered relevant and appropriate for facilitating better usage of the product/goods by the customer, additional information about the products/goods, the use and the mode of handling thereof are also provided.

5. 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)

No formal survey but the Company uses formal and informal channels like regular market interactions, to ensure that we take care of customer satisfaction.

6. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact - Not Applicable

b. Percentage of data breaches involving personally identifiable information of customers - Not Applicable