



Sharda Motor Industries Ltd.

SMIL: LISTING: 26-27/0109/03

September 01, 2026

BSE Limited (BSE)

Department of Corporate Services
Pheroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

National Stock Exchange of India Limited (NSE)

Exchange Plaza,
5th Floor Plot No. C/1, G Block
Bandra - Kurla Complex, Mumbai - 400 051

(SCRIP CODE - 535602)

(Symbol - SHARDAMOTR) (Series - EQ)

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

Ref: Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam,

This is in reference to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Kindly find enclosed herewith Business Responsibility and Sustainability Report (the "BRSR") for the Financial Year 2025-26.

We request you to kindly take the above on record.

Thanking you,

Yours faithfully,

For Sharda Motor Industries Limited

Iti Goyal

Digitally signed
by Iti Goyal
Date: 2026.09.01
16:03:47 +05'30'

Iti Goyal

**Asst. Company Secretary &
Compliance Officer**

Encl. as above

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Section A: General Disclosures

I. Details of the listed entity

S. No.	Question	Response
1.	Corporate Identity Number (CIN) of the Listed Entity	L74899DL1986PLC023202
2.	Name of the Listed Entity	Sharda Motor Industries Limited
3.	Year of Incorporation	29/01/1986
4.	Registered Office Address	D-188, Okhla Industrial Area, Phase-I, New Delhi, Delhi-110020, India
5.	Corporate Address	D-188, Okhla Industrial Area, Phase-I, New Delhi, Delhi-110020, India
6.	E-mail	investorrelations@shardamotor.com
7.	Telephone	+91 11 47334100
8.	Website	https://www.shardamotor.com/
9.	Financial Year for which report is being done	April 01, 2025 - March 31, 2026
10.	Name of the Stock Exchange(s) where shares are listed	1) BSE Limited 2) National Stock Exchange of India (NSE) Limited
11.	Paid-up Capital (INR.)	1148.15 lakhs
12.	Name and contact details (telephone & email) of the person who may be contacted in case of queries on the BRSR report	Ms. Iti Goyal Assistant Company Secretary and Compliance Officer Contact Details: +91 11 47334100 Mail Id: iti.goyal@shardamotor.com
13.	Reporting Boundary (Standalone or Consolidated basis)	The disclosures made under this report are on a "Standalone basis" for Sharda Motor Industries Ltd (SMIL).
14.	Name of assurance provider	Not applicable
15.	Type of assurance obtained	Not applicable

II. Products and Services:

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	%Turnover of the entity
1	Manufacturing	Manufacturing motor vehicle parts such as exhaust system, suspension system and sheet metal components.	98.99%

17. Product/ Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/ Service	NIC Code	%of total turnover contributed
1	Manufacturing motor vehicle parts such as exhaust system, suspension system, Sheet metal components.	29301	98.99%

III. Operations:

18. Number of locations where plants and/or operations/ offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	9	3	12
International	0	1	1

*commercial operations yet to commence at one plant

19. Markets Served by the Entity:

a. Number of Locations:

Location	Number
National (No. of States)	12
International (No. of Countries)	2

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The Company's contribution of exports as a percentage of the total turnover was 0.37% during FY 2025-26.

c. A Brief on types of customers?

SMIL leads in automotive innovation by delivering customized solutions using advanced machinery and equipment. The Company supplies high-quality automobile components to prominent automakers and engine manufacturers across India and internationally. Partnering with OEMs, Tier-1 suppliers, and industry leaders, SMIL provides innovative components that improve vehicle performance and efficiency. Our diverse product portfolio includes exhaust systems, suspension systems, roof systems, and supply chain management services. Committed to excellence, innovation, and customer satisfaction, SMIL continues to advance the automotive sector and maintain its reputation as a trusted industry partner.

IV. Employees:

20. Details as at the end of Financial Year 2025- 26:

a. Employees and Workers

Employees (including differently abled)						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
1.	Permanent Employees	801	766	95.63%	35	4.37%
2.	Other than Permanent Employees	355	330	92.96%	25	7.04%
3.	Total Employees (1+2)	1156	1096	94.81%	60	5.19%

Workers (including differently abled)						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
4.	Permanent Workers	292	290	99.32%	2	0.68%
5.	Other than Permanent Workers	3095	2921	94.38%	174	5.62%
6.	Total Workers (4+5)	3387	3211	94.8%	176	5.2%

b. Differently abled Employees and Workers

Differently Abled Employees						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
1.	Permanent Employees	1	1	100%	-	-
2.	Other than Permanent Employees	-	-	-	-	-
3.	Total Employees (1+2)	1	1	100%	-	-

Differently Abled Workers						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	Percentage (B/A)	Number (B)	Percentage (B/A)
4.	Permanent Workers	-	-	-	-	-
5.	Other than Permanent Workers	-	-	-	-	-
6.	Total Workers (4+5)	-	-	-	-	-

21. Participation/ Inclusion/ Representation of Women

	Total (A)	Number of Female (B)	Percentage (B/A)
Board of Directors	6	1	16.67%
Key Management Personnel	5	1	20.00%

22. Turnover rate for permanent employees and workers:

	FY 2025- 26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	25.00%	28.33%	26.66%	22.49%	20.00%	21.49%	28.24%	33.00%	30.62%
Permanent Workers	0.36%	0	0.36%	-	-	-	0.91%	-	0.91%

V. Holding, Subsidiary and Associate Companies (including joint ventures):
23. (a) Names of holding/ subsidiary/ associate companies/ joint ventures

S. No.	Name of the holding/ subsidiary/ associate company/ joint venture	Indicate whether holding/ subsidiary/ associate company/ joint venture	% of shares held by listed entity	Does the entity indicated at Column A, participate in the Business Responsibility initiatives of the entity (Yes/ No)
1.	Uddipt Mobility India Private Limited	Subsidiary	74.00	No
2.	Exhaust Technology Private Limited	Associate	50.00	No
3.	Relan Industrial Finance Limited	Associate	47.12	No

VI. CSR Details:

24. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013 (Yes/No)	Yes
(ii) Turnover (in Rs.)	339,677.10 lakhs
(iii) Net Worth (in Rs.)	132,597.38 lakhs

VII. Transparency and Disclosures Compliances:

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

Stakeholder Group	Grievance Redressal Mechanism in place (Y/N) (Provide web-link of policy)	Current Financial Year 2025- 26			Previous Financial Year 2024- 25		
		Number of complaints filed	Number of complaints pending at close of year	Remarks	Number of complaints filed	Number of complaints pending at close of year	Remarks
Communities	Yes. The communities we engage with can write their concerns and grievances through the Dedicated Email id: shardacsrtrust@shardamotor.com	0	0	-	0	0	-
Shareholders	Yes. The Company evaluates the status of shareholder complaints and their resolution on a regular basis. The terms of the Stakeholders Relationship Committee include, among other things, considering and addressing the Company's shareholders' grievances, such as complaints about the transfer or transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, issuance of new or duplicate certificates, general meetings, and so on. Shareholders may write their concern to the compliance officer at iti.goyal@shardamotor.com or investorrelations@shardamotor.com	3	0	-	0	0	-
Investors	Yes. Investors and Shareholders may visit https:// www.shardamotor.com/ investor-relations/policies/ or contact the compliance officer at dedicated Email id: iti.goyal@shardamotor.com to file a complaint and redress their grievances.	0	0	-	0	0	-
Employees and Workers	Yes, employees and workers may raise their grievance through their respective unit HR and Corp HR team. Besides that, a Whistle blower policy is established to deal with the matters related to ethics alongside an ethics helpline accessible via email at wb@shardamotor.com . For detailed insight, the Whistle blower policy can be reviewed at https:// www.shardamotor.com/wp-content/ uploads/2026/05/2_Whistle-Blower- Policy.pdf Additionally, POSH policy is meticulously crafted in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013.	3	1	-	1	2	-

Stakeholder Group	Grievance Redressal Mechanism in place (Y/N) (Provide web-link of policy)	Current Financial Year 2025- 26			Previous Financial Year 2024- 25		
		Number of complaints filed	Number of complaints pending at close of year	Remarks	Number of complaints filed	Number of complaints pending at close of year	Remarks
Customers	Yes. At SMIL, we consider the inputs from all our B2B (Business-to Business) customers through a comprehensive complaint management system and active communication channels such as e-mails, in person meetings and telecommunication.	24	0	-	43	0	-
Value Chain Partners	Yes. Supply chain manual and our Code of Conduct are in place to resolve the complaints of value chain partners. The same can be accessed at https://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf . The value chain partners can also contact their respective supply chain managers at the plant level to resolve their concern.	4	10	-	10	11	-

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

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 the opportunity (Negative/ Positive)
1	Energy and Emissions Management	Risk & Opportunity	Risk: Dependence on conventional energy sources, rising energy costs and increasingly stringent emissions regulations may increase operating expenses and compliance obligations. Opportunity: Improving energy efficiency and reducing greenhouse gas emissions lowers operating costs, enhances environmental performance and strengthens customer confidence.	The Company monitors energy consumption, adopts energy-efficient technologies, optimises manufacturing processes, explores renewable energy opportunities and tracks emissions to continuously improve environmental performance.	Negative: Rising energy costs and carbon-related regulations may adversely impact profitability. Positive: Energy efficiency initiatives reduce operating expenses, improve margins and support climate commitments.
2	Green Procurement	Opportunity	Increasing customer expectations, evolving sustainability regulations and growing emphasis on responsible sourcing present opportunities to integrate environmental considerations into procurement practices. Sustainable procurement strengthens supply chain resilience, improves resource efficiency, encourages suppliers to adopt responsible environmental practices and supports long-term value creation.	The Company engages suppliers on sustainability expectations, encourages responsible sourcing practices, incorporates environmental considerations into procurement processes where feasible and promotes continuous improvement across the supply chain.	Positive: Sustainable procurement enhances supply chain resilience, reduces environmental impacts, improves resource efficiency, strengthens stakeholder confidence and contributes to long-term cost optimisation.

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 the opportunity (Negative/ Positive)
3	Water Resilience	Risk & Opportunity	Risk: Water scarcity, climate variability and tightening regulatory requirements may affect manufacturing operations and increase operational costs. Opportunity: Efficient water management, recycling and conservation improve operational resilience, reduce dependency on freshwater resources and strengthen environmental stewardship.	The Company promotes water conservation through efficient water use, recycling and reuse initiatives, monitoring of water consumption and continuous improvement in water management practices.	Negative: Water shortages and regulatory restrictions may increase operating costs and disrupt production. Positive: Improved water efficiency reduces costs, enhances resource security and strengthens long-term operational resilience.
4	Waste and Hazardous Material Management	Risk & Opportunity	Risk: Improper handling, storage or disposal of hazardous and non-hazardous waste may result in environmental pollution, regulatory penalties and reputational damage. Opportunity: Waste reduction, recycling and circular economy initiatives improve resource efficiency, lower disposal costs and strengthen environmental performance.	The Company implements waste segregation, recycling, authorised disposal of hazardous waste, regulatory compliance and continuous monitoring to minimise environmental impacts and improve resource efficiency.	Negative: Non-compliance may result in fines, remediation costs and operational disruptions. Positive: Improved waste management reduces disposal costs, supports circularity and enhances sustainability performance.
5	Research & Development (R&D)	Risk & Opportunity	Risk: Rapid technological advancements, changing emission regulations and evolving customer requirements require continuous investment in research and product development, with uncertain commercial outcomes. Opportunity: Innovation enables the development of advanced automotive components, improves manufacturing efficiency and strengthens competitiveness in emerging mobility markets.	The Company continues to invest in product innovation, engineering capabilities, technology upgrades, process improvements and collaborative development initiatives to meet evolving market requirements and create differentiated products.	Negative: High R&D expenditure and unsuccessful innovation projects may impact profitability. Positive: Successful innovation drives revenue growth, operational efficiency and long-term competitive advantage.
6	Occupational Health and Safety	Risk & Opportunity	Risk: Manufacturing operations involving fabrication, welding, machining and assembly expose employees to occupational hazards that may lead to injuries, production disruptions and regulatory non-compliance. Opportunity: Strengthening workplace safety fosters a safety-first culture, improves employee morale, reduces absenteeism and enhances operational reliability, supporting long-term productivity and customer confidence.	The Company implements robust occupational health and safety management practices, including hazard identification, risk assessments, preventive maintenance, regular safety training, emergency preparedness, incident reporting and continuous monitoring to minimise workplace risks and promote a safe working environment.	Negative: Workplace incidents may lead to compensation costs, legal liabilities, operational downtime and increased insurance premiums. Positive: Improved safety performance enhances productivity, reduces operational losses and strengthens stakeholder confidence.

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 the opportunity (Negative/ Positive)
7	Ethics and Compliance	Risk & Opportunity	Risk: Non-compliance with applicable laws, regulations and ethical standards may result in legal action, financial penalties, business disruptions and reputational damage. Opportunity: Strong ethical conduct and compliance practices strengthen stakeholder trust, improve governance and support sustainable business growth.	The Company maintains a comprehensive compliance framework supported by its Code of Conduct, whistleblower mechanism, internal audits, periodic compliance reviews and employee awareness programmes to promote ethical business practices and regulatory compliance.	Negative: Regulatory violations may result in penalties, litigation costs and reputational loss. Positive: Strong compliance enhances customer trust, investor confidence and long-term business resilience.
8	Corporate Governance	Risk & Opportunity	Risk: Weak governance structures or ineffective oversight may result in poor decision-making, fraud, regulatory non-compliance and erosion of stakeholder confidence. Opportunity: Robust governance strengthens transparency, accountability and strategic decision-making, enabling sustainable value creation and long-term organisational resilience.	The Company has established a strong governance framework comprising Board oversight, independent committees, internal financial controls, enterprise risk management processes and regular performance reviews to ensure effective governance.	Negative: Governance failures may lead to financial losses, regulatory action and increased cost of capital. Positive: Strong governance enhances investor confidence, improves access to capital and supports sustainable business growth.
9	Protection of Human Rights	Risk & Opportunity	Risk: Human rights violations across operations or the supply chain may expose the Company to legal liabilities, operational disruptions and reputational risks. Opportunity: Upholding human rights strengthens employee engagement, supplier relationships, customer trust and supports responsible business conduct across the value chain.	The Company promotes respect for human rights through relevant policies, fair employment practices, grievance redressal mechanisms, employee awareness initiatives and supplier engagement to encourage responsible business conduct.	Negative: Human rights violations may result in legal proceedings, supply chain disruptions and reputational damage. Positive: Strong human rights practices enhance brand reputation, stakeholder confidence and access to responsible business opportunities.
10	Climate Risk Adaptation and Mitigation	Risk & Opportunity	Risk: Climate-related physical risks, including extreme weather events and water stress, together with transition risks arising from evolving regulations, carbon pricing and changing customer expectations, may impact operations and increase costs. Opportunity: Integrating climate resilience and decarbonization initiatives enhance operational efficiency, strengthens competitiveness and supports business continuity in a low-carbon economy.	The Company focuses on improving energy efficiency, increasing renewable energy adoption, reducing greenhouse gas emissions, strengthening climate resilience and integrating climate considerations into operational planning and risk management.	Negative: Climate-related disruptions and regulatory changes may increase operating and compliance costs. Positive: Improved resource efficiency, enhanced resilience and access to sustainable financing support long-term financial performance.

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 the opportunity (Negative/ Positive)
11	Labour Management	Risk & Opportunity	Risk: Labour shortages, industrial relations challenges, inadequate skill development and employee attrition may affect productivity, product quality and operational continuity. Opportunity: Effective workforce management, continuous learning and employee engagement enhance productivity, innovation and organisational resilience.	The Company promotes fair labour practices, capability building, performance management, employee engagement and continuous skill development to build a motivated and future-ready workforce.	Negative: High attrition and labour disputes may increase recruitment costs and disrupt operations. Positive: A skilled and engaged workforce improves productivity, operational efficiency and customer satisfaction.
12	Employee Well-being	Risk & Opportunity	Risk: Inadequate focus on employee well-being may result in reduced engagement, increased absenteeism, lower productivity and higher attrition. Opportunity: Promoting employee well-being supports a motivated workforce, improves retention, enhances productivity and strengthens organisational performance.	The Company supports employee well-being through health and wellness programmes, medical support, employee engagement initiatives, awareness programmes and a safe and inclusive work environment.	Negative: Poor employee well-being may increase healthcare costs, absenteeism and turnover. Positive: Enhanced employee engagement improves productivity, retention and overall business performance.
13	Data Privacy and Cybersecurity	Risk and Opportunity	Risk: Increasing digitalization of operations, handling sensitive OEM design and IP data, and processing of employee and partner personal data exposes the Company to data breaches, cyberattacks and system disruptions. Opportunity: A robust cybersecurity and data protection posture differentiates the Company with OEM customer, strengthens eligibility for new contracts, safeguards business continuity and builds stakeholder trust as data protection becomes a procurement and reputational differentiator.	The Company deploys layered controls- firewalls, endpoint protection, access management, encryption and periodic backups- supported by vulnerability assessments, employee awareness programmes and an incident response mechanism.	Negative: an incident could cause downtime, remediation costs, penalties and loss of customer confidence. Positive: a strong security posture builds OEM trust, supports continuity and aids new contract wins.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies, and processes out 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	https://www.shardamotor.com/investor-relations/policies/								
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)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	-	ISO 45001: 2018	-	-	ISO 14001: 2015	-	-	IATF 16949:2016
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any.	At SMIL, we recognize the critical importance of setting clear, measurable sustainability targets to address the diverse environmental, social, and ethical challenges associated with our operations. Our sustainability strategy is focused on strengthening environmental stewardship, social responsibility, and corporate governance through well-defined and actionable objectives. We aim to minimize our environmental impact by adopting sustainable manufacturing and procurement practices and fostering meaningful partnerships with key stakeholders. Our priorities include advancing diversity, equity, and inclusion, ensuring employee health, safety, and well-being, and supporting local communities through targeted initiatives. We are equally committed to maintaining rigorous product quality and safety standards, protecting human rights, and promoting fair labor practices across our operations and supply chain. To further strengthen our governance framework, we are working toward a diverse and inclusive Board of Directors, greater transparency in financial reporting and disclosures, robust risk management and compliance systems, and a strong culture grounded in integrity and ethical conduct.								
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	The Business Responsibility and Sustainability Report (BRSR) for FY 2025–26 provides a comprehensive overview of our sustainability performance across key performance indicators, supported by both quantitative data and qualitative disclosures. While the report reflects the progress we have made to date, we recognize that sustainability is an ongoing journey that requires continuous improvement and stronger commitments. We remain focused on defining clear, measurable, and ambitious targets to further strengthen our sustainability performance. Through this ongoing process, we are refining our priorities and establishing specific goals that will guide our future actions. This report reaffirms our commitment to building a more sustainable, responsible, and accountable business model while creating long-term value for our stakeholders.								
Governance, leadership, and oversight									
7. Statement by the director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (<i>listed entity has flexibility regarding the placement of this disclosure</i>)	We are pleased to present our Business Responsibility and Sustainability Report, which highlights our unwavering commitment to environmental, social, and governance (ESG) principles. As ESG considerations continue to shape the global business environment, we recognize the importance of proactively addressing these priorities and integrating them into our decision-making processes. We firmly believe that embedding ESG principles within our core business strategy will create long-term value for stakeholders while contributing to a more sustainable, resilient, and inclusive future. Guided by a culture of continuous improvement, we remain committed to advancing our sustainability performance and setting ambitious goals that support responsible growth and lasting impact.								

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)	Shri Ajay Relan, Managing Director (DIN: 00257584) continuously monitors the development of ESG performance and has assigned powers to the Senior Management of the organization for implementation and oversight of the business responsibility policy and procedure.
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. Ms. Iti Goyal, Assistant Company Secretary and Compliance Officer of the Company is appointed as BRSR head along with delegation of requisite powers of decision making as Sustainability head by the Board of Directors.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any Other- please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The Company's performance against the above-mentioned policies is reviewed by the Board of Directors from time to time. Based on such reviews, necessary measures are undertaken to address and rectify any concerns identified.									Performance indicators are reviewed Periodically as and when required								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company complies with all applicable laws and regulations. The Audit Committee oversees the review of statutory compliance requirements and monitors the implementation of appropriate corrective measures for any instances of non-compliance identified.									Compliance to the statutory requirements is reviewed quarterly by Audit Committee								

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.

P1	P2	P3	P4	P5	P6	P7	P8	P9
The Company's facilities are certified by Intertek against ISO 45001:2018 (Occupational Health and Safety Management), ISO 14001:2015 (Environmental Management), and IATF 16949:2016 (Automotive Quality Management), with surveillance and recertification audits conducted at defined frequencies to evaluate continued conformance.								

12. If Answer to Question (1) Above is "NO", i.e., not all Principles are covered by a Policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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)									
The entity does not have the financial or human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any Other Reason (please specify)									

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 by training and awareness programmes on any of the Principles during the financial year 2025- 26:

Segment	Total number of training and awareness programs held	Topics/ Principles covered under training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	5	Principle-1 - Financial and business highlights, including industry performance. - Periodical familiarization programmes as per Companies Act and Listing regulations. - Outlook of auto component sector. Compliance Management, DPDP Act, 2023	100%
Key Managerial Personnel	3	Principle-1 - Vision Setting Principle-2 - Design Thinking. Principle-3 - Training and awareness on Leadership and People Management,	75%
Employees other than BoD and KMPs	88	Principle-1 - Ownership & Accountability-R&D - Decoding Ownership, Accountability and Responsibility Principle-2 - Skill Upgradation Principle-3 - Skill Upgradation - Health and Safety Principle-5 - POSH Principle-9 - Customer Centricity Workshop	87%
Workers	15	Principle-1 - Ownership & Accountability-R&D - Decoding Ownership, Accountability and Responsibility Principle-2 - Skill Upgradation Principle-3 - Health and Safety Principle-5 - POSH Principle-9 - Customer Centricity Workshop	91%

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 discussed on the entity's website)

Monetary					
	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (in INR.)	Brief of Case	Has an appeal been preferred? (yes/ No)
Penalty/ Fine	Nil				
Settlement					
Compounding Fee					
Non-Monetary					
	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (in INR.)	Brief of Case	Has an appeal been preferred? (yes/ No)
Imprisonment	Nil				
Punishment					

3. Of the instances disclosed in Question 2, above detail 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
Not applicable, as no monetary nor non-monetary case were filed against the Company.	

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

Yes, the Company's Board approved Code of Conduct incorporates anti-bribery and anti-corruption provisions, supported by a standalone Whistle Blower Policy. Together these prohibit the offering, giving, soliciting or receiving of bribes, facilitation payments or improper advantages to influence business decisions, and set out expectations on gifts, hospitality and conflicts of interest. The Code applies to Directors, KMPs, and all employees, as well as independent contractors and consultants. A separate Code of Conduct for Stakeholders extends these requirements to suppliers, dealers and other business partners. Concerns may be reported through the whistle blower mechanism, which provides for confidentiality and protection against retaliation.

Web link:

Code of conduct: <https://www.shardamotor.com/wp-content/uploads/2018/08/code-of-conduct-for-board-members.pdf>

Whistle Blower Policy: https://www.shardamotor.com/wp-content/uploads/2026/05/2_Whistle-Blower-Policy.pdf

Code of Conduct-Stakeholders: https://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf

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

	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Directors	0	0
Key Managerial Personnel (KMPs)	0	0
Employees	0	0
Workers	0	0

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

	Current Financial Year 2025- 26		Previous Financial Year 2024- 25	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

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. During FY 2025-26, no fines, penalties or actions were imposed on the Company by any regulator, law enforcement agency or judicial institution, and no complaints relating to corruption or conflict of interest were received against the Directors or KMPs. Consequently, no corrective action was required during the reporting period.

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

	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Number of days of accounts payables	108	93

9. Openness 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	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Concentration of Purchases	a. Purchases from trading houses as % of the total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	0	0
	b. Number of dealers/ distributors to whom sales are made	0	0
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	0	0
Share of RPTs	a. Purchases (Purchases with related parties/ Total Purchases)	0	0
	b. Sales (Sales to related parties/ Total Sales)	0	0.0011%
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	0	0
	d. Investments (Investments in related parties/ Total Investments made)	4.18%	6.34%

Leadership Indicators

1. Awareness programmes conducted for the value chain partners on any of the principles during the financial year 2025- 26:

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
During the FY 2025-26, SMIL did not conduct formal, structured awareness programmes for its value chain partners on the NGRBC principles. The Company's ESG expectations are communicated through its Supplier Code of Conduct and periodic business reviews, which reinforce standards on ethical conduct, safety and environmental compliance. SMIL recognizes value chain capacity building as an area for development and intends to roll out structured supplier awareness sessions on the NGRBC principles.		

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, SMIL has a structured process to identify, disclose and manage actual or potential conflicts of interest involving Board members and senior management. The process is reinforced by SMIL's Code of Conduct for Directors and Senior management, which requires all covered people to proactively avoid situations where personal interests may conflict with those of the Company and to promptly disclose any actual or potential conflict to the Board for appropriate guidance and action.

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 environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year 2025- 26	Previous Financial Year 2024- 25	Details of improvements in environmental and social impacts
R&D	87.76	88.87	Development of advanced emission control technologies, lightweighting of components, development of products for cleaner mobility applications, improvement in product durability and safety, thereby lowering the environmental footprint of the end product over its life cycle.
Capex	91.07	88.97	Investment in setting up and upgrading manufacturing capacity for emission control systems, lightweight components, and products aligned with cleaner mobility. Process improvements, automation and energy efficient equipment that reduce resource consumption and emission across operations.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No).
 b. If “Yes”, what percentage of inputs were sourced sustainability?
 a. Yes, Sustainability considerations are embedded in the Company’s sourcing framework through its Sustainability Policy and Supplier Code of Conduct. All suppliers are required to acknowledge and comply with the Code of Conduct, applicable statutory and regulatory requirements as a pre-condition of onboarding.
 b. In FY 2025-26, 71.52% of input material by value was sourced from suppliers covered under the Company’s sustainable sourcing criteria.
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
 d. Other waste
 SMIL's products are integrated into their customers' vehicles and cannot be individually separated or recovered. As a result, this question is not applicable to SMIL's products.
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 Board?
 • If “Not”, provide steps taken to address the same.
 Extended Producer Responsibility (EPR) regulations do not apply to SMIL’s business operations.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/ Assessment (LCA) for any of its products (for manufacturing industries) or for its services (for 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 web-link
The Company has not undertaken Life Cycle Assessment (LCA) of its product or service during the reporting period.					

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
SMIL did not undertake any Life Cycle Assessments (LCA) during the reporting period. Consequently, no significant environmental or social risks associated with the production or disposal of its products and services were identified during the reporting period.		

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	
	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
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:

	Current Financial Year 2025- 26			Previous Financial Year 2024- 25		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	0	0	0	0	0
E-Waste	0	0	0	0	0	0
Hazardous Waste	0	0	0	0	0	0
Other Waste	0	0	0	0	0	0

2. Reclaimed products sand their packaging materials (as percentage of products sold) for each product category

Indicate Product Category	Reclaimed products and their packaging materials as % total products sold in respective category
Not applicable, as SMIL does not recover or reclaim products and packaging materials at the end of their life cycle.	

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	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	766	766	100%	766	100%	0	0	766	100%	0	0
Female	35	35	100%	35	100%	35	100%	0	0	0	0
Total	801	801	100%	801	100%	35	4.37%	766	95.63%	0	0
Other than Permanent Employees											
Male	330	330	100%	330	100%	0	0	330	100%	0	0
Female	25	25	100%	25	100%	25	100%	0	0	0	0
Total	355	355	100%	355	100%	25	7.04%	330	92.96%	0	0

1. b. Details of measures for the well-being of Workers:

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number	% (B/A)	Number	% (C/A)	Number	% (D/A)	Number	% (E/A)	Number	% (F/A)
		(B)		(C)		(D)		(E)		(F)	
Permanent Workers											
Male	290	290	100%	290	100%	0	0	290	100%	0	0
Female	2	2	100%	2	100%	2	100%	0	0	0	0
Total	292	292	100%	292	100%	2	0.68%	290	99.32%	0	0
Other than Permanent Workers											
Male	2921	2921	100%	2921	100%	0	0	2921	100%	0	0
Female	174	174	100%	174	100%	174	100%	0	0	0	0
Total	3095	3095	100%	3095	100%	174	5.62%	2921	94.38%	0	0

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

	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Cost incurred on well-being measures as a % of total revenue of the company	0.30%	0.49%

2. Details of retirement benefits, for Current FY 2025- 26 and Previous FY 2024- 25

Benefits	Current Financial Year 2025- 26			Previous Financial Year 2024- 25		
	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and Deposited with the authority (Yes/ No/ NA)	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and Deposited with the authority (Yes/ No/ NA)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	4.78%	90%	Yes	12.65%	90.45%	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”, then whether any steps are being taken by the entity in this regard.

Yes, the Company is committed to providing an accessible and inclusive workplace for employees, workers, and visitors with disabilities. Its premises are designed to comply with the requirements of the Rights of Persons with Disabilities Act 2016. The Company provides necessary support to people with disabilities, as required, and continues to foster an environment that promotes equal opportunity, accessibility, and inclusion for all.

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

SMIL has established a comprehensive HR Manual and Code of Conduct, which includes an “Equal Opportunity Policy” that reflects its commitment to fairness, equality, and non-discrimination. SMIL ensures that all employees are treated fairly and with respect, regardless of race, gender, religion, ethnicity, colour, age, disability, or any other personal characteristic, in accordance with the principles outlined in its Code of Conduct.

Employment and career opportunities are provided based on qualifications, experience, merit, and objective criteria, fostering an inclusive, diverse, and equitable workplace. The Equal Opportunity Policy is detailed on pages 8 and 9 of the Code of Conduct for Stakeholders and is available through the company’s website. Weblink: https://www.shardamotor.com/wp-content/uploads/2020/08/Code-for-Stakeholders_Sharda-Motor.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave for FY 2025- 26.

Gender	Permanent Employees		Permanent Workers	
	Return to Work Rate	Retention Rate	Return to Work Rate	Retention Rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

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:

Permanent Workers	Yes, workers may raise grievances through their supervisor, the unit HR and the workers association. Shop floor concerns are also raised in periodic communication with the plant heads. The ethics helpline is accessible to all workers engaged at Company premises.
Other than Permanent Workers	

Permanent Employees	Yes, grievances may be raised with the reporting manager or the HR function at the respective location and are escalated to the Unit HR head and Corporate HR where not resolved at the first level. In addition, all employees have access to the Whistle Blower Policy.
Other than Permanent Employees	

7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	Current Financial Year 2025- 26			Previous Financial Year 2024- 25		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of Association(s) or Unions. (B)	Percentage (%) (B/A)	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of Association(s) or Unions. (B)	Percentage (%) (B/A)
Total Permanent Employees	801	0	0	768	0	0
- Male	766	0	0	738	0	0
- Female	35	0	0	30	0	0
Total Permanent Workers	292	282	96.58%	293	281	95.90%
- Male	290	281	96.23%	292	280	95.89%
- Female	2	1	50.00%	1	1	100.00%

8. (a) Details of training given to employees and workers on “Health and Safety Measures”

Category	Current Financial Year 2025- 26			Previous Financial Year 2024- 25		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Male	1,096	1,082	98.73%	1,112	1,112	100%
Female	60	56	93.33%	66	66	100%
Total	1,156	1,138	98.45%	1,178	1,178	100%
Workers						
Male	3,211	3,187	99.25%	2,982	2,982	100%
Female	176	169	96.02%	87	87	100%
Total	3,387	3,356	99.08%	3,069	3,069	100%

(b) Details of training given to employees and workers on “Skill Upgradation”

Category	Current Financial Year 2025- 26			Previous Financial Year 2024- 25		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Male	1,096	1,079	98.45%	1,112	1,112	100%
Female	60	54	90.00%	66	66	100%
Total	1,156	1,133	98.02%	1,178	1,178	100%
Workers						
Male	3,211	3,187	99.26%	2,982	2,982	100%
Female	176	169	96.03%	87	87	100%
Total	3387	3,356	99.09%	3,069	3,069	100%

9. Details of Performance and Career Development reviews of employees and workers:

Category	Current Financial Year 2025- 26			Previous Financial Year 2024- 25		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Male	766	624	81.47%	738	562	76.15%
Female	35	21	60.00%	30	24	80.00%
Total	801	645	80.53%	768	586	76.30%
Workers						
Male	During FY 2025-26, we continued to prioritise the progress and well-being of our workforce through our comprehensive union agreement, which is subject to full review every three years. We also ensured that all policy updates and workplace improvements remained aligned with the latest government amendments to labour laws, reinforcing our commitment to regulatory compliance and the continuous development of our employees.					
Female						
Total						

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”, then coverage of the system.	Yes, SMIL has implemented an occupational health and safety management system certified to ISO 45001:2018. The system covers all SMIL's facilities and applies to people working under the Company's control, including permanent employees, contractual workers. It is administered through a safety committee, supported by periodic risk assessments, evaluations, and inspections across covered facilities. The effectiveness of the system is monitored on an ongoing basis to ensure compliance with applicable legal requirements and to drive continual improvement.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis of the entity?	SMIL identifies work related hazards and assesses associated risks through a structured Hazard Identification and Risk Assessment (HIRA) process applied across all facilities. On a routine basis, hazards are identified through scheduled HIRA reviews of all standard operations and processes, supported by periodic safety inspections and workplace observations conducted by designated safety officers. Each identified hazard is evaluated for severity and likelihood, prioritised, and assigned control measures in line with the hierarchy of controls. Risk assessments are reviewed and updated at defined intervals. On a non-routine basis, HIRA analysis is triggered prior to activities such as machinery breakdown and maintenance work, plant modifications or new installations, changes to processes or materials, contractor and third-party jobs, and emergency situations. Hazards arising from these activities are assessed before the work commences, and appropriate controls, work permits and safe operating procedures are put in place. The outcome of both routine and non-routine assessments feed into a periodic safety review process, through which control measures are monitored for effectiveness and improvement.
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/ No)	Yes, SMIL has established defined procedures enabling workers to report work-related hazards, unsafe conditions, or safety incidents, and to remove themselves from situations they reasonably believe to present an imminent danger. Workers can report hazards through multiple channels, including direct communication with supervisors, plant and departmental heads, the safety committee, and periodic safety meetings and reviews. Reported concerns are acted upon through timely corrective measures aimed at eliminating or mitigating the identified risk. Workers are encouraged to raise safety concerns without fear of adverse consequence.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)	Yes, SMIL provides its employees and workers access to non-occupational medical and healthcare services through multiple arrangements. On-site first-aid facilities are available across manufacturing locations, supported by periodic visits from a physician. Employees are covered under a group mediclaim policy, and workers are enrolled under the Employees' State Insurance Corporation (ESIC) scheme, providing access to medical and healthcare benefits. In addition, SMIL conducts wellness initiatives including periodic health check-ups, screenings and preventive care. The company has arrangements with local healthcare providers for general consultations, preventive care, vaccinations, and treatment of common illnesses, with referral to specialists or hospitals for advanced care where required.
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11. Details of safety related incidents, in the following format:

Safety Incidents/ Number	Category	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.10	0
	Workers	0.41	0.82
Total recordable work-related injuries	Employees	1	0
	Workers	4	0
Number of fatalities	Employees	0	0
	Workers	0	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.

SMIL maintains a safe and healthy workplace through its ISO 45001:2018- certified occupational health and safety management system, supported by the following measures:

Engineering controls, including exhaust and fume extraction systems at welding and similar operations to control airborne contaminants, along with ventilation providing adequate fresh air at work areas. Machine guarding and safe operating procedures are maintained across production lines.

HIRA is carried out for routine and non-routine activities, with controls applied in line with the hierarchy of controls. PPE is provided to employees and workers as appropriate to their tasks, with training on correct use.

Safety training and awareness covering safety protocols, hazard recognition, safe equipment use and emergency response are conducted periodically, reinforced through safety drills and awareness campaigns.

Emergency preparedness, including documented emergency and evacuation procedures, mock drills, first-aid facilities, and fire-safety systems across facilities.

Monitoring and review through daily workplace inspections by safety officers, functioning of the safety committee and periodic review of safety performance to drive corrective action and improvement.

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

	Current Financial Year 2025- 26			Previous Financial Year 2024- 25		
	Filed	Pending Resolution at end of year	Remark	Filed	Pending Resolution at end of year	Remark
Working Conditions	0	0	-	0	0	-
Health and Safety	0	0	-	0	0	-

14. Assessment for the Year (2025- 26):

	% of plants and offices that were assessed (by entity or statutory authorities or third party)
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 risk/ concerns arising from assessment of health and safety practices and working conditions.

Not applicable.

Leadership Indicators

1. Does the entity extend any life insurance or compensatory package in the event of death of (A). Employees; and (B). Workers (Yes/No). Provide detail.

Yes, for both employees and workers.

- Employees are covered under a Group Personal Accident policy providing compensation to the employee or their nominated beneficiaries in the event of death of specified injury. Employees who have completed the qualifying service period are also entitled to gratuity, funded through an LIC group gratuity policy, payable to nominee in the event of death in service.
- Workers are covered under the Employees' State Insurance Scheme and the Employees' Deposit Linked Insurance scheme, which provide benefits to nominees in the event of death, in accordance with the respective statutory provisions.

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

SMIL's supplier code of conduct, forming part of the supplier manual, requires value chain partners to comply with applicable laws, including deduction and deposit of statutory dues. Compliance is addressed through supplier assessments, and where applicable, review of statutory compliance documentation such as proof of remittance for Provident Fund and Employees' State Insurance contributions.

3. Provide the number of employees/ workers having suffered high consequence work-related injury/ ill-health/ fatalities (as reported in Qs. 11 of Essential Indicators above), who have been/ are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total Number of affected employees/ workers		No. of employees/ workers that are rehabilitated or whose family member have been placed in suitable employment	
	FY 2025- 26	FY 2024- 25	FY 2025- 26	FY 2024- 25
Employees	0	0	0	0
Workers	0	0	0	0

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)

At SMIL, we value the expertise of retired employees and engage them as consultants to provide specialized guidance on key projects and business challenges. We also support the career development of our current employees by encouraging regular discussions with managers and HR on career progression, internal opportunities, and succession planning.

5. Details on assessment of value chain partners (FY 2025- 26):

	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practices	80.24%
Working Conditions	80.24%

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.

Not applicable.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS.

Essential Indicators

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

SMIL identifies its key stakeholder groups through a stakeholder mapping process that considers both internal and external parties who affect, or are affected by, the Company's operations. Stakeholders are identified across the value chain and assessed on the basis of their level of influence on the business and the extent to which they are impacted by the Company's activities.

Through this process, SMIL has identified its key stakeholder groups as employees and workers, investors and shareholders, customers, suppliers and value chain partners, local communities, and government and regulatory authorities. The prioritisation of stakeholders informs the mode and frequency of engagement with each group, enabling the Company to address relevant sustainability concerns and maintain ongoing dialogue.

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

Stakeholder Group	Identified as Vulnerable or Marginalized Group (Yes/No)	Channels of Communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during each engagement
Investors and Shareholders	No	In person meetings, Website, Annual reports, Press release, Investor Relations team, Annual general meetings, Investor newsletters, Email, telecommunication, and Conferences	Annually once in Annual General Meeting, Quarterly Investor call (Analyst meet/ Earning call) and on need basis.	Discussing financial performance, new products and initiatives, earnings reporting, any other concerns.
Employees and Workers	No	E-mail, Internal portal and Newsletters.	Daily, weekly	Employee safety, professional and career development, well-being, training, and awareness.
Customers	No	Website, Email and Tele communication, Feedback surveys	Need based.	Long term product improvements, concerns and feedback.
Communities	Yes	Community events and meetings and CSR programs	Need based.	Various CSR interventions.
Government and Regulators	No	Official letters or correspondence, Email, In-person meetings, Website, Trade and industry associations	Need based.	Compliance Checks and other regulatory requirements.
Value chain partner	No	Email and Tele communication, in person meetings, visits and review sessions.	Need based.	Facilitating alignment on quality, cost, delivery, and complain requirements. Supporting continuous improvement, innovation, and long term value creation in the supply chain.

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.**

Stakeholder consultations are conducted to build relationships founded on trust, collaboration, and mutual value while informing our strategic priorities. Dedicated functional teams lead these engagements with identified stakeholder groups. The Board of Directors oversees the implementation of actions arising from stakeholder feedback, ensuring that key insights are integrated into decision-making and continuous improvement initiatives.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topic? (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.**

At SMIL, stakeholder interests are integral to identifying and prioritizing material issues that are significant to our business. Through regular stakeholder engagement and open communication, we gather valuable insights that are shared with the Board and incorporated into strategic decision-making. Consultations on social, environmental, and governance matters help us identify emerging risks and opportunities, strengthen stakeholder trust, support informed decisions, and enhance our long-term sustainability performance.

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

At SMIL, we engage with marginalized and vulnerable communities through the Sharda CSR Foundation Trust. The Trust supports initiatives in healthcare, education, environmental conservation, and rural development, including public health services, medical camps, blood donation drives, support for government schools, tree plantation programmes, pollution awareness campaigns, and the distribution of essential supplies. These initiatives aim to improve the quality of life and promote inclusive, sustainable community development.

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	Current Financial Year 2025- 26			Previous Financial Year 2024- 25		
	Total (A)	Number (B)	Percentage (%) (B/A)	Total (C)	Number (D)	Percentage (%) (D/C)
Employees						
Permanent	801	791	98.75%	768	768	100%
Other than permanent	355	343	96.62%	410	410	100%
Total Employees	1,156	1,134	98.1%	1,178	1,178	100%
Workers						
Permanent	292	285	97.61%	293	293	100%
Other than permanent	3,095	3,081	99.55%	2,776	2,776	100%
Total Workers	3,387	3,366	99.38%	3,069	3,069	100%

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

Category	Current Financial Year 2025- 26					Previous Financial Year 2024- 25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Permanent	801	-	-	801	100%	768	-	-	768	100%
- Male	766	-	-	766	100%	738	-	-	738	100%
- Female	35	-	-	35	100%	30	-	-	30	100%
Other than Permanent	355	-	-	355	100%	410	-	-	410	100%
- Male	330	-	-	330	100%	374	-	-	374	100%
- Female	25	-	-	25	100%	36	-	-	36	100%
Workers										
Permanent	292	-	-	292	100%	293	-	-	293	100%
- Male	290	-	-	290	100%	292	-	-	292	100%
- Female	2	-	-	2	100%	1	-	-	1	100%
Other than Permanent	3,095	-	-	3,095	100%	2,776	-	-	2,776	100%
- Male	2,921	-	-	2,921	100%	2,690	-	-	2,690	100%
- Female	174	-	-	174	100%	86	-	-	86	100%

3. Details of remuneration/ salary/ wages, in the following format for FY 2025- 26:

a. Median remuneration/ wages:

	Male		Female	
	Number	Median salary/ wage of respective category (in INR)	Number	Median salary/ wage of respective category (in INR)
Board of Directors (BoD)	5	22,746,454	1	0
Key Managerial Personnel	4	12,782,498	1	904,952
Employees other than BoD and KMP (Permanent)	766	771,600	35	799,992
Workers (Permanent)	290	757,296	2	686,244

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

	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Gross wages paid to females as % of total wages (permanent employees and worker)	5.27%	3.58%

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 Company has established an appropriate governance mechanism for addressing human rights impacts and concerns arising from its business activities. Human rights-related matters are overseen by the Human Resources Department and the senior management team, with escalation to the relevant management committee/Board-level committee, wherever required. Employees and other stakeholders may report concerns through the Company's grievance redressal mechanisms, and all reported matters are reviewed and addressed in accordance with the Company's policies, applicable laws, and principles of fairness, non-discrimination, and respect for human rights.

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

SMIL is committed to preventing human rights violations through its Human Rights Policy, with compliance ensured via a structured grievance redressal mechanism monitored by the HR department at

all plant locations. Employees and workers have 24/7 anonymous access to raise concerns and have them addressed in a timely manner. The company's Whistleblower Policy defines the procedures for reporting misconduct or unethical behaviour, while the ethics helpline provides a confidential and secure channel to report ethics or whistleblower concerns and seek guidance as appropriate. Detailed information on the investigation process is available on the whistleblower policy.

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

	Current Financial Year 2025- 26			Previous Financial Year 2024- 25		
	Filed during the year	Pending resolution at end of year	Remark	Filed during the year	Pending resolution at end of year	Remark
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-

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

	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
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.

At SMIL, we are committed to protecting the dignity and rights of our employees by maintaining a workplace free from discrimination and harassment, with equal opportunities for all. Complaints are handled through the Internal Complaints Committee which is accessible to all employees and follows confidential intake, redressal, and inquiry processes. To safeguard complainants, the Company maintains strict confidentiality of the identity and case details, prohibits any form of retaliation or victimization against those who raise concerns or participate in inquiries and treats such retaliation as a disciplinary matter.

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

At SMIL, we are committed to upholding and promoting human rights across our operations and value chain. Our comprehensive Human Rights Policy applies throughout the organization, including joint ventures, suppliers, and contractors, and has been developed through extensive consultation with relevant stakeholders to ensure alignment with recognized human rights principles and best practices.

9. Assessment for FY 2025- 26:

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced/ Involuntary Labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

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

No risks or concerns were identified as a result of the assessments conducted at our plants and offices.

Leadership Indicators

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

The Company did not receive any human rights-related complaints during the reporting period. We comply with all applicable human rights laws and regulations, including those relating to the prohibition of child labor, prevention of discrimination, and promotion of equal opportunity and women's empowerment. We also promote awareness of human rights across our value chain by engaging with suppliers and business partners and reinforcing our zero-tolerance approach to any form of abuse. In addition, our Whistleblower Policy provides employees and other stakeholders with a confidential mechanism to report suspected human rights violations.

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

Human Rights due diligence was not carried out in the reporting year, we continue to uphold all applicable human rights regulations and are dedicated to safeguard the rights of all our stakeholders.

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?

The Company is committed to providing an accessible, inclusive, and equitable workplace for employees, workers, and visitors with disabilities. Our facilities are designed in compliance with the Rights of Persons with Disabilities Act, 2016, and we provide appropriate support and assistance wherever required. We continuously enhance our accessibility measures to foster an environment that promotes equal opportunity, dignity, and inclusion for all.

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	80.24%
Forced/ Involuntary Labour	80.24%
Sexual harassment	80.24%
Discrimination at workplace	80.24%
Wages	80.24%

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

No corrective actions were required, as no significant risks nor observations were found during the assessment.

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	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
From 'Renewable Sources' (in Gigajoules)		
Total Electricity Consumption (A)	21,743.08	18,386.40
Total Fuel Consumption (B)	-	-
Energy consumption through Other Sources (C)	-	-
Total Energy Consumption from renewable sources (A+B+C)	21,743.08	18,386.40
From 'Non-Renewable Sources' (in Gigajoules)		
Total Electricity Consumption (D)	29,125.12	30,786.60
Total Fuel Consumption (E)	5,490.65	966.20
Energy consumption through Other Sources (F)	-	-
Total Energy Consumption from non-renewable sources (D+E+F)	34,615.77	31,752.80
Total Energy Consumption (Renewable + Non-Renewable)	56,358.85	50,139.20
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	0.0000017	0.0000018
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (Total energy consumed/ Revenue from operations adjusted for PPP)	0.000034	0.000037
Energy intensity in terms of physical output	0.00056	0.00059

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency.: NO

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? (Yes/No)

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.

SMIL's manufacturing plants are not classified as Designated Consumers (DCs) under the Government of India's Performance, Achieve, and Trade (PAT) Scheme; therefore, not applicable.

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

Parameter	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Water withdrawal by source (in Kiloliters- Kl)		
(i) Surface Water	-	-
(ii) Groundwater	5,166.00	-
(iii) Third Party Water	67,208.83	56,305.00
(iv) Seawater/ Desalinated water	-	-
(v) Others	-	-

Parameter	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Total Volume of water withdrawal (in KL) (i + ii + iii + iv + v)	72,374.83	56,305.00
Total volume of water consumption (in KL) #	62,643.63	46,970.00
Water intensity per rupee of turnover (water consumed/ turnover)	0.0000018	0.0000017
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP)	0.000038	0.00004
Water intensity in terms of physical output	0.00062	0.00056

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency.: No

4. Provide the following details related to water discharge:

Parameter	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Water discharge by destination and level of treatment (in Kiloliters)		
(i) To Surface Water		
- No treatment		
- With treatment- please specify level of treatment	2,724.20	-
(ii) To Ground Water		
- No treatment		
- With treatment- please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment- please specify level of treatment		
(iv) Sent to Third Parties		
- No treatment #	9,050.36	-
- With treatment- please specify level of treatment		
(v) Others		
- No treatment		
- With treatment- please specify level of treatment		9335.00
Total water discharged (in kilo-liters)	11,774.56	9335.00

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency.: No

Wastewater discharge from the Corporate Office for FY 2025-26 has been calculated in accordance with the Industry Standards Note on Business Responsibility and Sustainability Report (BRSR) Core. Untreated water from few location has been sent to common STP.

5. Has the entity implemented a mechanism for Zero Liquid Discharge (ZLD)? If “Yes”, provide details of its coverage and implementation.

SMIL continues to strengthen wastewater management practices across its operational sites, with a focus on implementing Zero Liquid Discharge (ZLD) aligned approaches. At several locations, systems are in place to ensure that treated effluent is effectively managed and reused within the premises, eliminating the need for external discharge. Most of the plants are equipped with a Sewage Treatment Plant (STP), and the treated water is reused within the plant premises for non-potable applications, including washroom and landscape irrigation, with no external discharge. These practices promote efficient water utilization and support a more circular approach to water management.

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

Parameter	Please specify unit	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
NOx	Tonnes/year	0.14	0.08
SOx	Tonnes/year	0.02	0.08
Particulate Matter (PM)	Tonnes/year	0.45	0.24
Persistent organic pollutant (POP)	Not applicable		
Volatile organic compounds (VOC)			
Hazardous air pollutant (HAP)			

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If “Yes”, name the external agency.: Yes, the evaluation for Chakan plant is done by Eurofine Enviro Lab Pvt. Ltd., MWC plant by EHS 360 Labs Private Limited, Nashik plant by Ashwamedh engineers and consultants, Sanand plant by Metro Enviro Chem Associates, Sipcot plant by Enviro Care India Pvt. Ltd.

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

Parameter	Please specify unit	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
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)	Metric tonnes of CO ₂ equivalent	457.53 *	309.58
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)	Metric tonnes of CO ₂ equivalent	5,749.17	6,213.73
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO ₂ / rupee of turnover	0.00000018	0.00000023
Total Scope 1 and Scope 2 emissions per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 & 2 emissions/ Revenue from operations adjusted for PPP)	Metric tonnes of CO ₂ / turnover adjusted for PPP	0.00000040	0.00000048
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO ₂ / no. of units produced	0.00006	0.00007

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If “Yes”, name the external agency.: Yes, Our SIPCOT plant has undergone third-party GHG verification by TÜV SÜD South Asia Pvt. Ltd. The verification covers Scope 1 and Scope 2 emissions completely and Scope 3 emissions (downstream transportation).

8. Does the entity have any project related to reducing Greenhouse gas emissions? If “Yes”, then provide details.

The Company have undertaken a multitude of initiatives to mitigate its greenhouse gas (GHG) emissions such as :

- **Renewable Energy Adoption:** The Company is progressively transitioning towards renewable energy sources to reduce its environmental footprint and GHG emissions. Solar energy is sourced through both on-site solar generation and power purchase agreements (PPAs). The manufacturing units at SIPCOT and MWC utilise renewable energy through a combination of solar and wind power. The overall share of renewable energy in total energy consumption has increased compared to the previous year.
- **Energy Efficiency Measures:** The Company continues to implement energy conservation initiatives across its facilities. The company implemented multiple energy conservation initiatives, including power factor optimization, harmonic panels, VFDs, LED lighting, energy-efficient equipment, and automated timers/sensors to reduce electricity consumption. Additional measures such as compressed air leakage reduction, efficient compressor usage, automation through robotic cells, and elimination of idle machine operation further improved overall energy efficiency across plants.
- **Pollution Prevention and Control:** The Company has implemented appropriate pollution prevention and control measures across its manufacturing facilities to minimize the release of pollutants into the air, water, and land and reduce its overall environmental impact.

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

Parameter	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Total Waste Generated (in Metric Tonnes)		
Plastic Waste (A)	4.99	0.26
E-Waste (B)	-	0.20
Bio-medical Waste (C)	-	-
Construction and Demolition Waste (C&D) (D)	-	-
Battery Waste (E)	-	-
Radioactive Waste (F)	-	-
Other Hazardous Waste generated (G) (Please specify, if any)	2.48	4.59
Other Non-Hazardous Waste generated (H)* (Please specify, if any)	4354.32	998.47
Total Waste Generated (A+B+C+D+E+F+G+H)	4361.79	1003.52
Waste intensity per rupee of turnover (Total waste generated/ Revenue from operations)	0.00000013	0.00000004
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/ Revenue from operations adjusted for PPP)	0.0000026	0.0000007
Waste intensity in terms of physical output	0.00004	0.00001

Parameter	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)*		
Category Waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	4360.89	972.96
Total	4360.89	972.96
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category Waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	0.89	30.56
Total	0.89	30.56

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If “Yes”, name the external agency.: No

* Additional categories of non-hazardous waste were identified, and one additional manufacturing location was included in FY 2025–26. The waste disposal methods have been recategorised for FY 2024–25.

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 waste.

The Company’s waste management strategy is guided by the principles of reduction, reuse, and recycle by focusing on minimizing waste generation through process optimization and efficient resource utilization Promoting responsible manufacturing practices across operations Encouraging proper segregation of waste at source; Ensuring the safe handling, treatment, and disposal of waste through authorized and approved agencies, in compliance with applicable laws and regulations; Sending scrap and waste materials to authorized recycling and recovery facilities, wherever feasible.

The Company follows established procedures for the handling, storage, transportation, and disposal of hazardous waste and promotes the responsible use of chemicals across its operations. Regular awareness and training programs are conducted to strengthen employees' understanding of safe waste management practices and regulatory compliance.

In addition, the Company encourages its suppliers and business partners to adopt sustainable procurement and waste management practices, including reducing packaging materials, enhancing recyclability, and minimizing waste generation. These initiatives support the Company's broader commitment to resource efficiency, environmental stewardship, and the principles of a circular economy.

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? (Yes/No) If “No”, the reasons thereof and corrective action taken, if any.
SMIL's manufacturing facilities are not located within or in close proximity to ecologically sensitive areas.			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year 2025- 26:

Name and brief of the project	EIA Notification No.	Date	Whether conducted by independent agency (Yes/ No)	Results communicated in public domain (Yes/ No)	Relevant Web-link
No, Environmental Impact Assessments (EIAs) were not conducted during the financial year 2025-26, as none of the projects were within categories requiring EIAs as per the applicable environmental regulations of Government of India.					

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 (Yes/ No). If “Not”, provide details of all such non-compliances, in the following format:

S. No.	Specify the law/ regulation/ guidelines which is not compliant	Provide details of the non-compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control board or by courts	Corrective action taken if any
SMIL was compliant with all applicable environmental laws, regulations, and guidelines of Government of India during the reporting period 2025-26.				

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:

- Name of area*:** Sanand, SIPCOT and Head Office Delhi[#]
- Nature of operations:** Sanand and SIPCOT are manufacturing plants, while the Delhi office serves as the Corporate and administrative office.
- Water withdrawal, consumption, and discharge in the following format:**

Parameter	Current Financial Year 2025-26	Previous Financial Year 2024-25
Water withdrawal by source (in kilo litres)		
(i) Surface Water		
(ii) Ground Water		
(iii) Third Party Water	22,889.00	-
(iv) Seawater/ Desalinated Water		
(v) Others	336.08	-
Total volume of water withdrawal (in kilolitres)	23,225.08	-
Total volume of water consumption (in kilolitres)	14,174.72	-
Water intensity per rupee of turnover (Total Water Consumed/ Total Turnover in Rupees)	0.000000417	-

Parameter	Current Financial Year 2025-26	Previous Financial Year 2024-25
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.000008488	-
Water intensity in terms of physical output (Total water consumption kl/ Permanent Employees)	0.000140711	-
Water discharge by destination and level of treatment (in Kilo litres)		
(i) To Surface Water		
To Surface Water - no treatment		
To Surface Water - with treatment		
(ii) To Ground Water		
To Ground Water - no treatment		
To Ground Water - with treatment		
(iii) To Seawater		
To Sea Water - no treatment		
To Sea Water - with treatment		
(iv) Sent to Third Parties		
Sent to Third parties - no treatment	9,050.36	-
Sent to Third parties - with treatment		
(v) Others		
Others - no treatment		
Others - with treatment		
Total water discharged (in kilolitres)	9,050.36	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency. - No

* The classification of areas as water-stressed has been carried out based on the guidelines issued by the Central Groundwater Board.

Wastewater discharge from the Corporate Office for FY 2025-26 has been calculated in accordance with the Industry Standards Note on Business Responsibility and Sustainability Report (BRSR) Core. Untreated water from few location has been sent to common STP.

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

Parameter	Please specify unit	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Total Scope 3 Emissions* (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	166,540.37	-
Total Scope 3 emissions per rupee of turnover		0.0000049	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency.: Yes, Out SIPCOT plant has undergone third-party GHG verification by TUV SUD South Asia Pvt. Ltd. The verification covers Scope 1 and Scope 2 emissions completely and Scope 3 emissions (downstream transportation).

* Scope 3 GHG emissions have been quantified for the first time in FY 2025-26. Accordingly, figures for the previous financial year (FY 2024-25) are not reported, as scope 3 emissions were not assessed for that period.

3. With respect to the ecologically sensitive areas reported in Qs. 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, since none of SMIL's manufacturing facilities nor plants/ offices fall under ecologically sensitive areas.

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:

Initiative undertaken	Details of the initiative	Outcome of the initiative
Energy conservation	Adoption of energy-efficient technologies and automatic power-off systems for machines.	Improved energy efficiency and reduced energy consumption.
Renewable energy adoption	Increased use of solar and wind energy across operations.	Increased renewable energy share and reduced environmental impact.
Water conservation	Water treatment, recycling and reuse systems implemented across operations.	Reduced freshwater dependency and improved water-use efficiency.
Waste management	Process optimisation, waste segregation and disposal with authorized agencies	On-site waste segregation and proper disposal through authorized vendors

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

SMIL has established a robust Risk Management Policy to identify, assess, and mitigate risks that may affect business operations and continuity. The Risk Management Committee (RMC) oversees the implementation of mitigation measures, monitors emerging and existing risks, and regularly reviews the effectiveness of the Company's risk management framework. The Policy defines clear processes, controls, and governance mechanisms to support proactive risk management and ensure resilient and uninterrupted business operations.

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.

The company did not undertake independent assessment for any adverse impact on the environment arising from the value chain entity. However, as per terms of business agreement, all the of value chain partners are expected to abide by the environmental norms.

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

Nil.

8. How many "Green Credits" have been generated or procured:

a. By the listed entity: NA

b. By the top ten (in terms of the value of purchases and sales, respectively) value chain partners.

a) By the listed entity: Nil.

b) By the top ten value chain partner: Not Assessed.

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.

2

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

S. No.	Name the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1.	Automotive Component Manufacturers Association of India	National
2.	PHD 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
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 public domain (Yes/No)	Frequency of Review by Board	Web Link, if available
Not applicable					

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.

Essential Indicators

1. Details of Social Impact Assessments (SIA) projects undertaken by the entity based on applicable laws, in the current financial year 2023- 24:

Name and brief detail 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:

S. No.	Name of the 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.)
SMIL is not involved in any land acquisition or infrastructure development projects, therefore, information regarding the above indicator is not applicable.						

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

The company has established mechanisms to enable community members in the vicinity of its plants to raise concerns and grievances. Community members may raise concerns through (i) a dedicated email channel at investorrelations@shardamotor.com, additionally, the community members may write their grievance at shardacsitrust@shardamotor.com. (ii) Direct interaction with plant-level personnel, including Plant Head.

Grievances received are recorded and reviewed by the concerned Plant head. Matters requiring broader intervention are escalated to the CSR Committee of the Board, which oversees community related initiatives and their outcomes.

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

Particular	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Directly sourced from MSMEs/ Small producers	15.05%	12.50%
Directly from within India	70.93%	67.03%

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 the total wage cost:

Location	Current Financial Year 2025- 26	Previous Financial Year 2024- 25
Rural	49.93%	32.35%
Semi-Urban	8.56%	8.52%
Urban	36.42%	53.83%
Metropolitan	5.07%	5.28%

Note: Places are 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 Qs. 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:

S. No.	State	Aspirational District	Amount Spent (in INR)
Not applicable.			

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

No, SMIL does not currently have a preferential procurement policy. However, the Company actively encourages the participation and development of Micro, Small and Medium Enterprises (MSMEs) and local suppliers through targeted support, capability building, and inclusion in its sourcing processes. The Company's sourcing strategy is guided by the principles of value creation, supported by a governance framework that ensures all procurement activities are fair, equitable, and aligned with global best practices.

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

While no formal preference is extended, SMIL's supplier base includes MSMEs and small producers, from whom the company procures in the ordinary course of business.

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

In FY 2025-26, procurement from MSME suppliers accounted for approximately 15.06 % of total procurement by value, amounting to INR 1871 lakhs.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year 2025- 26), 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, as the company does not own or acquire any intellectual property based on traditional knowledge. The Company's intellectual property portfolio pertains to proprietary engineering, design, and manufacturing technologies developed in the ordinary course of business.				

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 Case	Corrective action taken
Not applicable. During the FY 2025-26, no disputes, claims, or adverse orders were received by the Company in relation to intellectual property involving the usage of traditional knowledge.		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects	% Beneficiaries from vulnerable & marginalized groups
1	Sharda Health- CSR Medical Clinic, Nashik	8478	100%
2	Sharda Health- Ambulance Services	180	100%
3	Sharda Health- Woolen distribution for underprivilege Children	474	100%
4	Sharda Education- Computer Lab establishment	250	100%

PRINCIPLE 9: BUSINESS 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 .

SMIL operates in a B2B environment, and its consumers primarily comprise OEM customers. Complaints and feedback are received through dedicated customer account managers, email, and periodic face-to-face business review meetings. All complaints are logged and addressed through a defined complaint management process aligned with the Company's IATF 16949- certified quality management system.

Customer satisfaction is monitored on an ongoing basis through direct engagement. Insights drawn from complaints and feedback are periodically reviewed by senior management and integrated into product quality and process improvement initiatives. This approach enables the Company to deliver solutions that not only resolve current concerns but also prevent similar issues arising, thereby strengthening customer relationships and driving continuous improvement in overall customer experience.

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

Parameters	As percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable, as the Company manufactures intermediate products based on the specific requirements and specifications provided by its customers, primarily Original Equipment Manufacturers (OEMs).
Safe and responsible usage	
Recycling and/or safe disposal	

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

	Current Financial Year 2025- 26		Remarks	Previous Financial Year 2024- 25		Remarks
	Received	Pending at end of year		Received	Pending at end of year	
Data Privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Other	Nil	Nil	-	Nil	Nil	-

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

	Number	Reasons for recall
Voluntary Recalls	0	-
Forced Recalls	0	-

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 Company has implemented a comprehensive Information Technology (IT) and Cyber Security Policy that establishes a robust framework for identifying, managing, and mitigating cybersecurity and

data privacy risks. The policy is aligned with applicable legal and regulatory requirements, as well as industry's best practices, and incorporates both preventive and corrective controls to safeguard the Company's information assets against internal and external cyber threats.

The policy is available at the following link: <https://www.shardamotor.com/wp-content/uploads/2023/07/IT-and-Cyber-Security-Policy.pdf>

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.

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.**

Not applicable.

Leadership Indicators

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

The detail and information about our products and services is available on the Company's official webpage at <https://www.shardamotor.com/products-services/>.

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

SMIL's operations are focused on a Business-to Business (B2B) model, there is no direct interaction with the end consumers. Therefore, this aspect is not applicable.

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

The Company communicates any potential risks or threat related to service disruptions or discontinuations through email notifications as and when deemed necessary. In addition, weekly review calls are scheduled with customers.

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

- b. **Did your entity carry out any survey about customer 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).**

(a) This is not applicable, as our products are designed for B2B applications and are not sold directly to end consumers.

(b) Yes. At present, customer satisfaction feedback is primarily collected through email communications with our key OEM customers. This feedback helps us assess service delivery, pricing, competitiveness, product quality, overall customer satisfaction, and identify opportunities for service improvement, where applicable.