

ESG Databook FY 2025-26

Crompton Greaves Consumer Electricals Limited

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1 General Information

1.1 Revenue and Employee Count

Particulars	FY 2023	FY 2024	FY 2025	FY 2026
Total Revenue (in INR)	58,093,100,000	63,883,800,000	70,282,900,000	71,932,300,000
Total Revenue (in USD)	706,900,706	771,636,671	831,061,842	814,758,959
Exchange Rate (as on 31st of March of the fiscal year end)	81.18	83.46	84.57	88.29
Permanent Employees	1,693	1,779	1,893	1,948
Permanent Workers	497	459	440	263

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2 Social Dimension

2.1 Diversity Indicators

Particulars	FY 2023	FY 2024	FY 2025	FY 2026
Share of women in total workforce (as % of total workforce)	8.01%	8.18%	9.52%	10.18%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	6.45%	7.03%	9.03%	9.50%
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	4.55%	4.84%	7.02%	7.90%
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	7.92%	8.16%	11.32%	8.70%
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	1.47%	1.22%	2.33%	1.90%
Share of women in STEM-related positions (as % of total STEM positions)	15.75%	17.45%	21.68%	26.50%

Note 1: The employee count includes only permanent employees (excludes workers and contractual / temporary employees)

Note 2: The metric "Share of women in all management positions, including junior, middle and top management" excludes S-band employees for FY 2026, as this category comprises shop-floor employees and falls outside Crompton's defined management population.

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2.2 Gender Pay Breakdown

Employee Level	FY 2024 Average Salary (Women)	FY 2024 Average Salary (Men)	FY 2025 Average Salary (Women)	FY 2025 Average Salary (Men)	FY 2026 Average Salary (Women)	FY 2026 Average Salary (Men)
Executive level (base salary only)	7,802,000	8,097,000	8,746,556	8,531,783	8,959,631	7,644,515
Executive level (base salary + other cash incentives)	9,330,000	9,908,000	10,487,354	10,918,348	12,563,000	11,128,184
Management level (base salary only)	2,346,000	2,314,000	2,292,314	2,387,764	2,410,390	2,501,677
Management level (base salary + other cash incentives)	2,528,000	2,650,000	2,464,780	2,738,923	2,638,624	2,926,041
Non-management level (base salary only)	512,000	535,000	515,482	549,698	843,029	977,772

2.3 New Employee Hires

Particulars	FY 2023	FY 2024	FY 2025	FY 2026
Total number of new employee hires	747	591	605	596

Age-Wise Hiring	FY 2024	FY 2025	FY 2026
< 30	120	151	113
30-50	459	452	478
>50	10	2	5
Total	**589**	**605**	**596**

Gender-Wise Hiring	FY 2024	FY 2025	FY 2026
Males	545	533	546
Females	44	72	50
Total	**589**	**605**	**596**

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Management Level Hiring	FY 2024	FY 2025	FY 2026
Junior	435	428	456
Middle	133	162	128
Senior	21	15	12
Total	**589**	**605**	**596**

2.4 Performance Management Systems

Crompton follows a structured Performance Management System comprising mid-year and annual appraisals. The system aligns individual performance with organizational and functional priorities, promotes regular feedback, and supports a consistent and balanced evaluation process.

Goal Setting and Management by Objectives (MBO)

At the beginning of the fiscal year, employees establish predefined and measurable goals aligned with the objectives of their respective businesses, product lines and functions. Goals are finalized in consultation with line and matrix managers, with appropriate weightages assigned. Employees also identify two behavioral competencies aligned with Crompton's CREATE values and one functional skill for assessment during the year.

Mid-Year Appraisal and Agile Conversations

At mid-year, employees complete a self-assessment against their agreed goals through the internal portal. Line and matrix managers review the submission, share their evaluation and provide structured feedback through a formal performance discussion.

The process is supported by agile conversations, which are short, frequent and forward-looking discussions focused on progress, challenges and development priorities. These discussions also enable goals to be recalibrated where required, helping employees and managers respond to changing business needs.

Annual Appraisal

At the end of the fiscal year, employees provide comments on their goals, behavioral competencies and functional skills. Line and matrix managers assess performance against each goal, assign ratings and provide overall annual feedback.

The final Performance Management System rating is jointly determined by the line and matrix managers. Promotion-related discussions are undertaken where applicable, followed by leadership-level calibration of final ratings and promotion recommendations.

Multidimensional and Team-Based Appraisal

Crompton supplements manager assessments with multidimensional appraisal methods, including 360-degree feedback where applicable. Inputs may be obtained from peers, subordinates and cross-functional stakeholders to provide a broader assessment of employee performance, collaboration and leadership capabilities.

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For project-driven and cross-functional teams, team-based appraisals may also be conducted to recognize collective contributions, strengthen collaboration and reinforce accountability for shared outcomes.

Performance Rating Criteria

Rating	Description
Rating 1	Significantly Exceeds Expectation
Rating 2	Exceeds Expectation
Rating 3	Meets Expectation
Rating 4	Below Expectation
Rating 5	Does not meet Expectation

PMS Rating Normalization

Ratings and promotions are subject to normalization to ensure fairness, consistency, and alignment across functions and business units.

2.5 Employee Support Programmes

Crompton complies with all applicable laws and regulations for the workforce such as the Companies Act 2013, Factories Act 1948, The Industrial Disputes Act 1947, etc.

Maternity leave

Eligibility: A female employee will be eligible for ML only if she has worked for a period of 80 days (including weekly offs/holidays) or more, in the 12 months immediately preceding the date of expected delivery. No advance ML is permissible.

Entitlement: Leave of 26 weeks, out of which a maximum of 8 weeks can precede the date of expected delivery. When the mother is going through a tubectomy process– 2 weeks of leave are provided from the date of the tubectomy operation (only if it is not during the 12 weeks of ML). Women having 2 or more surviving children will be entitled to 12 weeks of Maternity Leave. 12 weeks leave for women legally adopting a child below the age of 3 months and commissioning mothers. 12 weeks will kick-off from the date the child is handed over to the adopting/commissioning mother.

Miscarriage Leave: Female employees can avail to 6 weeks of leave post miscarriage/medical termination of pregnancy. If miscarriage/medical termination of pregnancy occurs during prenatal period or during their ML, then Maternity Leave (prenatal) will be up till the day of miscarriage/medical termination of pregnancy and Miscarriage Leave will be up till 6 weeks thereafter.

Childcare and Lactation Facilities: Crompton provides crèche and dedicated lactation facilities across its factories, plants and offices to support employees with childcare responsibilities and employees returning from maternity leave.

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Working-from-Home Arrangements: Crompton's internal Work-from-Home Policy supports employee well-being and work-life balance while maintaining productivity and operational continuity. The Policy applies to white-collar employees across business functions and locations, subject to role feasibility.

Paid Parental Leave for the Primary Caregiver: Eligible women employees may avail 26 weeks of paid maternity leave.

Paid Parental Leave for the Non-Primary Caregiver: Eligible employees may avail up to 7 working days of paid paternity leave, subject to prior managerial approval and submission of the leave request through the internal system.

Accident Leave

Eligibility: All employees not covered under the Employee State Insurance Act, who meet with an accident whilst on duty, resulting in absence from duty.

Entitlement: Leave with full salary for actual days of absence from the date following the day of the accident, till resumption of duty.

Special Leave (SL): 25 days per calendar year, to be availed only on a need basis. An SL can be availed by an employee in case of sickness or personal work or any other exigencies due to which an employee is not able to attend work. An employee can avail an SL during the first 12 months of service. The SL will be credited to the employee's account in advance on the date of joining for the first calendar year, on a pro-rata basis. It is expected that all employees view SL as a privilege (and not as a right) and utilize their SL only on a need basis. At the time of separation, if any excess SL's have been claimed, the same will be recovered on a pro rata basis from the employee's salary.

Flexible Working Hours: The employees can log in to their official system anytime between 8:30 am to 10:00 am and complete the minimum number of working hours.

Nationality: All employees engaged with Crompton are Indian nationals.

Training and Development: In FY 2025, the Company invested approx. ₹4.81 crores in comprehensive training and development programmes dedicated to enhancing employee health and safety standards as well as facilitating skill advancement across the workforce. Additionally, the Company invests in various training programmes designed for talent management to facilitate upskilling and reskilling, ensuring our workforce remains adaptable and well-equipped for future challenges such as industrial or climate transition changes.

Employee Engagement and Well-being Survey: Crompton conducts its organization-wide Pulse Employee Engagement Survey in partnership with Gallup Q12. The survey covers key employee engagement and well-being aspects, including job satisfaction, purpose, happiness and stress. In FY 2025-26, the survey recorded a 94% participation rate. The results were communicated by business leaders and used to develop action plans co-owned by HR and cross-functional employee groups.

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2.6 Employee Turnover Rate

Particulars	FY 2023	FY 2024	FY 2025	FY 2026
Total employee turnover rate (%)	38	29	28	29
Voluntary employee turnover rate (%)	35	24	19	18
Coverage (% of all FTEs globally)	100	100	100	100

Age-Wise Turnover	FY 2024	FY 2025	FY 2026
< 30	56	50	87
30-50	342	282	426
>50	8	9	28
Total	**406**	**341**	**541**

Gender-Wise Turnover	FY 2024	FY 2025	FY 2026
Males	381	319	503
Females	25	22	38
Total	**406**	**341**	**541**

Management Level Turnover	FY 2024	FY 2025	FY 2026
Junior	279	243	381
Middle	113	87	146
Senior	14	11	14
Total	**406**	**341**	**541**

2.7 Health and Safety Indicators

Indicator	FY 2023	FY 2024	FY 2025	FY 2026
Fatalities - Employees	0	0	0	0
Fatalities - Contractors	0	0	0	0
LTIFR - Employees	0	0	0.07	0
LTIFR - Contractors	0.14	0	0	0

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Strengthening the OHS Management Approach

Crompton is assessing the feasibility of further strengthening its occupational health and safety management approach through enhanced worker consultation and participation, formal action plans for prioritised OHS initiatives, and measurable targets for improving OHS performance. Based on the outcome of this assessment, appropriate mechanisms, actions and performance indicators may be progressively developed and integrated into the Company's OHS management framework.

2.8 Human Rights

Crompton is committed to respecting human rights and promoting ethical and environmentally responsible business practices, fair and safe working conditions, and employee well-being. Human rights principles are integrated into the Company's policies, procedures and ethics training to strengthen awareness, prevent adverse impacts and support responsible workplace practices.

Crompton's human rights commitments cover a diverse and inclusive workplace, equal opportunity and non-discrimination, human dignity, a harassment-free workplace, freedom of association and collective bargaining, safe and healthy working conditions, workplace security, data privacy, and the prohibition of child labour and forced labour. Employees and workers are entitled to exercise their lawful rights to freedom of association and collective bargaining.

2.9 Online Strategies and Customer Engagement

Crompton monitors customer engagement with its online service solutions and sales platforms and tracks the proportion of revenue generated through online channels. These indicators help the Company assess the adoption and reach of its digital platforms and their contribution to customer access, engagement and business performance.

Customers Using Online Services and Sales Platforms

Parameter	Unit	FY 2023	FY 2024	FY 2025	FY 2026	Target for FY 2026
Customers using the Company's online service solutions or sales platforms	% of total customers	0.8	1.8	2.6	2.9	2.9

Revenue Generated through Online Channels

Parameter	Unit	FY 2023	FY 2024	FY 2025	FY 2026	Target for FY 2026
Revenue generated through online channels	% of total revenue	4.4	7.7	10.8	7.6	7.6

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3 Governance & Economic Dimension

3.1 Corporate Governance

3.1.1 Target Share of Independent Directors

The Company targets to maintain at least one-third of its Board as independent directors and has surpassed this requirement, with 71.43% of the Board currently comprising independent members.

3.1.2 ESG Governance Oversight

The ESG Committee oversees Crompton's commitments relating to environmental, health and safety, social responsibility, governance and sustainability matters. Within the Company's climate-governance framework, the ESG Committee serves as the primary body for climate oversight and is supported by the Risk Management Committee and Audit Committee within their respective areas of responsibility. The Chairperson of each committee reports key discussions and recommendations to the Board.

The ESG Committee supports the Board in overseeing the Company's environmental, health and safety, social responsibility, governance and sustainability commitments. Its key responsibilities include:

- recommending the Company's ESG strategy to the Board;
- overseeing ESG policies, practices and performance;
- overseeing ESG reporting standards and disclosures;
- promoting a culture of sustainability and integrating ESG considerations into business processes and objectives;
- overseeing internal and external ESG communication with employees, investors, customers, suppliers and other stakeholders;
- monitoring current and emerging ESG matters that may affect the Company's business, operations, performance or reputation;
- establishing appropriate metrics, systems and procedures for monitoring ESG performance;
- reporting material ESG developments and actions to the Board; and
- advising the Board on significant shareholder proposals and stakeholder concerns related to ESG matters.

The Risk Management Committee supports the integration of climate-related risks into Crompton's Enterprise Risk Management framework, while the Audit Committee oversees relevant climate-data assurance and disclosure processes.

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The Managing Director holds the highest senior-management responsibility for climate-related matters. Responsibilities include implementing the Company's environmental and climate strategy, overseeing related annual budgets, managing environmental reporting, audit and verification processes, reviewing significant environmental capital and operational expenditure, and setting priorities for innovation, research and development, and products and services with a lower environmental impact.

Climate-related performance is also reviewed through two structured management forums:

- APEX Forum: A quarterly senior-leadership forum that reviews climate-related performance across manufacturing locations, including energy-efficiency initiatives, renewable-energy utilisation, GHG-emissions reduction and performance against internal targets.
- Steering Forum: A monthly cross-functional forum involving representatives from manufacturing locations and the corporate office. The forum reviews climate-related performance and supports the implementation of environmental initiatives across operations.

EHS subcommittees covering water conservation, energy conservation, waste reduction, training and capability building, contractor safety, incident investigation, safety observation, and standards and procedures also meet monthly with cross-functional participation.

- **APEX – Quarterly**
  A senior-leadership forum that reviews climate-related performance across all manufacturing locations. The standing agenda items include:
  (i) Energy efficiency: number of awareness programmes conducted and reduction in energy consumption (kWh).
  (ii) Renewable energy: percentage utilisation of solar power, wind power and other renewable power.
  (iii) GHG emissions: percentage reduction in fossil-fuel consumption and purchased electricity (kWh)

  Each parameter is assessed against monthly internal targets with deviation analysis carried out for improvement.

- **Steering – Monthly**
  A cross-functional forum that reviews climate-related performance with participation from all manufacturing locations. Goa-Bethora, Goa-Kundaim, Vadodara, Ahilyanagar, Chennai, Baddi Unit together with the Vikhroli HQ.

  In addition, EHS sub-committees on Water Conservation, Energy Conservation, Waste Reduction, Training & Capability, Contractor Safety, Incident Investigation, Safety Observation and Standards & Procedure meet monthly with cross-functional representation, as disclosed in the Board's Report.

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3.1.3 Anti-Bribery and Anti-Corruption Policy

All employees, irrespective of role or location, receive anti-bribery and anti-corruption training at induction and through periodic refreshers, and acknowledge the Code of Conduct. Employees in high-risk functions receive additional role-specific training.

Every reported breach is logged, assessed and investigated independently. Serious matters are escalated to the Audit Committee and, where required, to the authorities. Findings lead to corrective action, stronger controls and disciplinary action. There are 0 cases of breach as reported in BRSR.

3.1.4 Climate-Related Management Incentives

The Company provides incentives for the management of climate related issues to our senior management, environment team, Global Head of Projects & Engineering and plant/ site heads. They are responsible for implementing various climate related initiatives and are required to contribute towards achieving GHG Emissions/Energy efficiency targets. They have performance-linked incentives as one of the components of their overall compensation.

3.1.5 CEO-to-Employee Pay Ratio

Particulars	Remuneration (FY 2025)	Remuneration (FY 2026)
CEO Remuneration	168,018,224	126,205,987
Median Remuneration of all employees except CEO	1,018,848	1,140,000
CEO-to-Employee Pay Ratio	164.91	122.97

3.1.6 Proportion of Senior Management Hired from the Local Community

Employee Level	Percentage of senior management at significant locations of operation that are hired from the local community.
Senior Management	100%

3.1.7 Tax Strategy

Crompton Greaves Consumer Electricals Limited and all its subsidiaries are resident and operate only in India, and the Company mainly serves the Indian market.

Crompton's Board-approved Tax Strategy Policy commits the Company to:

- comply with both the letter and the spirit of tax laws, aiming for 100% tax compliance;
- not transfer value created to low-tax jurisdictions;
- not use tax structures without commercial substance;
- not use secrecy jurisdictions or tax havens for tax avoidance.

In line with the Policy on Materiality of and Dealing with Related Party Transactions, all related party transactions are carried out in the ordinary course of business and at arm's length. To keep pricing at arm's length, Crompton obtains several quotes from related and unrelated parties and appoints a related party only on competitive terms.

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3.1.8 Responsible Use of Artificial Intelligence (AI)

The Company recognises the potential of Artificial Intelligence (AI) to support business operations, innovation, and decision-making. The use of AI within the Company shall be guided by the principles of security, privacy, transparency, accountability, and ethical conduct.

- AI systems and solutions shall be used in a manner that protects the confidentiality, integrity, and privacy of information and complies with applicable laws, regulations, and Company policies.
- Appropriate information security controls shall be considered while evaluating, developing, deploying, or using AI-enabled systems and services.
- The Company seeks to promote fairness and reduce the risk of unintended bias in AI-enabled processes, particularly where outcomes may affect employees, customers, suppliers, or other stakeholders.
- AI is intended to support human judgment, and appropriate human oversight may be exercised for decisions involving significant business, legal, financial, safety, or people-related implications.
- The Company encourages transparency in the use of AI and, where appropriate, disclosure that content, insights, or interactions have been generated or assisted by AI.
- AI shall not be used for unlawful, deceptive, discriminatory, manipulative, or otherwise unethical purposes. Access to certain AI capabilities may be restricted based on risk, business need, and applicable governance requirements.

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3.2 Materiality Analysis

At Crompton, we recognise the importance of continuously assessing how sustainability-related factors influence our business, stakeholders and the environment. As a leading consumer electricals company, our operations, products and value chain are closely interconnected with evolving environmental, social and economic dynamics. Understanding both our impacts on people and the environment and the sustainability-related risks and opportunities affecting our financial performance is essential to strengthening business resilience, guiding strategic decisions, fostering responsible growth and creating long-term value for our stakeholders.

As part of our sustainability journey, Crompton conducted materiality assessment in 2023 with measurable commitments, including a 50% reduction in Scope 1 and 2 GHG emissions and a 60% reduction in emissions intensity per unit of sales by 2035, alongside ecolabel certification for representative products across major categories by 2030, and other targets spanning responsible business practices.

As part of our continued sustainability journey, we conducted a **Double Materiality Assessment (DMA) in 2026** to systematically identify, assess and prioritise sustainability-related impacts, risks and opportunities (IROs), thereby strengthening strategic decision-making, enhancing business resilience and supporting long-term value creation. The DMA was undertaken in alignment with European Sustainability Reporting Standards (ESRS 1) and the accompanying implementation guidance issued by the European Financial Reporting Advisory Group (EFRAG).

Approach



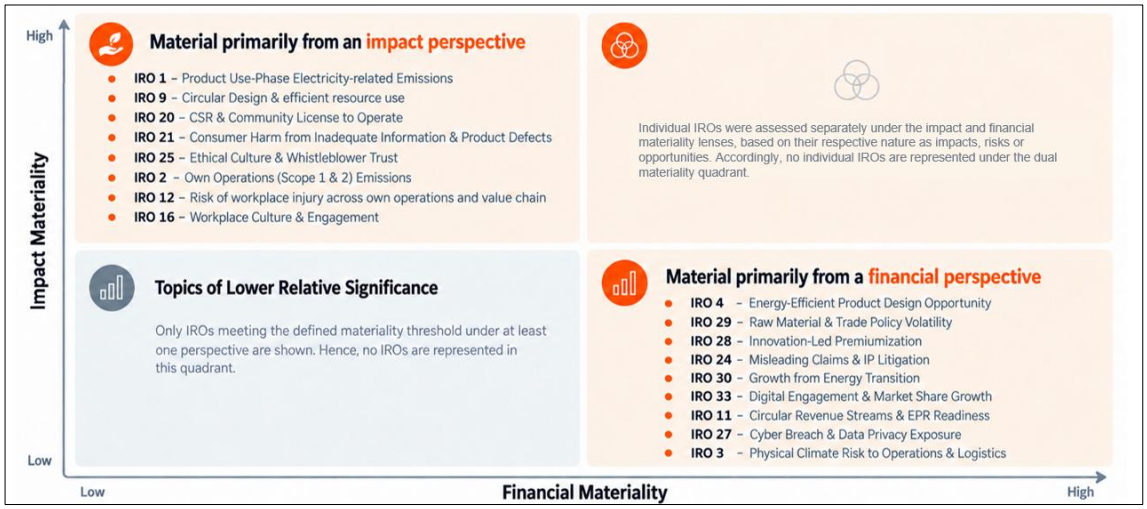
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As part of Double Materiality Assessment, 79 stakeholders across seven stakeholder groups were engaged through surveys and discussions.

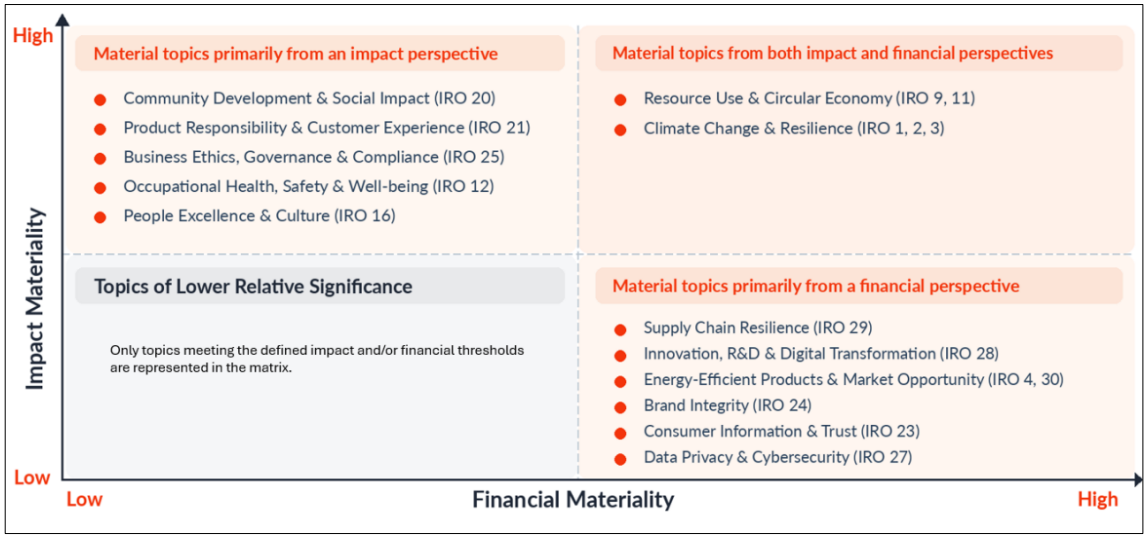
The identified impacts, risks and opportunities (IROs) were subsequently assessed and prioritised through the lenses of impact and financial materiality. The findings were consolidated into material sustainability topics and represented in the final Double Materiality Matrix to guide strategic decision-making and sustainability priorities.

Materiality Matrix

1) **IRO Level**



2) **Topic Level**



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Material Issues for Enterprise Value Creation

Aspects	Material Issue 1	Material Issue 2	Material Issue 3
Material Issue	Energy Efficient Product Design Opportunity	Innovation Led Premiumization	Circular Revenue streams and EPR Readiness
Category	Sustainable Product	Sustainable Product	Sustainable Product
Description	Growing demand for energy-efficient fans, pumps, lighting and appliances presents opportunities for Crompton to strengthen its market position, expand its energy-efficient product portfolio and support long-term revenue growth through product differentiation.	Evolving consumer preferences for technologically advanced, feature-rich and premium products create opportunities for Crompton to enhance product differentiation, improve its product mix and support revenue growth and profitability.	Increasing emphasis on resource circularity and evolving EPR requirements present opportunities for Crompton to strengthen resource efficiency, explore material recovery and recycling opportunities, and enhance regulatory readiness while supporting long-term cost optimization.
Type of Impact	Revenue	Revenue	Revenue
Business Strategy	Crompton focuses on integrating energy efficiency into product design and development, expanding its portfolio of energy-efficient offerings and leveraging product innovation to address evolving consumer preferences and efficiency standards.	Crompton focuses on research and development, technology integration and product innovation to introduce differentiated, premium offerings that address evolving consumer expectations and strengthen its competitive positioning.	Crompton focuses on strengthening resource management, responsible waste handling and EPR compliance practices, while exploring opportunities for material recovery, recycling and circularity across its product lifecycle.
Target	9% reduction across two key products by FY 2026	To introduce India's first BEE 5-star rated premium cooktop by FY 2026	EPR Targets for FY 2026: Crompton to recycle 1,682 MT of plastic and 29,997 MT of e-waste across India

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Aspects	Material Issue 1	Material Issue 2	Material Issue 3
Progress	100% achieved	100% achieved. Crompton launched India's first BEE 5-star rated cooktop for which they received Golden Peacock Eco-Innovation Award 2026.	100% achieved
Executive compensation	These material issues are aligned with Crompton's broader strategic priorities and business performance KPIs, including product innovation, revenue growth, premiumization and operational efficiency. Progress against these priorities forms part of the company's overall business performance review and management accountability framework.	These material issues are aligned with Crompton's broader strategic priorities and business performance KPIs, including product innovation, revenue growth, premiumization and operational efficiency. Progress against these priorities forms part of the company's overall business performance review and management accountability framework.	These material issues are aligned with Crompton's broader strategic priorities and business performance KPIs, including product innovation, revenue growth, premiumization and operational efficiency. Progress against these priorities forms part of the company's overall business performance review and management accountability framework.

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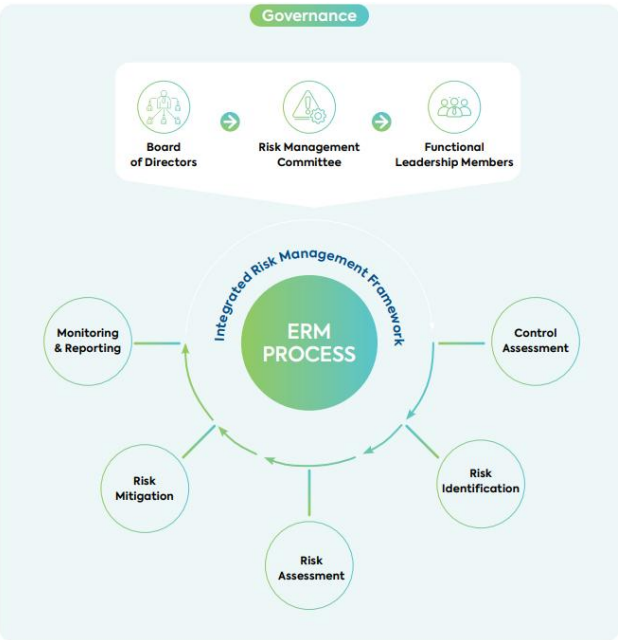
Material Issues for External Stakeholders

Aspects	Impact 1	Impact 2
Impact	Product Use Phase Electricity related emissions	Own Operations (Scope 1+2) Emissions
Description	Electricity consumption during the use phase of Crompton's fans, pumps, lighting and appliances contribute to indirect GHG emissions associated with grid electricity generation. Given the scale and operating life of these products, the associated Scope 3, Category 11 emissions have implications for the environment and society through their contribution to climate change.	Fuel consumption and purchased electricity across Crompton's manufacturing facilities and operations result in Scope 1 and Scope 2 GHG emissions. These emissions contribute to the company's overall carbon footprint and have potential implications for the environment and surrounding communities through their contribution to climate change and local air quality impacts.
Impact Cause	Products	Own Operations
External stakeholder(s)/impact area(s) evaluated	Environment	Environment
Type of Impact	Negative	Negative
Output Metric – FY 2026	GHG Emissions FY 2026: 17,462,000 tCO_2e	GHG Emissions FY 2026: 6,965 tCO_2e

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3.3 Risk Management

3.3.1 Enterprise Risk Management (ERM) Process



Risk Management Framework

1. **Control Assessment**
   Existing internal controls, policies and procedures are reviewed to check their adequacy and effectiveness in managing risks. This establishes the baseline for risk evaluation.
2. **Risk Identification**
   Key business, operational, financial, compliance and ESG risks are systematically identified through inputs from management, business functions, and external factors.
3. **Risk Assessment**
   Identified risks are evaluated through a structured assessment of their likelihood of occurrence (probability of the risk materializing) and impact (the extent of adverse effect on business objectives such as strategic, financial, operational, compliance, or reputational outcomes). Alongside these, the severity of potential consequences is considered to distinguish between risks that could cause minor disruption versus those that may result in significant business losses or regulatory breaches. The effectiveness of existing controls is also factored in understanding residual risk levels. Risks are then prioritized using a risk matrix, where likelihood and impact are rated on a defined scale (e.g., low, medium, high). This enables the organization to rank risks objectively and focus mitigation efforts on those posing the greatest threat.
4. **Risk Mitigation**
   Appropriate strategies are defined—avoidance, reduction, transfer, or acceptance. Action plans and ownership are assigned to mitigate priority risks.
5. **Monitoring & Reporting**
   Risks and mitigation measures are continuously tracked, with periodic reporting to senior management and the Board/Audit Committee to ensure accountability and updates. The company has an Internal Audit function that operates independently and reports directly to the Audit Committee/Board. This function provides assurance on the effectiveness of risk management, internal controls, and compliance processes by conducting periodic reviews and audits across business units. The findings and recommendations from these audits help management strengthen controls, close compliance gaps, and continuously improve the overall risk governance framework.
   Crompton conducts both internal and third-party external audits of its Risk Management Process on an annual basis. Internal audits are carried out to evaluate the effectiveness of controls, adherence to established frameworks, and alignment with business objectives. In parallel, independent external audits provide an additional layer of assurance by benchmarking practices against industry standards and identifying areas for improvement. Together, these assessments ensure that the company's risk management framework

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remains robust, transparent and continuously enhanced. In addition, the company formally reviews its overall risk exposure on an annual basis as part of the Enterprise Risk Management (ERM) framework, ensuring alignment with business objectives and emerging risk trends.

3.3.2 Risk Governance Framework at Crompton

- **Board and Committee Oversight (Ultimate Authority)**
  Risk Management Committee and Audit Committee, comprising Independent/Non-Executive Directors, oversee risk policies, exposures, and accountability.
- **Operational Risk Ownership (First Line)**
  Frontline employees and SBU heads own and manage risks in daily operations, integrating risk considerations into business decisions.
- **Risk Management and Compliance Oversight (Second Line)**
  The Chief Risk Officer leads the ERM process, sets control standards, and oversees compliance. Reports regularly to the Risk Management and Audit Committees for independent oversight.
- **Independent Audit Unit (Third Line)**
  Internal Audit, reporting directly to the Audit Committee, provides independent assurance on controls and compliance. Supplemented by external audits conducted every two years for benchmarking and added assurance.

3.3.3 Proactive Risk Management Strategies

- Executive and Non-Executive Directors participate in sessions conducted semi-annually, that cover risk management principles, emerging risks, identification processes, and mitigation strategies. Their perspectives are actively integrated to strengthen the overall robustness of the company's risk framework.
- Risk management awareness and process training is delivered across the organization on an ongoing basis. In addition, focused and structured training courses are conducted biannually for all employees to ensure a consistent understanding and application of risk management principles in day-to-day operations.
- All SBU heads, including the R&D division actively participate in biannual risk review meetings where risks relevant to their functions are identified, discussed, and mitigation measures are integrated into business decisions. Product development is closely aligned with these risk considerations, ensuring that evolving customer expectations, regulatory changes, and market shifts are factored into innovation strategy. (For instance, the company's strategic foray into BLDC energy-efficient fans was driven by identified risks around increasing customer demand for sustainable solutions and government policies promoting energy efficiency. This approach demonstrates how risk criteria are embedded into the development of products and services, enabling the company to anticipate challenges and proactively innovate.)
- The risk management is embedded into leadership accountability. All SBU heads are required to comply with the established risk management framework, including identification, mitigation, and monitoring of risks relevant to their functions. Performance against these responsibilities forms part of the overall management evaluation process, which in turn influences variable incentive structures. This ensures that adherence to risk

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processes and effective mitigation actions are recognized within the company's performance and reward framework.

3.3.4 Emerging Risks

Particulars	Description	Mitigative Actions
Physical Climate Risk to Operations & Logistics **Category:** Environmental	Crompton's climate risk assessment for FY 2025-26, aligned with TCFD and IFRS S2, evaluated all manufacturing plants and key warehouses under three CMIP6 scenarios (SSP1-2.6, SSP2-4.5, SSP5-8.5) across short (to 2030), medium (2030–2050) and long-term (2050–2100) horizons. Heat stress and extreme heat days emerge as major hazards at every plant, followed by sea-level rise, water stress and urban flooding at most sites, with extreme precipitation and cyclones significant at specific locations. As a consumer durables manufacturer with a pan-India distribution network, Crompton's plants, warehouses and logistics routes are increasingly exposed to these chronic and acute hazards over the long term. **Impact:** Rising heat and extreme weather may reduce workforce productivity and shop-floor safety, disrupt manufacturing and warehousing operations, damage assets and inventory, and delay inbound supply and outbound distribution. Water stress may constrain plant operations. Weather variability may also shift seasonal demand for cooling appliances, affecting inventory planning. Together, these could raise operating and insurance costs, require adaptation capex and affect revenue continuity.	Asset-specific risk scores (Very Low to Very High) inform a site-level resilience roadmap. Heat stress measures already in place include workstation industrial fans, exhaust fans, rooftop turbo-ventilators, roof insulation with high-SRI heat-resistant paint, and high-volume low-speed fans in stores and assembly areas. In the medium-to-long term, Crompton will evaluate improved building envelope insulation and increased green cover to reduce heat island effects. Demand risk is managed through diversified portfolios, improved forecasting and flexible operational planning. Climate risk is overseen by the ESG Committee, supported by the Risk Management and Audit Committees, with the Managing Director holding senior management responsibility.

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Particulars	Description	Mitigative Actions
Cyber Breach & Data Privacy Exposure **Category:** Technological	As Crompton expands digital, e-commerce, connected (IoT) products and cloud-based operations, its attack surface is growing. AI-enabled cyber threats are becoming more sophisticated, adaptive and harder to detect, mitigate and attribute. At the same time, data protection regulation is tightening India's Digital Personal Data Protection (DPDP) Act and Rules introduce phased obligations on consent, data principal rights, breach notification and third-party processors. Together, these trends make cyber resilience and privacy compliance a long-term strategic risk for the business. **Impact:** A data breach, ransomware attack or privacy non-compliance could disrupt manufacturing, supply chain and sales systems, result in DPDP penalties, legal claims and loss of customer trust, and damage brand reputation. Third-party and IoT vulnerabilities could extend exposure across the value chain.	The Risk Management Committee oversees cyber security risk, supported by a dedicated CISO and IT security team. Crompton follows a defence-in-depth approach, including endpoint detection and response, email security, DLP, CASB, Mobile Device Management, dark/deep web monitoring, attack surface management and a Web Application and API Protection firewall. A red teaming exercise was conducted to strengthen incident response. A Data Centre and DR site are maintained, with annual SAP DR drills and periodic access reviews. For DPDP, a Privacy Gap Assessment is complete, PII inventories and data flow maps are in place, and Phase II is building a Data Privacy Framework, third-party due diligence and incident response. Awareness is reinforced through phishing simulations and training. Crompton plans to adopt AI-driven threat detection tools.

3.4 Contributions & Other Spending

Type of spending (in INR)	FY 2023	FY 2024	FY 2025	FY 2026
Lobbying, interest representation or similar	0	0	0	0
Local, regional or national political campaigns / organization's / candidates	0	0	0	0
Trade associations or tax-exempt groups (e.g. think tanks)	6,219,880	5,007,612	4,477,366	6,327,344
Other (e.g. spending related to ballot measures or referendums)	0	0	0	0
Total contributions and other spending	6,219,880	5,007,612	4,477,366	6,327,344

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3.4.1 Donations and Political Contributions

In alignment with the Code of Conduct's commitment to political neutrality, Crompton maintains a strict policy against political donations and involvement in political campaigns. Furthermore, we discourage employees from engaging in any political promotions

3.5 Supplier Screening

Supplier Code of Conduct

Crompton's publicly available Code of Conduct for Business Partners serves as the Company's Supplier Code of Conduct and applies to existing and prospective vendors and other parties that provide, sell or seek to sell goods or services to Crompton, including their employees, agents and representatives.

The Code sets out minimum requirements covering forced labour, child labour, working hours and workplace conditions, wages and benefits, occupational health and safety, discrimination and harassment, freedom of association and collective bargaining, greenhouse gas emissions and energy consumption, pollution prevention and waste management, resource efficiency, biodiversity protection, reduction of deforestation and land conservation, anti-corruption, conflicts of interest and fair competition. Business Partners are required to comply with all applicable laws, regulations and government orders.

Identification of Tier 1 and Critical Suppliers

Crompton identifies critical suppliers based on their significance to the Company's procurement spending and operations. In FY 2025-26, Crompton worked with 444 Tier 1 suppliers, including 40 critical suppliers representing 75% of procurement spend. Preference is given to suppliers demonstrating stronger ESG performance. Buyers and other relevant stakeholders receive training to support effective implementation of the supplier ESG Programme.

Executive Management is the highest decision-making body accountable for overseeing implementation of the Business Partner Code of Conduct. Procurement practices are periodically reviewed to maintain alignment with the Code and the Company's ESG expectations.

Supplier Risk Screening

Crompton evaluates supplier risks through its Vendor Qualification Process and structured supplier-assessment methodology. The assessment considers sector-specific, commodity-specific and country-specific risks.

Sector-specific risks associated with manufacturing activities are assessed through criteria covering:

- Factory, labour, environmental and product-related regulatory compliance;
- Air and water pollution controls;
- Hazardous-waste authorizations;
- Occupational health and safety practices;
- Resource consumption and greenhouse gas emissions;
- Energy and water management;
- Production capacity and critical manufacturing processes; and
- Applicable management system and product certifications.

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Commodity-specific risks are assessed through raw-material specifications, approved sourcing requirements, material traceability, critical-component controls, sub-supplier assessments and verification of statutory requirements applicable to products and components.

Country-specific risks are considered through the Company's review of geopolitical developments, trade barriers, tariff actions, regional shipping disruptions and other factors that may affect cross-border supply chains.

Supplier Assessment Methodology

Crompton applies a structured and weighted methodology to assess supplier performance across Quality, Vendor Quality Performance, Delivery, Cost, Financials, Innovation and Responsiveness, Quality Management Systems, Product Audit, Process Audit, EHS Audit, ESG Audit, and Legal and Statutory Compliance.

The ESG and EHS assessments cover the following parameters:

ESG Audit: ESG reporting, regulatory compliance, carbon emissions, energy and water management, packaging, customer privacy, ESG systems and processes, anti-corruption and business ethics.

EHS Audit: EHS policy, PPE requirements and adherence, availability and testing of safety equipment, emergency exits, fire safety, material safety data sheets, electrical safety, noise and illumination levels, drinking-water analysis, workplace hygiene, resource consumption, greenhouse gas emissions and relevant certifications.

Supplier Development and Corrective Action

Suppliers that do not initially meet Crompton's minimum ESG requirements are provided with capacity-building and training support to improve their maturity across relevant ESG parameters. Identified gaps are addressed through recommended corrective actions and improvement plans.

The Company monitors suppliers' progress against the required actions. Exclusion criteria may be applied where a supplier repeatedly fails to meet minimum requirements or does not resolve identified non-compliances within the defined timeframe.

Public

KPI for Supplier Screening

Supplier Screening	FY 2023	FY 2024	FY 2025	FY 2026
Total number of Tier 1 suppliers	666	490	452	444
Total number of significant suppliers in Tier 1	70	52	38	40
% of total spend on significant suppliers in Tier 1	75%	75%	75%	75%

KPI for Supplier Assessments

Supplier Assessment	FY 2023	FY 2024	FY 2025	FY 2026
Total number of significant suppliers assessed via desk assessments/ on-site assessments	11	20	27	35
% of significant suppliers assessed	15% (11 out of 70 critical / significant suppliers assessed)	38% (20 out of 52 critical / significant suppliers assessed)	71% (27 out of 38 critical / significant suppliers assessed)	88% (35 out of 40 critical / significant suppliers assessed)

Climate Engagement across the Supply Chain

Crompton is progressively strengthening climate-related engagement across its strategic supply chain through structured awareness and capability-building programmes for relevant supply-chain partners. These programmes cover environmental performance, climate-disclosure expectations and product stewardship.

The Company monitors key sustainability parameters, including energy consumption, water use and GHG emissions, among strategic Tier 1 suppliers and intends to progressively expand supplier mapping to improve visibility of significant Tier 2 sustainability hotspots.

Climate and environmental expectations are also integrated into the Business Partner Code and relevant sourcing decisions for major input categories. Through supplier engagement, monitoring and procurement requirements, Crompton seeks to encourage the adoption of sustainable technologies and operating practices across its value chain.

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3.6 Innovation and Digitalization

Pioneering sustainable technologies

Artificial Intelligence (AI) is being used by Crompton Greaves Consumer Electricals Limited to improve organizational performance against sustainability parameters, primarily through its product innovation and development efforts:

- **AI-Powered Smart Homes and Eco-Friendly Solutions:** The organization prioritizes its Research and Development (R&D) efforts in eco-friendly solutions, explicitly including AI-powered smart homes. The goal is to empower consumers to contribute to a positive environmental impact through these products. This indicates that AI is integrated into product design to enhance their sustainability features.
- **Energy-Efficient Products via AI and Connected Tech**: The company recognizes the proliferation of IoT, AI, and connected technologies as a significant trend transforming the Electrical Consumer Durables (ECD) sector. These technologies are leading to the development of innovative products that are smarter and energy-efficient, directly contributing to improved sustainability performance by reducing energy consumption during the product use phase.
- **Boosting Smart Appliance Adoption:** The sources specifically state that "Energy-efficient and AI-integrated technologies" boost the adoption of smart appliances. This establishes a clear link between AI and a key sustainability parameter: energy efficiency.
- **Automation and Digitalization:**
    - Streamlined key business processes through end-to-end digital automation like Sales Incentive tool, retailer connect app.
    - Implemented AI-driven analytics for real-time insights and smarter decision-making.
    - Enhanced digital capabilities for service operations to enhance speed, accuracy, transparency, and consumer delight.
- **Quality Management Implementation:** The integration of SAP quality management digitizes and captures quality parameters across all manufacturing processes, underscoring our dedication to maintaining high standards.
- **Cloud-based Data Lake Transition:** Our transition to a cloud-based data lake has bolstered our data analytics capabilities, supporting a strategic shift towards data-driven decision-making.
- **Generative AI environment:** We have established a secure generative AI environment that enables employees to explore internal resources while maintaining compliance with cybersecurity standards, fostering innovation and experimentation

Public

3.7 Public Policy and Trade Associations

- **Climate position:** Crompton supports the Paris Agreement and India's NDCs. It supports BEE Star Labelling (including periodic tightening of thresholds), BIS energy standards, the Carbon Credit Trading Scheme and e-waste EPR. It opposes any relaxation or delay of energy-efficiency standards.
- **Management system:** The Management maintains a register of memberships, nominated representatives, fees and policy submissions. Crompton makes no political contributions.
- **Governance:** Nominated senior executives represent Crompton in industry and regulatory forums and are accountable for keeping positions aligned with its climate commitments. Oversight sits with Senior Management.
- **Review process:** All climate-related submissions are checked against Crompton's climate position before they are made. Trade associations are reviewed every year and when Crompton joins a new one.
- **Trade associations (FY 2025-26):** CEAMA, IPMA, IFMA, ELCOMA, CII, FICCI, AEEE and ISLE all advocate energy efficiency and decarbonization, and all are aligned.

3.8 Information Security

The Company employs a web-based tool, certified under ISO 9001 and ISO/IEC 27001, to meticulously monitor statutory compliance deadlines. Any deviations are promptly identified and escalated for corrective action, with designated functional owners accountable for ensuring full compliance. An annual information security vulnerability assessment is conducted to proactively address potential risks. Furthermore, the Company undertakes both internal and external audits of its Information Security Management System (ISMS) to maintain and improve security standards. To strengthen cybersecurity awareness, the Company regularly organizes user awareness programmes, including simulated phishing exercises, to enhance defenses against evolving threats. Additionally, a formal escalation procedure is established for the workforce to report IT-related incidents, vulnerabilities, or suspicious activities promptly.

3.9 Transparency

As per the Companies Act, 2013: Any amendment to the Articles of Association or bylaws requires shareholders' approval through a special resolution.

Public

4 Environment Dimension

4.1 Path to Sustainability

4.1.1 Sustainability and ESG Framework

At Crompton, our **Sustainability Policy** is deeply embedded in our core business purpose: *"Enriching life for generations with smart and responsible solutions."* We are committed to creating long-term value by balancing economic growth with environmental stewardship and social responsibility.

Key Focus Areas

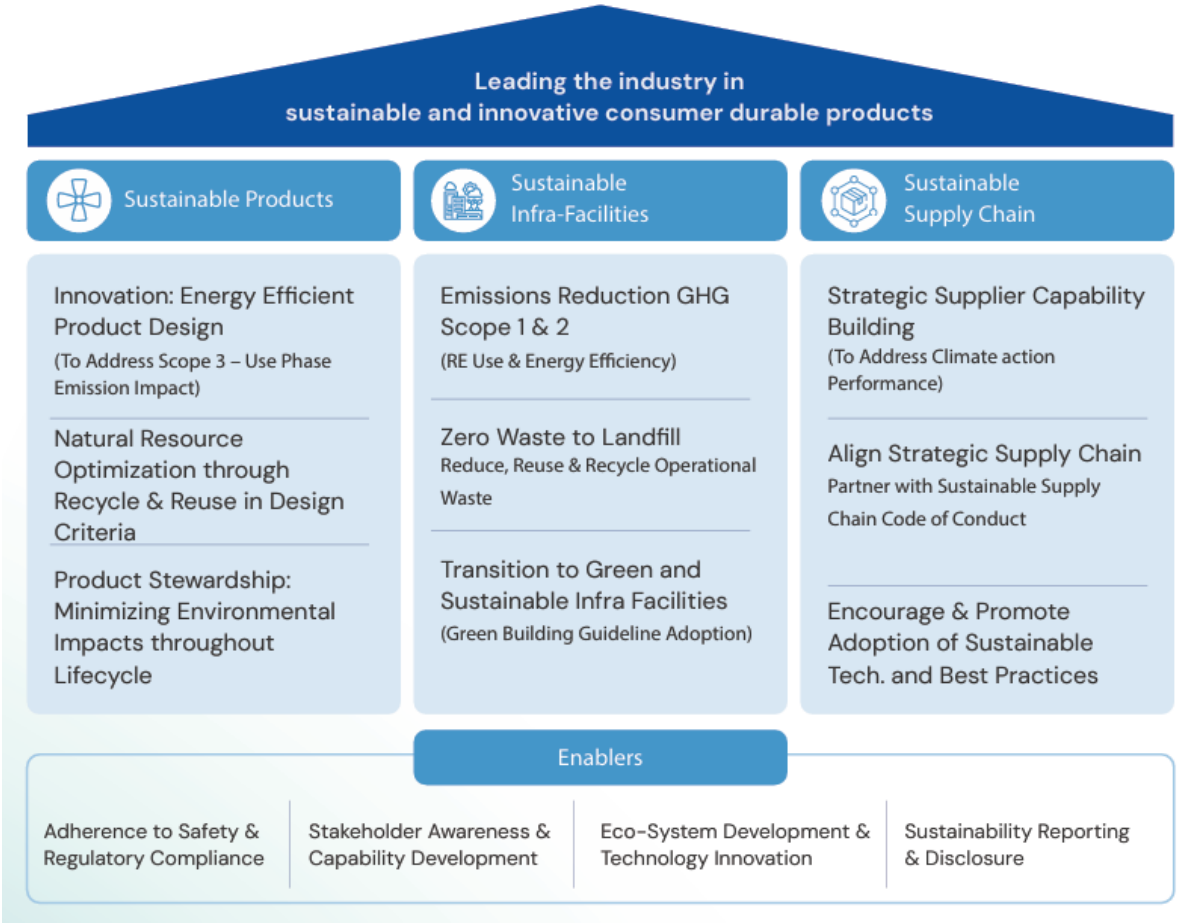
- **Environmental Impact** – Driving continuous improvement to minimize our environmental footprint, with clear priorities on achieving carbon neutrality, conserving water, and promoting a circular economy that targets zero waste.
- **Product Life Cycle** – Embedding sustainability across every stage of the product life cycle, from *cradle to grave*, while ensuring best-in-class quality and adherence to Integrated Management System (IMS) standards.
- **Supply Chain & Resources** – Promoting responsible sourcing and efficient use of resources, while building both social and environmental capital across our extended ecosystem.
- **Work Environment & Social Responsibility** – Providing a safe, inclusive, and motivating workplace with access to essential facilities, while fostering fair and transparent talent practices.
- **Compliance & Governance** – Maintaining strong governance standards through strict adherence to regulatory requirements and transparent reporting aligned with global sustainability frameworks.

Our Environmental Sustainability Framework

Our approach to environmental sustainability is built on three key pillars: **Products**, **Infrastructure & Facilities**, and **Business Supply Chain**. This framework spans our entire value chain, from factories and operations to supply chain and end-use of products.

By adopting this structured approach, Crompton takes a decisive step toward building a **low-carbon, future-ready consumer durables business**, ensuring that sustainability is not an adjunct but an integral driver of our growth and resilience.

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4.1.2 Sustainability Targets

Crompton has established sustainability goals covering operational emissions, product use-phase emissions, product ecolabelling and the integration of sustainability considerations into product design. These goals provide direction for the Company's decarbonization and sustainable-product programmes and support the monitoring of progress over defined time horizons.



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4.1.3 Sustainability Initiatives in FY 2025-26

Parameter	Initiatives undertaken
Energy	• Commissioned a 2.3 MWp solar power system at Butterfly's Pudupakkam plant through Group Captive Open Access. The system contributes an average of 60% of the plant's total power demand from renewable sources. • Completed the installation of a 250 kVA rooftop solar system at the Ahilyanagar plant, which is expected to contribute approximately 75% of the plant's total power demand from renewable sources. Emission-reduction benefits from the project will be realized from FY 2026-27. • Installed light pipes and rooftop skylights to reduce daytime lighting requirements across manufacturing facilities. • Implemented occupancy sensors and automatic on-off controls for lighting and ventilation systems in canteens, process areas and other operational spaces. • Installed energy-efficient BLDC and HVLS fans for shop-floor ventilation, including BLDC fans at the Bethora plant. • Optimized energy consumption through conveyor-control improvements, proximity sensors, robotic machines and low-cost automation. • Undertook energy audits and Kaizen-based energy optimization measures, including improvements in compressed-air systems and the use of energy-efficient motors in hydraulic presses. • Implemented level-based automatic pump controls to optimise electricity and water consumption.
Water	• Installed low-flow fixtures and water-saving aerators across manufacturing and office facilities. • Installed pressure regulators to control water flow and optimise consumption. • Introduced waterless urinals at relevant facilities. • Strengthened leakage identification and preventive maintenance to minimize water losses. • Implemented process-improvement Kaizens to optimise water consumption across operations. • Reused 100% of treated water from sewage treatment plants for landscaping and flushing, wherever feasible. • Strengthened rainwater harvesting through collection tanks and groundwater-recharge pits at manufacturing locations.
Waste	• Maintained Zero Waste to Landfill practices across manufacturing facilities through source segregation, authorized recycling and responsible disposal. • Implemented a raw material packaging take-back and reuse Programme, under which supplier packaging is collected and, wherever feasible, returned or reused. • Introduced a localized packaging-waste recovery and reuse initiative at the Bethora plant to optimise raw-material packaging waste. • Recycled 4,520 MT of waste during FY 2025-26, while 478 MT was sent for co-processing or incineration.

Public

4.1.4 CAPEX for Environment Indicators

Particulars (₹ in Crore)	FY 2023	FY 2024	FY 2025	FY 2026	Details of improvements in environmental and social impacts

CAPEX	48.52	33.23	24.24	33.28	**Strategic focus for FY 2025-26**
					• Improve energy efficiency and introduce smart/intelligent products that positively contribute to the ecosystem.
					Key outcomes
					• Ceiling fan energy efficiency
					  ○ Star IM fans: 56% reduction in energy and GHG-emission intensity vs non-star fans.
					  ○ BLDC fans: 63% reduction in energy and GHG-emission intensity vs non-star fans.
					• IntelliAgri (app-based pump controller)
					  ○ Remote monitoring and control, comprehensive protection, reduced downtime, and optimized water and energy use.
					• INTELLISENSE (intelligent water management)
					  ○ Automated tank control for overhead/underground systems with real-time monitoring and protection (voltage, overload, dry-run).
					• Sylvaire AQNova
					  ○ India's first AirIQ chimney with class-leading suction, whisper-quiet AQSync BLDC motor, Smart ON activation and Intelli Auto Clean.
					• Intelligent energy-optimizing control (patented)
					  ○ A patented system designed to optimise energy efficiency while enhancing occupant comfort.

Operating expenses	-	-	-	16.78	The operating expenses considered is the Extended Producer Responsibility (EPR) obligations.

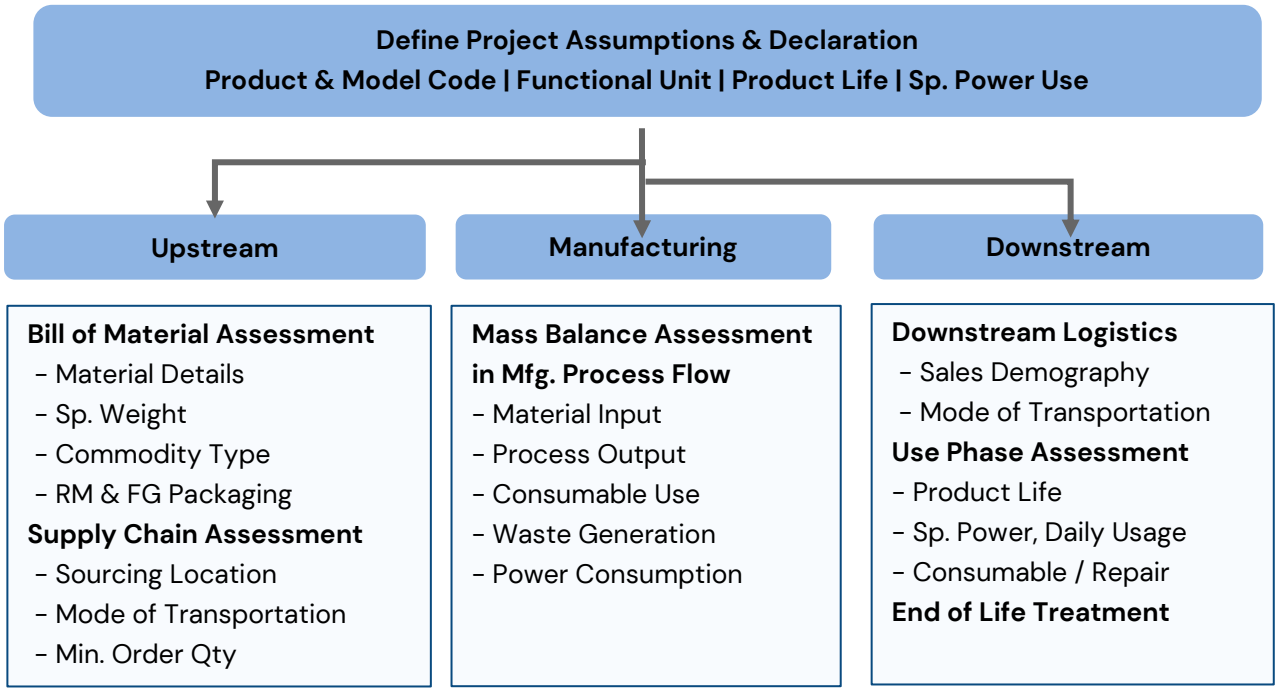
During FY 2025-26, Crompton invested ₹64 lakh, equivalent to ₹0.64 crore, in implementing a 250 kVA solar rooftop installation at the Ahilyanagar plant. The project was completed during the year and is expected to meet approximately 75% of the plant's total power demand through renewable energy, with emission-reduction benefits commencing from FY 2026-27. Adding this investment to the ₹32.64 crore Capex disclosed in the Annual Report results in a total capital investment of ₹33.28 crore for FY 2025-26.

Public

4.1.5 Life Cycle Assessment

Crompton has undertaken Product Carbon Footprint assessments for representative products to evaluate their climate impacts across the value chain. The assessments apply a cradle-to-grave Life Cycle Assessment approach aligned with ISO 14067 and were conducted by an independent subject-matter expert.

The assessments evaluate lifecycle impacts from raw-material sourcing and manufacturing through distribution, product use and end-of-life treatment. The findings enable Crompton to identify significant emissions hotspots and opportunities to reduce lifecycle carbon impacts through product design, material selection, energy efficiency and end-of-life considerations.



Product Carbon Footprint (PCF) Assessment

- Seven representative products assessed

Products	Fan – (Induction Motor)	Fan – (BLDC Motor)	LED Bulb	LED Tile	Pump	Water Heater	Mixer Grinder
Model / Variant	HS Highspeed 48	Groove Regmote	9W	36W	1 HP – Nile Plus I	Versa 15 L	Nigella Pro
Functional Unit	1 unit						
Assessment Boundary	Cradle to Grave						
Reference Standard	ISO 14067						

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4.1.6 Low-Carbon Products

Our portfolio reflects a strong focus on low-carbon, energy-efficient and eco-labelled products. A significant share of the Company's business is derived from products designed to minimize environmental impact. In FY 2025-26, 41.84% of revenue was generated from products carrying BEE star labels. The portfolio also includes products certified under the CII GreenPro Type-I Ecolabel programme, including the "HS High Speed 48" ceiling fan and the B2B lighting product range.

Revenue from Sales of Eco-Labelled Products – (Product certified with Type I eco-labels (ISO 14024))

Product unit	Type & Description of product(s)	FY 2023 Sales (₹ Crore)	FY 2024 Sales (₹ Crore)	FY 2025 Sales (₹ Crore)	FY 2026 Sales (₹ Crore)
Fans	The ceiling fan range is compliant with the Bureau of Energy Efficiency (BEE) 2.0 energy-efficiency standards and applicable Bureau of Indian Standards (BIS) guidelines. The "HS High Speed 48" induction-motor-based ceiling fan model is also certified under the CII GreenPro Type-I Ecolabel Programme.	741	2,278	2,351	2,162

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Revenue from sales of BEE Rated Products/Energy Saving Products – (Products certified with single/multi attribute eco-labels)

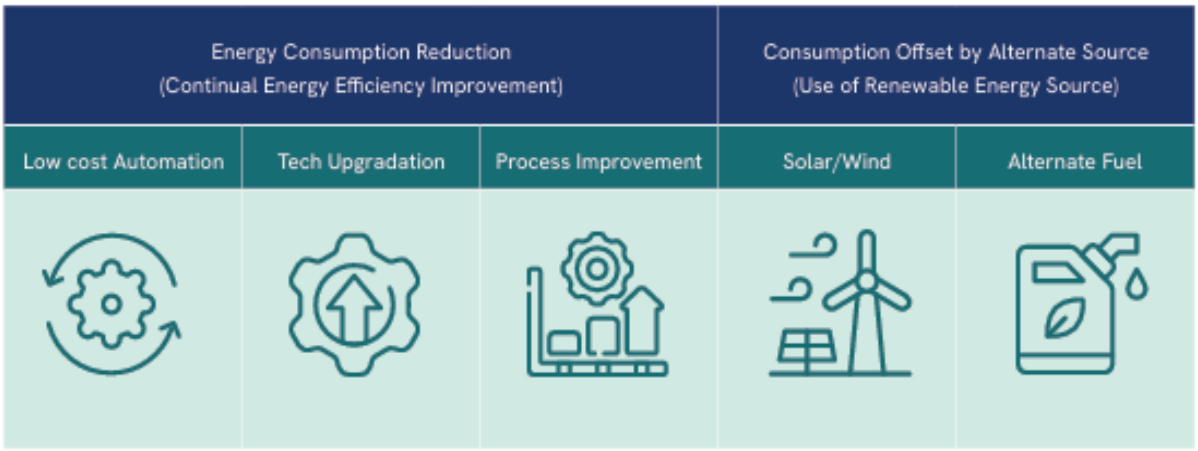
Product unit	Type & Description of product(s)	FY 2023 Sales (₹ Crore)	FY 2024 Sales (₹ Crore)	FY 2025 Sales (₹ Crore)	FY 2026 Sales (₹ Crore)
Pumps	Solar pumps, a renewable energy solution with 15,000+ units in operation, helping reduce grid electricity impacts and avoiding 10,047 tCO_2e emissions during the use phase.	82.08	129.75	140.07	338
Lighting B2C	Improved the energy efficiency of LED lighting products through efficacy enhancements, efficient lens design, high-efficiency drivers and reduced light loss.	196	121.32	88.23	229
Large Domestic Appliances (LDA)	Achieved an average 9% reduction in standing loss for storage water heaters through improved insulation, aligned with the latest BEE star-rating upgrades.	307.3	331	360.89	260
Total (Sales of Eco-Labelled Products + sales of BEE Rated Products/Energy Saving Products)		**1,326.58**	**2,860.07**	**2,940.47**	**2,989**

4.2 Energy & Emissions

Crompton conducts periodic energy audits across its manufacturing facilities to identify conservation opportunities and improve energy performance. Audit findings inform targeted measures such as automation, technology upgrades, process optimization, improved equipment performance and other operational efficiency initiatives. These measures help reduce energy losses and consumption, lower greenhouse gas emissions and strengthen the efficiency of the Company's manufacturing infrastructure. Crompton also establishes quantified energy-saving targets and periodically monitors progress to support continual improvement. To reduce its reliance on fossil fuels, the Company is expanding the use of clean and green energy, including solar power and other renewable or alternate energy sources. Renewable energy accounts for 60% of energy consumption at the Chennai Butterfly Plant and 75% at the Ahilyanagar Plant. These efforts are supported by investments in innovation, research and development, and technology-based solutions focused on improving energy efficiency. Regular training is also provided to enhance employee awareness, strengthen their ability to identify conservation opportunities and promote responsible energy consumption across operations.

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Strategic Energy Management Approach



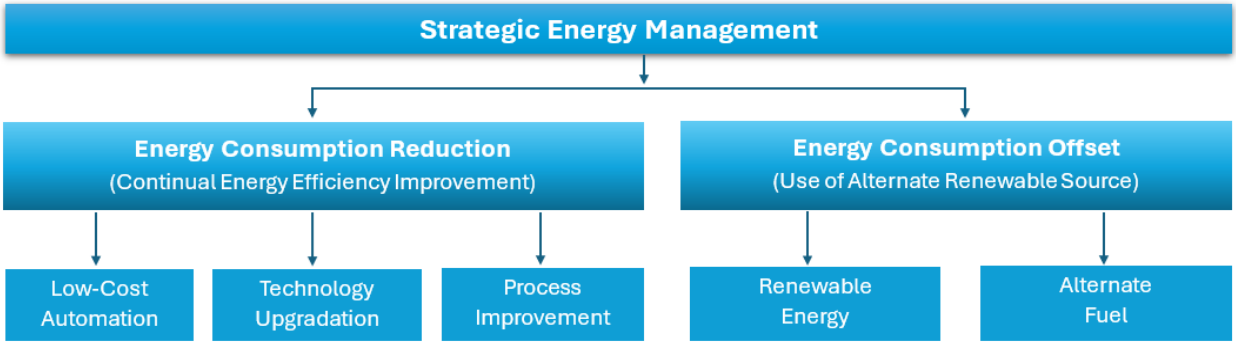
4.2.1 Energy Consumption

Total energy consumption	Unit	FY 2023	FY 2024	FY 2025	FY 2026	Target for FY 2026
Total non-renewable energy consumption	MWh	16,194.12	10,875.73	9,758.86	9,329.44	9,329.44
Total renewable energy consumption	MWh	19.66	9.21	9.41	10.32	10.32
Data coverage (as % of denominator)	%	100	100	100	100	100

Strategic energy management

Crompton's strategic energy management framework supports energy conservation and the decarbonization of its manufacturing operations. The framework is built around two complementary areas:

1. **Reducing energy consumption** through low-cost automation, technology upgrades, process improvements and operational efficiency measures.
2. **Offsetting residual energy consumption** by replacing fossil-fuel-based energy with renewable energy and alternate low-carbon fuels.



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Crompton uses cost-effective automation solutions, including sensor-based controls for lighting, ventilation and air-conditioning systems, to optimise energy use and minimise operational waste. The Company also upgrades facilities and process equipment through measures such as retrofitting energy-efficient motors and installing Variable Frequency Drives. Process set points are optimized, equipment performance is improved and idle-running operations are reduced to minimize energy losses across manufacturing facilities.

Low-Cost Automation

We leverage cost-effective process automation solutions including sensor-based controls for lighting, ventilation, and air-conditioning systems to ensure optimal energy utilization and minimize operational waste.

Technology Upgradation

We continuously upgrade existing facilities and process equipment to maximize energy efficiency, through strategic interventions such as retrofitting energy-efficient motors and deploying Variable Frequency Drives (VFDs).

Process Improvement

We systematically minimizes energy losses by optimizing process set points and eliminating idle run operations to enhance overall operational energy efficiency.

Renewable Energy sources:

We are committed to progressively transitioning towards renewable energy sources to reduce our carbon footprint and strengthen our environmental stewardship.

Alternate Fuel Use

To further mitigate our environmental impact, we are actively involved in planning and utilizing alternate low carbon fuel sources. This strategic initiative aligns with our commitment to reduce our dependence on conventional fuel sources.

Renewable energy is an important component of Crompton's decarbonization strategy. Renewable energy projects are prioritized based on identified emission hotspots and areas with a significant contribution to the Company's operational footprint. The 2.3 MWp solar power system at the Chennai Butterfly Plant meets approximately 60% of the plant's energy requirements, while the 250 kVA rooftop solar system at the Ahilyanagar Plant supports approximately 75% renewable energy utilisation. Crompton is also evaluating and adopting alternate low-carbon fuels to reduce its dependence on conventional fossil-fuel-based energy sources.

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4.2.2 Product Energy Efficiency

Crompton integrates energy efficiency and environmental considerations into product design to reduce energy consumption and associate GHG emissions during the product-use phase.

<table>
<tr><th>Ceiling Fans</th><th>Storage Water Heater</th></tr>
<tr><td>Crompton's BEE 5-Star-rated induction-motor ceiling fans achieve a 56% reduction in energy consumption and GHG-emission intensity compared with non-star-rated ceiling fans. Its BEE 5-Star-rated BLDC ceiling fans achieve a 63% reduction in energy consumption and GHG-emission intensity against the same benchmark.
<table>
<tr><th rowspan="2">Ceiling Fan Type</th><th rowspan="2">UoM</th><th rowspan="2">Non-Star</th><th colspan="3">BEE Star Rating</th></tr>
<tr><th colspan="3">Induction Motor Fan</th></tr>
<tr><th></th><th></th><th></th><th>1 Star</th><th>3 Star</th><th>5 Star</th></tr>
<tr><td>Rated Power</td><td>Watt</td><td>75</td><td>46</td><td>40</td><td>33</td></tr>
<tr><td>Energy Intensity Reduction & GHG Avoidance</td><td>%</td><td>Base</td><td>39%</td><td>47%</td><td>56%</td></tr>
</table>
The Company's energy-efficient ceiling fans are estimated to deliver lifetime energy savings of 6,588 million kWh and avoid approximately 5.29 million $MTCO_2e$ of use-phase GHG emissions through the adoption of energy-efficient designs and technologies.</td><td>Crompton achieved an average 9% reduction in standing heat loss in its storage water heaters, aligned with the latest BEE star-rating requirements. This translates into approximately 9% use-phase energy conservation and corresponding GHG-emission avoidance across the consumer-use cycle.

</td></tr>
<tr><th>Lighting Products</th><th>Renewable Energy Based Products</th></tr>
<tr><td>Crompton improves the energy efficiency of its LED lighting products through enhanced luminous efficacy, efficient lens design, high-efficiency drivers and reduced light loss, while maintaining product performance and lighting quality.</td><td>Solar water pumps and solar lighting solutions are key renewable energy-based products within Crompton's portfolio. With more than 15,500 solar water pumps in operation, these solutions are estimated to have cumulatively avoided approximately 10,047 tCO_2e by reducing reliance on grid electricity and diesel for irrigation.</td></tr>
<tr><th colspan="2">Product Ecolabel Certification</th></tr>
<tr><td colspan="2">Crompton obtained CII GreenPro Type I Ecolabel certification, accredited by the Global Ecolabelling Network, for its HS Highspeed 48 ceiling fan. The Company has also obtained GreenPro certification for its lighting products and became the first lighting company to secure the certification for its entire B2B lighting product range.

</td></tr>
</table>

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4.2.3 Emissions Management

While product energy-efficiency initiatives help reduce emissions during the product-use phase, Crompton's emissions management approach focuses on measuring and reducing greenhouse gas emissions across its operations and relevant value-chain activities.

The Company has established measurable climate-related targets to guide its decarbonization efforts and periodically reviews progress to strengthen performance and respond to evolving business and regulatory requirements.

Climate-related targets

Using FY 2021-22 as the base year, Crompton has established two corporate-level emissions-reduction targets:

- Absolute emissions target: Reduce combined Scope 1 and Scope 2 GHG emissions by 50% by 2035, from base-year emissions of 14,774.41 tCO_2e. The target covers 100% of the Company's combined Scope 1 and Scope 2 emissions.
- Emissions-intensity target: Reduce Scope 3 use-phase emissions intensity per unit of ceiling-fan sales by 60% by 2035. The target covers emissions from the use of sold products, with base-year emissions of 17,462,000 tCO_2e, representing approximately 48% of total base-year emissions.

Progress against these targets is periodically reviewed to assess the effectiveness of existing initiatives, identify areas for improvement and guide future decarbonization measures.

Scope 1 and Scope 2 emissions

Crompton measures and reports direct Scope 1 emissions and indirect Scope 2 emissions to monitor the emissions arising from its operations and purchased energy. The Company's Scope 1 and Scope 2 GHG emissions are accounted for in accordance with the following standards and emission-factor sources:

- IPCC Guidelines for National Greenhouse Gas Inventories, 2006
- The Greenhouse Gas Protocol
- The Greenhouse Gas Protocol Scope 2 Guidance
- Grid Emission Factor, Version 19, published by the Central Electricity Authority

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Direct Greenhouse Gas Emissions (Scope 1)

Parameters	Unit	FY 2023	FY 2024	FY 2025	FY 2026	Target for FY 2026
Total direct GHG emissions (Scope 1)	tCO_2e	4,752	3,660	767.69	755.46	755.46
Data coverage (as % of denominator)	%	100	100	100	100	-

Indirect Greenhouse Gas Emissions (Scope 2)

Parameters	Unit	FY 2023	FY 2024	FY 2025	FY 2026	Target for FY 2026
Total indirect GHG emissions (Scope 2) (Location-based)	tCO_2e	4,053.50	3,927.02	6,595.17	6,209.72	6,209.72
Data coverage (as % of denominator)	%	100	100	100	100	-

Indirect Greenhouse Gas Emissions (Scope 3)

Parameters	Unit	FY 2023	FY 2024	FY 2025	FY 2026	Target for FY 2026
Total indirect GHG emissions (Scope 3)	tCO_2e	37,276,430	36,815,637	38,602,606	37,911,626	37,911,626
Data coverage (as % of denominator)	%	100	100	100	100	-

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Scope 3 Categories

Parameters	Category Name	Emission Accounting Methodology	FY 2023 (tCO_2e)	FY 2024 (tCO_2e)	FY 2025 (tCO_2e)	FY 2026 (tCO_2e)
Category 1	Purchased Goods & Services	Hybrid (spent + activity based)	725,969.93	806,225.92	803,586.55	940,500.00
Category 2	Capital Goods	Spent based	1,101.68	734.22	2,150.00	2,100.00
Category 3	Fuel and energy related activities (not included in Scope 1 or 2)	Activity-Based	2,592.50	2,787.64	2,974.69	2,777.97
Category 4	Upstream Transportation	Waste-type-specific / activity-based method	15,440.00	17,079.70	18,810.00	17,375.18
Category 5	Waste generated in operations	Activity-Based	1,381.52	1,519.22	36.25	49.23
Category 6	Business Travel	Hybrid Method (Air Travel – Activity-Based) (Rail & Road Travel – Spend-Based)	2,859.10	3,485.88	2,561.63	2,642.67
Category 7	Employee Commute	Average-data and distance-based methods	2,116.59	2,177.75	3,196.02	3,377.00
Category 11	Use of Sold Products	Activity based	36,514,025.90	35,971,268.22	37,756,208.15	36,928,400.00
Category 12	End of life treatment	Hybrid (spent + activity based)	10,942.98	10,358.24	13,082.56	14,403.56

During FY 2025-26, Crompton expanded its Scope 3 inventory from three to nine categories. Emissions for all nine categories have now been calculated retrospectively from FY 2021-22 onwards. Activity-based inventory accounting uses emission factors sourced from DEFRA, Ecoinvent, GaBi, and USEPA emission factor databases.

Public

4.3 Waste Management

Crompton's waste-management approach is guided by the principles of source reduction, reuse, refurbishment, recycling, recovery and responsible disposal. The Company conducts periodic waste audits to identify opportunities for improving waste performance and implements action plans to minimize waste generation and increase diversion from landfill.

Crompton aims to maintain Zero Waste to Landfill certification across its manufacturing operations and monitors waste-management performance to support continual improvement. Waste streams are segregated at source and directed to appropriate reuse, recycling, recovery or authorized waste-processing channels. Waste diversion from landfill is independently certified, supporting the credibility of the Company's waste-management Programme.

The Company also invests in innovation, sustainable materials and process improvements to reduce waste generation across its operations. Employee training and awareness programmes strengthen capabilities in waste minimization, segregation, responsible handling and compliance with applicable waste-management requirements.

Parameters	Unit	FY 2023	FY 2024	FY 2025	FY 2026	Target for FY 2026
Total waste recycled/ reused	metric tonnes	2,652.37	1,700.50	1,683.53	2,380.69	-
Total waste disposed	metric tonnes	484	934.05	245.56	326.92	326.92

Zero waste to landfill

Crompton's waste-management approach is anchored in its commitment to Zero Waste to Landfill. Waste generated at manufacturing facilities is systematically segregated and directed to appropriate recycling, reuse, recovery or authorized waste-processing channels, rather than being disposed of in landfills.

The Company seeks to maintain Zero Waste to Landfill certification annually across its manufacturing operations. Waste-diversion performance is independently assessed and certified by an accredited external body.

Take-back and Reuse of Raw-material Packaging

Crompton operates a structured take-back and reuse Programme for raw-material packaging. Packaging received from local suppliers is collected and, wherever feasible, returned to suppliers or reused within operations rather than discarded. This helps reduce packaging waste at source and supports more circular material flows across the supply chain.

Sustainable Packaging

Crompton is progressively integrating sustainable-packaging considerations into product and packaging design to reduce downstream waste generation. Initiatives include the introduction of plastic-free packaging for selected consumer LED bulbs and residential pumps, along with measures to reduce the use of single-use plastic and improve the recyclability of packaging materials.

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Hazardous Substances Commitment

Crompton has phased out CFL bulbs containing hazardous mercury. As of 1 April 2025, all our products will adhere to RoHS compliance standards. We have transitioned to using RoHS-compliant raw materials. Our company diligently implements product recalls upon their expiration and ensures recycling and safe disposal in accordance with our Extended Producer Responsibility (EPR) plan.

Waste Electrical and Electronic Equipment Management

Crompton holds valid Extended Producer Responsibility authorization for managing Waste Electrical and Electronic Equipment and tracks e-waste arising from products sold. In accordance with its approved EPR plan, the Company operates structured take-back and recycling programmes through recyclers registered and authorized by the Central Pollution Control Board.

These programmes are supported by defined action plans and quantifiable collection and recycling targets. Crompton also ensures that recipients of WEEE hold the required statutory approvals and comply with applicable e-waste-management standards. Customer awareness and educational initiatives are undertaken to encourage participation in product take-back and recycling programmes.

During FY 2025-26, Crompton reclaimed 29,997 MT of WEEE through its authorised recycling network.

		
Crompton Lighting's B2C business implemented a company-wide transition to plastic-bag-free primary packaging for consumer LED bulbs. The programme replaces single-use polybags and sachets with recyclable paperboard cartons, paper sleeves and recyclable inner supports, while maintaining product protection, shelf presentation and supply-	Plastic-free primary and secondary packaging for Mini Residential Pump product category. This initiative aligns with our corporate sustainability objectives to reduce plastics use, increase circularity, and improve environmental footprint of its products while maintaining product protection, customer experience and regulatory compliance.	Low ODS (Ozone Depletion Substance) potential foam packaging across the Sewage Pump product category, eliminating use of expanded polystyrene (EPS). This targeted packaging change preserves product protection and handling performance while materially reducing environmental impact,

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4.4 Water Management

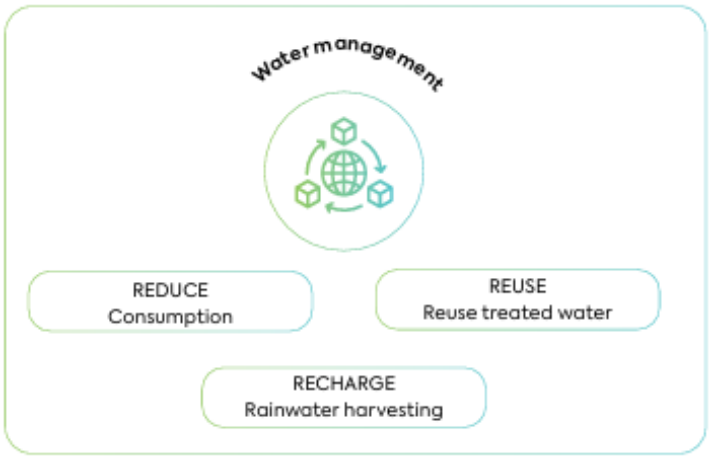
Water stewardship is an integral part of Crompton's facility-sustainability Programme. The Company undertakes periodic water-use assessments and Kaizen initiatives to identify opportunities for improving water efficiency, reducing freshwater consumption and enhancing wastewater quality.

Crompton's water-management approach focuses on reducing consumption, increasing the recycling and reuse of treated water, and supporting groundwater recharge through rainwater harvesting. Water-reduction targets are established, and performance is periodically monitored to assess progress and guide improvement measures. Employee awareness and training programmes strengthen the implementation of water-efficiency practices across operations.

Parameters	Unit	FY 2023	FY 2024	FY 2025	FY 2026	Target for FY 2026
A. Withdrawal: Total municipal water supplies (or from other water utilities)	Million cubic meters	0.024742	0.028561	0.049211	0.055319	-
B. Withdrawal: Fresh surface water (lakes, rivers, etc.)	Million cubic meters	-	-	-	-	-
C. Withdrawal: Fresh groundwater	Million cubic meters	0.044	0.039	0.034	0.029	-
D. Discharge: Water returned to the source of extraction at similar or higher quality as raw water extracted (only applies to B and C)	Million cubic meters	0.038	0.033	0.029	0.032	-
E. Total Net Fresh Water Consumption (A+B+C-D)	Million cubic meters	0.033	0.035	0.055	0.052	0.052
Data Coverage (as % of denominator)	%	100	100	100	100	-

Crompton's water-management strategy is structured around three complementary areas: reducing water consumption, reusing treated water and supporting groundwater recharge through rainwater harvesting.

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Consumption Reduction

Crompton implements operational and infrastructure measures to reduce water consumption across manufacturing facilities and offices.

Low-flow Fixtures and Water-saving Aerators: Installed at washbasins across manufacturing facilities and offices to reduce water use without affecting hygiene or functionality.

Pressure Regulators: Installed to control water flow at source, prevent wastage caused by over-pressurization and optimise consumption across water outlets.

Waterless Urinals: Installed at selected washroom facilities to eliminate flushing-water requirements for these fixtures.

Recycling and Reuse

Reuse of Treated Sewage for Landscaping: Established dedicated distribution networks at relevant facilities to collect and reuse treated water from Sewage Treatment Plants for gardening and landscape maintenance. This reduces the use of freshwater for non-potable applications.

Recharge and Rainwater Harvesting

Rainwater-harvesting Recharge Pits: Installed across Crompton's manufacturing facilities to support groundwater recharge and improve the management of stormwater runoff.

Rainwater Storage and Reuse: Installed a rooftop rainwater collection and storage system at the Ahilyanagar plant. The collected rainwater is reused for water-pump testing, reducing the use of freshwater for the testing process.

4.5 Climate Strategy

Integrating Climate into Strategy

Crompton integrates climate-related considerations into its business strategy, capital-allocation decisions, major transactions and risk-management processes. The Company's decarbonization approach combines operational emissions reduction with sustainable product innovation, resource efficiency, renewable-energy adoption and value-chain engagement.

Through this integrated approach, Crompton seeks to strengthen resilience to physical and transition risks, respond to changing regulatory and market expectations, and create long-term value for customers and other stakeholders.

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Climate-related Risk Assessment

Crompton conducted a comprehensive climate-related risk assessment covering its operational manufacturing facilities and key warehouse locations during FY 2025-26. The assessment was undertaken with reference to the recommendations of the Task Force on Climate-related Financial Disclosures and IFRS S2 Climate-related Disclosures issued by the International Sustainability Standards Board.

The assessment covered physical and transition risks across relevant time horizons and climate scenarios. It evaluates the likelihood and potential impact of identified risks and supports the integration of climate considerations into business strategy, operational planning, risk management and capital-allocation decisions.

Time Horizons

Crompton evaluates climate-related risks and opportunities across short-, medium- and long-term horizons aligned with its business-planning, capital-allocation, technology-development and asset-management cycles.

Time horizon	Period	Alignment with business planning
Short term	0-3 years	Aligned with annual business planning, budgeting and product-development cycles and captures near-term regulatory, market and operational developments.
Medium term	3-5 years	Corresponds with medium-term capital expenditure, technology roadmaps and product-upgrade cycles.
Long term	5-10 years	Reflects longer-term investment cycles, manufacturing-infrastructure planning and decarbonization commitments.

These horizons are used to assess when the operational and financial effects of climate-related risks and opportunities may arise and to align the corresponding responses with the Company's strategic and financial-planning cycles.

Physical Climate-risk Assessment

Crompton's physical climate-risk assessment applies a quantitative methodology using CMIP6 climate models and high-resolution climate data to evaluate hazards including extreme heat, heat stress, cyclones, extreme precipitation, flooding, sea-level rise and water stress.

Climate projections are translated into location-specific risk profiles by considering both hazard severity and operational vulnerability. Each climate hazard is evaluated based on its likelihood and potential operational impact, resulting in a standardized risk rating ranging from Very Low to Very High. The resulting location-specific risk matrices enable Crompton to priorities risks and inform operational planning, resilience measures and longer-term investments.

For the physical climate-risk assessment, Crompton evaluates changes in climate hazards at the modelled assessment years of 2030, 2050 and 2100. These assessment periods reflect the availability of CMIP6 climate projections and allow the Company to evaluate how the severity and likelihood of physical hazards may evolve over progressively longer periods.

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The physical-risk assessment considers these modelled periods under three contrasting CMIP6 climate scenarios:

- SSP1-2.6: A lower-warming scenario used to assess the resilience of Crompton's facilities under a pathway involving significant global climate action.
- SSP2-4.5: An intermediate scenario used as the central physical climate-planning case.
- SSP5-8.5: A higher-warming scenario used as a physical climate stress case, particularly for coastal, water-stressed and labor-intensive locations.

These climate scenarios are projections rather than forecasts. Actual climate conditions may differ from the modelled pathways.

The physical climate assessment years of 2030, 2050 and 2100 are distinct from Crompton's short-, medium- and long-term business-planning horizons of 0-3 years, 3-5 years and 5-10 years, respectively.

Key physical-risk findings

Across the assessed manufacturing portfolio, heat stress and an increase in extreme-heat days emerged as the most prevalent major hazards. Sea-level rise, water stress and urban flooding were identified as material risks at several locations, while exposure to extreme precipitation and cyclones was more concentrated at specific sites.

The assessment provides a prioritized view of physical climate risks and informs the development of site-specific adaptation and resilience measures intended to protect operational continuity, supply-chain resilience and long-term business performance.

Physical Climate Adaptation and Resilience

Based on the assessment, Crompton's physical climate adaptation approach currently focuses on addressing heat stress within operational areas. The Company seeks to reduce internal heat loads and maintain appropriate levels of ventilation and air circulation to support safe and comfortable working conditions.

Existing measures at manufacturing facilities include:

- workstation-level industrial fans;
- exhaust fans installed along building peripheries;
- rooftop turbo ventilators;
- roof insulation and high-Solar Reflectance Index heat-resistant roof coatings; and
- high-volume, low-velocity fans in stores and large assembly areas.

In the near term, Crompton will continue to monitor and maintain the effectiveness and efficiency of existing ventilation and cooling systems. Over the medium and long term, the Company will evaluate enhanced building-envelope insulation, measures to reduce radiant-heat ingress and opportunities to mitigate heat-island effects by increasing green cover, subject to site-specific conditions and requirements.

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Transition-risk Assessment

The transition to a low-carbon economy may result in changes to national policies, regulatory requirements, market expectations, technological pathways and stakeholder preferences. These developments are particularly relevant to Crompton as a consumer-electrical products company operating in India, where evolving requirements may influence product specifications, input costs, investment decisions and customer demand.

Relevant policy and regulatory developments include the Bureau of Energy Efficiency's Minimum Energy Performance Standards, the Carbon Credit Trading Scheme, Extended Producer Responsibility requirements and evolving product-labelling regimes.

Undertaken with reference to IFRS S2 and the TCFD recommendations, Crompton's transition-risk assessment evaluates exposure across four categories:

- policy and legal;
- technology;
- market; and
- reputation.

Each identified risk is evaluated based on its likelihood, magnitude and applicable time horizon and mapped to potential financial effects, including impacts on revenue, operating expenditure, capital expenditure and asset values.

Transition Scenario Analysis

Crompton's transition scenario analysis considers two International Energy Agency pathways representing different rates of global decarbonization:

- IEA Stated Policies Scenario (STEPS): Reflects the direction of the energy system based on existing policy settings and formally announced policy intentions, providing a reference pathway for assessing risks under the prevailing policy environment.
- IEA Net Zero Emissions by 2050 Scenario (NZE 2050): Represents an accelerated transition pathway consistent with achieving global net-zero energy-sector carbon dioxide emissions by 2050. It is used to assess Crompton's resilience under more rapid policy, technology and market changes.

The two scenarios enable Crompton to evaluate how different rates of decarbonization may affect regulatory requirements, technology costs, product demand, energy systems, capital requirements and the competitive environment.

Assessment assumptions

The transition risk assessment considers the following principal assumptions:

- anticipated changes in demand for higher-star-rated and BLDC-based appliances as electricity prices and energy-efficiency requirements evolve;
- projected changes in the cost of BLDC motor systems, solar photovoltaic systems, energy storage and advanced thermal-management technologies;
- potential evolution of BEE, MEPS and EPR requirements under base and accelerated policy scenarios; and
- macroeconomic and electricity-sector variables, including GDP growth, electrification rates and changes in the national grid-emission factor resulting from increased renewable-energy penetration.

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Integration with Enterprise Risk Management

Climate-related risks are integrated into Crompton's Enterprise Risk Management framework and are assessed using the Company's established risk-management processes. Identified physical and transition risks, their potential impacts and the corresponding mitigation and adaptation measures are recorded and reviewed through the relevant risk-management and governance forums.

Implementation of mitigation and adaptation measures is monitored through the Enterprise Risk Management framework. This includes tracking the status and effectiveness of agreed actions, reviewing changes in risk exposure and escalating material developments to the appropriate management and Board-level committees.

The Risk Management Committee supports the integration and oversight of climate-related risks within the Enterprise Risk Management framework. Climate-related performance and operational actions are also reviewed through the quarterly APEX Forum and monthly Steering Forum, enabling progress, deviations and additional actions to be monitored across relevant manufacturing locations.

Assessment outcomes and mitigation measures are periodically reviewed to reflect changes in climate projections, regulatory requirements, market conditions, technology pathways and business exposure. This process supports the continual improvement of Crompton's climate resilience and ensures that climate-related risks remain connected to strategic and operational decision-making.

4.6 Biodiversity

Biodiversity Commitment	No Deforestation Commitment
• Avoiding the construction of new infrastructure in areas with rich biodiversity is imperative. Instead, we should institute protocols to safeguard and conserve biodiversity in regions where our business operations are conducted, particularly in fragile natural environments. • Our focus should be on developing strategies and technologies that contribute to biodiversity preservation by optimizing resource utilisation throughout their entire lifecycle. • To reinforce our commitment to biodiversity protection, we will actively promote communication channels and collaborations with stakeholders. We aim to enhance the development of shared value while prioritising the conservation of biodiversity. • We will actively engage with non-governmental organization's (NGOs) and involve our employees and partners in local projects. Our goal is to ensure that all our sites implement biodiversity conservation and restoration programmes. For sites located in water-stressed areas, we will implement water conservation strategies. • Furthermore, we will advocate for biodiversity conservation programmes in our supply chains, including resource extraction. This approach underscores our dedication to sustainable practices and environmental stewardship.	Our emphasis is on embracing recycling and reuse strategies, eliminating the need for wooden packing. The exclusion of wooden packaging from our practices has significantly diminished our environmental footprint and contributed to the reduction of deforestation.

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