

# MEETING EVERYDAY NEEDS

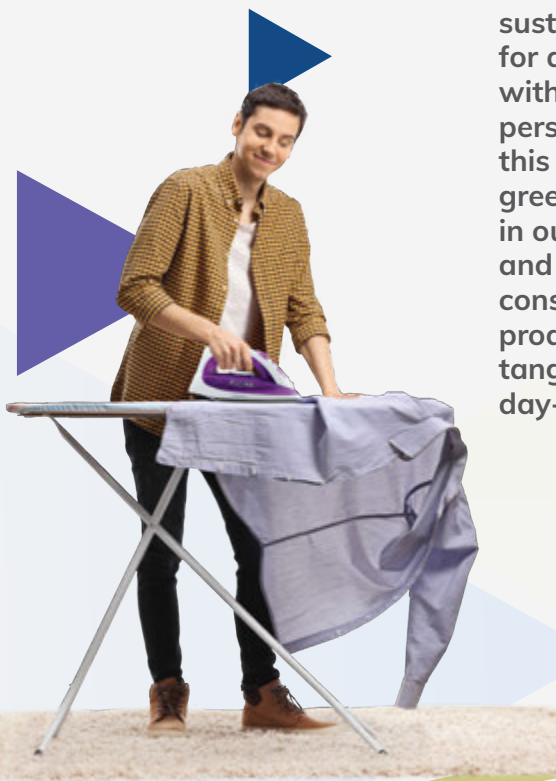
With innovative and sustainable solutions

## Crompton

Crompton Greaves  
Consumer Electricals Limited  
Integrated Annual Report 2022-23



# At Crompton, we make your life better with innovative, sustainable solutions



At Crompton, we create sustainable value for all stakeholders with a long-term perspective. We realise this purpose by being greener and smarter in our operations and delighting our consumers through products that add tangible value in their day-to-day lives.

Having begun the journey in the pre-independence era, we have nurtured a rich legacy down the decades that followed. In 2015, the consumer business of the Company was demerged to form a separate entity, 'Crompton Greaves Consumer Electricals Ltd.' ("CGCEL").

Over the years CGCEL has earned the trust and goodwill of all investors and stakeholders. Our brand reputation and recall are enhanced by our ability to address the aspirations of everyone by prioritising innovation, sustainability and inclusivity in the ways we operate.



## Innovative

Embedding innovation in day-to-day business is a round-the-year priority at Crompton. It revolves around energy efficiency, healthy living, IoT and smart connectivity and above all customer-centric design.

We will continue to introduce and strengthen 4.0 industry technologies and practices to revolutionise our product lines and adhere to global standards in operations to benefit our consumers and all stakeholders.



## Sustainable

Our Sustainability Plan is aligned to the United Nations Sustainability Development Goals (SDGs), enabling us to step up our initiatives and investments to fulfil Environmental, Social and Governance ("ESG") priorities. These include reducing energy and water consumption, investing in renewable energy sources and supporting local communities.

Our marketing and labelling efforts equip our consumers with a better understanding of the energy efficiency aspects of Crompton products. We have successfully launched energy-efficient products in all our product categories.



## Inclusive

Value creation, for us at Crompton, is all-encompassing, touching lives across the socio-economic spectrum. Our Corporate Social Responsibility ("CSR") programme, aligns with Crompton's long-term commitment to build positive and shared value for all.

Our CSR initiatives focuses on the following key areas: skill & entrepreneurship development, employee engagement, water conservation and community care.



Venturing into new business area



Strong focus on research and development



Udaan – Robust manufacturing capabilities



Expanding the reach through retail transformation



Growing digital discoverability



Successful transition to BEE norms - Fans business



Creating Responsible ESG practices



Re-inventing CSR through employee engagement  
Change maker grant



Building a dynamic workforce

Stories in the Spotlight

# Contents

## Corporate Overview

↓	
06	Know more about Crompton
08	Coming together of Crompton & Butterfly
10	Chairman's message
16	Vibrant portfolio to meet everyday needs
26	Crafting need-based engagements with stakeholders
28	Approach to materiality
30	How we create and sustain long-term value
32	Responsible Governance for sustainable growth
44	A robust growth strategy
46	Managing risks for sustainable growth
56	Adapting for a better world
60	Awards and Recognition
64	Financial Capital
68	Manufactured Capital
76	Intellectual Capital
98	Human Capital
106	Social and Relationship Capital
116	Natural Capital
120	Corporate Information

### Forward-looking statements

In this report, we have included statements that anticipate our future performance based on past experience and reasonable assumptions. However, we want to emphasise that these statements are subject to change based on various factors such as changes in industry trends, market conditions, government regulations, laws and other unforeseen circumstances. It is important to note that these forward-looking statements are not a guarantee of our future performance, as the underlying assumptions may change significantly over time. Therefore, we advise readers to exercise caution when relying on these statements and to consider them as indicative of potential outcomes rather than definitive predictions.

## Statutory Reports

↓	
121	Management Discussion & Analysis Report
134	Board's Report & Annexures
178	Report on Corporate Governance & Annexures
222	Corporate Governance Certificate
223	MD, CEO & CFO Certificate
225	Business Responsibility & Sustainability Report

## Financial Statements

↓	
Standalone Financial Statements	
261	Independent Auditor's Report
273	Balance Sheet
275	Statement of Profit and Loss
276	Statement of Changes in Equity
277	Statement of Cash Flows
280	Notes to the Financial Statements
Consolidated Financial Statements	
344	Independent Auditor's Report
353	Balance Sheet
355	Statement of Profit and Loss
356	Statement of Changes in Equity
357	Statement of Cash Flows
360	Notes to the Financial Statements
425	Assurance Statement
429	GRI Content Index



We are continually making investments in our go-to-market programme to achieve channel excellence.



To view this report online, please scan the above QR code



Reference to another page in the report



Reference to further reading online

# About the report

We are pleased to present our first Integrated Annual Report. The report aims to provide stakeholders with a comprehensive understanding of Crompton's financial and non-financial disclosures, including information on leadership, culture and strategy. It also highlights how the Company creates value for its stakeholders and the importance of responsible business practices in achieving its goals.

### Integrated thinking

At the core of Crompton's business operations is a commitment to integrated and sustainable thinking, which shows a responsible pathway to value creation. Crompton's 5-dimensional growth strategy help us in managing our resources and relationships to create long-term value. We have adhered to the International Integrated Reporting Council framework to assess the six (6) capitals and determine the content and structure of the report. This reporting approach helps us in attaining multi-stakeholder objectives.

### Scope

This Integrated Annual Report covers the reporting period from April 1, 2022 to March 31, 2023 and offers a comprehensive view of Crompton's operations and business development activities. It highlights the environmental, economic and social performance of the Company during the F.Y. 2022-23. Integrated Annual Report encompasses all business operations of CGCEL and provides disclosures on the six (6) capitals as defined by the International Integrated Reporting Council ("IIRC"). The report outlines the Company's business model, significant risks and opportunities, as

well as overall performance and related outcomes for the reporting period.

### Our Capitals



Financial capital



Manufactured capital



Intellectual capital



Human capital



Social and relationship capital



Natural capital

### Reporting frameworks

The report has been prepared by incorporating the principles recommended by the IIRC and referencing the GRI (Global Reporting Initiative) Standards, 2016 for reporting non-financial performance. Sustainable Development Goals (SDGs) are mapped to the key performance indicators (KPIs), ensuring that our reporting is both comprehensive and aligned with global sustainability targets.

This report also aligns with the following:

- The Companies Act, 2013
- Indian Accounting Standards
- The Securities and Exchange



Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

- Secretarial Standards issued by the Institute of Company Secretaries of India

### Assurance

The management has conducted a thorough examination of the information and statements provided in the Annual Report to maintain their accuracy and reliability. This review process was undertaken to ensure that all the facts and qualitative information contained within the report were presented in an unbiased and transparent manner. We have engaged BDO India LLP to provide assurance for the non-financial disclosures in the Integrated Annual Report and Business Responsibility and Sustainability (BRSR) Reporting. The assurance was conducted in line with the requirements of the AA1000 AS v3 (2020) Type 2 assurance. The level of assurance applied was moderate.

### Stakeholder feedback

The active involvement and valuable feedback of stakeholders are highly encouraged and valued by the organisation. The management recognises that stakeholders' insights and perspectives are essential for the successful implementation of its policies and programmes. As such, the organisation welcomes constructive criticism and suggestions from its stakeholders to improve its operations and achieve its goals effectively. The organisation values stakeholder engagement and considers it an integral part of its commitment to transparency, accountability and continuous improvement.

Email : [crompton.investorrelations@crompton.co.in](mailto:crompton.investorrelations@crompton.co.in)



**Crompton has always stood for quality excellence, exemplified by the impressive range of innovative and sustainable solutions. Our smart, intelligent and eco-friendly products fulfil the aspirations of a wide spectrum of consumers from metros to small towns and cities.**

The F.Y. 2022-23 saw us complete the revamp of entire architecture of our branding and go-to-market initiatives. We have also expanded the portfolio of offerings to reach more consumers. In addition, improving our cost structure and digitising operations were major focus areas during the year. Our business model is now leaner, more agile and technology driven.

During the year gone by, we remained resilient to macro headwinds and retained our market prominence and reputation. As a time-tested and beloved brand of new India, we remain steadfast to our ambition to grow our market footprint, enhance consumer visibility and make products that serve everyday needs.





# Know more about Crompton

From the pre-independence era to the 21st century, Crompton has transformed in step with changing times and evolving consumer aspirations.

Today, Crompton Greaves Consumer Electricals Limited (CGCEL) is among India’s leading consumer electrical companies present in the Electrical Consumer Durables (ECD) and Lighting segments.

Over the decades, we have embraced advanced technologies and implemented best-in-class processes.

Headquartered in Mumbai, we have made our mark in the technologically advanced ECD industry in India.

Crompton’s emphasis continues to be on innovation to bring to the market a wide range of products that our brand patrons love to embrace for their elegance, convenience, simplicity and low power consumption. From LED lights, fans, pumps to household appliances such as water heaters,

kitchen appliances, our products span a diverse range, catering to the growing consumer preference for smart, intelligent and connected products.

Crompton’s strategically located manufacturing facilities, R&D and quality assurance certifications, brand reputation and recall, along with wide distribution network enable us to fulfil dynamic consumer aspirations in a sustainable manner.

### Key highlights

**₹5,809 Crore**  
Revenue

**₹671 Crore**  
EBITDA

**₹476 Crore**  
PAT

**1,693**  
Employees

The unique strength of our Company lies in its promoter-less structure and the emphasis on a professionally driven board. As an employee-run Company, we prioritise collective decision-making, fostering a culture of inclusivity and shared responsibility.

Our Board comprises experienced professionals from diverse backgrounds, ensuring a wide range of perspectives and expertise in strategic decision-making. With the Board at the helm, all decisions are made through a rigorous and impartial process, guided by the best interests of the Company and its stakeholders. This structure fosters a strong sense

of ownership and commitment among employees, driving their dedication to the Company's success.

By empowering employees to actively participate in decision-making, we harness the collective intelligence and creativity of our workforce. This employee-driven approach fosters a culture of innovation, adaptability and continuous improvement, enabling us to stay at the forefront of our industry.

As we move forward, our current structure will continue to be a key differentiator, enabling us to adapt swiftly to changing market dynamics, seize new opportunities and navigate challenges with agility and resilience.



### Our Mission

We strive to create products that are safe, energy-efficient, dependable and environmentally friendly by constantly improving our core technology.



### Our purpose



We make your life better with innovative, sustainable solutions



Breaking the barriers, reaching beyond profit maximisation



Promising a sustainable future by catalysing change

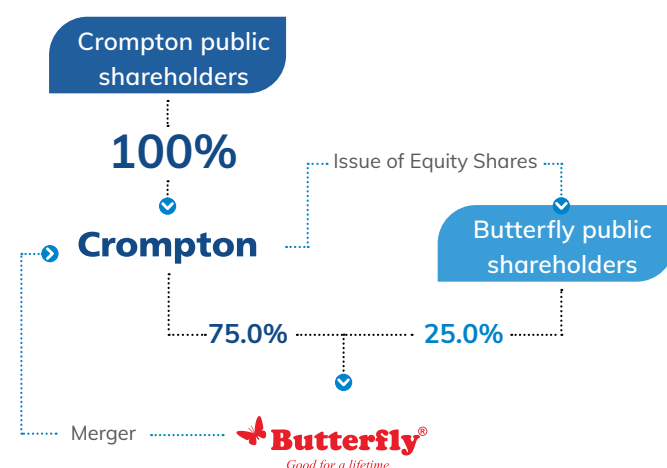


Making lives better

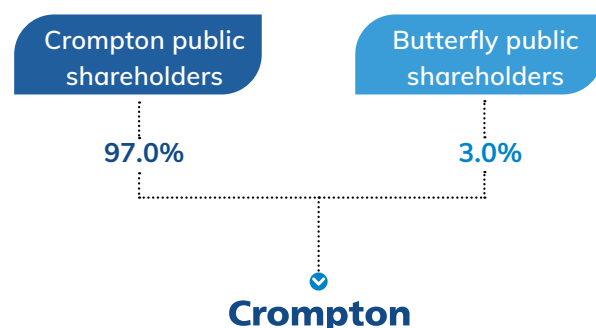
# Coming together of Crompton & Butterfly

To simplify corporate and governance structures, align shareholder interests, accelerate the execution of go-to-market strategies, focus more on product innovation, capitalise on cross-selling opportunities as well as realise synergies of both Crompton and Butterfly for cost optimisation and operational excellence, it is proposed to merge Butterfly Gandhimathi Appliances Limited with Crompton Greaves Consumer Electricals Limited subject to regulatory approvals, the merger will enable both the companies to unlock the full potential of the combined businesses, enhance our competitiveness in India's consumer electrical market and create significant value for all stakeholders.

## Proposed Transaction



## Resultant Structure<sup>A</sup>



## Unlocking the potential of combined businesses

The merger will enhance our capabilities in the existing appliance segment by leveraging the combined manufacturing and R&D infrastructure. Our expansive distribution network and PAN India presence will aid us in scaling up in key kitchen segments.

## Crompton

Crompton has a robust distribution network that enables us to reach consumers across multiple markets. Our experienced management team assists us in establishing a strong track record of innovation and industry-leading financial performance. To continue creating value for our people, clients and stakeholders, we remain committed to building on our strengths.

## Maintaining a strong market leadership

**#1**  
Fans

**#3**  
Lighting

**#1**  
Residential pumps

**Top 3**  
Water heater

**Top 4**  
Air coolers



Butterfly is a leading kitchen appliances player, especially in the South Indian market. It is renowned for its high-quality products, particularly in the core categories of mixers, wet grinders, cookers and stoves. Butterfly's robust and exclusive distribution network in South India is a critical strength of the brand. Additionally, Butterfly has in-house manufacturing capabilities, which enable it to meet stringent quality standards and remain competitive in the market.

## Top 3

In core categories of mixers, cookers, stoves in South India

## ~80%

Revenues from in-house manufactured products

Strong E-commerce presence

## Top 3

In mixers, wet grinder and gas stove in flipkart and Amazon

## #1

In South India for Wet Grinders and LPG Stoves

## 500+

Exclusive distributors

More than three decades of existence



## Unlocking full potential of combined business

With an undeterred focus on realising revenue and cost synergies in the short to medium term, we are in a sweet spot to build a more efficient and profitable business. Strengthened by this merger, we will be in a better position to implement faster go-to-market strategy for pan-India expansion and cross-sell products across channels. The merger will also enable greater scale for product innovation and pool human capital with diverse skills. By leveraging our combined resources, we can accelerate the fulfilment of our objectives and enhance our competitiveness in the market.

## Rationale for merger



## Alignment of interest among all stakeholders

The merger will allow us to converge the public shareholding of our subsidiary at the Company level.



## Simplified corporate structure

The merger will provide us with a simpler, unified corporate and governance structure, contributing to greater operational flexibility and more efficient capital allocation. This will allow us to streamline our operations and better utilise our resources to drive growth and create value for our stakeholders.

Participation of the combined entity in a diversified appliance products business with a wide geographical presence will enable us to leverage the combined business synergies and deliver enhanced value to the shareholders of both Crompton and Butterfly. This merger will provide greater avenues for growth and development of people.



# Chairman's message



The small appliances business is now close to ~ ₹ 800 Crore as a segment on an annualised basis, which also makes it a strong meaningful player.



## Dear Shareholders,

It gives me immense pleasure to present our Integrated Annual Report for F.Y. 2022-23 on behalf of our Board of Directors.

We continue to uphold our rich legacy with dedication and diligence. Over the years, we have seen our business landscape evolve in step with changing consumer aspirations, new technological breakthroughs and business norms. However, in the midst of all these transformations, our core purpose remains the same to meet everyday consumer needs with innovative and sustainable solutions.

Our overarching purpose inspires us to pursue excellence and efficiency in every aspect of the business. Before we delve deep into the business performance and strategy aspects of the business, let us first discuss the macro-economic environment.

### Macro-economic landscape

During F.Y. 2022-23, the geopolitical crisis sparked by the war in Ukraine disrupted the global supply chain and pushed up inflation. While stubborn inflation adversely impacted the global growth outlook, India's economy was comparatively resilient on the back of prudent fiscal and monetary policies, proactive vaccination coverage and sustained capital expenditure of the government. Notwithstanding global headwinds, the country remains one of the fastest growing economies of the world.

### Resilient business performance

We recorded a consolidated revenue of ₹6,869.61 Crore in F.Y. 2022-23, compared to ₹5,394.11 Crore in F.Y. 2021-22. Our EBITDA stood at ₹770.47 Crore, compared to ₹769.45 Crore in F.Y. 2021-22. Our PAT de-grew from ₹578.38 Crore in F.Y. 2021-22 to ₹476.40 Crore in F.Y. 2022-23.

The F.Y. 2022-23 began with considerable challenges, which we navigated with careful planning. The inflationary pressures and price volatility led to subdued consumer demand across segments and impacted the industry's profitability. However, the strength of our business model and the strategies that were already in place enabled us to stay on course and perform better than most players.

Some of the actions that we took to manage the situation were as follows:

- Intensified our cost improvement programme 'Unnati';
- Took multiple rounds of judicious pricing actions;
- Focused more on 'premiumisation', improving the product mix and accelerating the NPD process.

In addition, as commodity prices were rising, we had our suppliers pre-book commodities that enabled us to maintain adequate inventory levels.

During the fiscal year, our fans business continued to witness strong growth.

One major initiative was the transition of our fans business, also our largest business to the new BEE norms. I am pleased to inform you that we have transitioned with 100% readiness on the design and approvals and with minimal disruption. We have managed our production planning, inventory management and switchover very efficiently.

We also adopted a couple of significant interventions to improve the performance of our pumps segment. We revamped our significant portfolio of pumps with a refreshing brand architecture, based on consumer needs. Targeted pricing actions taken to tackle specific competition in select segments has helped to bring growth back to the business.

Our appliances business, despite an overall sluggish market, continued to grow aggressively during the year under review. We launched a differentiated range of built in kitchen appliances in top 10 cities starting June 2022. This business is progressing as expected.

In March 2023, we announced the proposed merger of Butterfly in to Crompton through a scheme of amalgamation & share swap ratio was derived by independent registered valuers on which-fairness opinion was given by respective Merchant Bankers.

The merger is an important strategic step in Crompton's growth journey and

## Chairman's message (contd..)



**During the year, we ran the Company, Butterfly Gandhimathi Appliances Ltd, which we acquired in March 2022, seamlessly and have started to see the impact of synergies. The acquisition is an important strategic step in Crompton's growth journey and will help unlock the full potential of the combined businesses. It will enable faster execution of our Go-To-Market strategy and bring sharper focus on product innovation. We are confident that our coming together will create significant value for all stakeholders.**

will help unlock the full potential of the combined businesses. It will enable faster execution of our Go-To-Market strategy and bring sharper focus on product innovation. We are confident that our coming together will create significant value for all stakeholders. The merger is likely to unleash various revenue and cost synergies and help us achieve economies of scale by pooling the combined resources and providing an impetus to grow across all parts of India.

Both B2B and B2C divisions were considerably impacted in the lighting business during the year. While the lack of government orders impacted our B2B division's performance, the B2C division's performance was dented owing to the ongoing price volatility in the market. Going forward, we have taken the necessary steps to gain market share in these segments.

### Five-dimensional growth strategy

At Crompton, we have created a purpose-driven brand that puts consumer aspirations at the centre of innovation. The result is enduring relationships with our consumers.

Through our powerful brand strategy and advertising campaigns, we have truly lived up to what our brand stands for. During the year under review, we continued making consistent efforts to

reach closer to consumers through our wide-ranging activities across various touch points to further strengthen our brand awareness and recall.

We stepped up our media spending including television, print and digital. We ran multiple marketing and branding campaigns during the year which attracted significant attention from our consumers. The current fiscal year will be witnessing our highest expenditure on building a robust and vibrant brand architecture across our entire portfolio of offerings. We have also embarked on a retail transformation programme, which completely changes the 'look and feel' of Crompton products inside our key retail stores.

The Company's innovative campaigns include #AbSabkeBudgetMein, a campaign educating consumers about energy-saving fans, awareness campaigns for fans and air coolers, and influencer collaborations for online discoverability. Crompton's hyper-local marketing campaigns for its mixers range and 360-degree campaign for BLDC fans increased its presence in South India and grew its market share. The Company's commitment to excellence has resulted in a robust brand image and widespread attention.

As you are aware, a time-honoured corporate brand like Crompton thrives on its overall portfolio excellence. We steadily expand and enrich our

offerings to add more meaning and value to the lives of our consumers.

During the fiscal, we made considerable efforts towards achieving portfolio excellence. In addition to our acquisition of Butterfly Gandhimathi Appliances Ltd. (BGAL), we have independently ventured into the large kitchen appliances sub-segments, which has resulted in bringing into the market more premium offerings. Besides, as the demand for innovative and unique offering at competitive price point is expected to rise significantly, we are driving premiumisation across all our segments.

On the technology front, we are working on four major areas: Energy efficiency across product lines; smart and connected products such as water heaters and coolers; health and wellness products such as the anti-bacterial lamps; and material substitution to enhance performance, while lowering costs.

The Company's specialised teams in design, development, project management, and product testing focus on delivering superior products that comply with government regulations.

They work on 12-18 month roadmaps, prioritising consumer features and performance, and continuously upgrade their skills with engineering tools and software.

The Crompton Experience and Innovation Centre, the Company's largest R&D centre, offers cutting edge technology, advanced IoT energy efficiency capabilities, and smart testing technologies. This centre allows Crompton to provide sustainable solutions to meet every day needs and cater to evolving customer aspirations with best-in-class technologies.

Over the years, we have had several market share gains across product categories, largely owing to our Go-To-Market initiative. It has enabled us to strengthen our distribution network and improve the availability of our products at retail touchpoints. In order to further achieve channel excellence, we are stepping up our investments in our 'Go-To-Market' programme.

Crompton is continually making investments in its go-to-market programme to achieve channel excellence. We have been tapping alternate channels such as the rural market, E-commerce and Modern Retail, which have exhibited strong double-digit growth.

We also continued with our efforts to bolster our operational efficiencies. Our Unnati programme continued to drive us on the path of cost leadership.

I am pleased that during the reporting year, the project 'Unnati' helped us register annualised cost savings worth Rs 248 crore. Through our Udaan programme, we are eliminating waste across processes and delivering Crompton products to the market with optimal Total Delivered Cost, Quality, and Service Levels. Under our project Delight, we upgraded and launched nearly 12 processes across the value chain including revised NPD framework, Vendor Quality Manuals, Layered Process Compliance systems, Manufacturing Quality Audit systems, and governance in the Digital Way.



## Chairman's message (contd..)

The Company's investment in technology and digitalisation have enabled it to digitise product development process, streamline inventory management, and improve customer relationships. The Product Development Module (PDM) serves as the one source of data and project management tool for all new product development plans, ensuring transparency, efficiency and adherence to quality standards.

Crompton leverages e-commerce platforms and digital tools to increase online visibility and provide relevant and accurate information to customers. The CRM system captures customer feedback, informs product development and marketing strategies, while the use of WhatsApp bots and technician mobile applications result in faster compliant resolution and higher customer satisfaction.

To strengthen organisational excellence, we stepped up our investments in training and capability building across India. We fortified our diversity and inclusion(D&I) journey with the establishment of a specialised council focused on diversity and inclusivity. Besides, our commitment to environmental sustainability remained firm, as we made considerable progress in energy management, waste management, water conservation and emissions reduction, enabling us to operate responsibly.

### Uplifting lives

To deliver inclusive growth and foster mutually beneficial relationships, we remained committed to uplifting the lives of our stakeholders. During the year, we aimed at igniting a positive social change and our CSR initiatives continued to focus on four key areas: skill development, community care, water conservation and employee engagement which created significant impact within our communities.

### External accolades

Our unique and impactful initiatives across our operations have been recognised with various accolades. Crompton has received multiple accolades and awards in various categories. The Company's digital campaign won the Best SEO and SEM Strategy at the Indian Digital Media Awards. Crompton was also named as one of the India's Best Managed Companies and won two 'exchange4media Prime Time awards' for its SilentPro Campaign and Ceiling Lights campaign. The Company was also recognized with Flipkart's Silver Jury Award and been ranked among 'Dun & Bradstreet' India's top 500 Companies and Institutional Investor Advisory Services' Next Leaders category. In terms of safety, Crompton received the Gomanth Sarvoch Suraskha Puraskar Award, the National Safety Award and the CGCEL Baroda



**Crompton leverages e-commerce platforms and digital tools to increase online visibility and provide relevant and accurate information to consumers.**

plant won a Bronze Award in Safety Convention. With our salient efforts in D&I, Crompton has been recognised as best organisation for women by The Economic Times.

### Way forward

The growing urban population and aspirational demand from rural India continue to drive the demand of our products. Our consumers are becoming more technology savvy, which is catalysing the demand for technologically advanced consumer electrical products in India. The macro drivers for the Consumer Electricals sector like rising urban and rural electrification, an increase in housing development and construction activities will provide us more opportunities to grow.

With consumers preferring branded and premium products, we believe, as industry leaders we are well equipped to cater to the evolving demand of our consumers. We will continue to undertake appropriate marketing and product initiatives, while focusing on capability building for the long term.

Challenges have only made us stronger and more resilient. As we continue to raise the bar of our performance each day, we strive to make lives of our consumers better and happier through innovation and responsible business practices.

On behalf of every member of the Board, I thank our team for their continued dedication and commitment. I also thank you, our shareholders, for your continued support and confidence in the Company as we strive to achieve a better and more sustainable future.

Sincerely,

**Hemant Nerurkar**  
Chairman



# Vibrant portfolio to meet everyday needs

Being one of India’s major manufacturers of consumer electricals, Crompton strives to make consumers’ lives easier by providing innovative and sustainable solutions.

We focus on investing in R&D and unlocking opportunities to produce some of the most innovative product lines. The Company’s next-generation products not only aim to enhance consumer experience, but also to reduce carbon footprint and help build a sustainable future for all. We are expanding our product range by refining our solutions and developing new consumer-centric and technologically enabled products.

## Fans

Through the introduction of advanced products, extensive marketing campaigns and exceptional aftersales service, Crompton has become a growing player in the premium and decorative fan segments. The product range includes decorative and ceiling fans, which feature energy-saving brushless direct-current motor (BLDC) technology and carry a 5-star rating.

**56%**  
Numeric Distribution in Fans  
(highest in Fans segment on 12 month basis)



## Pumps

Crompton has retained its leadership position in Residential Pumps category with launch of innovative and technologically superior products in mini segment. The Company’s extensive range of pumps for Domestic, Agricultural and Special applications are durable and provides consistent performance. Crompton pumps are energy efficient and use innovative technologies to deliver faster tank-filling speed, durability and longevity.





Vibrant portfolio to meet everyday needs (contd..)

Lighting

The B2C market has witnessed a considerable growth with value driven by LED panels and downlighters. Our commitment to continuous improvement is evident in our product portfolio, which focuses on energy efficiency and delivering excellent light output.

Our Trio Series offers multifunctional lighting solutions in a single product, while the Night Buddy serves as a versatile night lamp and mobile charger. Moreover, our range of Wi-Fi-enabled smart lighting solutions enables seamless control and enhances the convenience and efficiency of lighting in any environment. With a diverse product portfolio encompassing various sizes, wattages and lighting colours, we cater to a wide range of applications and customer preferences.

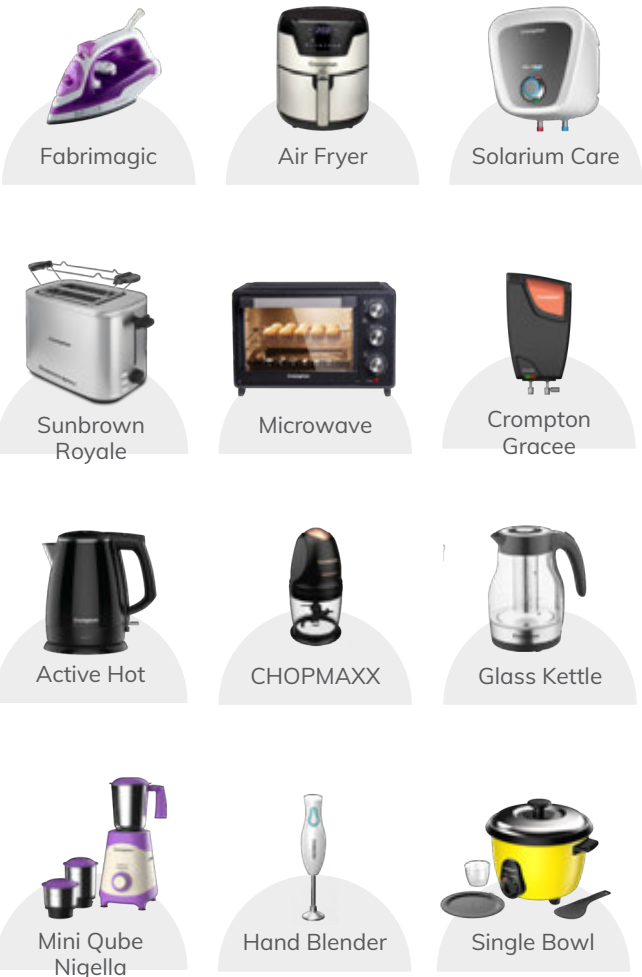
Crompton's lighting fixtures are being used in B2B lighting space owing to the government's continued focus on energy efficient lighting across infrastructure projects.

23%  
Numeric Distribution in Lighting (2nd highest in B2C LED bulbs segment on 12 month basis)



Appliances

Crompton offers a wide variety of innovative home and kitchen appliances that cater to the diverse needs of consumers throughout the day. With the phenomenal growth of e-commerce platforms and the increasing demand from consumers in small towns and cities across India, Crompton's e-commerce segment is expanding rapidly. To meet the evolving needs and aspirations of its consumers, Crompton has expanded its product portfolio to include a range of IoT-enabled products.



20%  
Numeric Distribution in Water Heater (2nd highest in Water Heater segment on 12 month basis)



Vibrant portfolio to meet every day needs (contd..)

Large Appliance

We now offer Built-in kitchen appliances, including chimneys, hobs, ovens and dishwashers, with cutting-edge features. Our chimneys are filterless and feature Silent Inverter Motors, Intelligent Auto Clean, Smart On and Gesture Control. Our built-in hobs boast auto-ignition, 3D flame technology, high-efficiency brass burners and toughened glass. Our built-in ovens have multilevel cooking, rotisserie and pyrolytic cleaning. Our dishwashers offer hygiene wash, dual pro wash, intelligent turbo drying and pure beam technology.



Chimney



Built-In Hob



Dishwasher



Built-In Oven



Built-In Microwave



Warmer Drawer







Kitchen Appliances

At Butterfly, we are committed to providing consumers with high-quality kitchen and electrical appliances that feature ergonomic designs and aesthetic appeal at competitive prices. Our extensive product range is known for its reliability and functionality, aiming to enhance the daily lives of our valued consumers by combining convenience with attractive designs. We continue to prioritise the needs and satisfaction of our consumers in the years ahead.



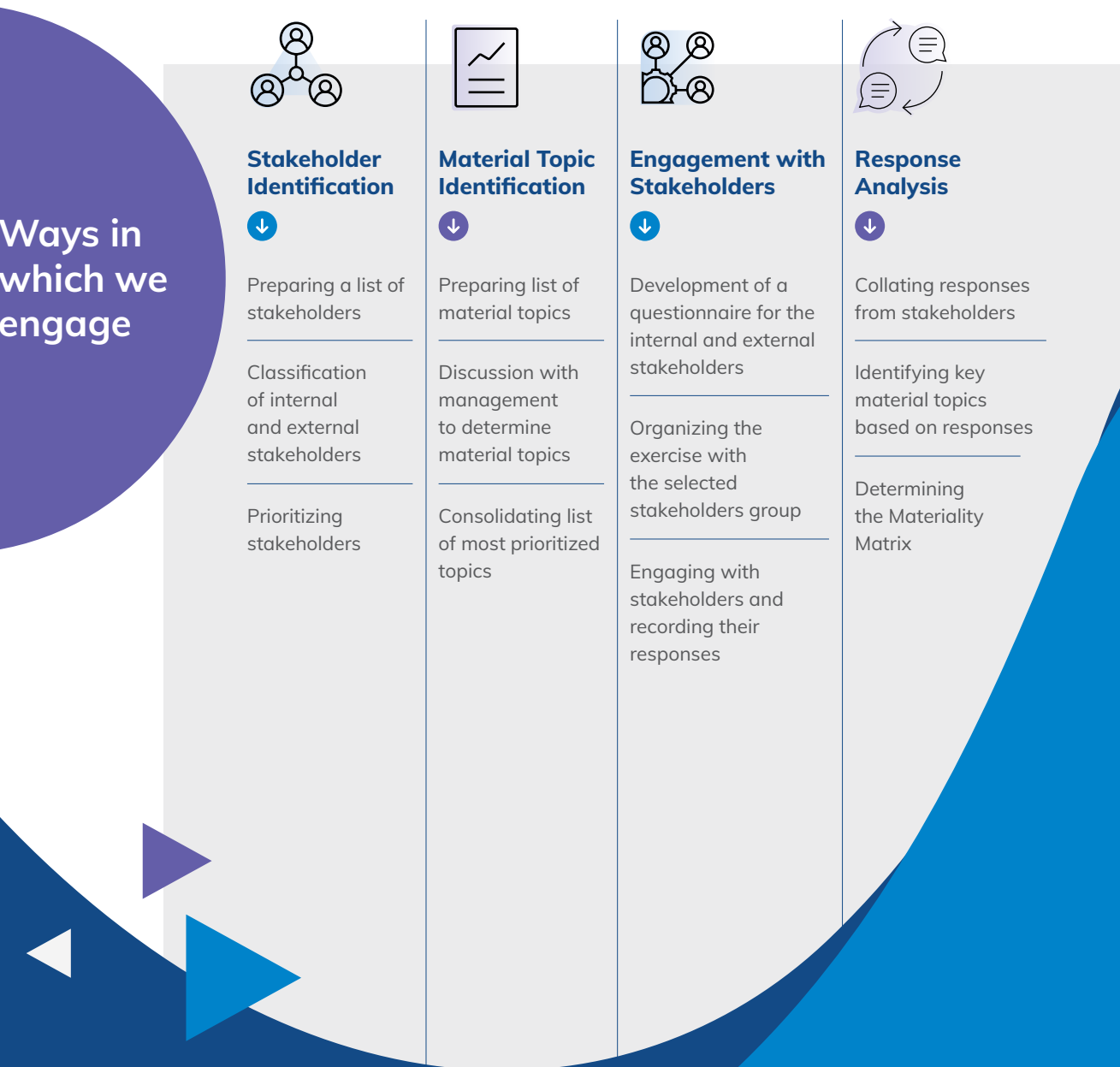







**Crompton*****JEE HAAN!*****CROMPTON KE  
ENERGY-SAVING FANS,  
AB SABKE BUDGET MEIN!****ACTIV  
POWER  
TECHNOLOGY**



# Crafting need-based engagements with stakeholders

At Crompton, we have developed an organisational-level robust stakeholder management framework to facilitate constructive dialogue with our stakeholders. This helps us to better understand their perspectives and expectations. Additionally, this approach helps us identify and prioritise material topics.



Stakeholder Group	Purpose of Engagement	Strategic Priorities	Mode of Engagement	Frequency of Engagement	Capital Linkage	Value created
 Employees	Our employees are important assets and are essential to our long-term success. They are critical to increasing our competitiveness and strengthening market leadership.	<ul style="list-style-type: none"><li>Employee benefits</li><li>Safe working environment</li><li>Career progression</li><li>Equal opportunities and treatment</li><li>Learning and growth</li><li>Work-life balance</li><li>Fair rewards and recognition</li></ul>	<ul style="list-style-type: none"><li>Meetings/ Town hall briefings</li><li>Employee engagement surveys</li><li>Team building, workshops, capability building and training</li><li>Annual appraisals</li><li>Employee newsletters</li><li>Rewards and recognitions</li></ul>	Continuous	<div>HC</div> <div>MC</div>	<b>25,494</b> Person-hours of training  <b>37%</b> Turnover rate
 Community	Empowering the community is necessary to our long-term sustainability. Through numerous upliftment projects and activities, we continue to develop our relationships with the communities and transform their lives.	<ul style="list-style-type: none"><li>Contribution to society</li><li>Provide opportunities for self-sustenance and empowerment</li></ul>	<ul style="list-style-type: none"><li>CSR initiatives</li><li>Community interactions with NGOs</li><li>Volunteering</li></ul>	Monthly	<div>SRC</div> <div>HC</div> <div>NC</div>	<b>24,000+</b> Lives impacted
 Suppliers	We collaborate with the suppliers to maintain a seamless business operation by ensuring effective and efficient procurement practices.	<ul style="list-style-type: none"><li>Long-term partnerships</li><li>Transparent practices</li><li>Reliable payment schedules</li><li>Timely redressal of any queries</li><li>Cost efficiency</li></ul>	<ul style="list-style-type: none"><li>One-to-One meetings</li><li>Regular operational reviews</li><li>Vendor meets</li></ul>	Continuous	<div>SRC</div> <div>MC</div>	<b>₹1,378 Crore</b> Inhouse buying spend
 Consumers (B2B), (B2C)	Consumers' purchasing habits influence our strategy and success. Thus, it is critical to have continual contact with them to understand their evolving needs and desires.	<ul style="list-style-type: none"><li>Quality requirement</li><li>Immediate resumption of service in case of service breakdown</li><li>Faster resolution of queries</li><li>Innovative solutions</li></ul>	<ul style="list-style-type: none"><li>Customer engagement surveys</li></ul>	Continuous	<div>SRC</div> <div>IC</div>	New products developed  <b>25,80,752</b> Complaints resolved
 Investors/Shareholders	Investors are critical to our success and growth.	<ul style="list-style-type: none"><li>High Return on investment</li><li>Capital allocation</li><li>Transparent disclosure for investors to take informed investment decisions</li></ul>	<ul style="list-style-type: none"><li>Annual general meeting</li><li>Financial result declaration</li><li>Media release</li><li>Investor calls and meet</li></ul>	Quarterly	<div>FC</div> <div>SRC</div>	<b>₹3</b> Dividend per share  <b>17.96</b> ROE

# Approach to materiality


The materiality matrix offers a comprehensive and in-depth assessment of the key material aspects that are deemed significant by both the management and Crompton’s key stakeholders. The identification and prioritisation of these critical issues were based on an exhaustive evaluation process that was carried out in collaboration with both internal and external stakeholders. This process involved engaging with 242 stakeholders and assessing a list of 26 topics, which allowed us to gather invaluable insights and feedback on the material aspects that matter most to them.


The matrix highlights the issues that have been identified as high-priority by the stakeholders and these are given due consideration in our sustainability strategy. Through this exercise, we


have developed a deep understanding of the issues that have a significant impact on our stakeholders, enabling us to prioritise our actions and allocate our resources more effectively.


We are committed to continuing this ongoing process of engagement and evaluation, as we strive to achieve sustainability goals that are in the best interests of all our stakeholders.


## The material topics considered for reporting are as follows


  
Energy efficiency


  
Raw materials and substances/  
resource optimisation


  
Occupational Health and Safety


  
Business Ethics and General Business Principles


  
Data Privacy and Cyber Security


  
Innovation and Research


  
Employee Well-being

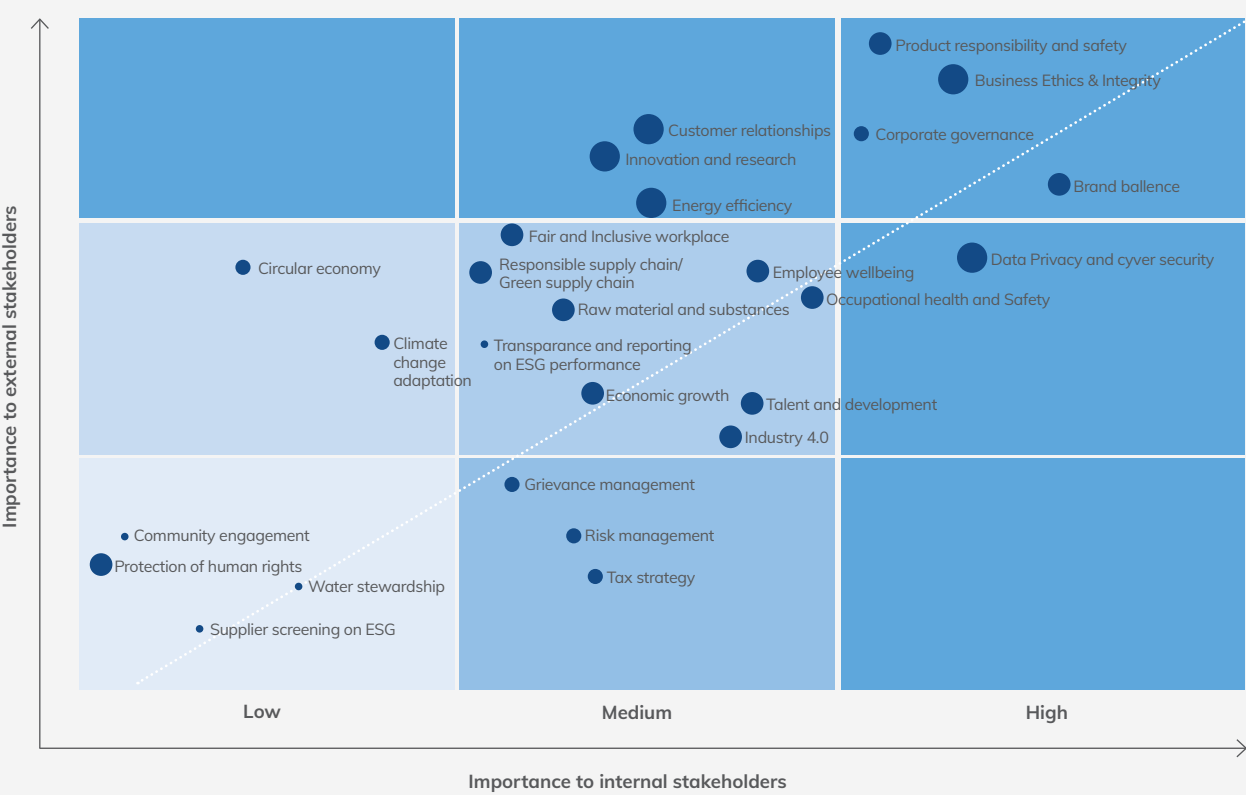
  
Customer Relationships


  
Talent Development

  
Brand Salience


  
Product Responsibility and Safety

  
Economic Growth




**Top priorities**


These issues are of the greatest importance to both stakeholders and Crompton. An effective and externally visible management response to these issues is vital for long-term business success

**Priority issues**


These issues are of medium to high importance to stakeholders and to Crompton. An effective and externally visible management response to these issues should be a high priority

**Hidden Value Creators**

Although not high on the agenda of stakeholders, these issues are important to the business. Crompton should consider raising awareness with stakeholders to educate them about the relevance to the business

**Hygiene Factors**

These issues are of high importance to stakeholders but low impact on the business. Crompton needs to balance responding to stakeholder concerns without incurring substantial cost

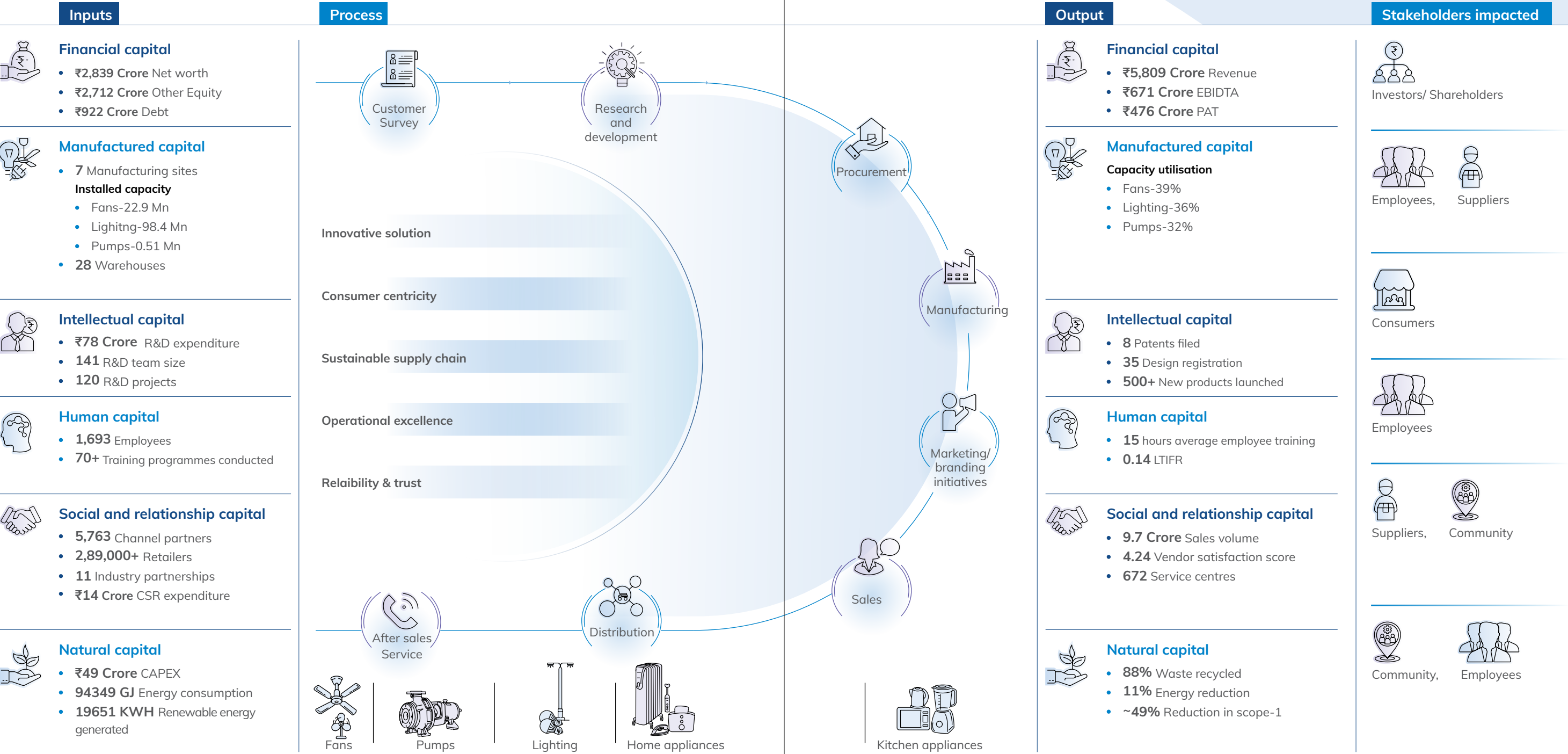
**Monitoring issues**

These issues are less important to stakeholders with limited impact on business performance. Best practice suggests that Crompton should monitor these issues as they may become more impactful over time



# How we create and sustain long-term value

Crompton is committed to create and amplify long-term stakeholder value and deploys its resources strategically to insulate the business from market volatilities and headwinds



# Responsible Governance for sustainable growth

Our governance framework and philosophy are inspired by our ethics, values and culture of professionalism. The Board remains the custodian of trust for sustainable long-term wealth creation. We emulate the best practices that are adhered to in the realm of corporate governance globally and these practices are integrated into our growth strategy. Across our day-to-day operations, we conform to complete transparency and accountability to protect stakeholder interests. The Board ensures deep dive in areas like Compliance, Enterprise Risk Management, Supply Chain, Manufacturing Excellence, Innovation, Digitisation and Succession Planning. We adhere to the highest corporate governance standards to ensure integrity and transparency, as well as regulatory compliance.

## Skills and experience

Crompton's Board brings together a wealth of knowledge, perspective, professionalism, diverse thinking and experience. Our Board members have a deep understanding of governance, technical, financial and non-financial issues.

Crompton's corporate governance framework reflects its value system and emphasises the importance of transparency, accountability and openness. The organisation adheres to the highest corporate governance standards to ensure integrity and transparency, as well as regulatory compliance. The Company holds thematic Board meetings to thoroughly explore various areas, such as Compliance, Enterprise Risk Management, Supply Chain, Manufacturing Excellence, Innovation, Digitisation and Succession Planning.

### Our core principles of Governance



#### Trusteeship:

We recognise that we hold Crompton's resources in trust for future generations and are committed to utilising them responsibly and sustainably.



#### Strategic oversight:

We continually evaluate and adjust our long-term strategy to ensure that Crompton remains competitive and well-positioned in the marketplace.



#### Sustainability:

We prioritise environmental sustainability and seek to reduce our carbon footprint through efficient resource usage and waste reduction.



#### Reinforcing a risk culture:

We maintain a culture of risk awareness and actively identify and mitigate potential risks to our business operations.



#### Compliance with laws and regulations:

We adhere to all applicable laws and regulations to ensure that our business practices are ethical and transparent.



#### Corporate social responsibility:

We prioritise the well-being of our employees, consumers and the communities in which we operate and regularly engage in philanthropic initiatives.



#### Accountability:

We take responsibility for our actions and decisions and are committed to transparency and open communication with all stakeholders.



#### Stakeholder engagement:

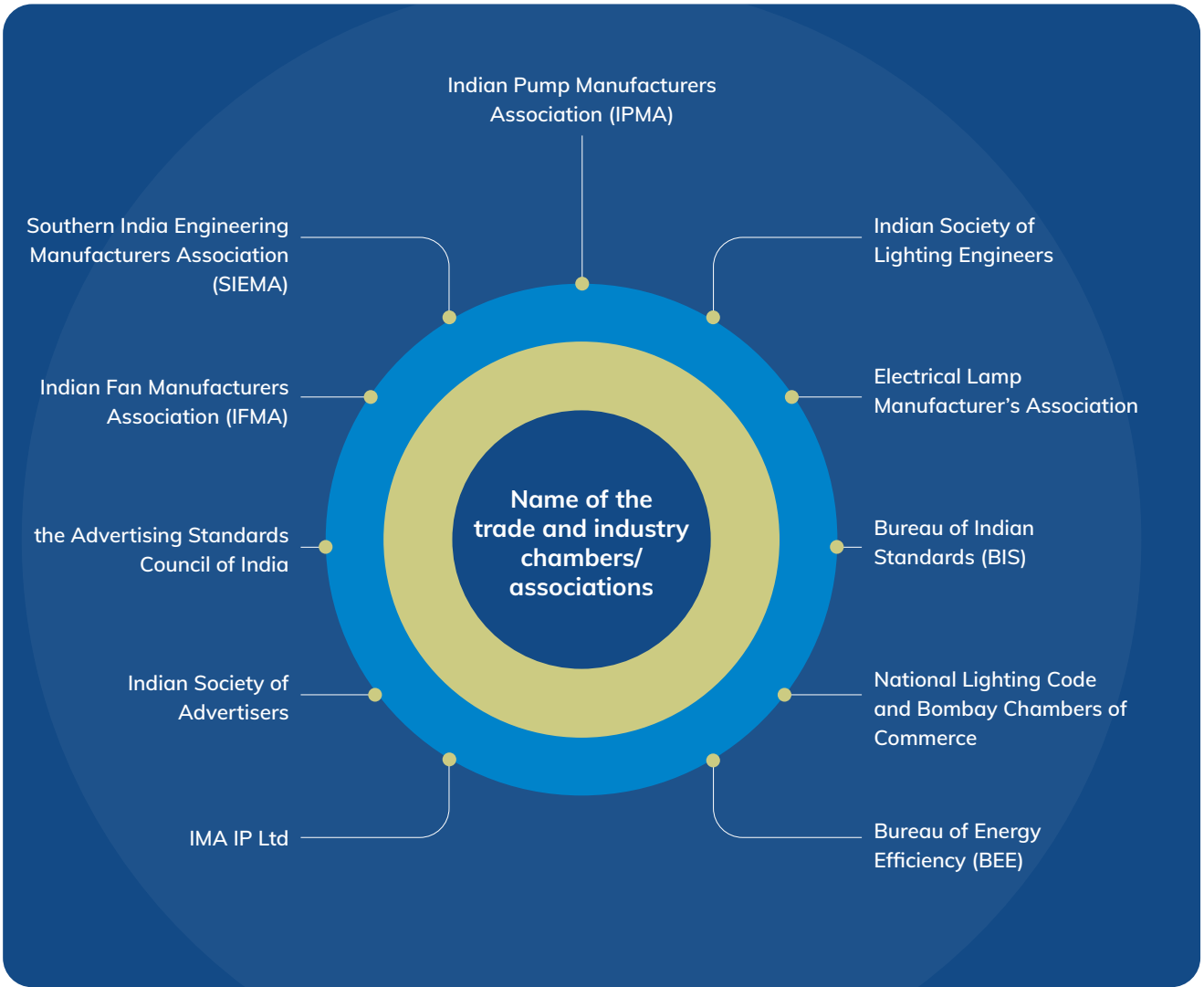
Crompton possesses a highly resilient stakeholder management framework that serves as a catalyst for fostering productive communication and engagement with our diverse range of stakeholders.

## Internal control framework

We have put in place an adequate internal control system to safeguard all our assets and ensure operational excellence. Our internal controls framework covers financial, operational, compliance and information technology controls, as well as risk management policies and systems. The framework also diligently records all transaction details and ensures regulatory compliance. We have well-established risk management processes embedded within the business that enables us to identify, evaluate, record and monitor significant risks.

## Memberships and collaborations

Various bodies with which Crompton is associated are:



At Crompton, compliance is more than a legal requirement. We have zero tolerance towards corruption and ensure ethical conduct and fair competition through a gamut of policies and set processes and procedures. The Board regularly reviews progress on compliance and the effectiveness of internal processes.



Responsible governance for sustainable growth (contd..)

Related party transactions

All transactions of the Company with its related parties are carried out in compliance with the applicable laws and regulations where only Independent Directors participate in the discussions and voting on such transactions.

Strictures and penalties

No strictures or penalties were imposed on the Company/ its Directors/ KMPs by the stock exchanges or by Securities and Exchange Board of India ("SEBI") or by any other statutory authority on any matter related to the capital markets during the year under review.

Donations and political contributions

As a Company, we are politically neutral, as emphasised in our Code of Conduct. Crompton avoids political donations, campaigns and promotions of a political nature and we request our employees to observe strict neutrality.

MD and CEO Remuneration

The remuneration to MD and CEO includes fixed pay and variable pay. The variable pay of the MD and CEO is paid annually which is determined by the Nomination & Remuneration Committee of the Directors ("N&RC") after factoring in the individual performance, i.e., KPIs achieved and the Company's performance. There is no clawback provision in the remuneration paid to the MD and CEO of the Company. In terms of applicable laws, there is no mandatory stock ownership requirement for MD and CEO.

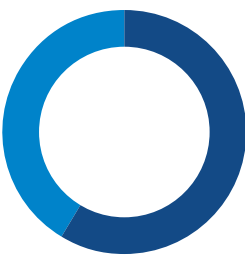
Stock Options granted to MD and CEO are governed by various Employee Stock Option Plans & Performance Share Plans of the Company as approved by Shareholders from time to

time. N&RC is responsible for administrating the stock incentives and performance incentives plans of the Company and determines the eligibility of all the employees including the MD and CEO of the Company. For granting and vesting of options, N&RC factors in both individual performance and Company's performance.

[For details of grant, vesting and exercised options please refer to page number 209 of the Report on Corporate Governance which is part of the Integrated Annual Report]

The bifurcation of fixed pay and variable pay for MD and CEO is as under:

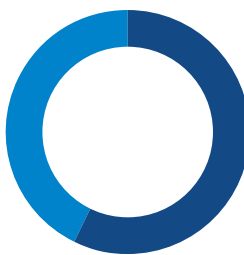
Fixed and Variable pay - Mr. Shantanu Khosla, MD\*



● 58.64% Variable  
● 41.36% Fixed

\* Managing Director till April 30, 2023 and elevated as Executive Vice Chairman w.e.f. May 1, 2023 to April 30, 2024 and then will assume position of Non-Executive Director till December 31, 2025

Fixed and Variable pay - Mr. Mathew Job, CEO#



● 57.43% Variable  
● 42.57% Fixed

# Executive Director till April 24, 2023 and CEO till April 30, 2023

Familiarisation Programme for Directors

Your Company has in place a structured induction and familiarisation programme for its Directors. Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities, obligations, Code of Conduct for Prevention of Insider Trading and Code of Conduct applicable to Directors. They are also updated on all business-related issues and new initiatives.

29 Programmes

139 Hours

Rights of Shareholders



Succession Planning

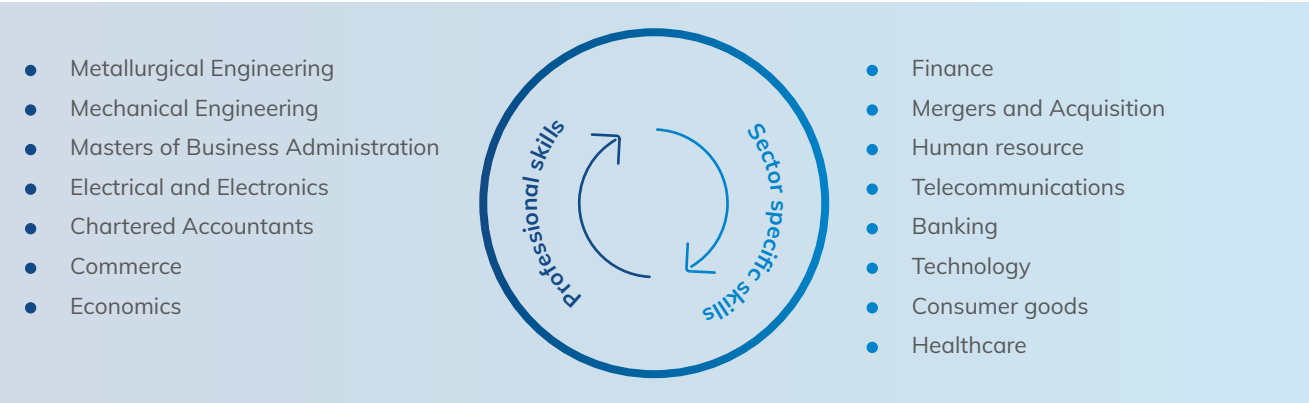
Succession planning is a critical element of the human resources strategy at the Company. As part of the Company's talent review process, individual development plans are discussed on an annual basis and key talents are identified for potential higher roles in the future.

[For further details please refer to page number 198 of the Report on Corporate Governance which is part of the Integrated Annual Report]

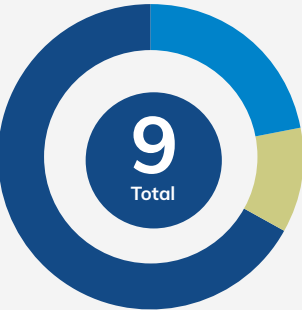
Board architecture

Enriched by stalwarts with diverse experience and expertise, the Board provides strategic guidance to the management. It has an optimal number of Independent Directors, which ensures accountability and transparency. All Board members are accomplished individuals with backgrounds in manufacturing, sales, marketing, sustainability, governance, finance, technology, cyber security, human resource, mergers & acquisitions, management, operations, enterprise risk management and academia. The Board has several sub-committees that work together to translate the Board's decisions into measurable outcomes for the business.

Responsible governance for sustainable growth (contd..)



Composition of Directors



	Number of directors	Composition of Directors
22.22%	2	Executive Director
11.11%	1	Non-Executive, Non-Independent Director
66.67%	6	Independent Director

ZERO

Fatalities

100%

Indian nationality

33.33%

Minimum attendance in Board meetings as mandated by law

33.33%

Directors with ESG experience

MD, CEO and Chairperson

Separate roles

5.09 years

Average tenure of the Board

Independent Director

Chairman of the Board

64.59 years

Average age of directors

91.35%

Average Attendance in Board Meetings

66.67%

Independent Board of Directors

Next Leaders

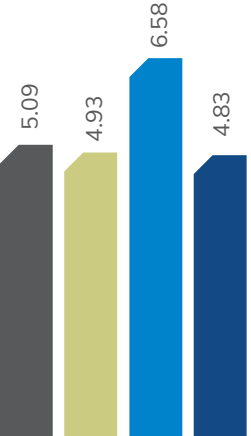
Recognised by IiAS for Corporate Governance

22.22%

Women representation in board

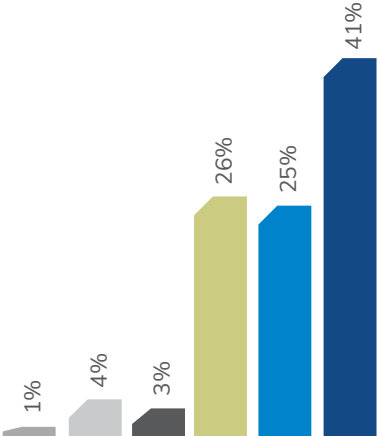
\* All the above details mentioned are as at March 31, 2023.

Average Tenure in years (category-wise)



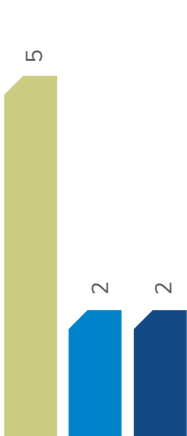
- Executive Director
- Non-Executive, Non-Independent Director
- Independent Director
- The Board

Time spent by the Board



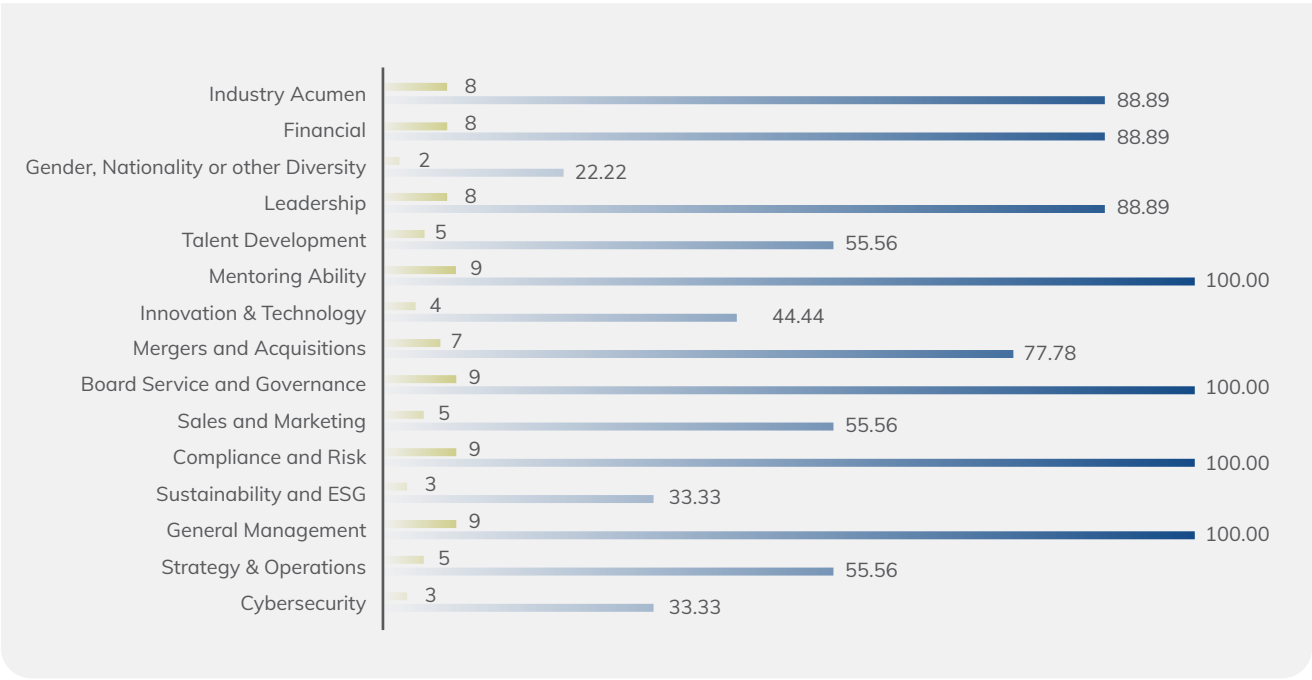
- IT & Innovation
- Risk Management
- ESG & Stakeholder Management
- Financial Overview & Internal Control
- Strategy & Operations
- Governance

Present Tenure of Directors



- <2 Years
- 2 to 5 Years
- > 5 years

Gist of skills, expertise and competence of Directors as on March 31, 2023



\* All the above details mentioned are as at March 31, 2023.



Responsible governance for sustainable growth (contd..)

Board evaluation

We conduct performance reviews of the Board of Directors as a whole, Committee(s) of the Board and individual directors once in a financial year. The parameters for evaluating the Board's performance include the Board's composition, the process of appointment to the Board of Directors, a common understanding of the roles and responsibilities of the Board members and many more. The evaluation also involves a check on the Board's independence and the Management's effectiveness. We maintain a record of the attendance of the members at the meetings of the Board and committees and this information is summarised in the Report on Corporate Governance, which is included in this Integrated Annual Report.

Our Committees







The Board has established the following committees to perform the statutory tasks and obligations as required by various applicable laws. By performing comprehensive assessments of procedure and policy implementation, these committees maintain oversight of essential business operations. The committees meet regularly to carry out the functions entrusted to them by the Board. The strategic advice of these committees and their support help strengthen the Board's decision-making process.













 Strategic investment committee	 Allotment committee	 Corporate social responsibility committee
 Committee of commercial paper	 Audit Committee	 Environmental, Social and Governance committee
 Risk management committee	 Committee of debentures	 Shareholders' relationship and share transfer committee
 Nomination and remuneration committee	 Executive Committee	

Policies

Crompton's policies equip its employees and stakeholders with clear principles and standards. These policies serve as a decision-making framework, ensuring consistency and fairness in operations. The clear and well-communicated policies help to develop a positive business culture. In order to ensure ethical and transparent conduct of operations, the Board has formulated and implemented well defined codes, policies, charters and practices across the organisation.

Statutory policies

 <a href="#">Company's Code of Conduct</a>	 <a href="#">Codes of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information</a>	 <a href="#">Policy on Materiality and dealing with Related Party Transactions</a>	 <a href="#">Materiality Policy</a>	 <a href="#">Code of Conduct to regulate, monitor and report trading by designated persons</a>	 <a href="#">Corporate Social Responsibility Policy</a>
--	---	--	---	---	---

 <a href="#">Dividend Distribution Policy</a>	 <a href="#">Nomination and Remuneration Policy</a>	 <a href="#">Prevention of Sexual Harassment Policy</a>	 <a href="#">Risk Management Policy</a>	 Investment policy	 Policy on Foreign Exchange Risk Management Policy
 <a href="#">Stakeholders Relationship and Share transfer policy</a>	 <a href="#">Vigil Mechanism and Whistle Blower policy</a>	 <a href="#">Policy for determining Material Subsidiary</a>	 <a href="#">Preservation of Documents and Archival Policy</a>	 Rules of Procedure	 <a href="#">Environmental, Health &amp; Safety Policy</a>

EHS Policy

The Board has a well-defined Corporate EHS (Environment, Health and Safety) policy and has integrated ESG considerations into the day-to-day functions of the Company that govern our business. These include having robust governance systems, risk management and controls; serving our consumers remarkably and transparently; investing in our employees and nurturing a diverse and inclusive work environment; strengthening the communities in which we live and work; expanding sustainable solutions for our consumers and within our operations.

Supplier selection process

Our supplier onboarding process involves a comprehensive screening procedure that evaluates potential suppliers based on their capability, quality, performance and ability to deliver on time. We also assess their compliance with legal, environmental, health and safety guidelines and their willingness to participate in our sustainable supply chain management programme. In addition to this, we consider their total landed cost competitiveness and financial strength,

by evaluating their balance sheets of the previous two years. These criteria are essential to our procurement process as it helps us work with suppliers who align with our values and comply with our quality, sustainability and financial stability standards. By conducting a thorough screening process, we ensure that our suppliers meet these criteria and contribute to our overall success.

Whistle blower policy

We have a Whistleblower Policy in place to enable employees to report any violations and ensure that the reporting process is transparent and fair. The policy outlines the procedures for tracking complaints, conducting investigations and imposing disciplinary measures. It also makes sure that complainants are protected from any retaliation and provides guidelines on maintaining confidentiality during the reporting process. The policy also extends to our vendors and encourages them to report any incidents they might witness.

Any reported violation is thoroughly investigated and appropriate actions are taken in accordance with the policy. To promote awareness

of the Whistle blower Policy, we have developed an e-learning tool accessible to all employees, including new hires during their induction. Additionally, we have provided a toll-free number for employees to register a complaint via telephone.

Code of Conduct

We prioritise upholding ethical standards, as outlined in our Code of Conduct/ Ethics. We have an online portal called 'Success Factors', to ensure that all employees affirm their commitment to these standards. New hires are required to adhere to the Code of Conduct. Additionally, we provide training modules for existing employees to reinforce the importance of ethical behaviour.

Our employees actively support the internal control system by consistently demonstrating integrity and ethical values through their actions, directives and overall behaviour. Our Code of Conduct emphasises the crucial role that employees play in promoting a values-based organisation.



## Responsible governance for sustainable growth (contd..)

## Board of Directors



## Standing from left to right

**Mr. Mathew Job**

Executive Director &amp; CEO

*Executive Director till April 24, 2023**CEO till April 30, 2023***Mr. Promeet Ghosh**Non Executive & Non Independent  
Director till April 23, 2023

Executive Director w.e.f. April 24, 2023

MD &amp; CEO w.e.f. May 1, 2023

**Mr. P.R. Ramesh**

Independent Director

**Ms. Smita Anand**

Independent Director

**Mr. D Sundaram**

Independent Director

**Mr. P M Murty**

Independent Director

**Ms. Hiroo Mirchandani**

Independent Director

## Sitting from left to right

**Mr. Shantanu Khosla**

Managing Director till April 30, 2023

Executive Vice Chairman

w.e.f May 1, 2023

**Mr. Hemant Nerurkar**

Chairman &amp; Independent Director



Responsible governance for sustainable growth (contd..)

Board of Directors



**Mr. Hemant Nerurkar**  
Chairman & Independent Director

Ⓢ

Ⓜ

Ⓜ

Ⓜ

Ⓜ

Ⓢ



**Mr. Shantanu Khosla\***  
Managing Director

Ⓢ

Ⓜ

\*Managing Director till April 30, 2023  
Executive Vice Chairman w.e.f. May 1, 2023



**Mr. Mathew Job#**  
Executive Director & CEO

Ⓢ

Ⓜ

#Executive Director till April 24, 2023  
CEO till April 30, 2023



**Mr. D Sundaram**  
Independent Director

Ⓢ

Ⓜ

Ⓢ

Ⓜ

Ⓜ



**Mr. P M Murty**  
Independent Director

Ⓜ

Ⓜ

Ⓢ



**Ms. Smita Anand**  
Independent Director

Ⓜ

Ⓜ

The Committees memberships and Chairmanships details as indicated are as on the date of this Report

Ⓢ Chairperson | Ⓜ Member

● Audit Committee Details | ● Corporate Social Responsibility Committee | ● Risk Management Committee  
● Nomination and remuneration committee | ● Stakeholders Relationship Committee | ● Key Managerial Personals



**Mr. P.R. Ramesh**  
Independent Director

Ⓜ

Ⓜ



**Ms. Hiroo Mirchandani**  
Independent Director

Ⓢ

Ⓜ

Ⓜ



**Mr. Promeet Ghosh\***  
Managing Director &  
Chief Executive Officer

Ⓢ

Ⓜ

Ⓜ

\*Non-Executive Non-Independent Director till  
April 23, 2023  
Executive Director w.e.f. April 24, 2023  
MD & CEO w.e.f. May 1, 2023

Key managerial personals



**Mr. Kaleeswaran Arunachalam**  
Chief Financial Officer



**Ms. Rashmi Khandelwal**  
Company Secretary &  
Compliance Officer

# A robust growth strategy

At Crompton, we have adopted a five-dimensional growth strategy to achieve our organisational goals. This strategy focuses on enhancing our brand, expanding our product portfolio, achieving marketing excellence, optimizing our operations and strengthening our human resources. By implementing this strategy, we aim to grow our business and provide our consumers with the best possible products and services.

### Brand excellence

Powered by a rich brand legacy, Crompton has adopted the approach of engaging with the consumer across the purchase journey, to not only build salience but also drive consideration and preference for the brand. The result is evident with Crompton growing its spontaneous recall across categories as well as driving higher discoverability on Google and Market place platforms (Amazon and Flipkart) and achieving multifold growth in website traffic. This has led to significant increase in brand scores across the consumer funnel.

### Capitals impacted



Intellectual capital



Social and relationship capital

### Portfolio excellence

The Crompton brand has long been associated with well-engineered products featuring cutting-edge technology. To keep the consumer at the centre of our innovation, we prioritise developing a deep understanding of consumers.

Leveraging expertise in exclusive design, technology and engineering, Crompton's products offer valuable solutions to consumers. The portfolio includes Anti Dust Fans, Backup Bulbs, Anti-Bacterial Bulbs, 3-in-1 Lights, Silent Fans and IoT Geysers, among others.

### Capitals impacted



Intellectual capital



Manufactured capital



Natural capital

### Go-to-market excellence

Crompton's Go-To-Market programme is a comprehensive strategy aimed at expanding the reach and improving the availability of products while ensuring the highest quality standards.

By focusing on the right product mix, placement and visibility, we aim to deliver an exceptional customer experience at every touchpoint. In addition to driving reach in traditional trade channels, we have invested in alternative channels such as Rural, E-Commerce and Merchant of Record, which have resulted in a robust growth rate. This helped us significantly improve our reach in all segments over the past five years.

### Capitals impacted



Social and relationship capital



Manufactured capital

### Operational excellence

We strive for operational excellence by strengthening our supply chain to ensure timely and cost-efficient product delivery. Unnati, an aggressive cost improvement programme, eliminates non-value-added costs to achieve cost leadership, while continuous process enhancement drives quality improvement at all levels. Our strong digital infrastructure enhances operational efficiency by enabling seamless integrated ecosystem. Through the Udaan programme, we eliminated waste across processes and delivering Crompton products to the market with optimal Total Delivered Cost, Quality and Service Levels.

### Capitals impacted



Intellectual capital



Manufactured capital



Natural capital



Financial capital

### Organisational excellence

Our objective is to establish a team of high-performing employees who are deeply committed to our organisational values and exhibit exemplary behaviour. We believe in empowering our employees by fostering an environment of inclusivity and recognition, which allows them to feel valued and appreciated. Our focus on providing opportunities for professional development enables us to nurture our employees and support them in their career aspirations. Our ultimate goal is to create a workplace where our employees can thrive and contribute to the growth and success of our organisation.

### Capitals impacted



Human capital



# Managing risks for sustainable growth

Crompton has implemented a comprehensive risk management policy and process to ensure it achieves its strategic objectives and sustainable goals. The process enables informed decision-making through risk assessment and management at all levels of the organisation. Crompton adopts both bottom-up and top-down approaches, covering the entire organisation, business units and functions. The Company’s enterprise risk management (“ERM”) framework helps it attain its targets and goals sustainably and profitably.

### Governance and oversight of risk management

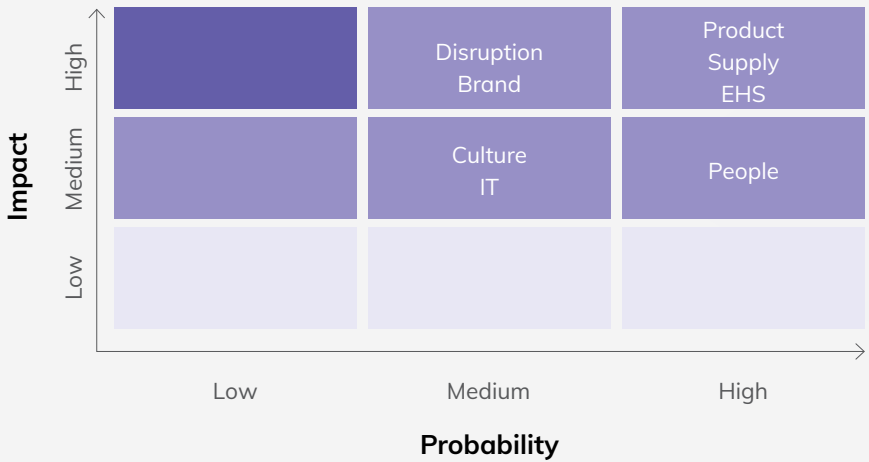
Crompton’s ERM Committee, chaired by an Independent Director, reviews identified risks bi-annually and guides the ERM head, who collaborates closely with business and functional teams to identify, monitor and execute agreed-upon risk responses. Meanwhile, the Risk Council, comprising senior functional leadership, reviews the major risks identified by the business and the status of mitigation actions, systematically.

Moreover, the Board Risk Management Committee (“RMC”) oversees our Risk Management Policy, framework and process, as well as the risk management structure and risk mitigation system. The Audit Committee ensures additional oversight on financial risks and the effectiveness of process controls.

### Enterprise risk management framework



### Risk assessment



### Product


#### Focus Areas

Energy Efficiency (Regulatory BEE norms)	Quality	Sustainability	Innovation
↓	↓	↓	↓
<b>Mitigating Measures and Current Progress</b>			
<ul style="list-style-type: none"><li>Redesigning and transitioning all models through process optimisation into energy efficient models in fans and water heaters to comply with the BEE norms</li></ul>	<ul style="list-style-type: none"><li>Laid down a structured KPI review mechanism through Quality scorecard covering targets on COPQ, PPR, IQC, TBR, PDI, IQP, SQP, VQP</li><li>Process of CQMS, DWM, Stop to Fix and Zero Tolerance implemented</li></ul>	<ul style="list-style-type: none"><li>Enterprise-level gap assessment done for sustainability</li><li>All new product development contains KPIs covering sustainability at stage gate level</li><li>DJSI application made for assessment rating</li><li>ESG committee to take next steps on KPI formulation as coming out from gap assessment study</li></ul>	<ul style="list-style-type: none"><li>Completed consumer immersions, collecting feedback and insights generating strategic focus on trend-setting smart technology and new products for energy efficiency, health, hygiene, comfort and convenience</li><li>Robust NPD version 2 implemented with automated PDM workflow to define and track KPI on revenue, margin, learnings and so on</li></ul>

#### Capital Linkages



Managing Risks for Sustainable Growth (contd..)

Brand

Focus Areas

Social Media Feedback

Service Quality

Counterfeit Product

↓

↓

↓

Mitigating Measures and Current Progress

- The Company has implemented a system of category listening and sentiment analysis to handle feedback
- Established Online Response Mechanism with a best in class response TAT to any feedback / query


- Wide and PAN India network of authorised service centres to address customer complaints on a priority basis
- Requisite trainings are given to service teams to cater to consumer complaints and improve service
- Monitoring process implemented for consumer satisfaction with a happy code index for service quality
- There is a program being driven to enhance the remote area coverage on consumer complaints

- Information about counterfeit issues is obtained by way of monitoring through market intelligence and statutory methods such a publication of trademark journals
- All actions are initiated basis methods defined in the IP Policy of Crompton and legal actions are initiated as appropriate

Capital Linkages

IC

SRC

Supply

Focus Areas

Import Risk

Production disruption & Single source dependency

Volatile Commodity Cost

↓

↓

↓

Mitigating Measures and Current Progress

- At an overall level, Import dependency for the Company has increased due to introduction of new business in Large Appliances
- A phased plan for development of local suppliers to minimize import dependency has been created
- Lighting division continues to depend on imports for component sourcing in line with industry practice

- Regular identification and development of alternate vendors and suppliers for key SKUs and component as part of the supply risk management
- Process underway for In house Design development for single source product. Currently the same is mitigated with alternate SKUs within segment
- Focus build on consolidation of vendor and supplier base

- Cost saving initiatives being driven across organisation to mitigate impact of Commodity cost volatility
- Procurement team constantly drive price negotiation to bring down the average price of purchase

Capital Linkages

MC

SRC

FC



Managing Risks for Sustainable Growth (contd..)



Disruption

Focus Areas

Competition	Distribution and Alternate Channel	Market share and Brand Investment
↓	↓	↓
Mitigating Measures and Current Progress		
<ul style="list-style-type: none"><li>Market share improvement and expansion into kitchen appliances on track</li><li>Launch of new segment such as built-in large kitchen appliances as per plan</li><li>As part of strategic plan, Company has acquired major shareholding in Butterfly Gandhimathi Appliances Limited, key player in South kitchen appliances market</li></ul>	<ul style="list-style-type: none"><li>Development of alternate channels including rural expansion and launch of D2C</li><li>Focus on omni-channel strategy with appropriate pricing mechanism</li><li>Enhanced digital footprint and capabilities through strategic partnerships with e-commerce platforms</li><li>Collaboration with B2B and Ecom platforms</li></ul>	<ul style="list-style-type: none"><li>All segments maintaining market share</li><li>Focus on digital campaigns in addition to mass media campaigns which is reaching planned saliency</li><li>Crompton continues to be No 1 player wrt. Numeric distribution ("ND") and Weighted distribution ("WD") in Fans category and for Lighting ND is stable and gain in WD</li></ul>

Capital Linkages



EHS

Focus Areas

Safety and Compliance

↓
Mitigating Measures and Current Progress
<ul style="list-style-type: none"><li>Strict adherence to statutory and regulatory compliances including e-waste management and EPR policy</li><li>EHS policy adherence at in-house and vendor locations being monitored by Internal Audits</li><li>Compliance status is checked by Internal Audit every year and reported to Board of Directors and Audit Committee</li><li>Compliance refresh to various laws is ensured on a regular basis as applicable.</li></ul>

Capital Linkages



Culture

Focus Areas

Diversity Engagement

↓
Mitigating Measures and Current Progress
<ul style="list-style-type: none"><li>Diversity and inclusion policy rolled out covering aspects of environment and recognition</li><li>Gender diversity is a key initiative driven through council formation including senior leadership</li><li>Aspects of environment led impacts included by creating gender neutral job description, support framework for expecting parents, gender neutral prevention of harassment policies, inclusive language in performance review sessions</li><li>Recognition is being made equitable across the employee base in pay equity, well being in benefits, promotions and succession planning</li></ul>

Capital Linkages



People

Focus Areas

Attrition management	Adequacy of Succession Planning	Contract Management
↓	↓	↓
Mitigating Measures and Current Progress		
<ul style="list-style-type: none"><li>Various programmes being run to address attrition and retention of key talents which include Great Manager certification and dealing with work stress</li><li>Focus on bringing work-life balance, fun at work and increasing rewards and recognition</li><li>Constant investment in various trainings on talent management towards upskilling &amp; reskilling</li></ul>	<ul style="list-style-type: none"><li>Job rotation plan and succession planning of key position with talent calibration is done</li><li>Structured leadership programmes are rolled out</li><li>Inclusion of D&amp;I agenda in the succession planning formats, as applicable</li></ul>	<ul style="list-style-type: none"><li>Initiatives in progress to maintain target ratio of labour across plants in progress through Automation, Outsourcing, hiring CGCEL trainees, NEEM deployment</li></ul>

Capital Linkages



Managing Risks for Sustainable Growth (contd..)



IT

Focus Areas

Data and Information Security



Mitigating Measures and Current Progress

- Our policies have been appropriately refreshed to cover for Data privacy requirements.
- Data Centre and Disaster Recovery (“DR”) is maintained at different location.
- Disaster Recovery drill for SAP is conducted annually
- AD/ SAP are hosted on our Data center and are DR enabled.
- For Cloud/ Saas based Applications, DR preparedness is complete for all 26 applications
- Data Protection Assessment is complete. Mobile Device Management and AzureAD Prem is implemented for conditional access for Microsoft apps
- A robust system is maintained towards access management of our critical IT systems
- User Access Review is completed in Crompton

Capital Linkages



Manufactured capital

Natural Capital

Intellectual capital

Human capital

Social and relationship capital

Financial capital

NON-CROMPTON USER

Crompton user

Crompton  
Mixer Grinder

THE **SECRET**  
OF **FINE TASTE**



## Managing Risks for Sustainable Growth (contd..)



### Internal control framework for process optimisation

We prioritise reinforcing financial and operational controls to enhance transparency, accountability and efficiency in our processes. We adhere to an internal control framework that includes key process coverage that impacts the reliability of financial reporting, periodic control testing to assure design and operational effectiveness, implementation of remedial measures and regular monitoring by senior management and the Audit Committee. Internal audits are conducted periodically and any design deficiencies or operational inefficiencies are reported and improvement measures are recommended. The adequacy of controls is reviewed by the Audit Committee and specific processes are assessed for improvement in systems and outcomes.

E-learning modules have been developed to keep employees informed of the Company's Code of Conduct, POSH compliances and whistleblowing rights. This ensures compliance and a controlled environment, while achieving our objectives. The Executive Director & Chief Executive Officer and Chief Financial Officer provide a certification statement in the Annual Report on the adequacy of internal control systems and procedures.

### Process controls with evolving SAP solutions

We are constantly working to enable IT in key processes, embedding major controls in SAP for accuracy. Third-party validation is initiated to ensure system configuration effectiveness. Periodic reviews are conducted to control authorisation to SAP, based on function-based user access supported by the Governance Risk and Controls module. Evolving SAP solutions are utilised for process controls, with continued monitoring through automations and exception management.

### Standardising processes for better decision-making

To ensure data and IT system security, we have implemented a single sign-on (SSO) feature for authorised access to our systems and applications. We are standardising processes across key functions such as Innovation, Design, Procurement and Quality for superior decision-making. Shared services for Accounts Payable process have been implemented to drive process improvement and better decision-making, with potential for expansion to other operational areas.



# Adapting for a better world

We have ensured that our business operations are not just feasible but sustainable and in alignment with the externalities that surround our business. We understand that our employees and consumers are essential stakeholders in our business and we take great pride in supporting them in every possible way.

We firmly believe that our commitment to ESG will help us build a sustainable, resilient and successful business that positively impacts the world around us. We will continue to uphold the highest standards of ESG, work towards the United Nations Sustainable Development Goals and abide by national laws and regulations to ensure that we contribute to the greater good and make a positive impact on the world.

## Resilience and adaptability through ESG



### Prioritising environmental impact

Our unwavering commitment to ESG principles has allowed us to become more resilient and adaptable in the dynamic global market. We take pride in our accountability towards environment, society and the economy, and have implemented initiatives such as reducing greenhouse gas emissions, minimising waste and conserving energy.



### Prioritising social responsibility

We acknowledge the importance of social responsibility and have made it our top priority to take care of our employees, consumers and communities. We have implemented various programmes that support the physical and mental well-being of our employees, promote D&I and ensure the safety of our consumers. Our Corporate Social Responsibility (“CSR”) is rooted in philanthropy of being responsible and shared value for all stakeholders. With sustainability at its core, our CSR efforts entail skill training, employee engagement, water conservation and community care development.



### Prioritizing strong governance practices

Strong governance practices are essential for building trust and maintaining long-term relationships with our stakeholders. We have therefore prioritised the implementation of transparent, ethical and globally accepted governance practices. We believe that strong governance practices are not only essential for maintaining the trust of our stakeholders but also for enabling us to achieve our long-term business goals.

## Key ESG priority areas



Energy Efficiency, Reduction in emissions and Responsible sourcing



Positive Organizational Culture



Employee Value Proposition



Ethical Business practices and compliance to laws and regulations



Customer Service Excellence

Based on these components, we intend to provide greener renewable solutions in a responsible manner in line with our purpose by taking into account our economic, environmental and social duties and ambitions. We aspire to empower the lives of our employees by creating a positive work atmosphere that enhances morale and increase productivity.

Through our dynamic product portfolio and systematic resource allocation, we want to provide our consumers a broad range of value propositions. By functioning with honesty and integrity, we intend to have an opportunity to build incredible trust and loyalty with the public, consumers, suppliers, industry partners, regulators, shareholders and other stakeholders in the business.



Adapting for a better world (contd..)

Initiatives for impactful ESG performance



Environment initiatives

Aims to improve energy efficiency to limit energy consumption and integrate renewable energy sources.

Innovation focuses on producing energy-efficient products, reducing emissions and optimising natural resources.

Significant energy reduction achieved across product lines, including fans, lighting, pumps and appliances.

Renewable energy infrastructure helps decrease carbon footprint and reduce power costs per unit.

Various carbon-neutral measures implemented to mitigate greenhouse gas emissions.

Dedicated to water conservation, implemented steps to reduce consumption and utilise zero liquid discharge system.

Improved material efficiency, eco-friendly packaging, waste recycling and waste segregation have reduced industrial waste and greenhouse gas emissions.

Efforts made to manage hazardous waste and dispose of e-waste responsibly.



Social initiatives

CSR initiatives centered around four key areas: skill development, community care, water conservation and employee engagement.

Skill and entrepreneurship initiatives provide training, placement assistance and entrepreneurship development.  
Examples: Project Nayi Disha and Project Swabhiman.

Community care programmes aim to alleviate poverty, education, health and environmental sustainability.  
Examples: Project Patang, Ujjwal Deep Scholarship and mid-day meal.

Water conservation projects focus on integrated watershed management, natural resource conservation and empowering drought-hit villages.

Upholding globally recognised human rights principles and standards.

KAVACH initiative implemented for comprehensive EHS strategy.

Safety and skill training for our employees, including disabled employees.

Inclusive workplace with supportive benefits and equitable job opportunities.



Governance initiatives

Policies, mechanisms and frameworks in place to ensure compliance with ethical, legal and moral standards.

Five value pillars: Personal Leadership, Innovation, Execution Excellence, People Development and Courage.

Included ESG-related risks as a part of our overall risk assessment.

Anti-Bribery and Anti-Corruption Policy in place; conducts related training and awareness for employees.

Code of Conduct for workplace practices, regulatory compliance, ethical behavior and reporting mechanisms; applies to all employees and directors.

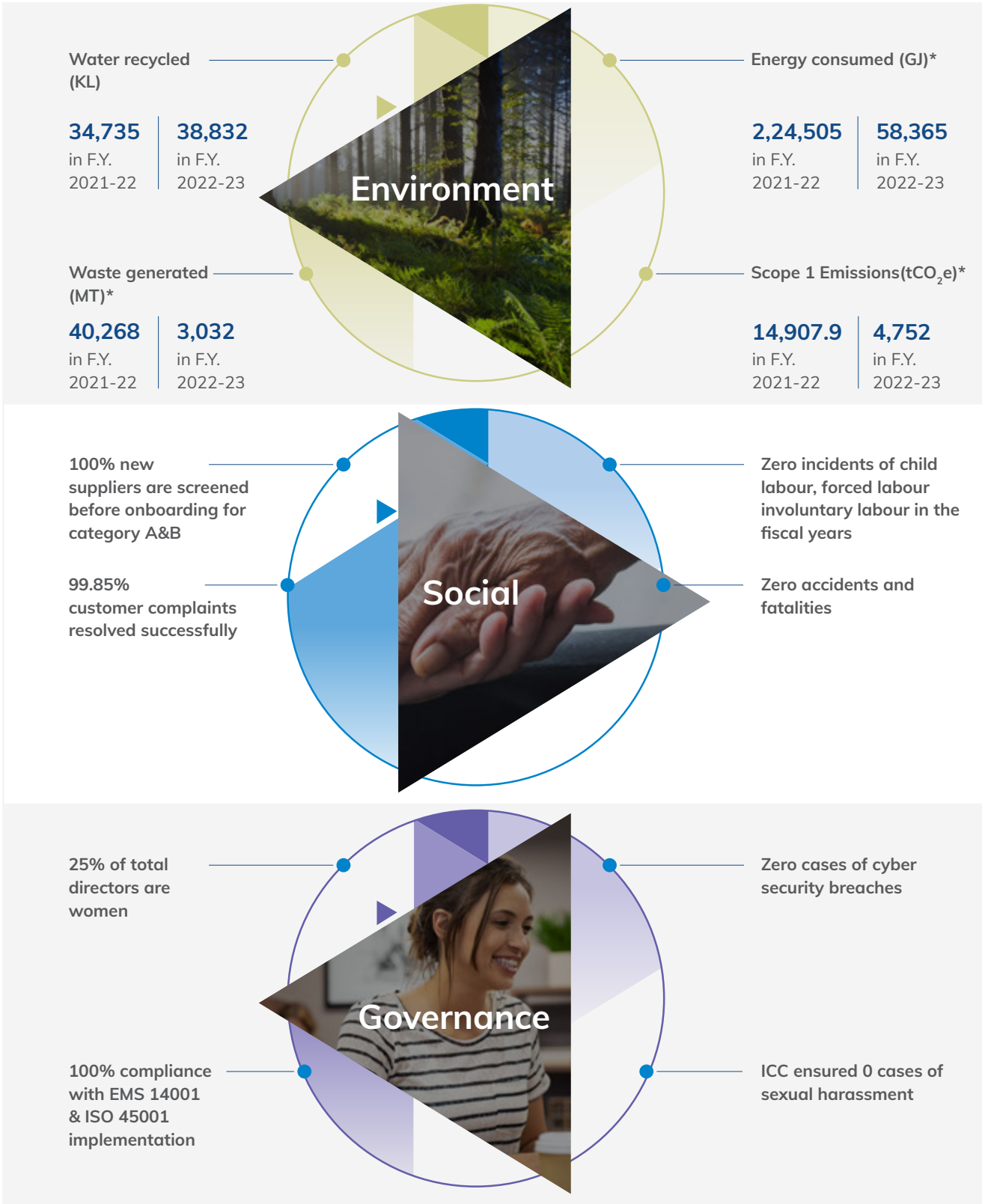
Whistle-blower policy in place for disclosing unethical behavior, fraud, or violations of Company's Code of Conduct without fear of reprisal.

Prevention of Sexual Harassment policy and Internal Complaints Committee ("ICC") for addressing complaints.

Intellectual property strategy to support research activities and reward innovators.

Privacy statement explaining how customer data is collected, used and shared.

Progressive and transparent ESG metrics



\*Significant decrease is due to stoppage of glass manufacturing in Baroda

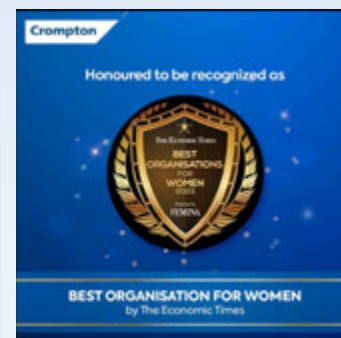
# Awards and Recognition



Indian Digital Media Awards (IDMA) awarded Crompton's search campaign on digital for the **'Best SEO for website/universal search ranking and SEM Strategy'** among more than 1,700 entries



Crompton won **2 exchange4media Prime Time awards**  
Crompton SilentPro - 'Play to Win' campaign in the Media category for the **Best Use of Sports Channel**  
**Creativity award** in the Consumer Durables & Electronics sector for our Ceiling Lights 'Mood Jaisa, Lighting Waisa' campaign



This recognition is a testament to our commitment to fostering an inclusive and supportive work environment for all employees. **We are proud to be recognized for our efforts and we look forward to continuing to support and champion women in the workplace.**



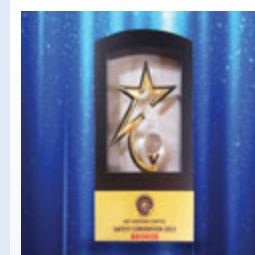
CGCEL Baroda plant won a **Bronze Award in Safety Convention** organised by **Quality Circle Forum of India**, Vadodara Chapter held at Baroda.



Crompton is amongst the only ten companies to be recognised under the **"Next Leaders"** category by the Institutional Investor Advisory Services (IIAS)



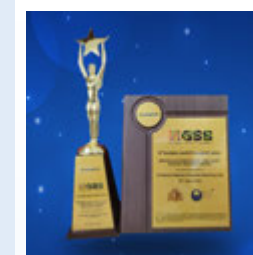
Crompton along with its agency partner HiveMinds won **Flipkart's Silver Jury Award under the MELD (Best Media Mix) category**



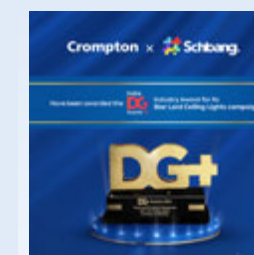
This is the fifth consecutive year that **Crompton Pumps has been voted & awarded as Superbrands.**



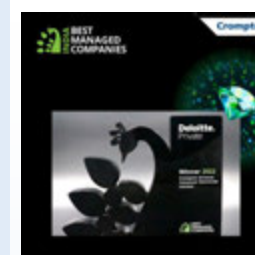
**Gomanth Sarvach Suraskha Puraskar** award for F.Y. 2022-23



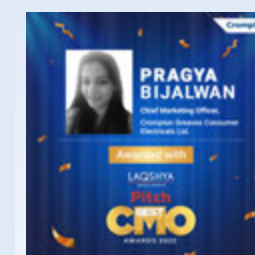
**National Safety Award from Global Safety Summit 2022** in the Consumer Electricals Sector



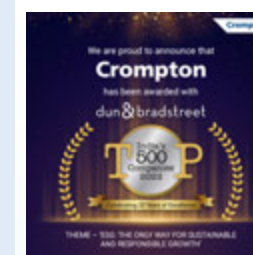
Crompton along with its agency partner Schbang won the **ET Brand Equity DigiPlus award** for Consumer Durables and Electronics category.



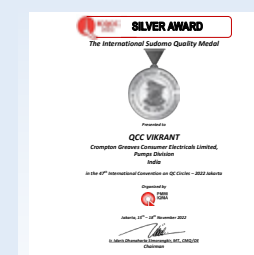
Crompton won the coveted title of **'India's Best Managed Companies'**



Crompton's CMO, Pragma Bijalwan, was awarded **'The Pitch Best CMO Award 2022'**



Crompton ranked among **Dun & Bradstreet India's Top 500 Companies 2022**



**Three teams** from our Crompton pumps participated in the **47th International Conference on Quality Circle at ICQCC (Jakarta, Indonesia)**, all of which won the **'Silver award'**



We have been conferred with the **"Navabharat CSR Award 2023 for excellence in CSR Activities"**. The award was given in the august presence of the Hon'ble Governor of Maharashtra, Shri Ramesh Bais, Hon'ble Deputy Chief Minister of Maharashtra, Shri Devendra Fadnavis & Hon'ble Speaker of Maharashtra Legislative Assembly, Shri Rahul Narvekar.



We deploy all our resources strategically in order to build a business model that is resilient and can create sustainable value for all stakeholders.



Financial capital



Manufactured capital



Intellectual capital



Human capital



Social and relationship capital



Natural capital



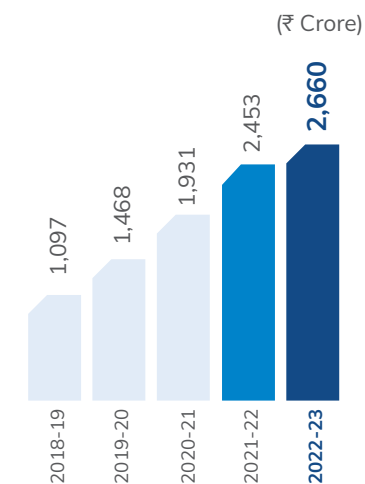
# Financial Capital



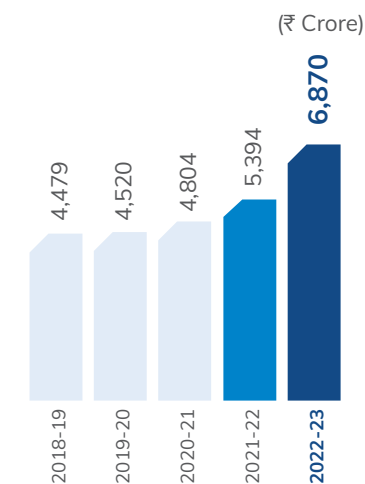
At Crompton, our prudent capital allocation and strategic financial decisions have accelerated our growth trajectory. We consistently endeavour to maintain a strong liquidity position, healthy balance sheet and steady free cashflow. Stringent cost efficiency measures and diligent focus on deleveraging our balance sheet have helped us stay on track and deliver consistent value to stakeholders.



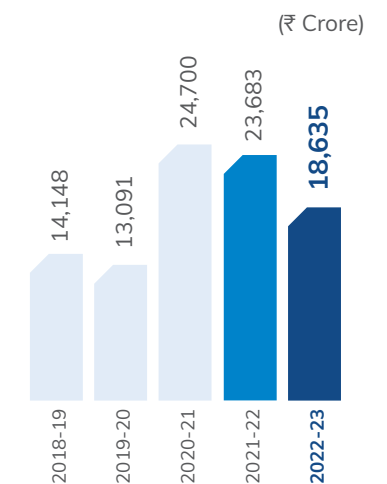
## Net Worth



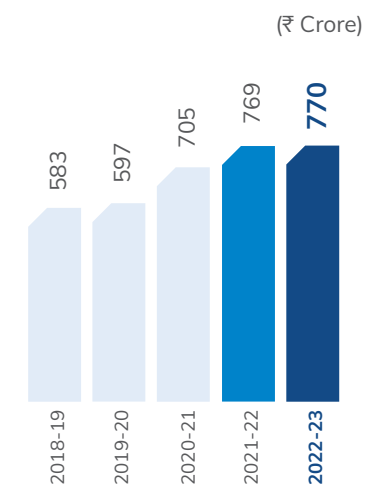
## Revenue



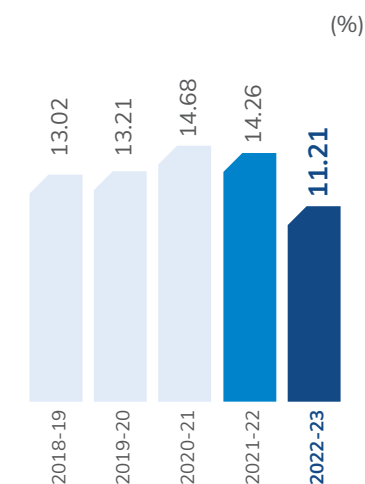
## Market capitalisation



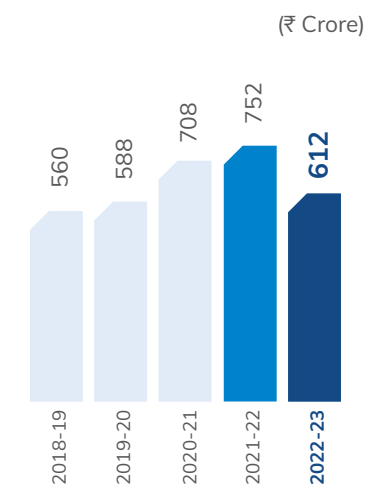
## EBIDTA



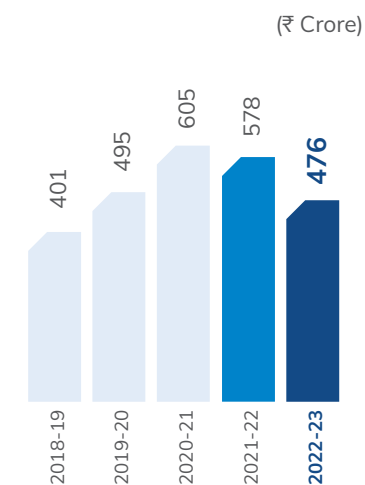
## EBIDTA margin



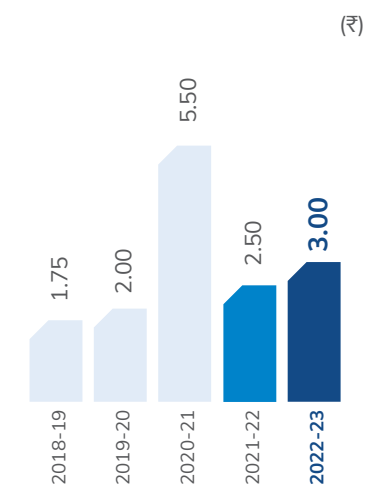
## PBT



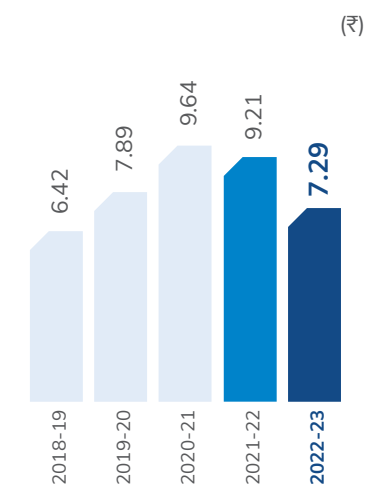
## PAT



## Dividend per share



## Basic EPS

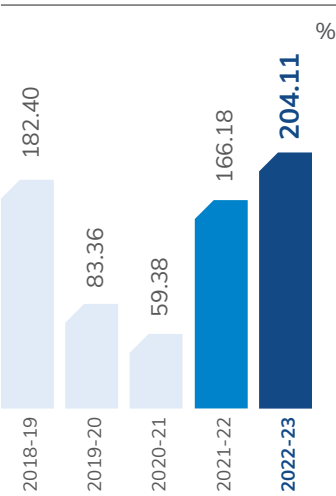


Note: All numbers are consolidated numbers.

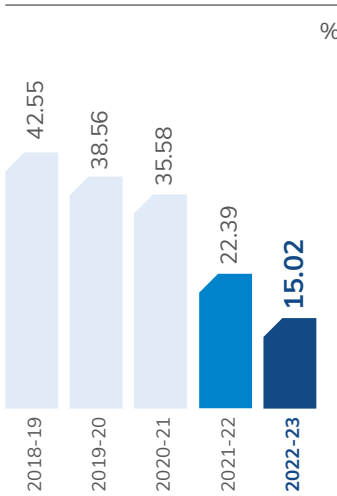


Financial Capital (contd..)

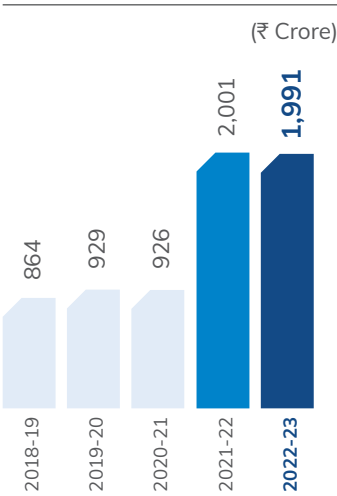
ROCE



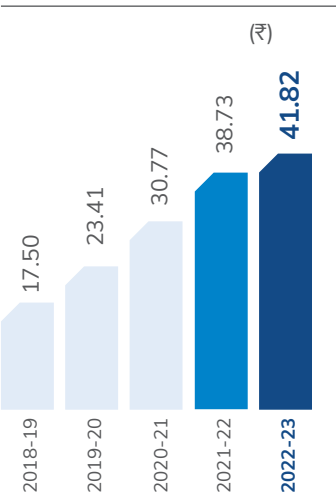
ROE



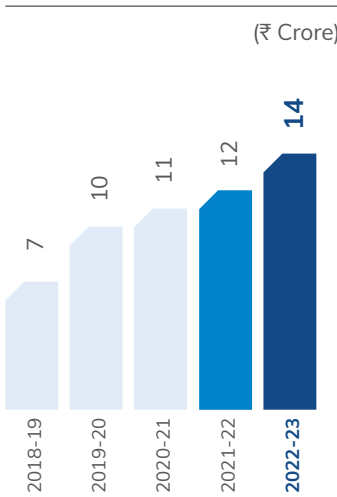
Net fixed asset



Book value per share



CSR expenditure



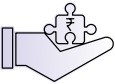
Note: All numbers are consolidated numbers.

Project Unnati

The powerful and aggressive cost improvement programme, 'Project Unnati' was launched to identify new cost-saving opportunities. This flagship programme has successfully enabled us to continuously benchmark ourselves against best industry practices and emerging technologies in terms of material and process cost over the last five years. The programme continues to entail cost savings in a variety of areas, resulting in more efficient operations and better-quality assurance. To reduce operational costs, we have implemented several initiatives as a part of this project. The cost-saving programme has helped us secure market-competitive product pricing, while mitigating fluctuating commodity costs.

**₹248 Crore**  
Cost saving in F.Y. 2022-23

Broad themes of UNNATI project are as follows



Buying Strategies

- Alternate vendor development
- Cost sheet-based negotiation
- Bundling of materials
- Bundling of geographies
- Low-cost country sourcing
- Consortium based purchase
- Reverse auction/ E-Auction
- Commodity index-based purchase



Process Improvements

- Increased utilization of purchased items
- Rationalization of under-utilized items
- Proactive demand management
- Material order lot planning
- Compliance to policy and regulations
- Plant process norms optimization
- Transparency through central consolidation



Commercial Terms

- Price equalization
- Discounts based on Annual contracts
- Credit/ Tax benefit pass back
- Payment terms and duration optimization
- Tax efficient procurement
- Share of business between vendors
- Hedging to counter volatility
- Centralized sourcing for suppliers



Technical Modifications

- Standardization of SKUs
- Change of specifications
- Change of material of construction
- Move to better alternate products
- In-house vs Outsource
- Equipment efficiency measures
- Network flow optimization
- Market based material re-engineering

# Manufactured Capital



At Crompton, we invest in attaining operational excellence by improving efficiency, optimising raw material mix and reducing the waste generated. Prudent investments in infrastructure, extensive research and development strengthen our manufactured capital. We adopt the latest technology to ensure optimum productivity and faster product launches.



At Crompton, our manufactured capital comprises our state-of-the-art manufacturing units and facilities that ensure uninterrupted delivery and productivity.

A 50,000 square feet state-of-the-art research and development centre in Vikhroli, Mumbai, helps enhance our capabilities in enabling world-class innovation and further optimise product efficiencies. It further accelerates the Company's efforts in driving innovation across its flagship product lines in fans, appliances, pumps and lighting. The acquisition of Butterfly was yet another significant milestone last year, which brings enormous value to our product line while creating cost efficiencies and expanding our production footprint.

## Manufacturing facilities

Our four state-of-the-art production facilities are equipped with the latest machinery, enabling us to consistently deliver high-quality products. The acquisition of Butterfly has further complemented our appliance manufacturing capabilities through synergistic collaboration. We have introduced advanced grinding machines featuring cutting-edge technologies, including automated dressing, adjustment and online inspection. The integration of these automated features is instrumental in optimizing operations, minimizing errors and increasing overall efficiency and output.

Goa	Himachal Pradesh (Fans)	Baroda (Lighting)	Himachal Pradesh (Lighting)	Ahmednagar	Chennai (Butterfly)
Product lines					
8	5	7	5	4	15
Manufacturing capacity (Per Month)					
1,045,110	863,225	4,647,763	3,554,488	43188	3shift -1372000 2 shift - 980000
Capacity utilisation (in %)					
32.7	14.1	48.2	51.9	25.3	3 shift - 32% 2 shift - 45%

## Project Udaan

The programme is designed to bring our products to market at the lowest possible cost, while maintaining best-in-class quality and service standards. The objective is to be among the best-in-class by 2026 by aggressively eliminating waste across processes from order to delivery and from concept to launch. Across a five-year horizon, the project aims to recalibrate the business model by focusing on the following work areas:



Focus on manufacturing excellence towards improved throughput, productivity, cost and quality performance



Augmented manufacturing network capable of delivering products (finished goods, components) in line with cost, quality and service levels



Optimise 'Make v/s Buy' portfolio configuration, considering product criticality and the supply chain ability



Sourcing excellence initiative, aligned to the requirements of the overall supply strategy (finished goods, components), considering cost, quality and service levels

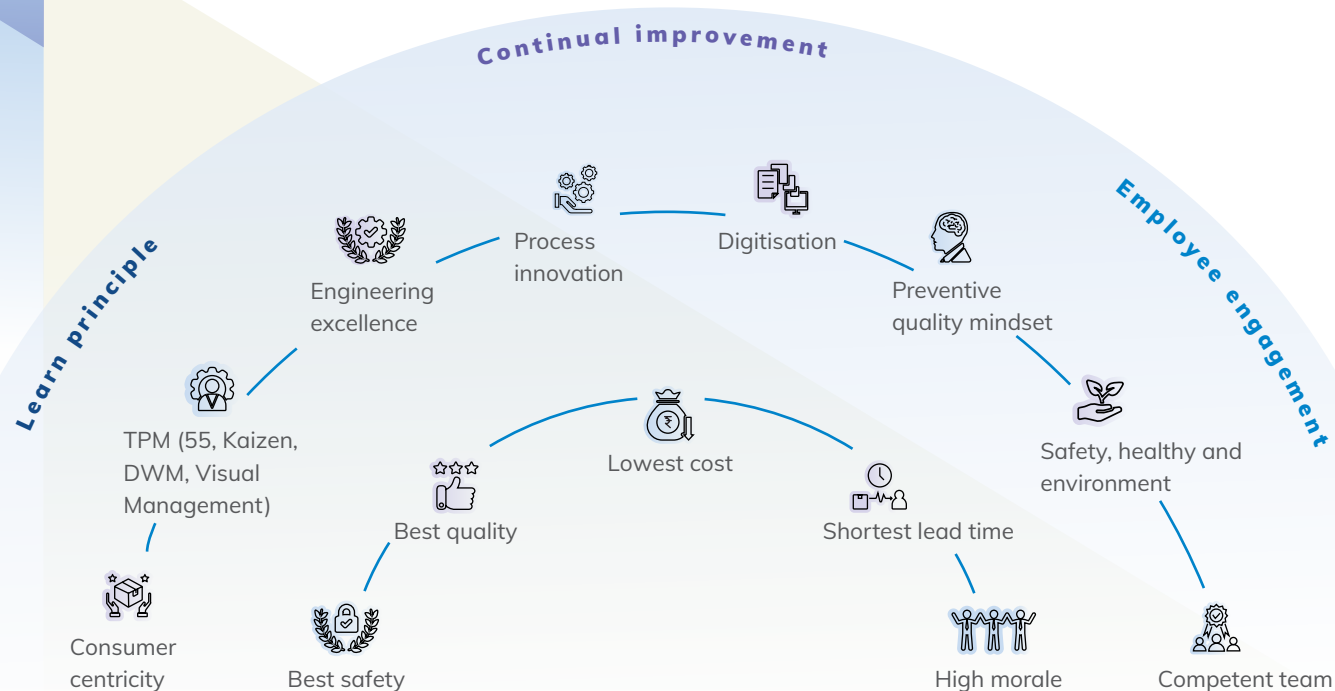


## Manufactured Capital (contd..)

The broad framework defines specific objectives to be delivered based on below 3 themes



The implementation of the projects are based on the foundation of lean principle, continuous improvement and employee engagement. Consumer centricity, TPM, engineering excellence, process innovation, digitalisation, preventive quality attitude, competency development and EHS are among the eight excellence pillars underlying the initiative.



The programme is on track, with a dedicated cross-functional team working to fulfil the defined goal of achieving manufacturing excellence across all vendors, suppliers and manufacturing locations.

## 62

Projects identified for UDAAN in F.Y. 2022-23

### Maximising productivity

At Crompton, we follow a lean manufacturing concept through which we try and maximise productivity while reducing waste. We try to eliminate waste at every stage of the process, from design through product conceptualisation, raw material sourcing and final shipment. As a result, every stage of the product's life cycle and process adheres to the lean manufacturing approach.



We look for processes that provide robust machine capabilities and are highly productive to achieve the appropriate quality outcomes based on product requirements



We look for eco-friendly processes to reduce the environmental footprint of our manufacturing



We emphasise on robust automation and digitisation



We outsource the non-critical processes with the help of suppliers around the plants

### Leveraging technology for operational excellence

The Company's manufacturing excellence is driven by the adoption of technology in multiple facets. Crompton implemented automation across its production lines to enhance efficiency, productivity and consistency. Additionally, data analytics is deployed to gain critical insights into its manufacturing processes, allowing the Company to identify areas for optimisation and improvement. Crompton also leverages advanced materials and technologies to develop innovative products that meet the evolving needs of its consumers. These initiatives align with the Company's mission to enhance its manufacturing prowess through the use of technology.








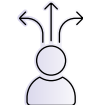


Manufactured Capital (contd..)

Robotic automation for ceiling fan assembly

The Company embarked on a strategic implementation of automation, while preserving its established floor footprint. This decision has yielded remarkable results, with significant enhancements to Crompton's operational efficiency and product quality.

The Company takes pride in this achievement, which stands testament to its unwavering commitment to meeting and surpassing the expectations of its stakeholders. The proposed value addition through robotic automation is explained below:

 <p><b>Production volume enhancement</b></p> <ul style="list-style-type: none"><li>Existing assembly line capacity of <b>2,480</b> ceiling fan motors in a single shift</li><li>Proposed automation line assembly capacity of <b>4,500</b> ceiling fan motors in a single shift</li></ul>	 <p><b>Reduction in manpower utilisation</b></p> <ul style="list-style-type: none"><li>Existing assembly line requires <b>28</b> operators</li><li>Proposed line automation will require <b>7</b> operators</li><li>Productivity improvement <b>89/ man/ shift to 643/ man/ shift (700% increase)</b></li></ul>	 <p><b>Skilled manpower optimisation</b></p> <ul style="list-style-type: none"><li>Existing assembly and testing line required 70% skilled manpower considering the core job</li><li>Proposed line automation will deskill all assembly and testing related activities</li></ul>	 <p><b>Error proofing the quality process</b></p> <ul style="list-style-type: none"><li>Proposed line automation will improve overall in process quality during assembly process</li></ul>
 <p><b>Improved ergonomics</b></p> <ul style="list-style-type: none"><li>In the existing process part handling between stations is <b>Manual</b></li><li>Proposed robotic automation line will have <b>automatic part movement</b></li><li>Customised grippers on the robot ensures zero damage during part handling and provides accuracy, and repeatability to process</li></ul>	 <p><b>Compliance with labor laws</b></p> <ul style="list-style-type: none"><li>Proposed automation line will have 100% compliance</li></ul>	 <p><b>Data tracibility and Industry 4.0 enabled solutions</b></p> <ul style="list-style-type: none"><li>The proposed line will have latest industry standard <b>Industry 4.0</b> features for data management with traceability</li></ul>	 <p><b>Increased line flexibility</b></p> <ul style="list-style-type: none"><li>Proposed automation line will produce <b>multi-model induction</b> motors with limited changeover</li><li>This multi-model line can be modified for other <b>technology (BLDC)</b> adding EP testing and Magnetisation equipment</li></ul>

Green operations

We made investments in green and sustainable technologies at Crompton this year and intend to continue doing so in the future. In addition to emphasising on the conservation of limited resources and minimising harmful emissions, our strategy also focuses on sustainable management at all stages throughout the value chain and the life-cycle of the products.

We have eliminated plastic and thermocol during packaging as they pose a great danger to landfills.

Partnering for excellence

In pursuit of sourcing excellence, we have made significant progress in monitoring vendor performance through the implementation of a vendor scorecard. This scorecard evaluates vendors based on key parameters such as cost, quality and delivery. The Vendor Performance Index ("VPI") is derived from the vendor scorecard and serves as a crucial metric for assessing vendor performance. We are actively working on improving the VPI score of vendors to achieve a minimum threshold of 75%. To achieve sourcing excellence and maintain strong vendor relationships, we give preference to vendors that score high on the VPI, ensuring effective vendor strategy/management.

Additionally, we are committed to attaining quality excellence at the vendor's end. External agencies have been engaged to assess vendor performance and action plans have been formulated to enhance internal deliverables such as PPR (Product Performance Review), TBR (Test Bed Rejection) and VQP (Vendor Quality Performance). These internal improvements serve as the foundation for enhancing lead indicators like VPI. We have taken several initiatives to enhance quality, including the release of a quality manual, the implementation of a zero-tolerance policy and the establishment of a Bill of Material validation process.

Moreover, the digitalisation of all vendor data on a dedicated vendor portal has been carried out to facilitate improved quality at the vendor's location. During the BEE (Bureau of Energy Efficiency) transition in fans, we collaborated closely with vendors. The design and quality representation team from Crompton worked alongside the vendor design and quality team throughout the entire production process, from the initial gate to the final productionisation gate. To ensure the delivery of high-quality products, we ensure that all critical parts designs are approved by the design team and that procurement of critical parts is exclusively carried

out by CGCEL-approved suppliers. Moreover, in a strategic move to reduce dependency on vendors, we have acquired ownership of tools and moulds, thus mitigating potential supply chain risks. These initiatives collectively highlight our commitment to sourcing and quality excellence.

New BEE rating- a trend towards sustainability

The obligatory BEE rating for ceiling fans will encourage larger institutions to adopt energy-efficient solutions. Public awareness will also be ensured by the widespread deployment of these energy-efficient fans. The lower cost of fans will also appeal to large-scale industrial clients such as the textile sector as well as other industries with significant energy expenditures that may be directly related to ceiling fans.

Addressing the trend

We believe that brands should be able to match the consumer demand for environment-friendly and energy-efficient solutions. We are an eco-conscious brand and offer a variety of eco-friendly ceiling fans as India's largest ceiling fan manufacturer. With a BEE 5-star rating, Our ActivPower induction motors technology and ActivBLDC (Brushless Direct Current) technology ceiling fans are among the most energy-efficient options available in the market.

~74%

Fans business transitioned to the new BEE norm



Super Efficient Motor

Active components like windings, stampings and other components. make the motor more efficient with up to 25%+ higher efficiency.

Longer Motor Life

With up to 50% less heating this motor is cooler as compared to a regular fan motor, resulting in its long life.

We took the following initiatives and quickly adapted to the new standards.

 <p>Strengthening R&amp;D infrastructure</p>	 <p>Change in active materials</p>	 <p>Strengthened logistics</p>	 <p>Enhanced the reach of products</p>
 <p>Dedicated testing facility</p>	 <p>Invested in new manufacturing lines</p>	 <p>Reskilled the workforce</p>	



Manufactured Capital (contd..)

Supply chain and logistics

Maintaining a robust and sustainable supply chain is critical to meeting our long-term objectives. Several measures were put in place to fortify our supply chain processes and make them more efficient and secure.

Our robust supply chain comprises thorough SOPs and a vendor on-boarding procedure, as well as a scorecard to monitor KPIs for strategic vendors and suppliers, transporters and carrying and forwarding agents (CFAs). To achieve best-in-class inventory management, we will continue to prioritise warehouse modernisation, logistics digitalisation, better automation in procurement, physical distribution and integrated business planning.

Supply chain planning

- Demand Planning - Consensus planning with sales team through SNOP process
- Supply Planning - Production or Procurement planning (Make or buy analysis)
- Dispatch Planning - Direct dispatch to branch or warehouse



Quality assurance

We strive for operational excellence by implementing key quality improvement programmes such as 5S, Quality Circles, Daily work management, Glass Wall and continuously challenging status quo in every aspect of Crompton's Value chain be it inhouse or outsourced locations. We have deployed Six Sigma approach to improve our problem-solving capabilities. This entails providing advanced statistics and project management training to teams in order to enable them to solve complex quality problems.



5S

The 5S (Sort, Set in Order, Shine, Standardise, Sustain) technique, a Japanese idea of workplace management, has helped simplify the movement of people and goods, consequently bolstering employee safety, morale and productivity. It also contributes to an improved plant visualisation.



Quality Circles

The Quality Circles project was created to address challenges that arise on the shop floor. A large proportion of these challenges are resolved amicably by frontline personnel as they are most familiar with the task and process.



Daily work management

Daily work management focuses on the day-to-day activities that must be maintained for quality. This effort has been implemented for the quality functioning of manufacturing operations to achieve top-notch audit outcomes. The drive is to resolve safety, quality, process and supply issues on priority within 24 hours with clear ownership.



Glass Wall

The main performance metrics are diligently presented on dashboards in all factories and functional departments as part of the Glass Wall concept. These metrics are assessed regularly and remedial actions are taken to address performance gaps.



Structured problem-solving initiative

The structured problem-solving project aims to solve complex problems through cross-functional team collaboration. This project for continual improvement includes seven core quality management tools with complex problems requiring the deployment of Six Sigma Methodology, like in the case of warranty failure reduction. This year we have closed ~ 30 projects utilising this technique.

Integration leading to sustained business success

To help streamline our processes and maintain compliance with numerous standards and laws, we implemented an Integrated Management System ("IMS"), a comprehensive framework for integrating multiple management systems into a single integrated solution. The system integrates our quality, environmental, along with health and safety management systems into a single platform for management.

IMS is intended to ensure that our operations run seamlessly in a hassle-free manner. The emphasis is always on customer satisfaction, environmental responsibility and employee safety. IMS assists us in conforming to a variety of international standards, such as ISO 9001 (Quality Management), ISO 14001 (Environmental Management) and OHSAS 18001 (Occupational Health and Safety Management). We continue to monitor and improve our processes and systems basis the updates from around the world and benchmarking BIC companies, to ensure sustained business results.

In the fiscal year, we have upgraded and launched nearly 12 processes across the value chain under a framework of Crompton Management System (CMS), including revised NPD requirements from Central Quality function , Vendor Quality Manuals, Stop to Fix Policy framework, Layered Process Compliance systems, Manufacturing Quality Audit systems and governance in a Digital Way.

Project Delight

We have launched Project Delight — a cross-functional continuous improvement programme that aims to enhance product quality and performance through Six Sigma tools and techniques. Our approach involves leveraging the best talent within the organisation to identify and solve problems, utilising key performance indicators such as Product Performance Report (PPR) score and lead indicators like Pre-Delivery Inspection (PDI) percentage. Our initiative is based on the principles of Standardisation, Simplification and Harmonisation of processes, policies and systems.

30

Quality Improvements projects executed in F.Y. 2022-23

15%

Reduction in PPR in Pumps business

10%

Reduction in PPR in Lighting business

Crompton Problem Solving in 12 key steps

- |  |   |                           |
|--|---|---------------------------|
| 1 Problem Definition (Project Charter) | 5 Analysis of the Problem ("CED")                               | 9 Determine the CAPA      |
| 2 Reason for selection of theme        | 6 Causes Validation   | 10 CAPA Effectiveness     |
| 3 Target setting                       | 7 Finding the Root Cause for Occurrence & Detection             | 11 Standardisation        |
| 4 Understanding of current situation   | 8 Why-Why analysis of the Root Cause for Occurrence & Detection | 12 Horizontal replication |

# Intellectual Capital

Innovation is the fuel that drives our business and our priorities are set by a deeper understanding of consumer requirements. We innovate to bring a vibrant range of products to the market that stands out on the strength of their aesthetics, functionality and energy efficiency. We have strengthened our R&D with the three-pronged approach of human capacity development, enhancing process capability and vitalising the infrastructure.



## New product development

The Company has dedicated teams for new product development across all our business segments. The teams bring to the table expertise in design, development, project management and product testing. The teams work on roadmaps spanning 12-18 months and remain agile, prioritising the delivery of products with superior consumer features, experiences and performance compared to the Company's competitors. They ensure that the products comply with current government regulations for safety, performance and reliability. We employ various engineering tools and software to constantly upgrade our knowledge and skills.

**15%**  
Revenue – Products launched in the last 12 months






**50%**  
Revenue – Products launched in the last 36 months

Energy efficiency	Health and hygiene	Smart connectivity	Consumer centric design
Energy consumption	Healthy cooking and grinding	Smart appliance	Comfort and convenience
Water consumption	House hygiene	Smart features	Adding exciting feature
Energy efficient materials			Redefining user perception

## R&D infrastructure

The Company has commissioned its largest R&D centre, Crompton Experience and Innovation Centre in Vikhroli, Mumbai. It will help Crompton bring best-in-class technologies to provide innovative and sustainable solutions to meet everyday needs. The Centre is powered by cutting-edge technology, smart testing technologies and advanced IoT energy efficiency capabilities that fuel product development to address the evolving aspirations for consumers.

## Key capabilities of the R&D centre

 NABL-accredited lighting lab	 Noise and Vibration simulation
 Testing and designing of BLDC motors controllers	 Materials Technology
 Open Innovation	

**~50,000 sq. ft.**  
R&D centre area

**141**  
R&D employees



Intellectual Capital (contd..)

At Crompton, we have invested in the development of a robust laboratory infrastructure, which has enabled us to conduct in-house 83% of product application tests. This has helped us to improve manufacturing capacity, sales and R&D efforts by providing more accurate and timely test results.

As a future-focused organisation, we have also invested in thermal engineering

activities to improve our product performance. These activities have helped optimise product designs and improve energy efficiency, resulting in better customer satisfaction and reduced energy costs. Many of our products have digital enhancements, enabling us to improve product performance and customer experience. Digital products have features such as remote control

and monitoring, making them more convenient for consumers to use.

Crompton's water heater laboratory is in the process of obtaining NABL certification. This certification is a recognition of the laboratory's ability to provide accurate and reliable testing results, which help improve the quality of our products and services.



Technology collaboration at Crompton

Open innovation is a crucial practice at Crompton as it enables us to enhance the diversity of perspectives and expertise, while directly engaging with consumers and partners for valuable feedback.

Technology collaboration serves as a fundamental pillar of open innovation, where we curate problem statements and run thematic challenges with external entities such as startups, academia, individuals, consumers and partners. This entails sharing knowledge and information about challenges while seeking solutions and suggestions from outside sources. We evaluate these solutions based on our organisation's priorities and develop working prototypes accordingly.

In a noteworthy collaboration, we have successfully launched the inaugural Startup India Design Challenge in partnership with Start-Up India. Additionally, we have established collaborative initiatives with renowned institutions such as ARAI (Automotive Research Association of India) and IIT Kharagpur, focusing on critical areas of technology through project-based engagements. These strategic collaborations enable us to maintain a competitive edge by staying at the forefront of fundamental technologies that are applied in our exceptional range of products.

Encouraging the zest of startup India

Crompton launched the first-ever Startup India Design Challenge in collaboration with Start-Up India. Through this competition, the Company encourages budding startups and entrepreneurs to identify innovative technologies and business ideas that will transform the future of the consumer electrical industry.

80+ Startups participated

4 Startups were declared winners

3 Startups were shortlisted to work on prototypes

2 Startups have submitted the working prototype

Consumer-centric innovation

Consumer insights across categories are crucial for new product innovation. We strive to bring the right products to consumers with maximum agility, as well as to build long-term product plans and cohesive roadmaps. Our products are distinct, offer significant customer benefits, are known for exceptional performance and are developed with the user in mind. Our design philosophy ensures the most effective interplay of

ergonomics, function, utility and form to deliver a portfolio that covers a broad range of product feature benefits and price points.

Fans

The Bureau of Energy Efficiency (BEE) mandatory norms on the energy efficiency ratings for ceiling fans started from January 2023. This had a significant impact on our operations, as we had

to undergo design change, certification and listing on BEE website and manufacturing at the factory. Our robust R&D capability allowed us to achieve this fleet on time and we upgraded our products to meet the BEE ratings.

300+ SKUs upgraded to meet the standard

At Crompton, we introduced our flagship products with brushless direct current ("BLDC") technology with IOT integration. This enabled us to offer a number of items that were both linked and aesthetically beautiful.

Energion Roverr range of fans (IOT and Non IOT)



SilentPro Blossom range of fans (IOT and Non IOT)



Recognition for design and innovation

SilentPro Blossom range of fans won the prestigious Red Dot award for their design and innovation in Crompton's fan category.

We also launched new range of aesthetic ceiling fans

Montania

Part of our entry level decorative range of ceiling fans



Versa

High-Speed fans with various metallic colours and offering the anti-dust feature is a part of our decorative fans



Groove

BLDC-powered model offering excellent energy savings with superior aesthetics and air delivery

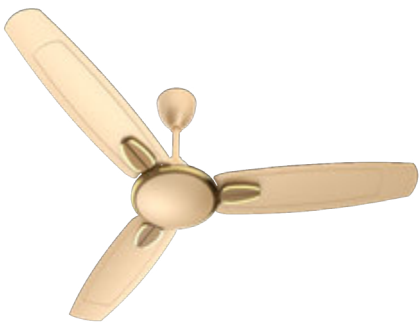


Intellectual Capital (contd..)

Rover

Part of our Energion series with its ActiveBLDC technology. It offers beautiful aesthetics with energy saving.

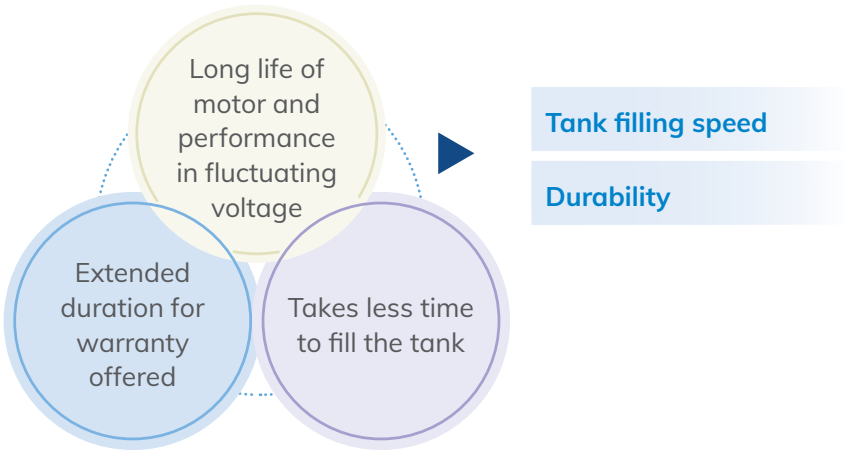
Lilac1200 sweep



Our new range of highly energy efficient fans, Energion groove, Chrome air comes with remote and regulator options with power consumption of 28 Watts.

Pumps

As a futuristic Company, we have completely redefined the brand architecture in the ‘Mini’ category of pumps following detailed consumer research. The consumer insights enabled us to come up with the key drivers of ‘Tank filling speed’ and ‘Durability’.



Attributes	Ceaseless Innovation
Long life of motor	Anti-Drip Adaptor (To prevent water entry into motor)
Protection from failure due to inactivity	Hybrid Winding (High starting torque to overcome Jamming)
Consumes less electricity	Energy Efficient Pumps
Anti-jamming of pump	Use of SS insert and CED coating (Prevents pump from jamming)

We developed the Plus and Dura pump series in the mini category, based on the redefined brand architecture. The products were carefully designed to specifically address consumer concerns, including the common occurrences of pump jamming and motor failure. To mitigate these critical issues, we implemented an array of innovative and patented technologies such as the Anti-jam Winding, ADDS Adaptor, Anti-jam Inserts and CED coating.

New products that we have launched comprise:

Champ Plus I & II (Surefill Plus)



Star Plus I & II (Rapidfill Plus)



Master Plus I & II (Turbofill Plus)



Champ Dura I & II (Surefill Dura)



Star Dura I & II (Rapidfill Dura)



Master Dura I & II (Turbofill Dura)



We also launched the following agricultural pumps:

2HP Centrifugal Monoblock



Janata Submersible Pumps (Ultima Series)



1.5HP Centrifugal Monoblock (Magna Series)



Openwell Agro Pump (Ultima Series)



31 SKUs

Received BEE certification for energy efficiency across different categories (Monoblock-7, Openwell- 4, Borewell - 20)

56 SKUs

Received BIS certification (ISI marking) across different categories (Monoblock-1, Openwell- 5, Borewell - 50)



# Crompton's Small Domestic Appliances Range For Every Days Convenience



Intellectual Capital (contd..)

Appliance

In the appliance segment, Crompton launched multiple-mode water heaters, oven toaster grills (OTG), digital air fryers, 800 W mixer grinders, copper motor mixer grinders and sound comfort air coolers.

Water heaters

New product launches in storage water heaters

Amica Plus (10L/15L/25L)



Amica Classic (15L/25L)



In storage water heaters, we have strengthened our premium offerings by launching

Solarium Care (10L/15L/25L)



Solarium Qube IOT (15L & 25L)



We have also forayed into the horizontal water heaters segment with Classic Horizontal.

New product launches in instant water heaters

Instabliss



Gracee 5L



Juno 5L



Hydrajet



Crompton has successfully revitalised the popular 'Bliss' range of instant water heaters by launching appealing options in Instabliss Ivory and Instabliss White. The 5L instant water heaters have emerged as a growing segment. Crompton has been able to sustain a significant presence and reputation in the market through the introduction of its Gracee 5L and Juno 5L models. The Company's success in gaining a substantial market share and visibility on various e-commerce platforms is a testament to its commitment to delivering quality and innovative products to consumers.

Solarium Qube IOT Storage Water Heater



Solarium Care Storage Water Heater



Gracee 5L Instant Water Heater



Crompton's water heaters received safe health certifications from the doctors of Indian Medical Association. Our BEE certified water heaters include 44 products with a 5-star rating, indicating that they are highly energy efficient and environment friendly.

58 SKUs (water heaters) were certified for new energy regulations as per BEE

Air coolers

In the Air Cooler segment, to capitalise on the demand for desert coolers, we witnessed the launch of Ozone Royal 55L/75L/88L, Ozone Classic 55L Wood Wool, Ozone Classic 55L Honeycomb, Zelus Royal 43L and Optimus 125L. These new launches served the purpose of fulfilling the gaps in literage as well as we provide premium features in the mid-segment portfolio. The addition of premium features helps to gain market share and brand recall. Moreover, with the launch of variants of Ozone Classic 55L with Wood Wool and Honeycomb padding, we were able to cater to a wider array of customer demands. We also strengthened our window cooler offerings with the launch of the Optimus WAC 70L Window Cooler.

Optimus 65 IOT



Ozone Royal



Jedi PAC



Optimus Neo





Intellectual Capital (contd..)

Mixer grinders

The mixer grinders category has witnessed significant expansion with the introduction of new line extensions to our Questa model. We launched the Questa Royale and Questa DLX, both equipped with a powerful copper motor of 750W and 500W, respectively, offering enhanced performance and durability. Furthermore, we have enhanced our 500W category with the launch of Nigella

Questa Royale



Nigella



Small kitchen appliances

With the addition of six new categories, including OTG, Air Fryers, Rice Cookers, Hand Blenders, Electric Choppers and Pop-up Toasters, we have enhanced and diversified our range of small kitchen appliances.

NourishPro DG Air Fryer



Tandoori Magic 45L OTG Royale



SunBrown Pop-up Toaster



Harvest Pro



ChopMaxx



InstaServe Blend SS Stem



Room heaters

We have expanded our product portfolio, particularly in the room heaters segment, by introducing two new offerings. First, we have introduced the Comfy Plus Quartz room heater to augment our existing Quartz heater range. Second, we have ventured into the Carbon heaters segment with the launch of our latest product, the Insta Flare.

Comfy Plus



Insta Flare



Lighting

Being an innovation-driven Company, we expanded the Innovation Centre with cutting-edge testing and reliability equipment as well as lighting software. We launched several products in consumer and commercial lighting segments.

We have introduced innovations like the Trio range of battens and NightBuddy lamps that address specific consumer needs. In addition to our existing product lineup, we have also expanded our offerings to include Wifi-enabled automated lighting solutions, including smart ceiling lights, battens and lamps.

Consumer lighting

Table Lamps



Range of Ceiling Lights



Trio Batten



Range of Rope Lights



NightBuddy



Smart Ceiling Lights



## Intellectual Capital (contd..)

Dynaray series of LED lamps



Laser Ray Neo Battens



Range extension in back-up lamps



Galaxy copper string lights



### Commercial lighting

Wanderer Pro Streetlights



Innovative IP 65 rated TECHLITA Batten



Wanderer Plus Streetlights



APLOMADO Pro series Streetlights



FLOGA series luminaires for flame proof application



## Large Appliance

We recently ventured into the Built-In Kitchen business and launched our best-in-class range of chimneys, hobs, oven and dishwasher with cutting-edge features.

### Foraying into built-in kitchen appliances

As a leading consumer electrical goods Company in India, we have entered the built-in kitchen appliance market, which is currently worth ₹2,200 Crore. We plan to become one of the top three players in the segment over the next three years by introducing differentiated products and leveraging our retail network.

We have initially launched the products in 10 city clusters, with plans to expand into 300 cities across the country.

Our product offering is distinct from the competition since it is based on unmet customer demands. Our new world-class R&D centre and

traditional strengths in designing motors, electronics and other electrical goods have helped in designing these products. Our engineers and designers have spent months researching and developing the ultimate products that would revolutionise the kitchen appliance market.

- We offer Chimneys with Silent Inverter Motor, Intelligent Auto clean, Smart On, Gesture control and filterless.
- Our built-in hobs come with auto ignition, flame failure device, digital timer in work burner, 3D flame technology, high efficiency full brass burners, premium heat resistant metal knobs and toughened glass.
- Built-in ovens with 3D heating, multilevel cooking, rotisserie, steam plus, hot air shield, steam and pyrolytic cleaning.
- Dishwashers having functionalities including hygiene wash, steam wash, quick clean, dual pro wash, smart wash, along with intelligent turbo drying and pure beam technology.

### Some of the Built-In Kitchen Appliances launched this year are

Quiet Pro Chimney



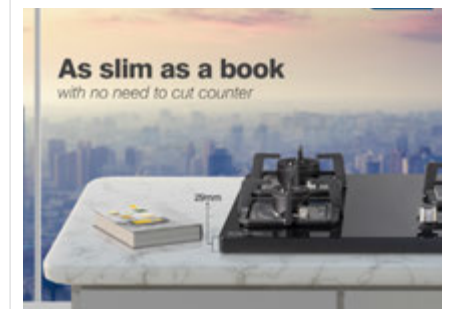
Optime Hob



GrandArt Dishwasher



SuperSlim Tablet Hobs

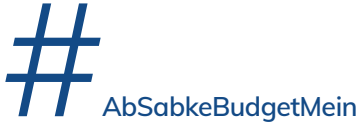




Intellectual Capital (contd..)

Crafting innovative brand campaigns

Crompton's relentless pursuit of excellence has driven the Company to create a robust brand architecture that spans across various categories, enabling it to build a strong and cohesive brand identity. This strategic approach has uplifted Crompton's brand image and positioned it as a modern and contemporary brand that resonates with the Company's target consumers. Crompton takes pride in its innovative campaigns that have captivated its consumers and garnered widespread attention throughout the year. The campaigns have been carefully crafted to showcase the Company's commitment to meaningful innovation.



As the market leader in fans, Crompton is proud to take the lead in educating consumers about the importance of star-rated energy saving fans. The Company understands that consumers may believe energy efficient fans are expensive. However, with Star-Rated Energy-Efficient Fans, energy saving is now accessible to every household. Crompton's new marketing campaign, with a High-Impact 360 degree approach, aims to highlight its launch of a wide range of one-star rated

fans, which can save consumers at least 30% on their monthly electricity bills. The Company is thrilled to be the first in the industry to promote star rated fans with the campaign, #AbSabkeBudgetMein.

<https://youtu.be/62qY7NVAMoQ>

High impact TV and digital campaign

The Company's advertisements is featured on over 25 national channels, including popular entertainment channels such as Star Plus and Zee TV, top movie channels like Zee Cinema and Zee Bollywood and news channels like TV9 Bharatwarsh. Additionally, Crompton will have a significant presence on key regional channels in different markets. The Company's marketing plan includes over 30 regional channels across various genres, including general entertainment, movies and news.

Crompton's focus on high-reach platforms such as YouTube, Facebook and Instagram, coupled with targeted advertising on Google Display, Discovery & Quora will allow it to reach its targeted audience with relevant and engaging content. Crompton also plans to maximise its visibility on Google search by targeting a significant share of voice on relevant keywords.

The Company has developed a dedicated landing page for the #AbSabkeBudgetMein campaign. Clicks from its digital campaign will redirect to this page, providing consumers with a better understanding of BEE star rating and the Company's efforts to lead India's energy revolution.



**Crompton**  
Features Specifications Products Blogs Videos

**AFFORDABLE SAVINGS WITH CROMPTON'S STAR RATED FANS**

EXPLORE MORE

**SAY GOODBYE TO HIGH ENERGY BILLS**

**JURA ANTIDUST**

ENERGY SAVINGS

Compare the results

Savings on Annual Electricity Bills based on the number of fans in your house	
4 FANS	1 FAN
₹7,000 SAVED	₹1,750 SAVED

Annual Electricity bill

5 Star Rated Fan ₹ 1,100	Regular Standard Fan ₹ 2,850
-----------------------------	---------------------------------

\*Savings of 100% on electricity bill. Based on an average use of 4 fans. 1 Star 50W fan is 100% energy efficient. 50W fan & Crompton Energy Saving 50W fan is 100% energy efficient. \*See link

Why choose Crompton?

No. 1  
Fans Company in India\*

6-time winner  
of the NECA award  
(National Energy Conservation)

Wide range  
of star-rated ceiling fans

Voted no. 1  
by Consumer  
Voice Test\*\*

Presenting Crompton's  
Wide Range of Star Rated  
Fans

Awareness campaign for fans and air coolers

During the fiscal year, we launched an effective awareness campaign for our Fans and Air Coolers categories during the summer season. As the market leader in ceiling fans, we aimed to promote our premium range of SilentPro fans. Our presence during 15th Indian Premier League (IPL) matches resulted in a surge in website traffic from high-intent consumers.

Most Salient Brand in the category with  
**85%**  
of the consumers associating with the key message : Silence and Savings

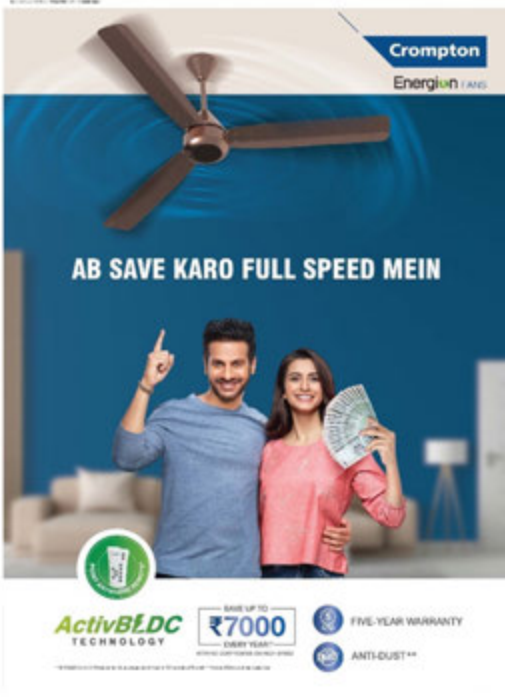


360-Degree campaign for 5-star fans

To increase our presence in the South India and grow Crompton's market share in the 5-star fans segment, we launched a 360-degree campaign for Energion series which includes television commercials, digital and social media.

70%

Spont recall





Intellectual Capital (contd..)

Awareness campaign for coolers and ‘cooling pod’ activation

In May 2022, we executed a robust awareness campaign for air coolers that delivered the highest Share of Voice (SOV%) and increased spontaneous recall. Additionally, we set up a ‘Cooling Pod’ for delivery boys at Cyberhub Gurgaon, providing quick relief from the heat in alignment with our coolers’ proposition of ‘Jaldi Cooling’.

Coolers-Most Salient Brand in the category with

88%

of the consumers associating with the key message: Faster Cooling even on the Hottest Day



Cooling Pod set-up

At Cyberhub in Gurugram, we implemented a Cooling Pod for our valued delivery agents, offering them swift relief from the scorching heat of summer. Our commitment to the principle of “Jaldi Cooling” was reflected in this initiative, enabling our agents to promptly recover from the heat and refresh themselves with the help of our air coolers.



Influencer collaborations for online discoverability

This year, we collaborated with more than 20 popular influencers to co-create content. Some of these influencers included names such as Tech Boss (3.6 Mn subscribers), Cyber Tamizha (2.4 Mn subscribers), Mr Titanium (1.3 Mn subscribers), Vineet Malhotra (0.8 Mn subscribers), Tech Guide (0.8 Mn subscribers) and many more.

11%

Increase in spontaneous recall

3 Mn+

Views garnered on the videos

Hyper-local marketing campaign for mixers range

We launched a 360-degree hyper-local marketing campaign for our Mixer Grinders range in Kerala, West Bengal, Andhra Pradesh and Telangana for the first time. In Kerala, we created a ‘Rangoli setup’ using spices ground using Crompton Mixers Grinders at Lulu Mall to display our Mixers Range and we engaged consumers with activities such as ‘Spin the Wheel’. We also did brand integrations on Flowers TV and ABP Ananda during Onam and Durga Puja.

88%

Consumers recalled the key message of “Secret Of Fine Taste”





Intellectual Capital (contd..)

Elevating the in-store experience

As a customer centric brand, we are committed to enhancing the shopping experience of our consumers by upgrading our in-store elements. Our recently launched Crompton Plaza stores offer a range of products and features through innovative product displays, in-store elements, customisation, installation support, usage guidance and after-sales support.

Signature studios that surprise and delight

Crompton Signature Studios were established to provide consumers with an unparalleled product and brand experience. These studios are well designed to showcase our product and provide a full brand experience. These establishments are managed by trained sales consultants and were specifically created with consumer preferences in mind.

Consumers can experience the full range and benefits of our premium Built-In Kitchen Appliances at our trademark studios. Our long-term ambition is to expand the studio stores in major cities. Our flagship studio features 38 products ranging in price from ₹15,000 to ₹80,000, including chimneys, gas stoves and built-in ovens.

55+  
Crompton Signature and Exclusive stores



Retail transformation

As a consumer-centric brand, we are committed to enhance the shopping experience by upgrading our in-store elements and signages at multi-branded outlets using unified brand language. Our Crompton branded multi-brand stores offer a range of products including fans, lights, appliances and pumps. In-store elements showcase the innovative range of product displays giving our consumers a perfect choice for their home.

Visibility for channel partners is enhanced by using high-quality branding elements and product displays. This is helping Crompton to increase preference for the consumers who are already aware of the brand offering through television and digital campaigns. Over 90% consumers prefer to buy products in-store, Crompton multi-brand stores fulfil the consumer need to experience the product before making the purchase decision.

1,500+  
Channel partners visibility enhanced

Stores transformed

397 Tamil Nadu	96 Andhra Pradesh
119 Telangana	127 Kerala
113 Karnataka	95 Maharashtra
100 Rajasthan & Delhi	42 Gujarat
132 Punjab & Himachal Pradesh	37 West bengal
143 Uttar Pradesh	191 Others



Strengthening Crompton's Digital Discoverability

Today, consumers use digital mediums extensively throughout their journey when it comes to purchasing products or services. We leverage digital channels to gather information, compare options, research different brands, look for deals or promotions and ultimately make purchases on marketplaces. This highlights the importance of our digital presence, as it must ensure it is present across all touchpoints, providing relevant information to consumers.

Crompton is focused on achieving and sustaining a considerable Share of Voice ("SOV") through paid searches in important categories such as fans. We met the aim for a 70% Share of Voice on branded searches, 50% on generic searches and 50% on competition-related searches.

To target audiences with high intent, we activated seasonal categories like Water Heaters, Air Coolers and Room Heaters on our search campaigns. We

also utilised 'Google Discovery Ads' to reach in-market users for these products and to drive traffic to the best-selling product and category pages.

Our top priority was to ensure that we appeared at the top of search results for all consumer queries related to our products, categories, or brands. To achieve this, we focused on driving organic traffic to our website. We identified the top-ranking keywords for Crompton, which contributed to over 60% of the organic search volume and maintained our top ranks on high potential keywords across core categories. However, we also strategically focused on growing categories like BLDC, which led to phenomenal results for Crompton. As a result, we witnessed a 195% growth in organic sessions on BLDC year on year.

12 Million+  
Website sessions

173%  
Y-o-Y growth in sessions

High SOV on searches

70%  
Branded

50%  
Generic

50%  
Competition

Intellectual Capital (contd..)

Winning on E-commerce

We prioritise E-commerce, as more and more consumers are shifting towards online shopping. It's essential for us to establish a strong presence on platforms like Amazon as almost 66% of shoppers check it while in-store. With continued efforts to build visibility and salience for Crompton products on Amazon we have seen a 25% growth on Glance Views over last year while the universe grew only by 6%. Due to our increased visibility, we have also seen higher conversions and sales on the platform.

### Air Coolers emerged as Winner during Q1 with Crompton growing faster than the category on Amazon.

a

Category growth on Amazon - 38%, Crompton grew by 49%.

b

We delivered a 50% growth in GVs over - With the heat wave across India in Q1, we optimised our spends on the category to capitalise on the increased search volume which led to our Brand GV share increasing to 16.5% compared to 13% LY.

c

Higher visibility and GVs led to higher conversions and Dessert coolers ranked No.1 in Market Share.

### Gained Market Leader position in Water Heaters - Rank 1 in Market Share | Rank 1 in Brand share of GV

a

GVs grew by 53% over last year - Maintained the highest Brand Share of GV.

b

Higher visibility and GVs led to higher conversions – No.1 Brand in Market Share on Amazon.

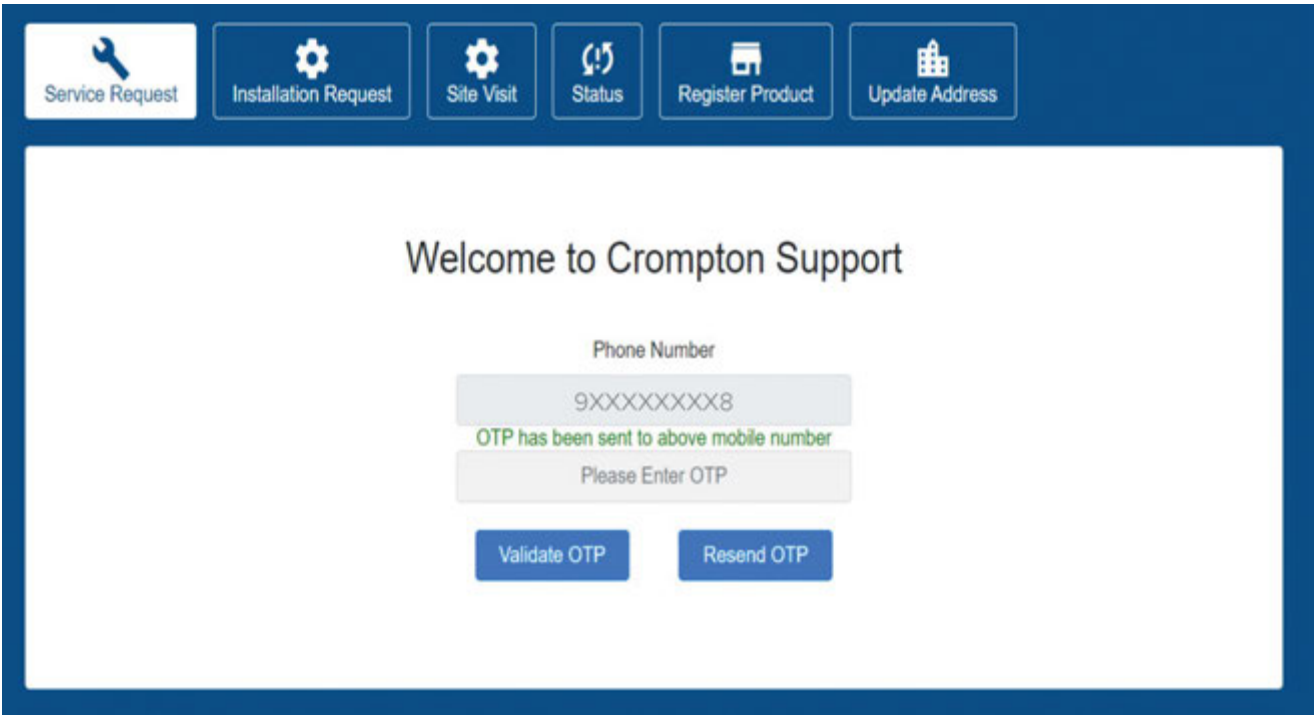
Strengthening our technology backbone and going digital

The Company's investment in technology and digitalisation has enabled it to stay competitive in an ever-evolving marketplace. By leveraging these technologies, Crompton has improved its service delivery and built stronger relationships with its consumers.

Product Development Module

Crompton's investment in technology and digitalisation through the Product Development Module ("PDM") is a strategic move that has helped it to streamline its product development process. The PDM serves as the one source of data and project management tool for all new product development plans and rollouts, ensuring that the entire process is transparent, efficient and well managed.

Crompton's focus on digitalisation has enabled it to mature to a stage where 100% of all new product development projects are tracked and reviewed for adherence to the NPD framework on the PDM. This level of visibility and control is essential for ensuring that products are developed on time, cost optimised and of the highest quality standards.



Customer Relationship Management ("CRM")

The CRM system application serves as the voice of the customer for our Company, providing us with real-time and accurate feedback directly from our consumers. This feedback can come from a variety of sources, including our portal, website, voice calls, or social media platforms. By leveraging this system, we can capture and address customer concerns quickly and effectively.

The CRM system is designed to ensure that all feedback is captured and assigned to the appropriate service associates for resolution. The system also provides us with valuable insights into customer needs and preferences, which can inform our product development and marketing strategies.

WhatsApp bots

By using a WhatsApp bot to register service requests, our Company is able to improve customer satisfaction by providing a fast and convenient way for consumers to request assistance. Consumers may simply submit service requests at any time of day using a WhatsApp bot, eliminating the need to talk with a customer service representative. The bot can be programmed to provide consumers with relevant information, such as service request status updates, or direct them to the appropriate customer service representative if needed.

Technician Mobile Application

The application allows technicians to update the status of a complaint in real-time, ensuring that consumers are kept informed of progress of complaint resolution. Using the technician mobile application also helps to streamline our complaint resolution process, reducing the time and effort required to handle complaints manually. This allows our technicians to focus on providing quality service to our consumers and ensures that complaints are addressed in a timely and effective manner.

2 lakh

Service requests registered

- 2 Lakh Service registered through WhatsApp bot.
- 80% of the Complaints resolved through Technician Mobile App

99.95%

Complaints resolved



# Human Capital

As a people centric organisation, the various initiatives reflect our commitment to nurturing our most valuable asset – our people. Our endeavour is to constantly create an “Inclusive positive performance driven culture” which we believe is a sustainable Employee Value proposition. We aim to provide an overview of the past along with outlining future plans to ensure success in the ever-evolving business landscape.

1,693  
Total employees



## Building an inclusive work environment

Crompton is dedicated to creating an inclusive working environment with equitable career opportunities and aims to eliminate any form of direct or indirect discrimination based on age, colour, disability, origin, religion, race, gender, family or marital status, gender reassignment, disability, sexual orientation, pregnancy, or maternity status. The organisation's inclusive policies are designed to encourage people from diverse backgrounds and are aligned to fulfil organisational goals.

workplace. Accordingly, we have modified our travel and stay policy, working schedule and maternity benefits.

The following policy changes have been initiated to attract, retain and promote women's participation at the workplace.

### Diversity and inclusion (D&I) council

At Crompton, we have well defined policies around D&I. We have an average 25% of females working in Company. The organisation's D&I journey has been fortified with the establishment of a specialised council focused on diversity and inclusivity.

The Company's Code of Conduct and POSH policy is deeply committed to promoting our human rights policy which serves as a comprehensive guideline for equal opportunity for growth, fair, compensation and benefits. We drive initiatives for promoting listening, appreciation, conversation at workplace by using human interface and artificial intelligence. Its key responsibilities are as follows:

Establishing accountability, providing governance, promoting communication and ensuring integration with operations, strategy and objectives

Conducting awareness programmes and workshops that emphasise the importance of embracing people from all backgrounds and skills.

Conducting regular audits to ensure adherence to policies and conducting routine trainings

Collaborating with the recruitment team to determine the minimum number of females that has to be being recruited for various job roles

Providing long-term leadership development and mentoring programmes for women. It establishes informal groups for women that allows meeting with the CEO, helps to share concerns and offers unbiased resolutions to issues.






We have implemented strict policies and practices for reporting incidences and to ensure zero tolerance for all forms of discrimination and harassment at workplace and maintain a safe and respectful environment.

### Travel and stay policy – Women Employees

At Crompton, we prioritise the safety of female employees by offering travel options in non-shared cabs or autos. They are also allowed to work from home during the first trimester pregnancy.

All female executives while traveling for official purpose are entitled for reimbursement of up to 1.5 times on usual travel allowance.

## Pillars for supporting and promoting diversity and inclusion

-  Employee awareness
-  Hiring
-  Talent integration
-  Measurements as a strategic pillar
-  Supporting policies

## Gender diversity

Gender diversity at all executive and management levels is critical for organisations to thrive. It fosters equal opportunity, enhances creativity and innovation at the workplace. To attract more women to the organisation, we have made significant changes to our human resource polices and have undertaken initiatives to encourage the participation of women at the





Human Capital (contd..)

Safe and flexible work schedule

Crompton encourages work-life balance of female employees by limiting their working hours and providing flexible work schedules for women with small children. Our managers have been provided responsibility for ensuring safe transportation of women. We discourage women working after 7 pm.

Improved maternity coverage

The hospitalisation limit for maternity benefit has been enhanced to ₹75,000 and the overall hospitalisation limit along with the admissible expenses remain unchanged.

Breaking stereotypes with diversity

We have over 25% female diversity across organisation from shopfloor to corporate office. The participation of female employee is well appreciated for their contribution in every areas of enterprise including manufacturing, quality, innovation etc.

This is testament to our commitment to inclusivity and diversity. By embracing diversity, we have positioned to benefit from the rich array of talent that employees from different backgrounds bring to the workplace.

Crompton has been recognised as one of the **Best Organisations for Women 2023 by ET Edge** - an Economic Times Initiative at their recently held conclave in Mumbai. This recognition spotlights and honours businesses that have shown a commitment to advancing D&I in corporate India. It highlights the accomplishments of businesses that have infused a sense of fairness that is built on equity, impartiality and non-discrimination.

Driving engagement through a spirit of collaboration & camaraderie

Crompton's employee engagement initiatives build trust, enthusiasm and a sense of belonging to the organisation. To enhance the fervour and commitment of the Company's workforce, we orchestrate diverse internal competitions such as Kaizens and safety protocols. We have a process of creating cross-functional teams and project focused work groups. we celebrate our annual day to engage not only our employees, but also their families. Through these efforts, we strive to foster a culture of participation and enthusiasm among our employees, leading to a more vibrant and productive workplace. Some of our employee engagement initiatives include the following:

Family connects

Employee success is not solely dependent on the work environment but, is largely influenced by family support. Considering the fact, we strive to involve the families of employees in various initiatives and organise events such as online talent shows and singing competitions to boost employee morale. Through these holistic employee engagement programmes, we aim to establish a culture of care and be an employer that prioritises the well-being and happiness of employees, both at work and at home.

Cricket tournament

To allow employees to participate in friendly matches and build a team spirit, we organise an inter-department cricket tournament. These initiatives offer an opportunity to interact with colleagues from different departments, develop sportsmanship and aim to ensure holistic well-being.

Empowering through engagement

To allow employees to benefit from online yoga and meditation sessions that encourage people to prioritise their physical and mental health.

Engaging with the top management

Effective communication is key to fostering a culture of engagement. Initiatives such as 'Ask your CEO,' 'DIL SAY' freewheeling sessions, virtual meetings and town halls are regularly organised to encourage open and direct communication between employees and managers/ leaders. It provides a platform for employees to share their concerns. Conversely, the senior managers also gather valuable insight from employees and it is later utilised for formulating or modifying policies.

Strengthening bonds through cultural celebrations

We organised Mahashivratri Puja and Bhandara distribution at our Baddi plant to celebrate the auspicious occasion. The event brought together our employees, fostering a sense of community and camaraderie.



Leveraging Technology

We have invested in various tools and platforms with the objective of ease working, facilitating process flows and enhance productivity. Going forward, we would integrate the platforms and derive intelligence from the data ecosystem, thus enabling better decision making.

HRMS Platform

a) **SSO:** Single sign on will allow employees to access all the below applications we have in CGCEL. Also, we have saved Organisational polices, Induction, Product training material, Training Calendar, Holiday Calendar, SOP's and so on.

b) **Success Factor:** HRMS platform where employees can view their profile, compensation structure, resignation request, performance appraisal, organisational structure and so on.

c) **Ramco:** Payroll software where employees can view their Payslips, Leave application, Tax declaration and actuals against it, Tax planner, Form 16

d) **Yatra:** Expense and Travel Portal. Employee can claim all his official expenses under Yatra (Chrome River platform).

When an employee has to travel, he may use Yatra to submit a trip request and book his tickets. All travel-related expenses can be claimed under the same category.

e) **Degreed:** Our Mobile Learning Partner for providing best-in-class Learning Experience to our employees. Learn anywhere anytime through Mobile App. They would also get Recommended Articles/ Videos based on their skills requirement

f) **E-Learning:** All mandatory courses will be assigned in this application. Employee will earn a certificate after completion of the same. Trainings like

Whistle blower policy, Code of Conduct, POSH, etc. fall under this LMS platform.

g) **Amber:** It is Chat Box where survey link is sent to employees on completing 45days, 1 month, 6 months, 1 year and on all work anniversaries to understand if employee has any grievance or feedback to share with organisation.

Capability Building

In line with our strategy, we focus on hiring the right fit, provide adequate learning programs to build capability and to plan for succession.

Dedicated to talent management

The Company's training and upskilling initiatives have been developed to build a strong and competent talent pipeline. It has also partnered with prestigious institutes to encourage employees to enrol in various courses. In recent years, Crompton has also placed a strong emphasis on job rotation. It helps to retain the competitive spirit and allows employees to fare well in varied job roles.

749

Talent onboarded

Right mix of objective and subjective data for talent hiring and development

We deploy world class psychometric tools for assessment like Korn Ferry, Hogan covering multiple intelligence to ensure fair and equitable promotions and placements. We lay heavy emphasis on learning agility, empathy and culture fit in assessment of talent.

Succession planning

Succession planning is the pivot of organisation sustainability and growth. At Crompton we have metamorphosed into elaborate, scientific consistent succession planning at various levels.

Employee, with more than three years of experience in the organisation, is eligible to be part of the job rotation allowing diversified exposure for individual growth. Process is to identify, assess and equip successors at various managerial and leadership levels. Our approach allows us to foster a culture of growth and development within our organisation.

30%

Total leadership positions onboarded internally



Human Capital (contd..)

Encouraging learning and development

Crompton prioritises learning and skill development to create a stable foundation for a future-ready organisation. With dedicated effort, the Company encourages people to enhance their skillset to increase productivity and nurture their leadership potential. Crompton strives to achieve excellence in go-to-market, operational excellence and quality, brand and portfolio management and innovation through various programmes. All trainings are focused on the two main pillars of organisational excellence and operational excellence.

14 hours

Average training imparted for every employee

12,500

Average training expenditure for every employee

Career development workshop for employees to sensitise them on the importance of life-long learning and how they need to take charge of their own development were conducted.

Pursuit of functional excellence and imbibing safety & quality in all we do

In line with our long-term business strategy, there are robust employee development programmes through structured interventions and on-the-job and experiential learning through career movements, special assignments and projects. It is intended to build best-in- class capability in the area of Go-to-Market, Operational Excellence and Quality, Brand and Portfolio Management and Innovation During the year, following unique initiatives were launched.

Manufacturing Excellence Programme

All employees in the manufacturing team have been enrolled for the program which covers the concepts of quality management basics like continuous and lean management, Value stream mapping, LEAN tools etc. The objective of the program is to build capability on operational excellence.

Functional Capability for Innovation team

This year the focus was on building functional capability in the innovation process deployment through trainings on PDM, NPD while building core competence through programs like GD&T, ALTIUM etc.

Procurement Value Enhancement Program

The objective of the program was to identify the procurement levers of value enhancement to the business and learn how to apply these levers

through practical examples. The program also helped understand how to strategize supplier collaboration through segmentation, relationship management practices, performance & compliance governance to co-create value and improve customer service. Another focus area for the procurement team this year was to develop and hone negotiation skills which was done through practical case studies and role-plays.

E.D.G.E - Educate, Develop, Grow, Excel (Sales Capability)

The New Dawn,' a revolutionary sales training architecture, contains a 52-week induction programme that delivers full onboarding training concerning functional expertise as well as an introduction to systems and procedures. This programme is designed to develop outstanding leaders and impart industry-leading sales and distribution training to new joiners as well as the top leaders. The newly joined Area Sales Managers (ASMs) and Territory Sales Manager (TSMs) are offered a comprehensive



training and development programme that facilitates learning and skill development. Successful candidates are also offered merit-based certifications. Key focus areas of EDGE are Customer management, Planning skills, Selling skills, Maximising sales incentive programmes ("SIP"). By implementing E.D.G.E, we expect significant improvements in employee performance and productivity, which in turn is anticipated to enhance revenues. The programme's focus on continuous learning and skill development equips employees with the knowledge and tools to succeed in their roles and contribute to the organisation's success.

Safety

The Company provides overriding priority to Employee Safety. It is committed to building a safety culture by implementing Behavior-Based Safety through trainings and workshops, recording workplace hazards, conducting scheduled Fire-Safety Audits (in-house), strict adherence to Work Permit System ("WPS") and Daily Toolbox talks and many more.

Regular interaction is maintained through Safety Committee meetings with all associates. Fire-Safety Drills, Safety Week Celebration and continuous Safety training to all employees. Internal and cross plant safety audits are conducted too.

All actions and recommendations are being recorded and evaluated by respective EHS leaders. This monitoring has a major role in reducing workplace hazards/ incidents and making Crompton, a Zero-accident organization.

The organization has identified scenario-based emergency preparedness plans to counter specific emergencies. On a regular basis, mock tests and drills are planned and executed to ensure Emergency Response Team members are quick to respond to any situation.

Safety standards are monitored through a focus on appropriate safety control, elimination of unsafe activities, providing better replacement methods and installation of foolproof engineering solutions (Poka-Yoke).



Human Capital (contd..)

Inculcating a safety-first culture

Crompton has a strong safety culture that prioritises the well-being of its workers. It allows the Company to ensure strict adherence to the Work Permit System (WPS) and hold daily toolbox discussions to promote a safe work environment. Crompton ensures a risk-free work culture and regularly engages with its partners and suppliers through audits.

EHS leaders document and evaluate the proposals and activities discussed in these meetings and implement appropriate safety standards. The Company focuses on effective security management, elimination of hazardous situations and implementation of fool-proof design arrangements like Poka-Yoke, whenever necessary, to enhance safety.

Safety training

Encouraging worker involvement in the creation and implementation of safety policies creates a sense of accountability, facilitates effective communication and promotes a shared commitment to workplace safety. We provide regular safety training to employees and workers to equip them with the skills needed to prepare for and respond to emergency situations, reducing the likelihood of workplace accidents and injuries. Additionally, we prioritise fire safety at all our offices and manufacturing units, to meet Fire NOC certification requirements. Our workplaces are also equipped with trained personnel and fire-fighting equipment to tend to emergencies.

ISO 45001:2018 certified

0.14  
LTIFR

95%  
Workers received  
safety training

EHS Focus

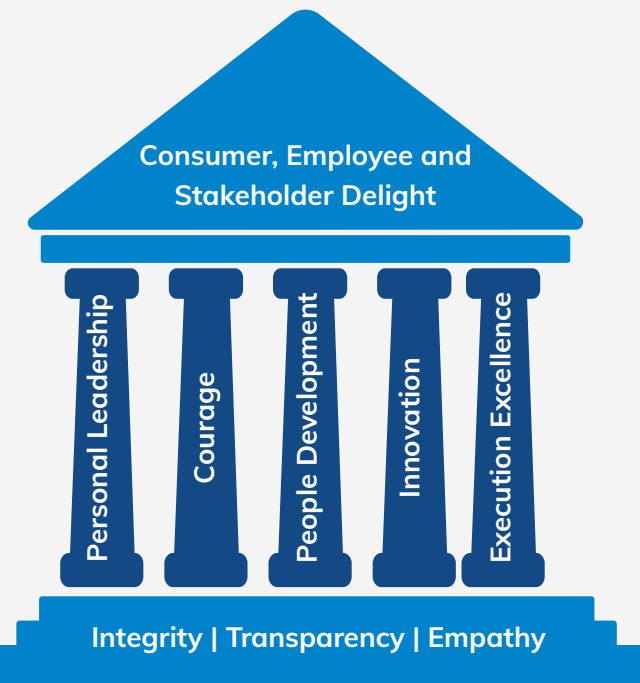
- Creating the safe workplace by identifying the Risk based on the Hazard, developing standards with assessment check sheet.
- Employee engagement in EHS through the Sub Committees.

Through these measures, we have been able to create an organization that is not only delivering high level of performance in the present context, but also an organization that is fully geared towards meeting the dynamic business landscape of tomorrow. Moving forward, we will continue to enhance our HR practices and embrace emerging trends to stay ahead in the industry with the focus on constantly making an impact in our collective pursuit of excellence.



Safety Training – Feel the Pain

Crompton Behaviour Framework



The Enablers

These behaviours are essentials to achieve our desired Business vision, Personal growth and Consumer, Employee and Customer Delight.

Personal Leadership

Develops a clear personalised vision for own work area. Collaborates with others to relentlessly achieve the vision.

Courage

Speaks out the ground reality and own point of view fearlessly. Takes significant risk to leverage opportunities.

People Development

Sets development goals for self, makes a plan to achieve and executes it. Develops direct & indirect employees (including channel partner and vendors' employees) through empowerment, enabling and coaching.

Innovation

Understands consumer, employee & stakeholders needs through data and frequent interaction. Constantly improves products, services and processes.

Execution Excellence

Makes a pragmatic and well-balanced plan. Executes the plan flawlessly and delivers commitment as per timelines. Responds fast to provide quality solution for consumer, employee & stakeholders' need.



# Social and Relationship Capital



One of the key catalysts of our business at Crompton is the relationship network that we have developed and deepened with our consumers and other stakeholders in society. These relationships are our priceless assets that we nurture and rely on. We value the insights that we gather from our consumers and stakeholders, which help us improve the way we work and create sustainable value for all.



## Customer Insights

As a consumer-centric organisation, we implemented a number of service initiatives to empower our consumers to communicate with us at every step of their journey. We conduct consumer researches to guarantee that consumer opinions and comments are taken into account when developing products and services.

Consumer Insights Function has 3D Framework for bucketing all the insight requirements- Deliver, Discover and Develop.



### Deliver

Retail Track & Brand Health helps studies are done to assess overall push & pull metrics on a continuous basis.



### Discover

Consumer Usage and Attitude & Segmentation studies are executed to focus on long term strategy



### Develop

Here we include New Product Development and Communication Development work that's validated by consumer before it reaches market and minimize the risk of failure.

## Types of Consumer Research Implemented in Crompton

- Brand related survey
  - Health of the brand
  - Equity of the brand
- Deeper consumer understanding
  - Uses and attitude
  - Customer purchase journey
- Concept Testing
- Product Testing
- Retail Tracking

Apart from above, we have launched a new and exciting platform in F.Y. 2021-22 'Know Your Consumer/ KYC' Academy. KYC Academy is a platform to host LEARN-PRACTICE-APPLY for knowledge exchange, wherein stakeholders have the opportunity to hone knowledge, competencies and processes that will help Crompton become more consumer centric. This will help build necessary skills to understand Consumers Insights better to drive innovations and Consumer communications. As part of KYC, we have introduced Consumer Immersion program and conducted 4 training sessions on relevant topics.

## Improving response time

At Crompton, we are striving towards enhancing the response time to address consumer complaints. To resolve customer aspirations/ concerns, we have developed a number of outreach platforms, including a dedicated email address, toll-free hotline and the recently released WhatsApp chatbots. Our WhatsApp chatbots, as well as

our new call centres with enhanced capabilities, allow for 360-degree complaint registration. In addition, we have a dedicated technician mobile app to handle and solve concerns.

**99.95%**  
Customer complaints resolved successfully

## Effective Communication of Product Information

For us at Crompton, communicating important product information to consumers is critical. We ensure that our products have clear labels that accurately depict the product name, model number, features, specifications and other relevant details that makes it easier for consumers to identify and understand our products. We also provide detailed descriptions of our products on your website, packaging and other marketing materials. We also include information on the product's features, benefits, intended use and any relevant safety warnings or precautions and comply with BEE guidelines for disclosure of product information.





Social and Relationship Capital (contd..)

Value chain partners

At Crompton, we interact constantly with our key value chain partners, while adhering to ethical buying procedures. Collaboration with strategic vendors and partners help us improve their product lines and technical capabilities.

We also interact with them regularly through various training and development activities, frequent trips to vendor plants and seminars to reward and recognise their contributions through scorecard assessments. The continuous monitoring of the Supplier Performance Index (“SPI”) and the Vendor Performance Index (“VPI”) has helped increase vendor efficiency.



Compliance with legal, environment, health and safety guidelines



Readiness to participate in a sustainable supply chain management programme



Total landed cost competitiveness



Financial strength by viewing last two years balance sheets

Sustainable supply chain

Crompton has developed a sustainable supply chain by doing a thorough analysis of its operations, collaborating with suppliers and incorporating sustainable practices into the overall strategy.

At Crompton, we employ ethical procurement programmes and stringent selection criteria that promote environmental stewardship and social benefit to ensure that suppliers also contribute to long-term sustainability. We aim to raise suppliers’ understanding of legal obligations, sustainable business practices and the importance of employee health and safety through a variety of programmes.

We have a thorough screening procedure for vendor onboarding, which includes the following criteria:



Capability, quality, performance and on-time delivery

9

Vendors assessed through revised VPQ audit.



Vendor training

Crompton engages with strategic vendors and partners to help them improve their products and technical skills. In addition, to meet EHS requirements, all of Crompton’s vendors across plants and manufacturing units receive regular training in energy, health and safety. The Company connects with them regularly through various training and development activities, visits vendor factories on a regular basis and hosts effective workshops to reward and recognise their contributions through scorecard assessments.

Crompton Saathi

Crompton is proud to announce the launch of Saathi, the Company’s plumber loyalty programme built on a cutting-edge technology platform. As a key influencer in the pumps business, the plumber community plays an essential role in Crompton’s success.

The Saathi programme is designed to strengthen the relationship with plumbers, enabling the Company to better understand their needs and preferences. By leveraging this initiative, the organisation aims to increase its market share in the pumps business and enhance its position as a leading provider of innovative, consumer-centric solutions. The organisation is excited to work with plumbers across the country to drive growth and deliver exceptional value to the consumers.

Community

Over the years, we at Crompton, have implemented sustainable CSR programmes, which are aimed at creating shared value and delivering positive impact. Aimed at igniting a positive social change, our CSR initiatives have evolved over the years to focus on four key areas:

Skill and entrepreneurship development

Community care

Water conservation

Employee engagement

Skill and entrepreneurship development

The goal of the skill and entrepreneurship development initiative is to create an opportunity for underprivileged youth by imparting skill training, providing placement assistance and entrepreneurship development to enhance employability and support small-scale local enterprises by contributing to the economy of the nation. It ensures that our initiatives are in line with the National Skill Development Mission’s objective as well as contribute to India becoming a skilled talent hub.

Project Nayi Disha

Project Nayi Disha aims to address the existing skill gap in the manufacturing sector and to promote the scope of local livelihood opportunities among the youth from low-income communities.

Our skill centres in Ahmednagar, Baddi, Howrah, Goa, Cuttack, Vadodara and Mumbai continue to instil knowledge and confidence among the youth to help them become responsible and productive citizens. By behavioural modification, knowledge building and skill development, we are assisting youth transform into employee-entrepreneurs.



1,306 Youth have completed the training in F.Y. 2022-23

67% Trained youth provided livelihood opportunities

Project Swabhiman

Aligning with the Startup India initiative, Project Swabhiman, an Entrepreneurship Development initiative has been designed to enhance the entrepreneurial capabilities of youth who want to start small-scale businesses. Selected entrepreneurs received a 10-day mini MBA training, along with returnable seed funding, handholding and mentorship to run their ventures. The programme aims to boost the local economy and contribute to providing skilled entrepreneurs. This year we have launched the programme



with 30 budding entrepreneurs and we look forward to scaling up their businesses and generating employment opportunities locally.

30 Entrepreneurs benefited

Project Uddan

The project aims to upskill the existing plumbing workforce through the Recognition of Prior Learning (“RPL”) platform. The project aims to recognise the informal learning of plumbers through the RPL platform to get equal acceptance as the formal levels of education. Independent plumbers working in the market will be imparted free training for the specific job roles as per the National Skill Qualification Framework (“NSQF”).





Social and Relationship Capital (contd..)

Plumbers are trained on customer service skills, digital literacy and advanced products in addition to domain skills, thereby ensuring holistic development. Skill development helps plumbers improve their workmanship, thus making them more employable and increasing their earning potential and livelihood opportunities. The entire industry benefits through the availability of skilled manpower.

1,430  
Plumbers Upskilled



The Company's water conservation initiatives are focused on empowering the drought-hit villages to improve water security and sustaining farmers' livelihood through integrated watershed management and conservation of natural resources. Crompton aims to inspire ownership among villagers, improve environmental management systems, promote dynamic local economies and foster social harmony with two new water conservation projects.

Through the water conservation projects, water conservation structures were built and handed over to villages. These structures will now help villagers in getting access to water for agriculture, using it for drinking and livestock. The availability of water throughout the year will benefit the entire community and provide new livelihood avenues for farmers to move their families out of poverty.

At Crompton, we ensure the inclusivity of women participants in the project activities and encourage them to come forward and take the ownership of the water structures. Seminars to train the women of self-help organisations were held to ensure the upkeep of water structures and farm-based livelihoods.

9,000+  
Lives benefited in F.Y. 2022-23

500+  
Water conservation structures built

67 Lakhs litres  
Water conserved for drinking and agriculture purpose

981 acres  
Additional Land under cultivation

11%  
Increase in farmers' annual income

10%  
Increase in multiple cash crop cultivation

300 litres  
Increase in Daily milk collection



As a responsible corporate citizen, we are committed to lending a helping hand to the community around our manufacturing units through various initiatives. These aim poverty alleviation, education, health and environment sustainability.

Infrastructure Development

We completed the solar electrification of two villages in Thane, Maharashtra, by supplying solar-powered lamps to marginalised communities to meet their household and agricultural needs when there was no electricity. We also assisted a village in Gujarat by



providing street lights to provide safe travel conditions at night.

Crompton's community care programmes have also aided children with special-needs by enhancing their functional communication through a centre in Mumbai that we have helped to develop. We also upgraded the classrooms of a government school in Baddi, as well as upgraded the facilities of a government hospital in Goa, helping over 100 walk-ins per day.

3  
Villages electrified

100  
Specially-abled children facilitated

Project Patang



We have launched project Patang, a school transformation project impacting students from 15 government schools across Crompton's manufacturing units in Goa, Baddi, Ahmenagar and Vadodara. The project aims to increase the learning curve of students by up to 20% by the end of the academic year. It will also improve the infrastructure of government schools to create a friendly environment that enables learning.

900  
Students benefited

15  
Government schools impacted through improved infrastructure

Ujjwal Deep Scholarship

With an objective to financially assist meritorious students who face difficulties in continuing their education due to financial constraints, the Ujjwal Deep Scholarship aims to support scholars from the medical and engineering domain. This enhances the social and economic well-being of the student and families around our manufacturing units. Students from low-income groups benefited under the Ujjwal Deep Scholarship Project to continue higher education in engineering and medical courses.



54  
Students availed scholarship

Mid-day meal

Crompton's mid-day meal programme serves healthy and nutrition-rich meals to children from government schools located in the vicinity of Vadodara, Gujarat. This not only helps improve the health of children but also keeps them active and energetic during school hours.



5,000  
School children benefited



At Crompton, our employees are the driving force behind what we do. Our employees continue to inspire us with their overwhelming response and devote time towards being an integral part of our CSR engagement. Several initiatives were conducted to foster employee engagement and deepen our ties to the communities we serve.

ChangeMaker Grant

The Changemaker Grant is an initiative for our employees to give back to society by empowering communities through implementing social impact projects for causes, which are close to our hearts. The primary objective of the programme is to provide a platform for employees to channel and recognise their ideas to create social good and to nurture the impactful social initiatives undertaken by employees. Through the Changemaker Grant, we aim to reinvent CSR with employee engagement. The Changemakers will now lead social impact projects to make a positive impact and difference together with implementation support and CSR grants.



168  
Applications received

30  
Projects shortlisted

10  
Change makers elected through employee votes

1,000+  
Lives impacted



Social and Relationship Capital (contd..)

Engaging with care

On World Environment Day, Crompton successfully launched the 'Go Green' and 'Souls to Soles' campaigns. Employees across locations planted trees with the support from the CSR champions across manufacturing units.

At Crompton, we distributed upcycled footwear to children from low-income groups around our manufacturing units. Through this drive, we could reduce emissions considerably. Dry-ration kits were also provided to low-income group communities.

Volunteers across locations celebrated the World Literacy Day and Children's Day with children and had a great time sharing food with them and reading stories. The book donation drive spread the joy of reading and on the occasion of Raksha Bandhan, we created a bond with special children. We celebrated and spread happiness in Diwali by supporting the livelihood of tribal women SHGs through a KIOSK set-up at the

Head office and Innovation Centre. Our colleagues made this Diwali even brighter for the elderly in need by making their wishes come true through gifts.

300+  
Employees engaged

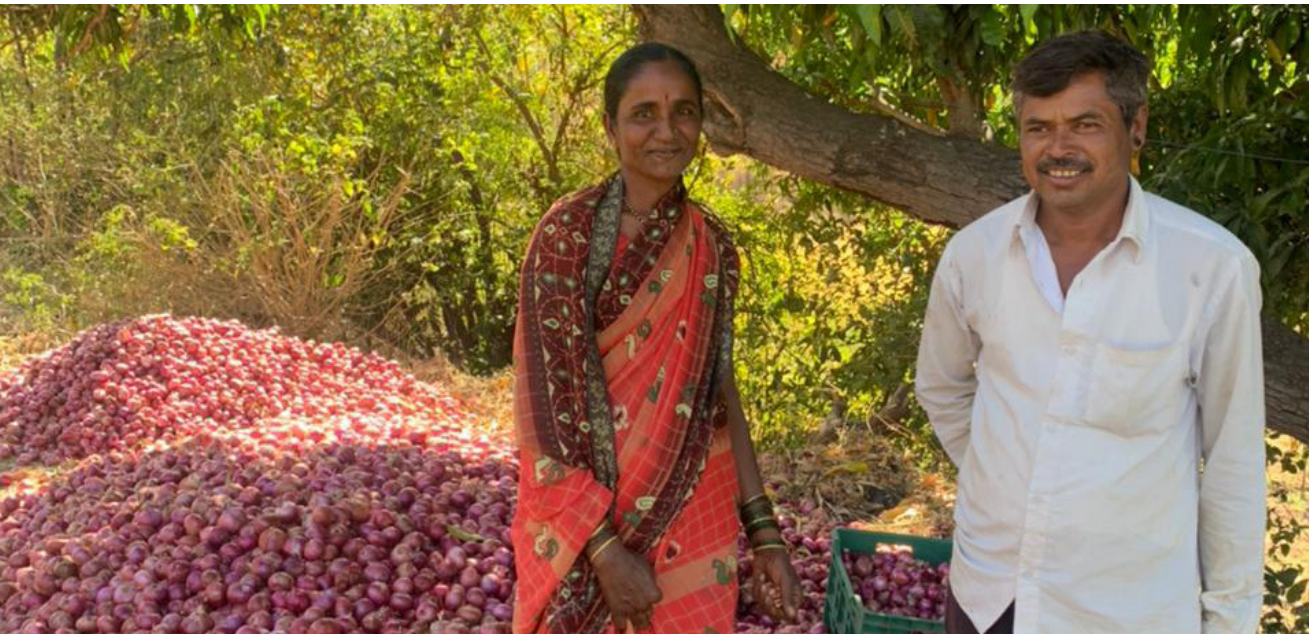
2,500+  
Trees planted

500  
Upcycled footwear distributed

2.7 tons of CO<sub>2</sub>  
Emission reduced

Transforming lives through empowerment

At Crompton, we recognise the importance of empowering women through our CSR initiatives. Our efforts aim to provide women with opportunities to break barriers and achieve their potential. By investing in initiatives that support women's education, skill development and employment, we have witnessed remarkable transformations in the lives of women from different strata of society. By empowering women, we not only contribute to their personal growth but also create a ripple effect of progress and development in their families and communities.



First woman change maker from Crompton to lead a menstrual hygiene and livelihood project for a group of women

Darpita Palan



First woman to be appointed as a village Head who transformed pimpalgaon Mattha village from a water-deficient area to one that has ample supply

Savita Pande



First generation learner who is now a proud MBBS doctor

Bansi Bhuva



First woman from her village to emerge as an electrical technician and now take a great pride in being the breadwinner for her family

Reeta Devi

All they needed was an opportunity and we are happy to provide it through our corporate social responsibility initiatives



Social and Relationship Capital (contd..)

Engaging with care



Solar electrification of villages



Amplification of Change Maker Grant Program



Active employee engagement in voting for Change Makers



Celebrated International Literacy Day with specially-abled children



Supported underprivileged children with up-cycled footwear



Reduced 2.7 tonnes of CO<sub>2</sub> emission through up-cycled footwear



Book donation drive to spread the joy of giving



Practical training session on electronic equipment at skill development centre



Classroom training session on safety protocols at skill development centre



Tree plantation by employees on World Environment Day



# Natural Capital

Environmental sustainability is a critical business priority for us at Crompton. Our commitment towards a sustainable future has enabled us to migrate to greener alternatives. We are progressively curbing our carbon footprint through efficient waste management and judicious utilisation of available resources.



Environmental sustainability is deeply embedded into our Company's culture. As a purpose-driven Company, we strive to improve the lives of our people and the communities residing in areas where we operate by manufacturing more eco-friendly products.

We are making conscious efforts to limit our environmental impact by committing to low resource utilisation and producing innovative products. Our environmental initiatives are aimed at optimising resource utilisation and reducing climate-related threats by developing an energy-efficient portfolio. Our efforts in energy management, waste management, water conservation and emissions reduction help us operate sustainably.

### Energy management

As a manufacturing enterprise, energy consumption accounts for a significant portion of our Company's carbon emission. Therefore, improving energy efficiency is vital. We have devised a performance-based energy management plan to limit our energy consumption, integrate renewable energy sources and embrace energy-efficient practices.

### Developing energy efficient products

We leverage our innovation to design products that serve the needs of our consumers. With rising customer awareness and the government's emphasis on energy regulation, our innovation is focused on producing energy-efficient products. We have undertaken several initiatives to improve energy efficiency, decrease emissions and optimise the use of natural resources. As members of the BEE star ratings, we try to develop energy-saving products that allow our consumers to live more sustainably. We are always working towards minimising GHG emissions across our operations.

### KAVACH

The KAVACH initiative is a comprehensive EHS strategy implemented across all our product lines. It includes policies, procedures and work instructions. We are cognisant of our responsibilities in terms of health, safety and environmental management and we fully abide by all relevant and applicable laws that have been established by the government.

As the cornerstone of Crompton's EHS system, we created a single IMS (Integrated Management System). We have established a thorough EHS scorecard across all of the units. This scorecard is evaluated periodically to assess performance and corrective and

preventive actions are made whenever necessary.

We also adhered to and exceeded the EMS 14001 criteria, which were integrated throughout all our product lines. To reduce the environmental effect of our operations and enhance safety even further, the heads of our manufacturing sites meet on a monthly basis to discuss EHS concern, solution and share best practices to enhance the health and safety at workplace. They also discuss on topics including reducing hazardous waste with 3R approach, while optimising water and energy use.

### Renewable energy utilisation

At Crompton, we recognise the importance of conserving energy through the use of clean technologies. Over time, we have increased the percentage of renewable and clean energy in our energy mix. Across all our manufacturing plants, we strive for operational excellence. The use of renewable energy infrastructure not only allows us to decrease our carbon footprint, but also helps in reducing our power costs per unit.

**19,651 KWH**  
Renewable energy generated

**200+**  
Fan models are certified under BEE star ratings

**50+**  
Water heater models are certified under BEE star ratings



Natural Capital (contd..)

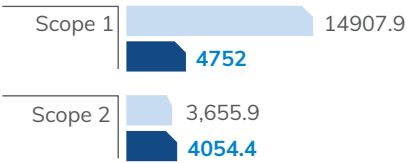
Emissions reduction

We are mitigating the impacts of climate change by implementing various carbon-neutral measures across our facilities. Given the nature of our business, greenhouse gas emissions from our offices and industrial units form the biggest environmental footprint we generate. We intend to minimise our emissions through a multi-pronged approach that includes green innovation, improved operational efficiency and waste reduction.

8,805.50 tCO<sub>2</sub>e  
Total emission

Emission\*

(Mt Co2e)



■ F.Y. 2021-22 ■ F.Y. 2022-23

Water conservation

At Crompton, we are dedicated to water conservation, because it is a scarce and an important natural resource. We are improving our water management methods in our operations and expanding our community outreach. Apart from that, we have implemented various steps to reduce our water consumption and have converted all of our units to the zero liquid discharge system.

44,025 KL  
Cumulative water withdrawn

38,832 KL  
Cumulative water recycled

31,697 KL  
Cumulative water savings

Waste management

At Crompton, we also go beyond the design process to assess the environmental impact of our goods over their entire life cycle. This involves everything from raw material selection to the end-of-life phase. We use a wide range of raw materials in the development of our products. We are always focusing on improving the efficiency of our material use, eco-friendly packaging and waste recycling.

Also, our increased material efficiency, has resulted in less industrial waste, less raw material use, waste segregation and lower greenhouse gas emissions.

16.5 Lakh Kg  
Solid Waste Recycled

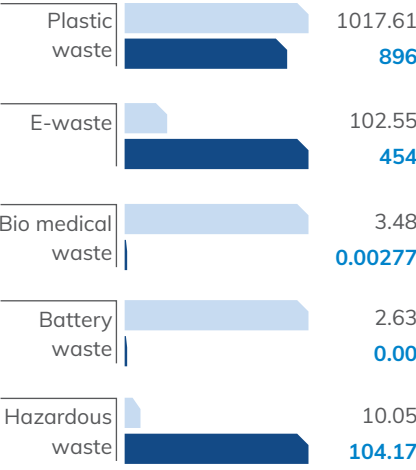
\*Significant decrease is due to stoppage of glass manufacturing in Baroda



We make substantial efforts to manage and limit the use of hazardous substances and we believe that resource optimisation improves the environment, decreases the cost of our products and increases consumer acceptability. We ensure that all hazardous waste generated at units is transferred to a State Pollution Control Board-approved operator. E-waste is disposed of by a licenced recycler who has been approved by the CPCB and has received green certificates.

Waste generated\*

(Tonnes)



■ F.Y. 2021-22 ■ F.Y. 2022-23

Extended Producer Responsibility

We are committed to upholding Extended Producer Responsibility ("EPR") principles with a responsible approach towards environmental stewardship and sustainable waste management practices. EPR focuses on shifting responsibility to producers and considering incentives while designing products.

We have obtained EPR Authorisation from the Central Pollution Control Board ("CPCB") for plastic waste and e-waste management. We have also successfully achieved CPCB targets for plastic waste collection and channelization, as well as for electrical and electronic equipment recycling.

