

Environmental, Social & Governance

At the core of GMM Pfaudler's Business Strategy lies a strong emphasis on sustainability. Therefore, designing sustainable products and conducting business responsibly to contain the environmental impact of our operations and the value chain, providing a safe and inclusive workplace, and fostering holistic growth are integrated within our organizational fabric.

Our success as a Company, has been achieved by maintaining a delicate balance between commercial prosperity and an unrelenting dedication to responding to the requirements of the environment and society through outstanding governance.

As a responsible corporate citizen, we have wholeheartedly accepted our duty to incorporate environmental, social, and governance (ESG) considerations into everything we do.

Highlights of the Year*

Environment

- 8% reduction in fuel consumption
- 24% reduction in energy intensity
- 13% reduction in emission intensity
- All manufacturing sites are ISO 14001 & 45001 certified
- ~1456 tCO₂e emission avoided
- 99% waste recycled and reused

Social

- Zero High consequence work-related injury and fatalities
- 27% reduction in recordable work-related injuries
- 100% workers trained on health and safety
- Safety Culture Enhancement Drive conducted in all manufacturing facilities

Governance

- 100% training completed on code of conduct & ethics
- 50% independent directors on the board
- Ethics Committee constituted under the Whistle Blower Policy

*For India Business

OUR PURPOSE

ESG will be the corner stone of GMM Pfaudler's long term strategy with a commitment to create value for our people, our communities and our planet.

OUR APPROACH

In our ongoing commitment to sustainability, we remain resolute to the principles outlined in our previous ESG report. Our operational and future growth strategies continue to prioritize responsible environmental, social, and governance practices, as we strive to accelerate the world's transition towards a sustainable future and make a positive impact on our people, communities, and the planet.

To bring our commitment to life, we have implemented a range of initiatives that align with our future growth strategy, while incorporating environmental, social, and governance considerations at their core.

These initiatives serve as a foundation for creating long-term value to our stakeholders, ensuring that our actions have a lasting and positive impact.

Our initiatives have led to the development of tangible products and services that actively contribute to environmental protection and showcase climate resilience. Our commitment towards responsible business conduct, ensuring ethical practices

and accountability, is reflected throughout our operations. Additionally, we foster workplace harmony, prioritize social stewardship, continuously improve our processes and policies, and enhance resource efficiency.

In line with our commitment to transparency, we integrated an ESG report into our annual report since FY21, and we continue to uphold this practice. This year's ESG report, prepared in accordance with the GRI Standards, enables us to disclose relevant ESG parameters and communicate our progress to all stakeholders.

At our core, we remain steadfast in our mission to lead by example, creating a sustainable future for all.

Creating a sustainable future for our Company and our Stakeholders

- Sustainable and Environmentally-Friendly Working Practices**
Strengthening our product portfolio while respecting our stakeholder concerns and reducing our environmental impact
- Innovative Technologies**
We provide unique and innovative technologies, systems and services that deliver high-value solutions to our customers
- Reliable and Dynamic**
We are committed to consistently delivering on our promise of expertise in technologies, systems and services by anticipating the needs of customers
- Inclusive Culture**
Our people are the driving force steering our ability to do and achieve more. We value diversity and provide a real opportunity to cultivate meaningful relations
- Longer Lifespan**
Our equipments have a longer operational lifespan of over 10-15 years, reducing the need for replacement and waste generation

ENVIRONMENTAL, SOCIAL & GOVERNANCE

ESG POLICY

Our ESG policy is designed to address the impact of our operations and footprint on society and the environment, as well as identify and deploy mitigation measures. The policy outlines our commitment to embedding ESG principles into our business activities and functions and across our supply chain.

GMM Pfaudler supports the U.N. Sustainable Development Goals





STAKEHOLDER APPROACH






Engaging stakeholders is vital to our sustainability journey, as we strive to achieve the triple bottom line of people, planet, and profit. By actively involving stakeholders, we gain valuable

insights, identify key opportunities, and address their concerns. This collaborative approach enables us to earn their trust and support, fostering a shared commitment to sustainability.

Our stakeholders are classified as 'Internal' and 'External' based on our interactions with them. This distinction allows us to tailor our engagement strategies and ensure effective communication and collaboration with each group.

To keep our stakeholders informed, we periodically communicate our progress on material issues using the appropriate channels mentioned below:

Stakeholders	What can we offer them?	Why are they important to us?	How do we engage with them?	Frequency of engagement	Key ESG concerns
 Employees & Senior Management	<ul style="list-style-type: none"> Learning and development Benchmarked compensation Objective and fair performance review & timely feedback Progressive career growth Conducive and inclusive work environment Enabling an innovation led culture 	<ul style="list-style-type: none"> A propelled labour force is critical to acknowledging business, furthermore, manageability of objectives Engaged representatives convey higher efficiency, and fortify cutthroat advantage 	<ul style="list-style-type: none"> Internal communication through multiple channels, including leadership messages, town halls, shop floor meetings, newsletters Intranet Grievance redressal channels 	<ul style="list-style-type: none"> Continuous: Website, Employee portal, Rewards & Recognition programs & satisfactions survey, Webinars, and awareness sessions Quarterly: GMM Pfaudler's Newsletter Annual: Townhalls 	<ul style="list-style-type: none"> Health & Safety Training & Development Corporate Governance Climate Change, Emissions, Water & Waste
 Customers	<ul style="list-style-type: none"> High-quality products Seamless pre-sales and after-sales service Opportunity to provide feedback about products and services Value for money 	<ul style="list-style-type: none"> Satisfied customers are the source of recurring revenues Positive word of mouth and recommendations can get new customers 	<ul style="list-style-type: none"> One-to-one interactions and meetings Customer satisfaction surveys Company websites Helpline numbers and grievance recording mechanism 	<ul style="list-style-type: none"> Continuous: GMM Pfaudler's website and social media sponsored events, mailers, newsletters, brochures Half-yearly: Relationship meetings, Customer satisfaction surveys, Customer visits Annual: Events & Exhibitions 	<ul style="list-style-type: none"> Product Quality Customer Satisfaction Material sourcing

Stakeholders	What can we offer them?	Why are they important to us?	How do we engage with them?	Frequency of engagement	Key ESG concerns
 Shareholders / Investors	<ul style="list-style-type: none"> News of the latest Company developments Details of long-term plans Clarifications about events that might be of concern 	<ul style="list-style-type: none"> Shareholders are the source of the Company's capital As part owners of the Company, they deserve to have a say in the tactical and strategic plans of the Company 	<ul style="list-style-type: none"> Website Media Email Quarterly conference call Analyst & Investor meetings General meetings LinkedIn Investor day 	<ul style="list-style-type: none"> Continuous: Website & Social media Quarterly: Financial statements earnings call, Press conferences, Investor meetings Annual: Annual General Meeting, Annual Report 	<ul style="list-style-type: none"> Corporate governance, Ethics & Integrity Climate Change, Emissions, Water & Waste CSR
 Suppliers / Vendors	<ul style="list-style-type: none"> Revenue generation Business growth Innovation Brand loyalty Key to growing the demand for a sustainable supply of equipment and materials 	<ul style="list-style-type: none"> Strategic lever for operational and cost efficiencies Delivering on quality commitments Finishing new and in-progress projects on time and within budget Technology adoption and advancement across the value chain Integrating ESG parameters chain Reducing carbon footprint 	<ul style="list-style-type: none"> One-to-one discussion Online survey Supplier meets Review & Audits Contractual Agreements Capacity building and training 	<ul style="list-style-type: none"> Continuous: Meetings/calls Half-yearly: Assessments, Site visits & Inspections 	<ul style="list-style-type: none"> Product Stewardship Responsible Sourcing
 Investor Relations & Media	<ul style="list-style-type: none"> News of the latest Company developments Transparency / clarifications about events that might be of concern 	<ul style="list-style-type: none"> Enhancing financial and brand reputation Boosts visibility among potential customers and investors Creating sustainable impact 	<ul style="list-style-type: none"> One-to-one discussion Online survey Quarterly Investor Meets Media announcements Interviews Annual Events 	<ul style="list-style-type: none"> Need-based 	<ul style="list-style-type: none"> Occupational Health & Safety Corporate Governance Climate Change
 CSR Partners	<ul style="list-style-type: none"> Partnerships that support the long-term growth of the communities that surround our operations and result in cascading benefits for the ecosystem 	<ul style="list-style-type: none"> Strengthening societal license to operate Community engagement to conduct business without disruptions Create a more sustainable ecosystem 	<ul style="list-style-type: none"> CSR programs Face-to-face meetings Online survey Community meets Review & Impact studies 	<ul style="list-style-type: none"> Continuous: Project Progress Annual: Review Need-based 	<ul style="list-style-type: none"> Community Development Training & Education
 Industry bodies, Regulators	<ul style="list-style-type: none"> Sustainability Make in India 	<ul style="list-style-type: none"> Key for ensuring compliance, interpretation of regulations and uninterrupted operations, obtaining/granting permissions 	<ul style="list-style-type: none"> Discussions on applicable regulations Appropriate amendments and regular inspections 	<ul style="list-style-type: none"> Need-based 	<ul style="list-style-type: none"> Timely approvals Adaptation to changing regulations Corporate Governance

ENVIRONMENTAL, SOCIAL & GOVERNANCE

MATERIALITY ASSESSMENT

In FY22, we undertook a detailed materiality assessment to identify issues that are critical for our continued business growth and parameters that can impact our

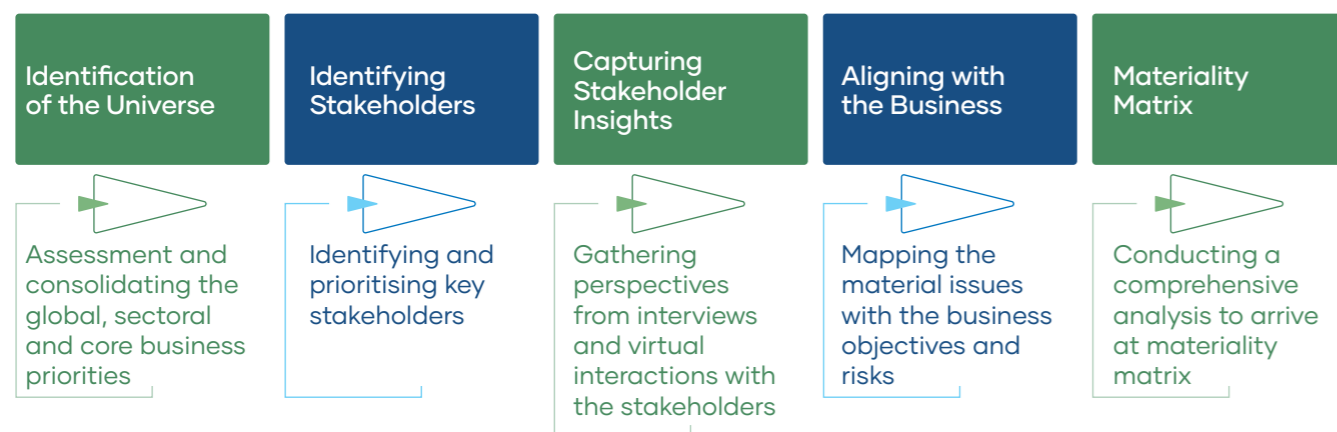
stakeholders the most through a structured engagement with them. A series of one-on-one discussions and online surveys with internal and external stakeholders helped us garner their insights and

assess risks and their potential to impact our value creation abilities. Additionally, a comprehensive desk review was carried out to evaluate material topics relevant to our Company.

Our Materiality Assessment aimed to:

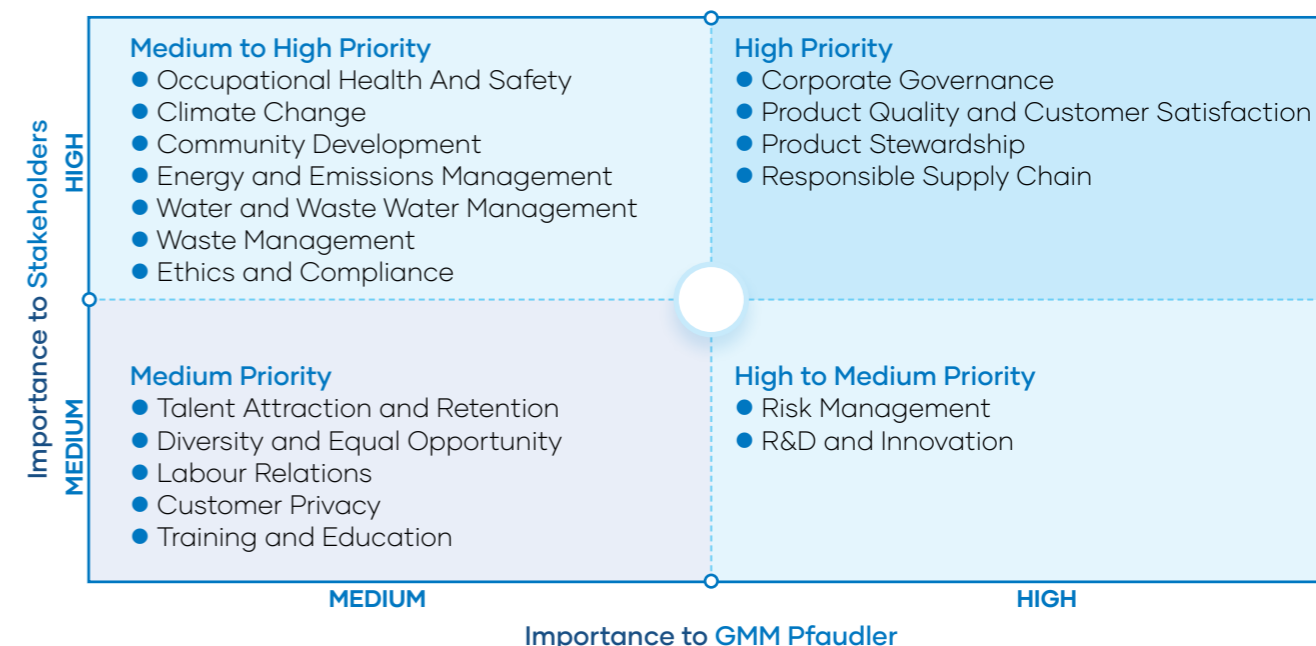


The materiality assessment conducted in FY22 encompassed five key phases, starting with core business priority, and culminating in the finalized Materiality Matrix. The process is elaborated below:



GMM Pfaudler Materiality Matrix

We depict the relative significance of issues through the materiality matrix. We have identified the following material issues to define our ESG priorities, as shown in the High and High to Medium priority quadrants in the matrix below:



Every year, we internally review our material issues in the context of the business environment. Our review process confirmed the relevance and applicability of our 13 material issues, as listed below, for the current reporting period.

GMM PFAUDLER Material issues

- | | | |
|---|--|--|
| High Priority <ol style="list-style-type: none"> Corporate Governance Product Quality & Customer Satisfaction Product Stewardship Responsible Supply Chain | High to Medium Priority <ol style="list-style-type: none"> Risk Management R&D & Innovation | Medium to High Priority <ol style="list-style-type: none"> Occupational Health & Safety Climate Change Community Development Energy & Emissions Management Water & Waste Water Management Waste Management Ethics & Compliance |
|---|--|--|

The synergistic and interdependent relationships between our material topics and business imperatives help us accelerate our sustainability journey in line with our stated strategic goals.

ENVIRONMENTAL, SOCIAL & GOVERNANCE

ESG STRATEGY

Last year, we developed a robust ESG-led growth roadmap for 2022-2025, integrating the material issues identified during that time. This agile and scalable roadmap is

a powerful framework to effectively translate our ESG goals into actionable strategies.

The roadmap not only ensures we meet our financial commitments, but also enables the establishment of scalable and responsive

business model. It empowers us to build a future-ready talent pool, while prioritizing the well-being of our people and the preservation of our planet.

The strategy is built on the four pillars and has nine focus areas.

ESG Strategic Framework



Note: Certain data points of our previous year's report have been revised in view of updated calculation methodology as per BRSR guidance note

ESG Strategic Pillar

1

Environmental Protection & Climate Resilience

Focus area	KPI	3 Year target (FY25)
Low carbon & climate resilient operations	Energy efficiency	To reduce energy intensity
	Decarbonization (SBTi)	To increase the share of renewable energy
	Climate risk analysis	Conduct climate risk and opportunity analysis
Water & waste management	Zero waste to landfill	All the manufacturing sites to achieve the Company's standard for zero disposal
	Water recycling	To decrease total water consumption by a Substantial percentage

We are pleased to announce significant progress in our Company's sustainability efforts. We have achieved a commendable 24% reduction in energy intensity, a 13% decrease in emissions intensity, and an 8% reduction in fuel consumption.

Additionally, we have achieved high rates of waste recycling, reflecting our commitment to sustainable waste management practices. While ongoing construction work has resulted in a temporary 12% increase in

water intensity, we are actively implementing measures to address this. We remain dedicated to our goal of increasing the share of renewable energy and continuously improving our sustainability practices across all operations.

ESG Strategic Pillar

2

Responsible Business Conduct

Focus Area	KPI	3 Year Target (FY25)
Responsible supply chain management	Sustainable procurement	Using responsibly sourced raw materials and minimizing waste throughout the supply chain
	Responsible sourcing	Increase the use of recycled packaging material
Ethics & compliance	No of breaches/non-compliances	<ul style="list-style-type: none"> Identify and disclose the number of breaches or non-compliances with the code of conduct 100% training compliance on ethics (code of conduct)
ESG communication	Internal communication	<ul style="list-style-type: none"> Half-yearly ESG newsletters Conduct quiz/competitions on ESG issues Celebrate ESG/safety Week
	External communication	<ul style="list-style-type: none"> Develop & disclose a sustainability report or integrated report Develop a micro site on the website and disclose the sustainability updates /progress every quarter

We are delighted to share the significant achievements we have made under this pillar. We have implemented a sustainable procurement policy, conducted supplier sustainability risk analysis, prioritized the reuse of packaging

materials and achieved high rates of waste recycling (91.26%) & reuse (8.54%).

Our revised Code of Conduct & Ethics Policy and Whistle Blower Policy ensure ethical business practices, with 100% employee training completion.

Additionally, we celebrated Safety Week across all facilities and mapped our sustainability report with UN SDGs and GRI.

These accomplishments demonstrate our commitment to sustainability, transparency, and responsible business practices.



ESG Strategic Pillar **3** Workplace Symphony

Focus Area	KPI	3 Year Target (FY25)
Human capital development	Diversity & inclusion	Increase the existing women workforce by substantial percentage
	ESG training	All the employees to comply with the minimum ESG training as per Company's learning & development guidelines
	Employee engagement survey	Conduct employee engagement survey annual basis
Health & safety	ISO 45001 alignment and certification	All manufacturing sites to be ISO 45001 certified
	Zero accident & zero injury	Zero accident & zero injury (reportable)

We are proud to announce several significant achievements in Human Capital Development and Health & Safety area. We have implemented a special recruitment drive to promote gender diversity and integrated ESG training into our annual training calendar. We are proud to report a consistently high employee engagement score, reflecting our commitment to fostering a positive and inclusive work environment.

We have successfully maintained a zero rate of high consequence work-related injuries and fatalities. We have prioritized the well-being of our workforce by ensuring that 100% of workers receive training on Health & Safety. To further enhance safety culture, we conducted a comprehensive Behavior Based Safety Training drive across all manufacturing units.

Furthermore, we have achieved a remarkable 27% reduction in recordable work-related injuries for our workers. All our factories are now ISO 45001 and ISO 14001 certified showcasing our commitment to employee well-being and environmental stewardship. These accomplishments underscore our dedication to creating a safe, inclusive, and sustainable work environment.

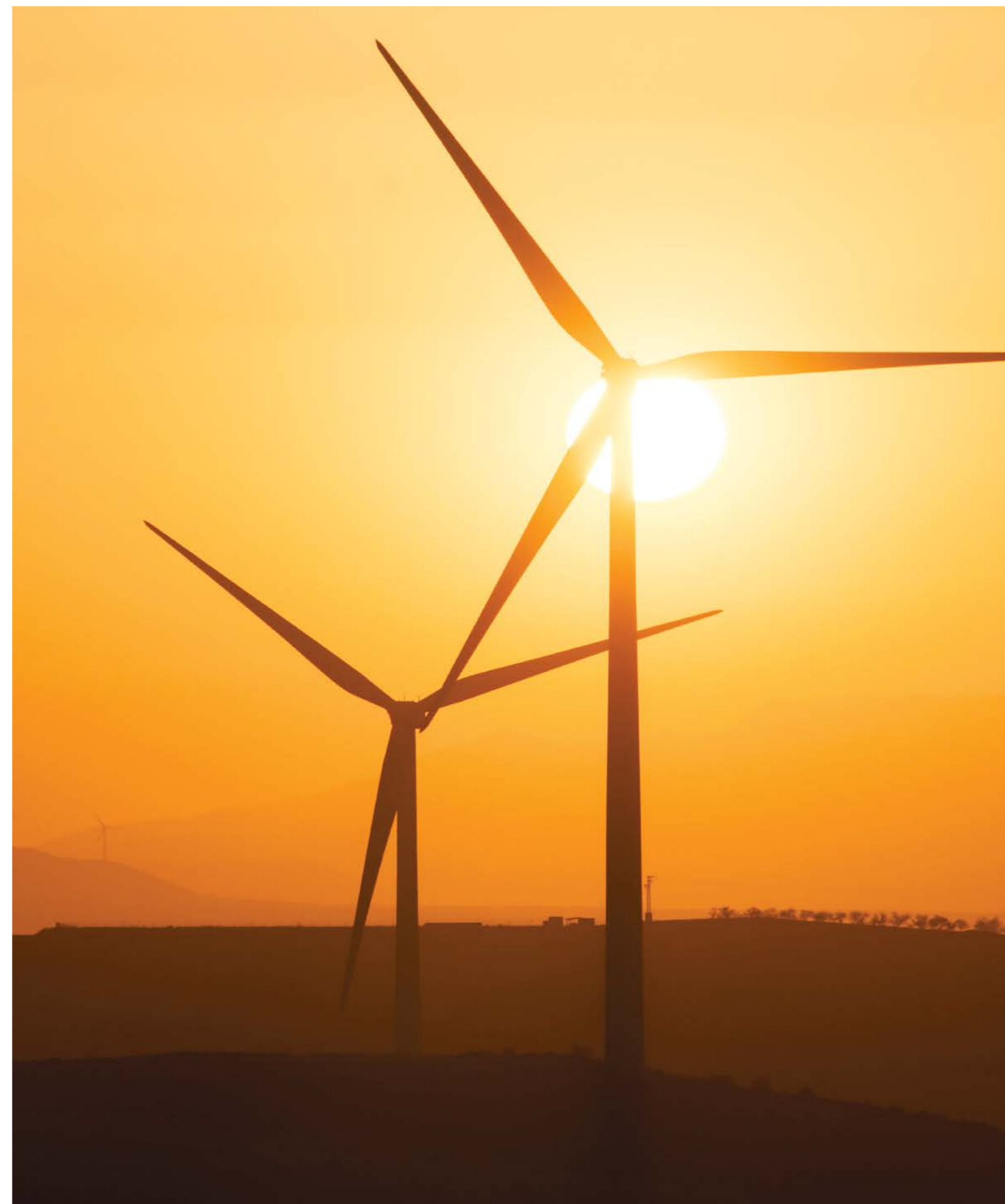
ESG Strategic Pillar **4** Social Stewardship

Focus Area	KPI	3 Year Target (FY25)
Community development	Need assessment	Community need assessment for all new CSR projects
	Social impact assessment	Impact assessment for medium/ long-term CSR projects (3 years and above)
Human rights	Employee volunteering	Encourage employees to engage and participate in community volunteering services
	Human rights due diligence	Conduct human rights due diligence at all operational facilities

We are pleased to highlight our Company's commitment to responsible practices and community engagement. We have conducted comprehensive Need Assessments for our new CSR projects in Healthcare, Education & Environment ensuring that our

initiatives align with community needs. We have completed Impact Assessments for our long & medium term CSR projects demonstrating our commitment to measuring and maximizing positive outcomes.

Also, our employees have volunteered their time in activities such as Blood Donation, ENT camps, and tree plantation, showcasing our dedication to giving back to society and making a meaningful impact.



Environment



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GMM Pfaudler acknowledges the significance of sustainability and the need for environmental responsibility. Through our ESG Strategy we have implemented various measures to minimize our carbon footprint and conserve natural resources.

As a manufacturer of glass-lined equipment and systems, we have adopted renewable energy sources, efficient manufacturing processes, and waste reduction and recycling programs to reduce our environmental impact.

The Company adheres to internationally benchmarked standards and conducts environmental assessments to identify risks and ensure long-term viability.

ENVIRONMENTAL, SOCIAL & GOVERNANCE

ENERGY & EMISSIONS

GMM Pfaudler is actively fostering an energy-efficient culture by enhancing operational efficiencies, implementing energy conservation mechanisms, and prioritizing

the integration of renewable sources into its energy mix. The fuel consumed includes liquefied petroleum gas, high-speed diesel, biodiesel, petrol, and piped natural gas.

Additionally, energy is sourced from grid electricity, wind power plants, and solar power plants.

Energy Consumption (Units-GJ)					
Source	FY19	FY20	FY21	FY22	FY23
Total Grid Energy (as grid electricity)	41,047.50	48,821.58	43,663.66	74,926.08	90,933.93
Total Renewable Energy (as electricity)	6,409.59	6,616.61	8,449.08	9,475.80	6,471.66
Total Electricity (A)	47,457.09	55,438.19	52,112.75	84,401.88	97,405.59
Total Fuel Energy (B)	87,286.82	1,00,132.75	1,31,592.38	1,58,205.77	1,45,307.75
Total Energy (A+B)	1,34,743.94	1,55,570.94	1,83,705.13	2,42,607.65	2,42,713.34

The energy consumption for FY23 remained same as FY22 despite of the increase in turnover. This is due to the fact that our Total Fuel energy consumption decreased by 8% and our Total Renewable Energy decreased by 32% whereas our Total Grid Energy (as grid electricity) increased by 21%, this increase in consumption is due to our strategic transition from fuel to electricity.

GHG Emissions (Units-tCO ₂ e)					
Scope	FY19	FY20	FY21	FY22	FY23
Scope 1 Emissions	4,925.31	5,670.88	7,345.53	8,933.03	8,517.82
Scope 2 Emissions	9,365.78	10,764.78	9,581.74	16,442.11	20,460.13
Total	14,291.10	16,435.66	16,927.27	25,375.14	28,977.95




In FY23, our total GHG emissions rose by 14% to 28,977.95 tCO₂e compared to FY22, driven by 26% increase in turnover. However, we achieved a 4.6% reduction in Scope 1 emissions & 24% increase in Scope 2 emissions through strategic shift by reducing dependency on fuel-based equipment like Diesel Generator sets and moving from gas-based furnaces to electric ones.

Reducing Impact

Throughout the past year, we have actively pursued sustainability measures across various aspects of our operations. We are aligned with ISO 50001 to drive energy management, have introduced environmentally conscious products and services, and completed process improvements to minimize waste and resource consumption.

By replacing old equipment with energy-efficient alternatives, incorporating advanced technology, and retrofitting/upgrading equipment, we have reduced consumption and improved overall efficiency. Moreover, we are in the process of identifying additional potential for solar power in our factories, highlighting our commitment to renewable energy solutions.

In FY22, we developed a comprehensive three-pronged approach to significantly reduce our energy consumption and emissions. We continue to implement this strategy in the current year to ensure sustained progress towards our energy and emission reduction goals.

	Energy Efficiency	The first pathway focuses on enhancing energy efficiency through process improvement and removal of idle energy. This is closely supported by our efforts on technological interventions such as process improvements, replacing old AC units with 3/5 star rated AC units, replacing old welding machine with new Inverter based machines, energy-efficient LED lights etc. These interventions have resulted in annual savings saving of 28,16,628 kWh and helped us avoid 2,281 tCO ₂ e.
	Fuel Shift	Our second pathway involves transitioning to cleaner fuel to power manufacturing processes, including moving from gas-based to electric furnaces which helped reduce our Natural Gas consumption.
	Renewable Energy	The third pathway focuses on boosting the proportion of renewable energy, such as solar power and wind energy, in our energy mix. GMM Pfaudler's current renewable energy installed capacity stands at 2.8 MW, with 1.8 MW being wind and 1 MW being solar, which has helped avoid 1,456.12 tCO ₂ e in FY23.



Argon Gas Consumption Reduction Project

In our sustainability journey, an interesting story unfolds at our manufacturing facilities. It all began when one of our facility conducted a trial of the Argon Gas saver device in their welding machines, resulting in an impressive 27% reduction in gas consumption. Excited by this success, the facility shared the details of the gas saver project with the other facility to explore its feasibility for implementation.

The other facility conducted trials, comparing welding with and without the Gas saver device. Surprisingly, after installing the device, gas consumption increased by 3-5% instead of reducing. Multiple trials were conducted, all yielding the same unexpected result.

Determined to understand the issue, the other facility delved into the working principle of the Gas saver device. They discovered that it works by reducing the bottle pressure. This led them to recall their previous findings during repair weld analysis, where high bottle pressure was identified as the cause of weld defects like lumps, cracks, and porosity.

To address the issue of high bottle pressure and prevent recurring weld repairs, trials were conducted with reduced weld pressure. The results were promising, showing that bottle pressure could be reduced from 4-5 kg to 0.7-1 kg without compromising the welding quality.

Embracing this breakthrough, the other facility incorporated reduced bottle pressure as a process parameter in all welding

operations, leading to significant gas savings of 27% without the need for the Gas saver device.

This valuable learning was shared with our other facilities, where successful trials were conducted using the reduced bottle pressure as a process parameter. As a result, an organization-wide procedure was established, setting the welding bottle pressure at 0.7-1 kg instead of the previously used 4-5 kg pressure.

This project showcases the power of continuous improvement and knowledge sharing within our organization. By leveraging our collective expertise, we were able to identify a sustainable solution, optimize our welding processes, and achieve substantial gas savings, all while maintaining the highest quality standards.

Vertical Conical Dryer (VCD): Vacuum Drying Technology

Our new product, the Vertical Conical Dryer (VCD), not only meets the strict guidelines for compliance with cGMP and FDA regulations, but it also fulfills our vision for sustainability.

The VCD is a versatile and energy-efficient system that can be optimized for use in the pharmaceutical, chemical, fine

chemical, and agrochemical industries. It offers multiple benefits over traditional Rotary Vacuum Paddle Dryers (RVPD), such as effective utilization of heat transfer areas, a vertical orientation and discharge for lower heel volumes and better emptying characteristics, a wide range of filling capacities, and lower operating and maintenance costs.

In addition, the VCD can be designed for use in sterile/clean room areas by providing in-floor installation that separates the drive unit from the process area, which helps to maintain a clean and safe environment.



Reduces Size by **50%**



Use of Single Seal instead to two: **Low Running Cost**



Reduces Drying Time by **35%**



Increases Heated Surface Area Utilization by **40%**



WATER MANAGEMENT

At GMM Pfaudler, we understand the critical role of water in our business operations and are fully committed to utilizing it prudently. Water is not only essential for our manufacturing facilities and offices but also plays a vital role in various other aspects of our organization.

To fulfil our operational needs, we draw on-ground water and tap into third-party sources. However, we are acutely aware that our operations generate wastewater as a by-product of the manufacturing processes. Therefore, we recognize the importance of water conservation and have made a steadfast commitment to using water efficiently throughout our operations.

As part of our responsible water management practices, we have established protocols in accordance with the standards set by the Pollution Control Board of India. These protocols ensure the responsible treatment and recycling of wastewater, minimizing any potential impact on the environment.

Total Water Withdrawal & Consumption

(Units-KL)

Type of source (e.g. groundwater, surface water, tankers etc.)	FY21	FY22	FY23
Groundwater	11,910	14,735	25,685
Third-party water	120	15,811	18,746
Total water withdrawal	12,030	30,546	44,431
Total Water Discharge	3,623	3,980	5,190
Total Water Consumption	8,407	26,566	39,241

In FY23, our Total Water Consumption rose by 48% to 39,241 KL compared to FY22, driven by 26% increase in turnover as well as due to infrastructure activity been conducted at our Hyderabad factory.

Reducing Impact

We actively implement measures to monitor and reduce water usage throughout our operations, prioritizing sustainable water management practices and investing in water infrastructure. Our commitment to reducing water consumption aligns with ISO 14001 certification standards. An annual study of Environmental Aspects & Impacts enables us to identify the various effects of our current water consumption levels.

To conserve water, we have implemented initiatives such as installing low-flow fixtures, push-button taps, and water meters, while closely monitoring usage for optimization opportunities. Additionally, we address wastewater generated on-site through in-house sewage treatment plants or by sending it to a Common Effluent Treatment Plant (CETP). Recycled water is utilized for gardening purposes, promoting resource efficiency.

In cases where space is limited, smaller offices discharge wastewater into municipal sewers for further treatment. Furthermore, we continue to implement the Hydro Wastewater Collection initiative, which recycles and reuses wastewater for hydro testing.



ENVIRONMENTAL, SOCIAL & GOVERNANCE

WASTE MANAGEMENT

Our operations and manufacturing processes result in the generation of both non-hazardous and hazardous wastes. Non-hazardous wastes include items like paper, food, metal scrap, rubber scrap, wooden scrap, and other scrap materials.

Additionally, we also produce hazardous wastes such as aluminum oxide, used oil, and paint sludge.

To address this challenge, we are actively implementing changes to our processes and adopting measures aimed at reducing waste generation.

Our manufacturing sites across India are fully committed to achieving our Company-wide goal of zero disposal by the year 2025. To accomplish this, we have implemented various operational control procedures, created necessary infrastructure, and established partnerships with authorized disposal agencies.

Total Waste Generated		(Units-MT)		
Parameter	FY21	FY22	FY23	
Plastic waste	-	-	1.1	
E-waste	-	-	3.3	
Bio-medical waste	0.001	0.004	0.00015	
Construction and demolition waste	685	94	310.43	
Battery waste	0.35	1.3	0.037	
Radioactive waste	-	-	-	
Hazardous waste	3	0.29	13.24	
Non-hazardous waste	1,563	2,305	3,301.37	
Total	2,251.35	2,400.59	3,629.47	

In FY23, our Total Waste Generation rose by 51% to 3,629 MT compared to FY22, driven by 26% increase in turnover as well as due to infrastructure activity been conducted at our Karamsad & Hyderabad Factory.

Waste Diverted		(Units-MT)		
Category of waste	FY21	FY22	FY23	
Recycled	1,566	2,306.3	3311.19	
Re-used	685.27	94.17	310.11	
Incinerated	0.001	0.004	0.00015	
Landfill	-	-	8.14	
Total	2,251.27	2,400.47	3,629.44	

Reducing Impact

In the FY23, we achieved significant milestones in waste management, with a remarkable total of 99% of waste being recycled or reused. Out of this total, 91% was successfully recycled, while 9% was effectively reused.

Our Waste Management Initiative encompasses a diverse range of strategies focused on waste reduction, reuse, and recycling across our business operations. We have taken several concrete steps to ensure effective waste management practices within our facilities.

These include the establishment of a dedicated scrap yard for waste segregation and storage, adherence to regulatory frameworks such as the Hazardous Waste Management Rules 2016, the Battery Waste Management Rules, e-Waste Management Rules and Plastic Waste Management Rules.

Waste management practices

Our new facility at Vatva has implemented Waste management practices in line with our existing facilities at Karamsad and Hyderabad.

Implementation of operational control procedure for hazardous waste management at Vatva facility - Adherence to comprehensive set of guidelines and processes ensures the safe and responsible handling of hazardous waste within our manufacturing unit. The procedure begins with identifying the hazardous waste generated by our operations and developing a waste management plan. Our employees receive training on proper waste handling practices,

and we enforce segregation and labeling protocols to ensure clear identification of hazardous materials. We also prioritize appropriate storage methods to prevent accidents or leaks. Safe disposal practices are strictly followed, and we continuously monitor the entire process to ensure its effectiveness. Our operational control procedure has enhanced efficiency by streamlining hazardous waste management processes.

Scrap yard at Vatva facility - This scrap yard serves as a dedicated space for the collection, processing, and distribution of various waste types, including plastic waste, e-waste, battery waste, and

hazardous waste. Their primary purpose is to ensure proper segregation and storage of waste materials. Additionally, bins were strategically placed on the shop floor to facilitate the correct collection of waste. By utilizing recycled materials from these yards, we reduce our environmental impact, preserve natural resources, and realize cost savings compared to purchasing new metals. Moreover, these yards provide an efficient and convenient solution for disposing of metal waste, lowering landfill costs and minimizing our overall environmental footprint.



ENVIRONMENTAL, SOCIAL & GOVERNANCE

ENVIRONMENTAL SUSTAINABILITY THROUGH CSR PROJECTS

GMM Pfaunder is dedicated to upholding environmental responsibility and preserving biodiversity. Our Company

through GMM Pfaunder Foundation has taken up projects such as Urban Afforestation, Marine Megafauna Rescue, and Coral Reef Restoration demonstrate our proactive approach in mitigating risks and protecting biodiversity.

Through these initiatives, we uphold our commitment to environmental stewardship and making a positive impact on ecosystems.

Urban Afforestation - Tree Plantation Drive at Hyderabad

In our commitment to expanding the green cover in non-forest areas, GMM Pfaunder Foundation has forged a partnership with SayTrees Environmental Trust for the transformative Urban Afforestation program at Secunderabad, Telangana, enhancing the local greenery and fostering environmental sustainability within the community.

An independent need assessment was carried out to meet the aim of the programs which is to restore lost flora and fauna, restoring ecological balance in the area. Through meticulous planting and ongoing maintenance, the project revives the green cover

and enhances the area's carbon sink capacity as a testament to urban forestry efforts, utilizing local resources. By improving soil health and promoting biodiversity, this initiative contributes to India's ambitious goal of achieving a 33% forest cover, surpassing the current 24%. Beyond ecological benefits, the program serves as a unifying force, engaging communities in addressing land degradation and embracing the power of afforestation. The resulting green cover will attract a diverse range of birds and insects, further enriching the area's biodiversity.

The impact of the program is carefully monitored and documented. The survival rate and height of the saplings are diligently tracked through comparative

photos taken before and after the planting process. The biodiversity change is also captured through pictures and recorded observations, highlighting the positive transformations unfolding in the area.

Under this initiative, a total of 2000 saplings were planted using the Miyawaki plantation technique, ensuring optimal growth and sustainability. Local resources were actively engaged to implement and maintain the thriving green cover, fostering a sense of ownership and community involvement.



Restoration of Coral Reefs:

The partnership between GMM Pfaunder's and ReefWatch Marine Conservation in the restoration of coral reefs in the Andaman Islands has been an impactful CSR initiative since 2018. ReefWatch Marine Conservation, a non-profit organization established in 1993, actively works towards sustainable management and conservation of coral reef ecosystems. The coral reefs in the Andaman Islands face multiple threats, including global warming, ocean acidification, overfishing, and deteriorating water quality. This initiative aims to restore and preserve marine life in this fragile ecosystem.

The Re(ef) Build approach utilized in this project combines physical and biological restoration methods, promoting the growth of

coral fragments by attaching them to underwater metal structures connected to mineral accretion devices. Since 2017, this innovative technique has successfully provided habitat for several coral fragments, resulting in the colonization of 23 new species on 9 Artificial Reefs. Regular maintenance dives ensure the removal of unwanted algae and the preservation of the marine ecosystem.

As a result of deliberate efforts, the artificial reef has fostered the presence of diverse marine life. The reef now hosts various fascinating species, including Juvenile Octopus, Ghost Pipe Fish, Yellow Spotted Box fish, Flathead Crocodile Fish, and a vibrant school of Bluefin Trevally. These marine inhabitants can be

observed thriving within the reef's confines, with the Bluefin Trevally exhibiting their hunting prowess as they chase schools of smaller fish in the Dome.

In addition to restoration efforts, we have actively engaged with the local community through various outreach programs. The first Educational Tour Group has successfully completed the Re(ef) generate Course, providing participants with valuable knowledge on coral reef restoration. Furthermore, we are proud to introduce "Healthy Me, Healthy Sea," a weekly out-of-school program specially designed for the local children of Chidiyatapu. This program aims to educate and inspire these young individuals about the importance of a healthy marine ecosystem and its direct impact on their own well-being.

Marine Megafauna Rescue at Karnataka Coast

GMM's continuous partnership with ReefWatch Marine Conservation in the Karnataka Marine Megafauna Rescue program has yielded results since 2019. This collaboration with the non-profit organization, ReefWatch, has been instrumental in safeguarding Karnataka's diverse marine ecosystems.

The project this year also focused on addressing the distressing issue of Marine Megafauna Strandings, where large marine animals become stranded on beaches or in shallow waters. These stranding events involve endangered or

vulnerable species such as whales, dolphins, sea turtles, and sharks. Quick and effective response is crucial to mitigate harm to these stranded animals.

As a result of the program's efforts, since 2019, a total of 224 cases of Marine Megafauna stranding were addressed, including Humpback dolphins, sea turtles, cetaceans, and Masked Gannet of which 89 cases were addressed this year. Just as last year, the program identified, monitored, and protected seven sea turtle nests with barricades along the coastline. Additionally, in collaboration with the Forest Department, a Dolphin Rescue

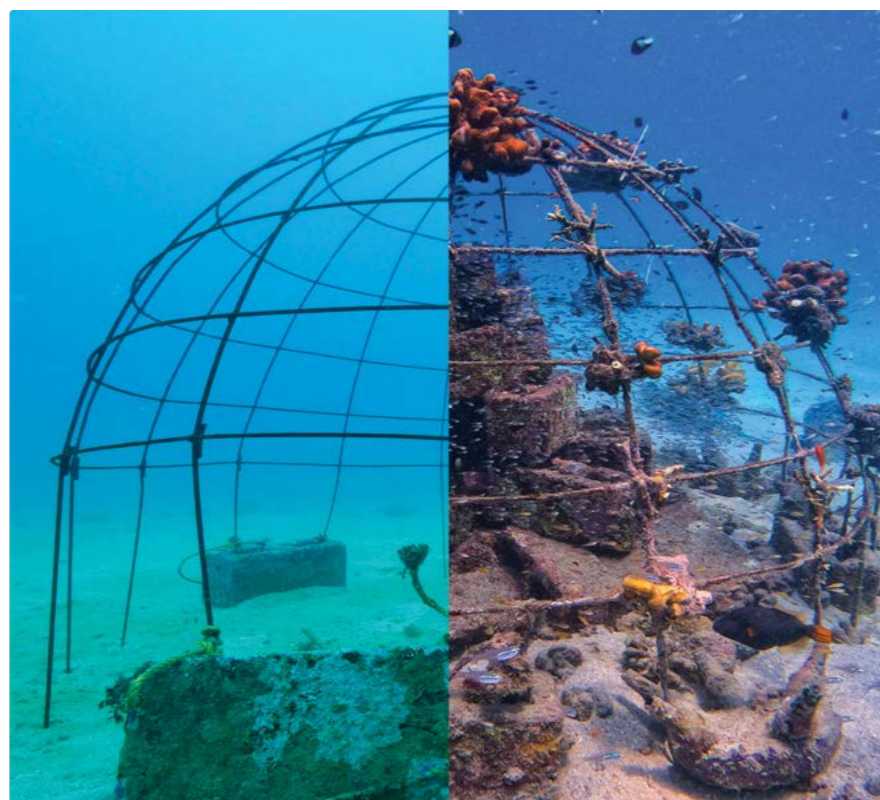
and Rehabilitation Center was established along the Karnataka Coast, further strengthening rescue and conservation efforts.

Through workshops and community outreach, awareness was raised among local communities about the threats sea turtles face and the importance of their conservation. Workshops were conducted at various educational institutions and sessions were organized for school children, forest staff, and during the Wildlife Week.

ENVIRONMENTAL, SOCIAL & GOVERNANCE

Impact Assessment

The Company appointed an independent impact assessment agency to understand the impact of environmental projects undertaken by ReefWatch Marine Conservation, assess the programs on the benchmarks and make recommendations for course corrections, if any. Mr. M. Muralidharan, Senior Marine biologist from WWF-India was an integral part of this assessment.



Restoration of coral reefs at the Andaman Islands

Methodology:

1. Each reef structure was examined at the sites of coral attachments.
2. Each coral fragment was assessed for conditions including size, stage of attachment and if the coral was live/ dead.
3. Transects were carried out along the structures followed by the adjoining reef to observe reef-associated species like fishes. This measure was used

to indicate the success of the structures replicating a natural reef system.

Key findings:

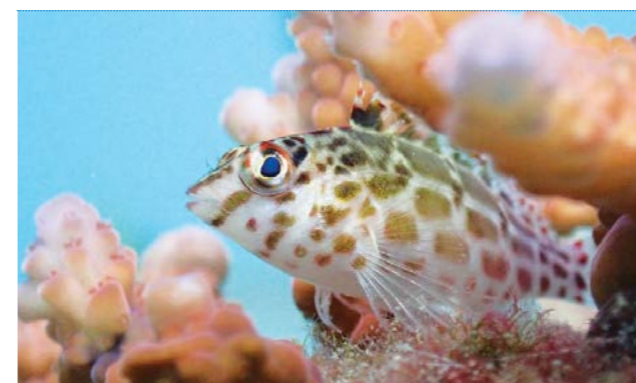
1. Since 2017, 9 artificial reefs structures have been placed with successfully attachment of coral fragments.
2. Approximately 40 coral-associated species and ~23 species of reef fish were observed at the artificial reefs which indicate that the structures are in the process of acting similarly to natural reefs.

3. A high rate of successful attachment of live coral to the structures was noted, with minimal instances of dead or bleached fragments.
4. Techniques utilized have been adapted to changing technologies.
5. The techniques developed by ReefWatch are a learning system for government as well as other agencies.
6. Improved local support with communities with their outreach programs.

Field Results:

Category	Artificial Structure	Natural Reef
Genera	21	25
Species	23	35
Functional Groups	6	7
Total individuals	112	230
Herbivore - species	3	7
Piscivore - species	3	4
Corallivore-species	0	5
Macroinvertivore - species	12	14
Omnivore/ Detritivore - species	2	4
Planktivore - species	3	1

The overall assessment suggests that the project is positively meeting its objective of restoring and rehabilitating corals.



Marine Megafauna Rescue at Karnataka Coast

Methodology:

A desk assessment of the field protocol and rehabilitation techniques was reviewed based on the project report and the results of successful rescue operations carried out by the field team.

Key findings:

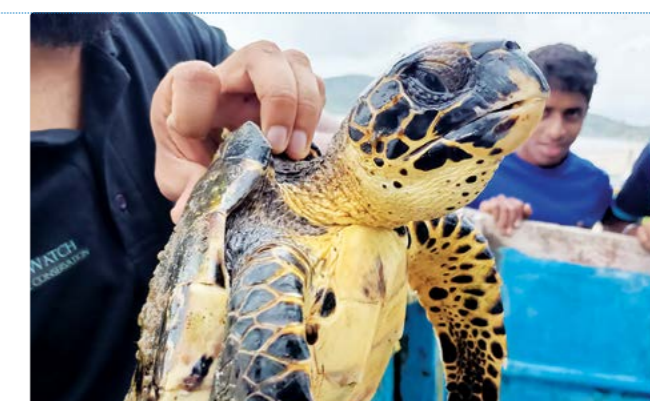
1. 224 stranded marine megafauna observed over a period of 3 years which included

dolphins, whales turtles and sea birds of which 148 dead and stranded were sea turtles, 60 cetaceans, 7 sea birds and 9 others including sea snakes, fishes & sharks.

2. 18 turtles and 7 sea birds were successfully rescued, rehabilitated and released back to the sea.
3. The major causes of stranding were observed to be

entanglement in ghost fishing nets, followed by boat-related incidents, internal injuries, parasites, infection and oil spills.

The overall assessment indicated that the project is successful in the various evaluation parameters such as relevant scope, reliability of data, clear reporting and credible findings.



Success Story:

"A pair of female Olive Ridely sea turtles entangled in a ghost net and washed ashore in Karnataka were rescued by local fishermen. It was observed that one the turtles' was suffering from flipper injuries. The required treatment and medication was provided by the ReefWatch veterinarian and thereafter the turtle was released into its natural habitat" - ReefWatch Marine Conservation

ENVIRONMENTAL, SOCIAL & GOVERNANCE

Dissemination of Improved Biomass Cookstoves (“IBCS”) in the rural areas of Gujarat

GMM Pfaudler Foundation has partnered with Sardar Patel Renewable Energy Research Institute (SPRERI) on Project IBCS, a CSR initiative aimed at improving the lives of rural communities in Gujarat. The project addressed the health and environmental challenges faced by women in rural India who cook in poorly ventilated environments using inefficient biomass-burning stoves. SPRERI developed IBCS that maximize fuel efficiency, emit fewer harmful emissions, and enhance user safety.

The project’s need assessment revealed the adverse effects of unclean household fuels on pollutant exposure, particularly among women and children. By providing and installing IBCS, the project sought to create a better cooking environment and bring impactful changes to the lives of poor farmers in rural villages.

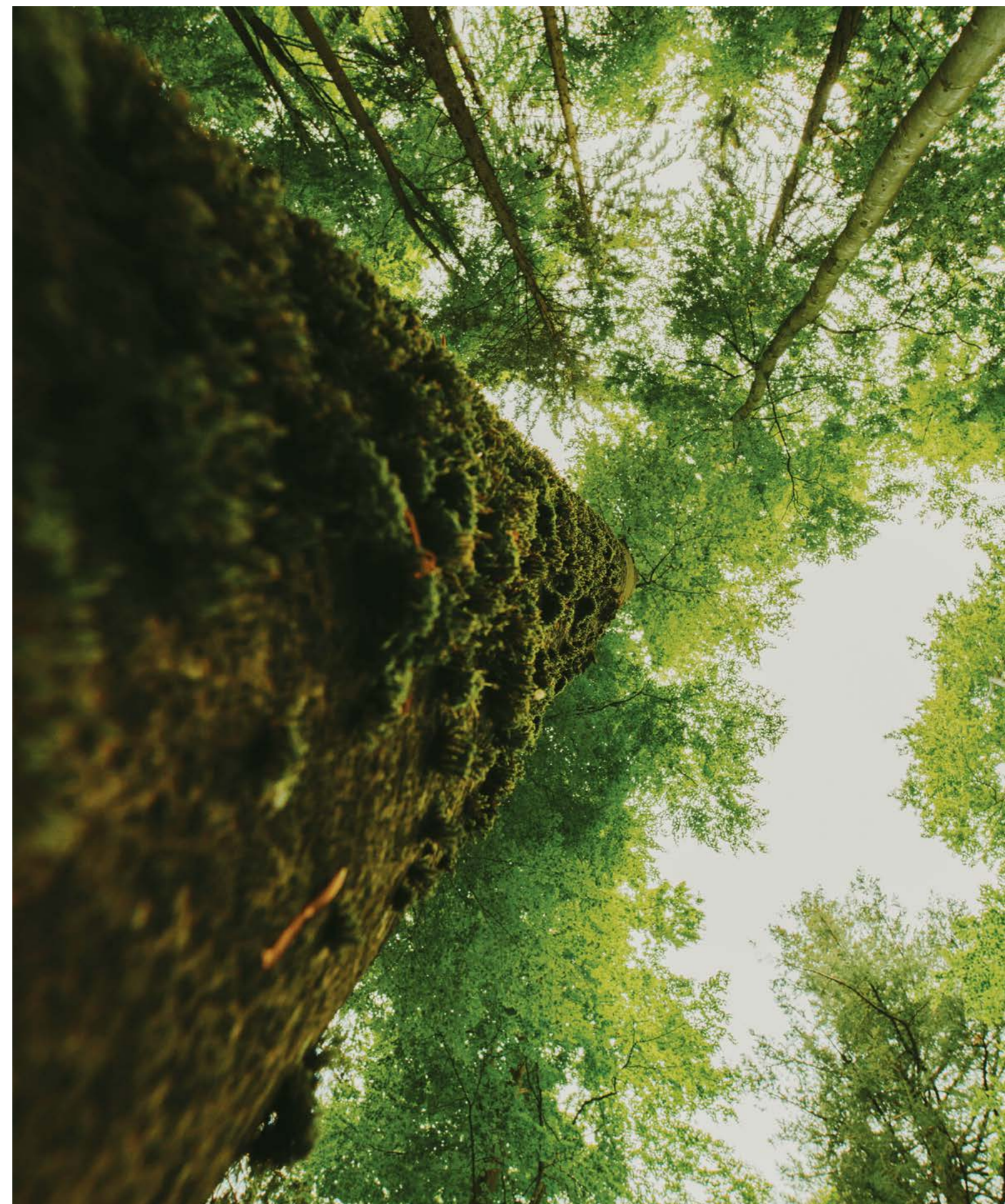
The adoption of IBCS resulted in various benefits, including a reduction in fuelwood collection time, allowing for more productive activities. Efficient cooking improved outcomes while creating

a healthier and safer environment for households.

Additionally, the project contributed to a reduction in medical expenses and the mitigation of greenhouse gas emissions.

To raise awareness and promote the benefits of IBCS, cookstove awareness sessions and demonstrations were conducted in three locations within the Anand and Panchmahal districts of Gujarat. Approximately 850+ cookstoves were distributed under this program.

Particulars	Outreach
Villages Covered	13
Cookstoves distributed	850+
Direct Beneficiaries	850+
Indirect Beneficiaries	3500+
Reduced carbon emission (per year)	6092 tonnes
Wood saved per cookstove	190 tonnes



Social



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AT GMM Pfau

dler, we are driven by a vision to create a better future, and our commitment to sustainability extends far beyond delivering exceptional products and services to our customers. We recognize that fostering holistic and inclusive growth for all our stakeholders is vital to the continued well-being of our Company. Engaging and involving our employees, supply chain partners, customers, and the community in our sustainability-led growth journey is a cornerstone of our approach.

ENVIRONMENTAL, SOCIAL & GOVERNANCE

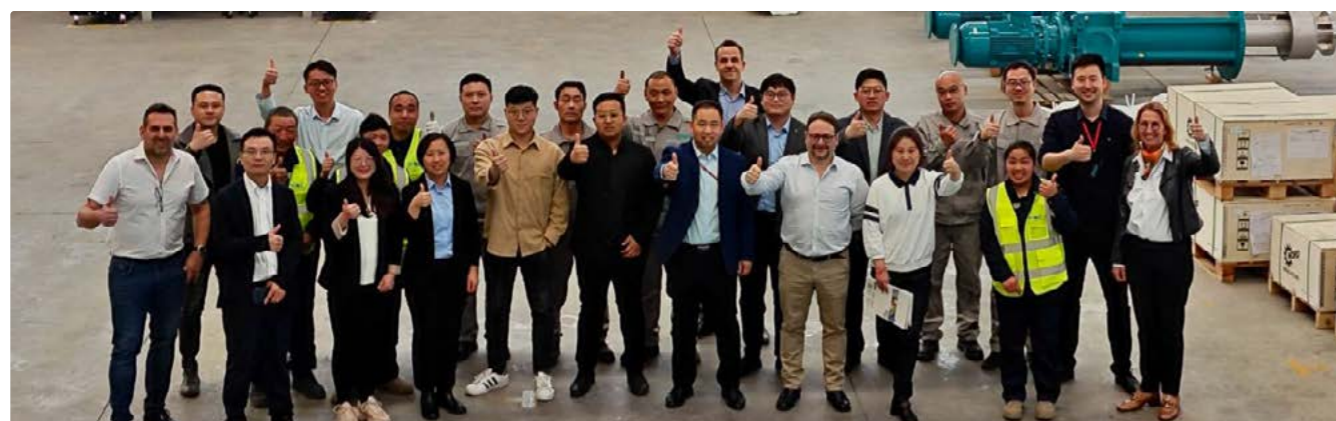
EMPLOYEES

The success story of GMM Pfaudler is a result of the abilities and contributions of our employees. It is their commitment and efforts that bring our goals to fruition. We provide a meritocratic workplace that provides equal opportunity and encourages excellence irrespective of race, religion, color, nationality, gender, age, disability, etc. Multiple professional growth

and development opportunities and competitively benchmarked remuneration and benefits are key in helping us attract the right talent. Our comprehensive people policies are designed to make every one of our employees feel secure and confident. Given the nature of our operations, we have a relentless focus on measures that ensure the health and safety of our employees.

A well-defined Code of Conduct guides and mandates ethical and inclusive behavior across our operations, including our subsidiaries and the value chain.

A Whistle Blower Policy empowers our employees to raise concerns about any unlawful or unethical activity or violation of the Code of Conduct without fear of reprisal.



Workforce Diversity

A vibrant workforce needs the diversity of capabilities, expertise, gender, age, and experiences to bring distinct strengths that come together to foster innovation and productivity in the workplace. At GMM Pfaudler, we offer our employees a safe and fair workplace that is free of discrimination of any form and embraces diversity to serve as a strategic growth lever.

Recognizing the importance of diversity, in FY23, we conducted a special GET (Graduate Engineer Trainee) recruitment drive focused exclusively on female candidates. Additionally, we have undertaken comprehensive workforce planning to identify positions where women employees will be hired. By actively working to increase gender diversity, particularly in the

manufacturing sector where it is limited in India, we strive to create a more inclusive and balanced workplace. To ensure a safe and inclusive environment, we have implemented measures and policies, including regular training on the Prevention of Sexual Harassment (POSH).

MORE DETAILS ON THE CODE OF CONDUCT & ETHICS POLICY, POSH & WHISTLE BLOWER POLICY ARE AVAILABLE AT OUR WEBSITE: <https://www.gmmpfaudler.com/investors/policies-programmes>

Employee Break-up: FY23

Year	Employee Type	Employee	Age Group (no.)			Gender (no.)	
			<30 yrs	30-50 yrs	>50 yrs	Male	Female
FY22	Permanent	743	171	521	51	707	36
FY23	Permanent	809	194	567	48	779	30

Hiring and Turnover

Year	New Hires	Age Group (no.)			Gender (no.)	
		<30 yrs	30-50 yrs	>50 yrs	Male	Female
FY22	201	67	129	5	194	7
FY23	183	95	88	0	179	4

Attrition

Year	Attrition	Gender (no.)	
		Male	Female
FY21	27	25	2
FY22	74	67	7
FY23	122	112	10

Equal Opportunities & Pay

In our commitment to fairness and inclusivity, we have implemented initiatives for a diverse and inclusive workplace. Competency Based Interviewing (CBI) ensures candidates are evaluated solely on skills and abilities, promoting equal opportunities.

Salaries are benchmarked to qualifications, experience, and abilities, with no reliance on other criteria.

Our comprehensive remuneration package includes bonuses, stocks, and benefits based on performance and years of service, recognizing excellence and loyalty.

All employees receive remuneration exceeding minimum wage, ensuring a decent standard of living and fair compensation.

Ratio of Basic Salary and Remuneration of Women to Men

Employee Category	Officers	Staff
Ratio of Basic Remuneration of Women to Men	0.99	1.38

Employee benefits

GMM Pfaudler is dedicated to enhancing employee well-being and productivity while exhibiting corporate social responsibility through a comprehensive employee benefits package. Our offerings include complete health and accident insurance coverage for both male and female employees, alongside

access to various medical facilities and services like the Occupational Health Centre, Employee Health Care Scheme, Company ambulance, and hospital partnerships. Moreover, our employees, as well as their parents, are protected by the Group Medical Policy. We prioritize the needs of working parents by providing maternity

and paternity benefits, day care facilities, all of which extend to 100% of our male and female employees; through these facilities we have achieved a 100% return-to-work rate for permanent employees who took parental leave, showcasing our commitment to supporting work-life balance and seamless transitions.

Training & Development

Comprehensive skill development programs are crucial for equipping our employees to meet client expectations and maintain smooth operations. The skills and competencies of our employees play a pivotal role in executing labor-intensive manufacturing processes accurately and maintaining product quality. We prioritize leadership development, functional skills, and operational training. Our programs also focus on enhancing productivity, safety, and minimizing losses. Additionally, we collaborate with respected external trainers to offer self-paced and instructor-led programs covering personal and professional development areas such as leadership and critical thinking.

In FY23, we made significant strides in our Training and development efforts. One notable achievement was the completion of 40+ training sessions, covering 15+ topics, which amounted to an impressive 7500+ man hours dedicated to skill and competency development. Moreover, we placed a strong emphasis on safety by providing safety training to 100% of our permanent and contractual workers.

Our commitment to sustainability extends beyond skill development and safety. We also recognized the importance of Environmental, Social, and Governance (ESG) training. To ensure its effectiveness, we devised a comprehensive action plan. This plan involved identifying key areas for ESG training and forging partnerships with relevant

training providers. We integrated ESG training into our NEEV calendar, ensuring its inclusion in our organizational activities. Additionally, we diligently tracked and reported quarterly participation to management, reinforcing our commitment to transparency and accountability.

Looking ahead to the future, we have outlined our plans for FY24. Specifically, we aim to target training programs that focus on ESG sensitization and promote diversity and inclusion within our organization.

ENVIRONMENTAL, SOCIAL & GOVERNANCE

Workplace Health & Safety

At GMM Pfaudler, creating a safe and healthy workplace environment is of paramount importance to us, as it is crucial for the seamless operation of our business. We are fully committed to fostering a work environment that is free from injuries, fatalities, and both acute and chronic illnesses, addressing both physical and mental health concerns.

This commitment is reinforced through our utilization of cutting-edge technology, comprehensive training programs, the provision of appropriate personal protective equipment, and a rigorous incident tracking and reporting system.

During the reporting year we fostered a safe and healthy workplace culture through a series of impactful initiatives at its manufacturing locations which helped us to reduce recordable work-related injuries by 27%.



Zero Accident & Zero Injury

In our quest to be a Zero Accident & Zero Injury Organization, we collaborated with Momentum India to launch a Safety Culture Enhancement drive. This initiative primarily focused on training our employees in Behaviour Based Training (BBS). BBS is a proactive approach that aims to increase safe behaviour within our organization by observing and analysing individual behaviours.

By identifying the consequences of certain behaviours and providing appropriate reinforcement, we actively work towards reducing hazards, risks, and incidents. The BBS program has been successfully implemented across our corporate office and three key locations: Karamsad, Vatva and Hyderabad. To facilitate the identification and mitigation of Unsafe Acts & Unsafe Conditions (UAUC), we utilize the BBS checklist and the

MI Safe App, which is a predictive analytical SaaS tool to identify, register, and mitigate UAUC. We understand the importance of tailored training, which is why we had provided different sessions for different employee levels, including CXO-Top Management, Steering Committee members, Observers & Workers. These training sessions are conducted in English, Hindi and Telugu to ensure universal understanding.

Safety Drive at Karamsad factory	Project Utkarsh at Vatva factory	Project Spurthi at Hyderabad factory
<ul style="list-style-type: none"> ISO 45001 recertification Safety Audits as per IS 14489 Implementation of Contractor Safety Management System Testing of equipment to check safe working conditions (Air Tanks & Lifting Tools) Installation fire safety devices in all offices Enhancement of safety culture by visual aid 	<ul style="list-style-type: none"> ISO 45001 certification Construction of scrap yard Quarterly safety assessment Periodic one-point lesson LOTO implementation 	<ul style="list-style-type: none"> ISO 45001 certification PPE awareness sessions LOTO implementation Safety system improvement Established Occupational Health Center Testing of equipment to check safe working conditions (Air Tanks & Lifting Tools) Construction of scrap yard Construction of Industrial Effluent collection tanks

Reward & Recognition

In FY22, the organization introduced the iAppreciate Reward & Recognition Program to reinforce valued behaviours and leadership messages. It encouraged managers and the leadership team to acknowledge and reward desired behaviours,

fostering collaboration and providing a platform for peer appreciation. Building on this success, iAppreciate 2.0 was launched. This enhanced version aligned recognition with individual and business goals, recognizing exceptional performance exceeding grade expectations.

Recognition criteria encompassed performance tied to goals and consistent display of core values, impacting the organization's internal and external environment positively.

Human Rights

GMM Pfaudler designates Compliance Officers to enforce the GMM Code of Conduct, safeguarding human rights. The Company is committed to upholding the dignity and rights of all individuals, both within the organization and with business partners.

It strictly prohibits unlawful child labour and exploitation, thus setting a minimum employment age of 18. Forced or involuntary labour is not tolerated, ensuring voluntary employee participation. To uphold human rights and foster continuous improvement, the Company established complaint

mechanisms, through its Whistle Blower Policy, empowering the reporting of unethical behaviour, fraud, or violations of the Company's code of conduct or ethics.

SUPPLIERS

At our Company, we recognize that the nature of our business requires us to work closely with multiple supply chain partners to procure the inputs we use. In line with our agreements with customers, most of our raw materials are sourced from designated suppliers. However, we have made deliberate efforts to engage partners located closer to our facilities.

This approach not only reduces carbon emissions associated with transportation and storage but also allows us to manage costs more effectively.

These include our Sustainable Procurement Policy and Supplier Code of Conduct, which outline our expectations for sustainable practices.

To ensure adherence to our guideline, we conduct regular assessments through audits and analysis. These evaluations help us understand the sustainability risks and compliance levels within our supply chain. In FY24, we aim to focus on conducting supplier audits for environmental and social aspects and perform sustainability risk analysis for our top 50 suppliers.

In FY23, we successfully implemented several collaborative initiatives. These included the procuring 34% of our input material from local and neighbouring districts, reuse of 70% of wooden boxes and materials received from suppliers for product packaging, replacing 91 metric tons of non-recyclable packaging stretch film with recyclable alternatives, prohibiting the use of single-use plastic and thermocol in our products and packaging materials, and eliminated asbestos from our glass-lined vessel gaskets.

Our Sustainable Sourcing strategy encompasses three key elements: Guidelines, Assessment, and Collaborative Innovation.

Under the Guideline component, we have developed exclusive policies and procedures for our suppliers that govern the way we procure materials.

Furthermore, our Collaborative Initiative aims to identify projects that minimize waste, maximize resource efficiency, and promote sustainable production and consumption.

ENVIRONMENTAL, SOCIAL & GOVERNANCE

CUSTOMERS

Our dedication lies in leveraging our core strengths to generate value for our customers. Whether it's our technological prowess, manufacturing capabilities, global reach, or trusted brand, we strive to establish meaningful connections.

We actively engage with our customers, immersing ourselves in their processes, requirements, and challenges. By providing our advanced technology and extensive expertise, we not only

meet their expressed needs but also uncover and address undisclosed requirements.

Through this collaborative approach, we develop tailored solutions that not only benefit our customers but also serve as innovative growth platforms for GMM Pfaudler.

We continually seek customer feedback to enhance the quality and performance of our products and offer them an array of communication channels to reach us with their grievances.

These channels include our website, customer meets and satisfaction surveys, helpline numbers, and technical support. We have robust policies and systems to ensure the data privacy of our customer information.

Elimination of Asbestos in Glass-Lined Vessel Gasket

Asbestos is a mineral that was once widely used in many products, including gaskets, due to its heat-resistant properties. However, asbestos has been linked to serious health risks, including lung cancer, mesothelioma, and asbestosis.

Initially, the Glass-Lined vessel gaskets comprised of 50% asbestos and 50% non-asbestos material. However, the installation process necessitated grinding, inadvertently generating asbestos dust and scrap.

Fully aware of the dangers associated with asbestos, we diligently followed strict protocols and compliance guidelines to dispose of the asbestos scrap responsibly through an authorized agency.

Recognizing the environmental and health hazards posed by asbestos, we made a strategic decision to transition to gaskets made exclusively from non-asbestos materials. This crucial shift, though accompanied by an additional cost of 20 lakhs to our Company, aimed to eliminate the use of asbestos and its associated risks.

Post multiple trials at customers' end and with help of value chain partners we were able to eliminate 13 tonnes of asbestos material, reducing the environmental impact and protecting the health of our suppliers, workers and customers. All the gaskets used in our Glass-Lined Vessels now made up of 100% non-asbestos material, and we receive from the gasket manufacturer stating use of 100% non-asbestos material.



GMM Pfaudler Sealing Technology

GMM Pfaudler's Interseal product line, featuring the dry9000 Seal and ace5000 seal, presents an innovative solution that not only enhances efficiency but also integrates sustainability features. These seals offer a cost-effective and time-saving alternative to conventional seals, addressing their flaws and reducing the need for extensive maintenance.

One of the key sustainability advantages of these seals lies in their contamination-free production process, which mitigates the risk of product loss and safeguards both people and

the environment. Additionally, the dry running technology eliminates the requirement for supply systems, minimizing the resources needed for cleaning and monitoring.

Moreover, these seals comply with stringent standards such as FDA, GMP, ATEX, and TA Luft, ensuring exceptional safety and quality.

By selecting Interseal, industries can not only achieve cost and time savings but also actively contribute to a sustainable future by reducing their environmental impact.

Driving Sustainable Growth

GMM Pfaudler's dedication to sustainability is evident in its embrace of Industry 4.0 advancements. Through the adoption of cutting-edge technologies, the Company has enhanced its environmental impact, minimized waste, and optimized resource utilization. In the FY23, GMM Pfaudler successfully implemented several transformative projects that pave the path towards a sustainable future. These initiatives encompass innovations such as Simple Touch by QR, IWMS (Inspection Welding and Management System), iAppreciate 2.0, and GL Engineering Sheet.

Simple Touch by QR:
A Sustainable Solution for Easy Access to Glass-Lined Equipment Information

For our customers GMM Pfaudler has in house developed a mobile application that provides quick and easy access to essential information about our Glass-Lined equipment while promoting sustainability.

With Simple Touch by QR, customers can scan the QR code on the equipment nameplate and gain instant access to documents such as the GA drawing of the equipment, user guide, and spare parts list with detailed references to ease and speed up their ordering/re-ordering.

By providing this information on a mobile application, we eliminate the need to share hard copies or CDs, reducing paper, and plastic waste and reducing the carbon footprint associated with its transportation and storage.

Moreover, the application is compliant with The Data Privacy Act, which means that customers can access the information without worrying about their personal data being shared or misused. Also, the application doesn't allow downloading, printing, or sharing of documents, promoting digital sustainability.

In addition to providing easy access to information, Simple Touch by QR also includes an Inquiry form to place orders for spares or new products, a Feedback form to raise service requests and a Contact Us page provides GMM Pfaudler relevant team member contact details in case of questions and/or intervention.

SOCIAL INITIATIVE THROUGH CSR PROJECTS

Healthcare

We have allocated resources to expand the reach of quality healthcare and have implemented various initiatives to provide

affordable and preventive healthcare services within local communities.

Our goal is to improve healthcare accessibility and contribute to the well-being of the communities we serve.

Project Sparsh 2.0

GMM Pfaudler has been supporting Charutar Arogya Mandal (CAM) since 2016 in the implementation of **Project SPARSH** (Shree Krishna Hospital Programme for Advancement of Rural and Social Health). This collaboration aims to bring modern healthcare facilities to local communities in Karamsad, Gujarat.

Through the project, trained Village Health Workers (VHWs) provide appropriate healthcare services in their own villages, complemented by health centres in nearby towns/villages and a tertiary care centre for critical cases. SPARSH focuses on preventing, treating, and caring for chronic diseases such as diabetes, hypertension, cancer, and chronic respiratory diseases, contributing to reduce healthcare costs, improved productivity, and increased life expectancy.

Project Sparsh 2.0 is our new initiative aimed at addressing Non-Communicable Disease (NCD) risk indicators such as Pre-Obesity, Central Obesity, Pre-Hypertension, and Pre-Diabetes. The project focuses on screening patients, providing interventions, and raising awareness about NCDs to improve overall health outcomes and promote sustainable healthcare practices.

Various interventions are implemented under Project Sparsh 2.0, including medical camps, school-based and community awareness sessions, home delivery of medicines for chronic patients, and home visits for bed-ridden patients. These activities ensure comprehensive coverage and engagement with the target population.

GMM Pfaudler has provided financial assistance to establish a mobile health unit, operated by Charutar Arogya Mandal, with full-time doctors, paramedics, and healthcare workers. This unit serves approximately four villages daily, offering free medical diagnosis and basic treatment. GMM Pfaudler's support extends to 100 villages, benefiting a population of around 300,000 people.

In FY23, 10,000+ patients were reached through 400+ medical camps.

Since its initiation in 2016, Project Sparsh has made significant progress, reaching a total of 70,000+ patients through 2000+ medical camps.

ENVIRONMENTAL, SOCIAL & GOVERNANCE

Upgradation of Maternity Ward at ESIC Hospital, Hyderabad

This year, we have expanded our efforts in the healthcare sector with a new project which focuses on enhancing the facilities and quality of services in the Mother & Childcare division of ESIC Hospital in Nacharam, Hyderabad. The hospital, operated by the Employees' State Insurance Corporation (ESIC), provides healthcare services to a minimum

population of 1,50,000 from nearby areas, mostly comprising workers and their families from various industries.

To ensure effective and meaningful CSR initiatives, a need assessment was conducted to identify priorities, engage stakeholders, set realistic goals, optimize resources, and measure impact with transparency and accountability. This approach helped align the project with the hospital's needs.

The project aimed to upgrade infrastructure and provide essential equipment for improved patient care. This included ultrasound machines for managing emergency cases, a fully automated clinical chemistry analyser for instant reports, and bed-side monitors for post-operative vital monitoring.

As a result of the initiative, over 23,000+ biochemistry reports were generated, more than 900 ultrasounds were conducted, and the project positively impacted the lives of over 5,500+ individuals.

Success Story:
"A nine months pregnant 28-year-old female was admitted to the labour room with severe pain in the abdomen and decreased baby movements. An emergency scan was conducted using the ultrasound machine donated by GMM Pfudler Foundation and the patient was taken for emergency cesarean section and a healthy baby was delivered. Ultrasound scan was very helpful in providing timely diagnosis thereby saving the lives of both the mother and the baby" - **ESIC Hospital**

Education

We at GMM Pfudler are committed to supporting education in our community. We believe that empowering individuals with knowledge is vital for success in a changing world.

Our investment in education aligns with the United Nations Sustainable Development Goals, creating a sustainable and equitable future. We prioritize education in underprivileged areas and marginalized segments, ensuring accessibility for all.

Through classrooms, workshops, mentorship, and career programs, we provide inclusive learning experiences. By fostering a culture of learning and offering resources and support, we empower individuals to navigate the challenges of today.

JV Patel ITI

GMM Pfudler's partnership with JV Patel Industrial Training Institute (JVP ITI) aims to promote education within local communities, ultimately enhancing their employment opportunities. JVP ITI, is also an approved Training Centre under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY 3.0), provides skill development training to school and college dropouts as well as unemployed youths.

This program is designed to meet UN SDG4, which aims to "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all." It equips participants to secure jobs in the technical domain, either in the government or private sector. With a well-equipped institute and qualified instructors, JVP ITI offers eight trades certified by the National Council for Vocational

Training (NCVT) and two trades certified by the Technical Education Board (TEB). The ITI's objectives include ensuring a steady flow of skilled labour in various industries, improving the quality and quantity of industrial production through systematic training, and reducing unemployment among educated youth by equipping them with industrial skills. Over the past six years, a total of 1300+ students have benefitted from various programs with the JVP ITI.

Highlights FY23:

- 100% admission rate achieved in NCVT courses offered by the institute
- 13 Memorandum of Understanding have been signed with various industries to facilitate industrial visits, on-job-training, and apprenticeship opportunities for the students

- 6 Skill development workshops conducted on AutoCAD, Virtual Reality, and Design of Electric Scooter and Fire safety
- Regular counselling sessions and training on employability skills have been conducted to enhance participants' abilities
- The Institute conducted a total of 36 industrial visits, providing the students opportunities with practical learning experience, industry insights, networking, and career exploration
- The Institute conducted 14 off-campus and 10 on-campus recruitment drives, resulting in the enhanced placements
- Three health awareness sessions including ENT & Dental camps were organised by the institute in collaboration with Shree Krishna Hospital under project SPARSH 2.0 for the students

Infrastructure Development

An impact assessment of the JV Patel ITI project was undertaken by an independent agency in FY22 to evaluate the project's overall impact on the students, their families, and the wider community. The key findings from the impact assessment indicated that the project holds a great potential towards creating positive impact on the lives of the students and their families. Accordingly, in FY23 the Foundation undertook a comprehensive renovation of the institute to modernise its facilities in a phased manner. The upgraded infrastructure and latest technology will provide students with a conducive learning environment, enabling them to acquire better knowledge and practical experience thereby improve the quality of education and enhance employment prospects for students.

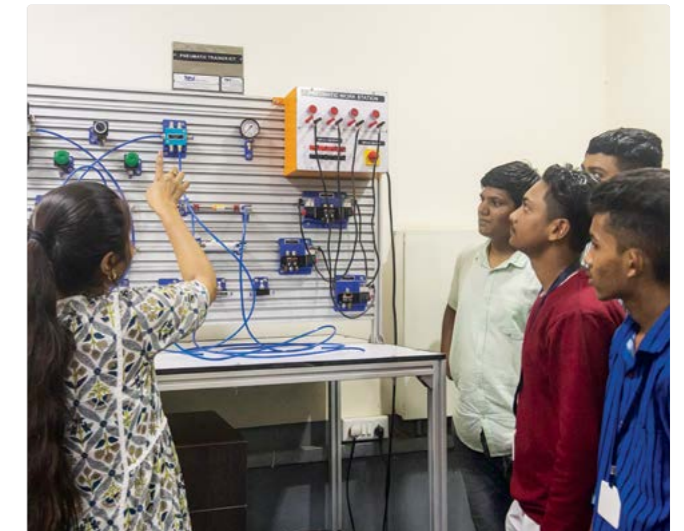
Highlights FY23:

- The renovation encompassed various aspects like installing paver blocks at the entrance to address water-logging issues, separate washroom for females, repairing damaged and stiff windows for better ventilation, renovating poorly maintained flooring to ensure safety, addressing inadequate lighting and fans to reduce eye strain and stress, and repairing leakages in the ceilings to utilize vacant spaces
- The Institute also setup a new IT lab which provides students with a practical and hands-on learning environment. It allows them to apply their theoretical knowledge with software and hardware components and gain practical experience in their related fields
- Installation of additional CCTV cameras and new security cabin at the Institute has created an

accessible point for security personnel to monitor and control access to the premises resulting in safer and more secure environment for both the students and staff members of the institute

Ranking

JVP ITI has received a total score of 6.7 out of 10 from Directorate General of Training (DGT)- Ministry of Skill Development and Entrepreneurship (MSDE) for FY23. The institute had a score of 1.49 in the year 2018. The current score shows a substantial progress and growth of the institute over the years.



Solar Energy Technician Course

Solar energy, with its remarkable growth potential, has become a driving force in the global electricity landscape, fuelled by technological advancements, cost reductions, and supportive policies. Recognizing the increasing demand for skilled solar energy technicians, GMM Pfudler took a proactive step

by supporting the Solar Energy Technician Course at Telangana Academy for Skill & Knowledge (TASK), Hyderabad as a pilot project.

In the FY23, 50 students enrolled in the Solar Energy Technician Course. The course offers a comprehensive curriculum covering various aspects of solar energy, including fundamentals,

panel installation, electrical wiring, maintenance, troubleshooting, and safety practices. To ensure practical experience, the course includes mandatory on the job training, allowing students to gain hands on experience and build confidence in real-life service delivery scenarios. Eligible candidates will also receive job assistance, facilitating successful placements within the industry.

ENVIRONMENTAL, SOCIAL & GOVERNANCE

EMPLOYEE VOLUNTEERING

At GMM Pfaudler, we actively promote social development through employee participation in volunteering. This fosters their commitment to making a positive impact and strengthens our connection with communities. Our action plan includes identifying opportunities within existing CSR activities, such as beach clean-ups, blood donation camps, and providing soft skills training to students.



ENT & Dental Camps

GMM Pfaudler Foundation in association with Shree Krishna Hospital had organized ENT and Dental Camps for the students of JVP ITI Karamsad, Gujarat. Approximately 200+ students participated in the ENT and Dental camps. Employees from GMM Pfaudler Ltd. volunteered in the camps making it a huge success.



Blood Donation Camp

GMM Pfaudler Foundation in collaboration with Shree Krishna Hospital organised a blood donation camp at JVP ITI. Approximately 30+ employees from GMM Pfaudler along with students and staff members of JVP ITI participated in this camp.



Tree Plantation Drive

GMM Pfaudler Foundation in association with SayTrees Environmental Trust planted 2000 saplings using Miyawaki technique under the project Urban Afforestation at Secunderabad on March 15, 2023. Approximately 40+ employees participated in the tree plantation drive initiative.



Governance



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AT GMM Pfau

dler, integrating environmental, social, and governance (ESG) considerations into our governance framework has enabled us to effectively manage risks, seize opportunities, and make meaningful contributions to both society and the environment. Our steadfast dedication to responsible governance not only cultivates trust among our stakeholders but also propels sustainable growth and generates enduring value. By adhering to high standards, we strive to set an example for a sustainable future, while placing the diverse needs of our stakeholders at the forefront, ensuring utmost accountability and responsible resource utilization. In this governance section of our sustainability report, we will provide a comprehensive overview of our governance practices, highlighting our commitment to transparency, ethical conduct, and meeting the evolving expectations of our stakeholders.

ENVIRONMENTAL, SOCIAL & GOVERNANCE

BOARD & POLICIES

The Board of Directors and Committees oversee the functioning of the Company and guide the management team and our operations to protect the long-term interests of stakeholders. In addition, the

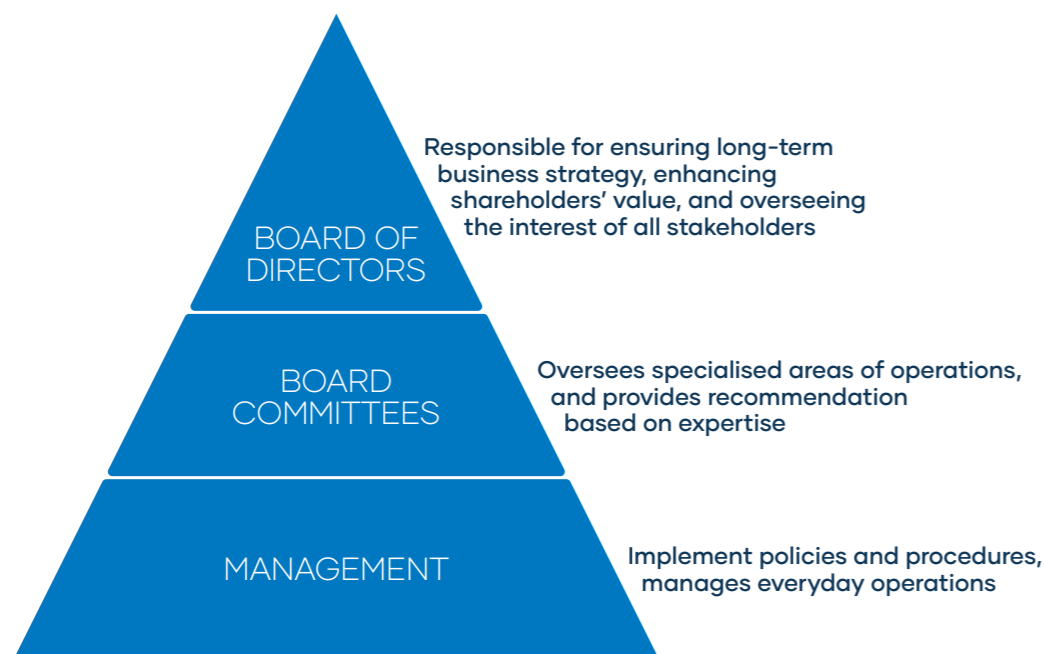
Board ensures compliance with relevant regulations led by our Code of Conduct and ethical standards wherever our Company and subsidiaries are present. Our Board comprises experienced and competent professionals who bring

the strategic leadership and skills needed to grow our business led by our ESG goals. Our Board of Directors met 7 times in FY23, with an average participation rate of 96.63%.

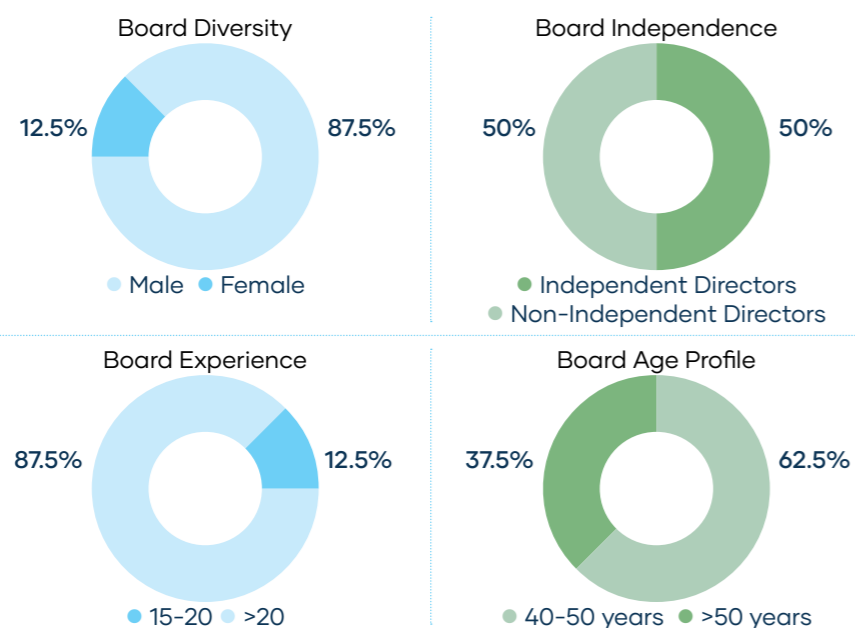
Enabling Governance structure
Our Governance framework is based on the Company's core principles and taken forward by the Board's standing committees. The Committees ensure that we

align our execution framework to our short, medium, and long-term strategic intent, following the highest standards of corporate conduct, ethics, and transparency.

The standing committees provide oversight of all operational matters weaving in our ESG goals across every business goal and execution approach.



Board Statistics



Board Committees

Board Committees aid in discharging duties by providing valuable insights, enhancing governance policies, and submitting periodic reports to the Board of Directors.

Board of Directors	
Chaired by Independent Director	
8 Members	50% Independence

Audit Committee	
Chaired by Independent Director	
4 Members	75% Independence

Nomination & Remuneration Committee	
Chaired by Independent Director	
4 Members	75% Independence

Corporate Social Responsibility Committee	
Chaired by Independent Director	
4 Members	50% Independence

Risk Management Committee	
Chaired by Independent Director	
5 Members	40% Independence

Stakeholders Relationship Committee	
Chaired by Independent Director	
4 Members	33% Independence

Allotment Committee	
Chaired by Non-Executive Director	
3 Members	33% Independence

ENVIRONMENTAL, SOCIAL & GOVERNANCE

Management

The Managing Director provides overall direction for effective management of the Company. The Managing Director is responsible

for corporate strategy, brand equity, planning, external contacts and all-important management matters. In the operations and functioning of the Company, the

Managing Director is assisted by the Chief Executive Officer and Chief Financial Officer along with a core group of senior level executives.

Policies



Scan the QR Code to see our policies

Our policies serve as an enabling framework for realising our governance vision and ensuring transparency within and outside our organisation.

Anti-Corruption Policy	Communications Policy	Policy for Preservation of Documents & Archival of Documents
Anti-Sexual Harassment Policy	Dividend Distribution Policy	Policy on Related Party Transactions
Antitrust Guidelines	Environment Social Governance Policy	Policy and Procedure for enquiry in case of Leak/ Suspected leak of Unpublished Price Sensitive Information
Board Diversity Policy	Export Compliance Guidelines	Risk Management Policy & Strategy
Code of Conduct & Ethics Policy	Familiarization Policy	Suppliers' Code of Conduct
Code of Conduct for Prevention of Insider Trading	Nomination, Remuneration & Evaluation Policy	Whistle Blower Policy
Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	Policy for Determining Material Subsidiaries	
Corporate Social Responsibility Policy	Policy on Determination of Material Events	

Code of Conduct & Business Ethics

Our comprehensive Code of Conduct and Ethics Policy (GMMCOC) is applicable to all our employees, regardless of their level or position. It establishes the fundamental principles that guide our behaviour and actions. The GMMCOC plays a vital role in enhancing our decision making process, fostering trust among our stakeholders, and safeguarding our valuable reputation. Moreover, it has been specifically designed to comply with the requirements of the Companies Act, 2013, and its associated regulations. This policy sets clear expectations for

individual employees, outlines the standards for business conduct, and defines the responsibilities of our directors, thereby demonstrating our unwavering commitment to our stakeholders. We conduct our business in strict accordance with our Anti-Trust and Anti-corruption policies, as well as all relevant laws and regulations. To ensure ethical practices across our supply chain, our agreements with suppliers, contractors, and business partners include adherence to our ethical principles. Furthermore, our suppliers and service providers are also bound by their own separate Supplier's Code of Conduct. In the

FY23, we revised the GMMCOC and Whistle-blower Policy to enhance the monitoring and reporting of ethical concerns. Additionally, we have introduced an interactive e-learning module that provides employees with an in-depth understanding of the GMMCOC. We have successfully achieved 100% employee participation in this module, ensuring widespread awareness and compliance with our Code of Conduct and Ethics Policy.

Anti-Sexual Harassment Policy

GMM has a zero-tolerance policy for harassment and ensures each person is treated with respect and dignity.

CORPORATE GOVERNANCE

At GMM Pfau

dler, we acknowledge the significant impact of corporate governance on shareholder value, ensuring it is maximized within legal, ethical, and sustainable frameworks. Our corporate governance approach prioritizes fairness for all stakeholders

involved. We highly value the trust of our investors, and we uphold integrity as the bedrock of our performance. Our Board takes its fiduciary responsibilities seriously, embracing a comprehensive perspective on its duties. We strive to align ourselves with international best practices in corporate governance, fostering transparency through our disclosures. Our commitment extends to enhancing long-term shareholder value and safeguarding the rights of minority stakeholders across all our business activities.

SUSTAINABILITY GOVERNANCE

GMM Pfau

dler's sustainability governance approach defines the goals and framework of its sustainability policy and monitors the progress of ESG-related programs. The Board of Directors provides leadership and oversight of our Company's sustainability mission and sets future goals.

The ESG Steering Committee (leadership team) is responsible for developing a sustainability strategy and ensures it is embedded across all business operations. It also looks at the effective management of stakeholders and promotes collaborations to drive sustainable value realization.

ESG Steering Committee

The ESG Steering Committee sets sustainability-related goals for the organization and steers our agenda on this front. The Committee formulates strategy and execution roadmaps in line with the ESG vision defined by the Leadership. It provides specific guidance and operational insights to the ESG Working Groups, reviews public disclosures (ESG Report, Policies, other ESG related presentation or reports etc.), and presents them to the Leadership or Board for approval. The Committee also engages with stakeholders,

including external rating agencies and auditors on topics relevant to our ESG performance and meets every quarter. The roles and responsibilities of the ESG steering committee are:

- Formulate strategy and execution road maps in line with the ESG vision defined by the Leadership
- Set annual targets to achieve sustainability goals of the organization
- Identify owners specific to KPIs of each focus area and map their roles & responsibilities

- Provide guidance and operational insight to KPI owners and the ESG Working Group
- Tracking progress of the KPI on a quarterly basis
- Review and approval of public disclosures on ESG (Annual Report, ESG Report, Specific Disclosures, Policies)
- Present the disclosures to the Leadership or Board for approval
- Engage with stakeholders, including external agencies and auditors relevant to ESG

ENVIRONMENTAL, SOCIAL & GOVERNANCE

CSR GOVERNANCE

At GMM Pfaudler, we are driven by the aspiration to bring about positive transformations in people's lives through a participatory approach,

emphasizing inclusive growth and empowering nearby communities.

We actively lead and execute various community-focussed initiatives and interventions that foster social development and

sustainability. Our focus areas include healthcare, education and environmental sustainability.

GMM Pfaudler Foundation

In line with our CSR Strategy towards Societal Sustainability, we have streamlined all our collective efforts under one umbrella for better outreach and meaningful impact. With this vision, our

Company has established a CSR Foundation under the name of GMM Pfaudler Foundation, a wholly owned subsidiary of the Company. The Foundation focuses on various CSR activities

in accordance with our Company's CSR policy. All programs and activities undertaken as a part of CSR have a clear objective to create sustained impact in the most efficient manner.

For details of the CSR project undertaken during the year please refer to Annexure F of the board report.

“ GMM Pfaudler is committed to creating maximum positive impact by envisioning a bright future for the communities we operate in. We firmly believe that we are responsible for improving and enriching these communities and playing a part in their social & economic development and environmental sustainability. Moving a step forward, our Company has incorporated the GMM Pfaudler Foundation to support the Company achieve maximum impact on the targeted beneficiaries.

The Foundation's dedicated focus will enable us to give back to the society and local communities in a more meaningful and impactful manner.”

Tarak Patel
Managing Director

BUSINESS CONTINUITY PLAN

In FY23, GMM Pfaudler established a robust business continuity policy. This proactive measure aimed to prepare the Company for potential disruptions and mitigate their impact on operations, ensuring a smooth continuation of business activities in such circumstances.

The Business Continuity Policy aims to reduce the time it takes to reinstate normal operations, protect employees and essential facilities, and identify roles and responsibilities for team members during emergencies. It also emphasizes the need to quantify the impact of emergencies in

terms of finance, time, services, and workforce, and to effectively communicate with both internal and external stakeholders.

RISK MANAGEMENT

The GMM Pfaudler board has formed a Risk Management Committee (RMC) to oversee the implementation and effectiveness of the risk management framework as required by the Securities and Exchange Board of India's (SEBI) Listing Obligations and Disclosure Requirements (LODR). The Company's Audit Committee earlier oversaw the framework.

The framework enables effective risk management through consistent processes for risk identification, rating (assessment), treatment, and review and monitoring of risks across the Company.

In compliance with the Government of India's Companies Act 2013 and SEBI LODR, the Audit Committee oversees the financial risk framework of the Company. It reviews the internal financial controls and risk management system on an annual basis.

GMM Pfaudler has institutionalized an Enterprise Risk Management (ERM) Framework that is continuously reviewed and benchmarked with industry-best practices to enhance our value creation capabilities for our stakeholders.

The Risk Management Committee periodically evaluates and monitors key risks, including the impact on the economy, geopolitical issues, risks relating to reputation and brand, competition, counterparty, foreign exchange and commodity prices, interest rates, cyber security, and ESG-related issues, among others.

Risk Governance Structure: The Risk Management Framework encompasses the entire organization across all levels. Refer to the Management Discussion & Analysis Report on page number 91 of this Annual Report for further information.

CSR Obligations (in crore)

