

# Environmental, Social & Governance

In today's business landscape, environmental and social responsibility are no longer optional – they're the foundation for long-term success.








We as an organization recognize this and actively integrate ESG practices to not only minimize risks from environmental and social challenges, but also to ensure a positive impact on the world.

Our vision is "To emerge as an industry leader promoting responsible manufacturing, employee safety, environmental and social welfare with effective corporate governance practices to nurture long-term business sustainability". For us, ESG consciousness isn't just about compliance – it's about building a sustainable business that benefits everyone.

This report offers a detailed look at our efforts, achievements, and ongoing initiatives. Join us on our sustainability journey! We welcome your feedback as we continue paving the way for a brighter future.

# Highlights of the Year\*

### Environment

-  **24% Reduction in Grid Electricity Consumption**
-  **3% reduction in Total Energy Consumption**
-  **15% reduction in Emission Intensity**
-  **All manufacturing sites are ISO 14001 & 45001 certified**
-  **863 tCO<sub>2</sub>e Emission avoided<sup>1</sup>**
-  **99% of our Waste Recycled or Reused**
-  **15% Reduction in Water Consumption across all plants**

### Social

-  **Zero Reportable work-related injuries**
-  **100% workers trained on health and safety**
-  **Over 54,000 lives were positively impacted through CSR projects.**

### Governance

-  **70% Independent directors on the Board**
-  **Featured as India's leading listed ESG Entities 2024 by Dun & Bradstreet**

\*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

As part of our continued dedication to sustainability, we are steadfast in upholding the principles detailed in our ESG policy. We remain committed to prioritizing responsible environmental, social, and governance practices in our operational and future growth strategies. Our goal is to accelerate the world's transition towards a sustainable future and make a positive impact on our people, communities, and the planet.

In order to demonstrate our dedication, we have put into action a variety of initiatives that support our long-term growth plan, while also prioritizing environmental, social, and governance factors. These initiatives are essential for building lasting value for our stakeholders and making sure that our actions have a positive and enduring impact.

We have successfully developed tangible products and services that actively contribute to environmental protection and demonstrate climate resilience. We prioritize responsible business conduct, ethical practices, and accountability in all aspects of our operations. In addition, we strive to create a supportive workplace

environment, prioritize our social responsibilities, constantly work on improving our processes and policies, and make efforts to enhance resource efficiency.

As part of our ongoing commitment to transparency, we have included an ESG report in our annual since FY21, and we are committed to maintaining this practice. Our ESG report for this year, prepared in accordance with the GRI Standards, allows us to share important ESG information and update all stakeholders on our progress.

We are committed to setting a positive example and working towards a sustainable future for everyone.

#### Creating a sustainable future for our Company and our Stakeholders



#### Sustainable And Environmentally Friendly Working Practices

Enhancing our range of products while prioritizing stakeholder interests and minimizing our ecological footprint.



#### Reliable & Dynamic

We consistently deliver on our commitment of expertise in technologies, systems, and services by proactively anticipating the evolving requirements of our customers.



#### Innovative technologies

We offer cutting-edge technologies, systems, and services that provide our customers with valuable solutions.



#### Inclusive Culture

Our team members are the driving force behind our ability to accomplish more. We prioritize diversity and offer opportunities to foster meaningful relationships.



#### Longer Lifespan

Our equipment is designed to last for over 10-15 years and through our refurbish services, we give products a second life minimizing the need for replacements and waste generation.

### ESG POLICY

Our ESG policy is a cornerstone of our commitment. It addresses the environmental and social impact of our operations. It identifies mitigation measures and prioritizes responsible practices throughout our business and supply chain, laying the groundwork for a sustainable future.

We are committed to making a positive impact on the United Nations Sustainable Development Goals (UNSDGs), and have aligned our initiatives with 13 of these goals.

#### GMM Pfaudler supports the U.N. Sustainable Development Goals



### Stakeholder Approach

Active stakeholder engagement is essential to our sustainability journey as we attempt to achieve the Triple Bottom Line: People, Planet, and Profit. Through collaboration, we gain valuable insights, identifying key opportunities that benefit our people (fair labor practices, diversity initiatives, community development), protect the planet (minimizing

environmental impact, promoting resource efficiency), and ensure long-term financial health for profit.





This collaborative approach fosters open communication, addressing concerns and building trust. Together, we create a shared commitment to sustainability, ensuring our actions create lasting value for all.

Our stakeholders are categorized as either 'Internal' or 'External' depending on our interactions with them. This distinction enables us to customize our engagement strategies and guarantee effective communication and collaboration with each group.



In order to keep our stakeholders well-informed, we regularly share updates on important matters through the relevant communication channels listed 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
<b>Employees</b>	<ul style="list-style-type: none"> <li>Emphasizing growth and improvement through learning and development opportunities</li> <li>Ensuring fair and competitive compensation based on industry standards</li> <li>Providing objective and timely feedback for performance reviews</li> <li>Supporting and encouraging career advancement</li> <li>Fostering a welcoming and inclusive work environment</li> <li>Cultivating a culture that promotes innovation</li> </ul>	<ul style="list-style-type: none"> <li>Having a skilled workforce is essential for achieving business goals and ensuring long-term sustainability.</li> <li>Engaged representatives enhance efficiency and strengthen competitive advantage</li> </ul>	<ul style="list-style-type: none"> <li>Internal communication is facilitated through various channels, such as leadership messages, town halls, shop floor meetings, and newsletters.</li> <li>Internal network</li> <li>Channels for addressing complaints</li> </ul>	<ul style="list-style-type: none"> <li><b>Continuous:</b> Website, Employee portal, HR helpdesk, Rewards &amp; Recognition programs &amp; satisfactions survey, Webinars, and awareness sessions</li> <li><b>Quarterly:</b> GMM Pfaudler's Newsletter</li> <li><b>Annual:</b> Townhalls</li> </ul>	<ul style="list-style-type: none"> <li>Health &amp; Safety</li> <li>Training &amp; Development</li> <li>Corporate Governance</li> <li>Responsible Supply Chain</li> <li>Climate Change, Emissions, and Waste</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>High-quality products</li> <li>Offering seamless and hassle-free pre-sales and after-sales service</li> <li>Opportunity to provide feedback about products and services</li> <li>Excellent value for money</li> </ul>	<ul style="list-style-type: none"> <li>Our recurring revenues are driven by satisfied customers</li> <li>Word of mouth and recommendations from satisfied customers can help attract new customers. Positive word-of-mouth and recommendations have the potential to attract new customers</li> </ul>	<ul style="list-style-type: none"> <li>Personalized interactions and meetings</li> <li>Surveys to gauge customer satisfaction</li> <li>Websites dedicated to the company</li> <li>Helpline numbers and a system to record grievances</li> </ul>	<ul style="list-style-type: none"> <li><b>Continuous:</b> GMM Pfaudler's website, social media sponsored events, mailers, newsletters, brochures</li> <li><b>Half-yearly:</b> Relationship meetings, customer satisfaction surveys &amp; customer visits</li> <li><b>Annual:</b> Events and Exhibitions</li> </ul>	<ul style="list-style-type: none"> <li>Product Quality</li> <li>Customer satisfaction</li> <li>Material sourcing</li> </ul>
<b>Shareholders / Investors</b>	<ul style="list-style-type: none"> <li>Updates on the latest company developments</li> <li>Information about long-term plans</li> <li>Clarifications regarding any potentially concerning events</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders provide the company with its capital</li> <li>As part owners, it is only fair that they have a voice in the tactical and strategic plans of the Company</li> </ul>	<ul style="list-style-type: none"> <li>General meetings</li> <li>LinkedIn</li> <li>Investor day</li> </ul>	<ul style="list-style-type: none"> <li><b>Continuous:</b> Investors page on the GMM Pfaudler's website, social media</li> <li><b>Quarterly:</b> Financial statements earnings call, press conferences, investor calls</li> <li><b>Annual:</b> Annual General Meeting, Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>Corporate governance, Ethics &amp; Integrity</li> <li>Climate change, Emissions, Water usage and waste disposal</li> <li>CSR</li> </ul>

Stakeholders	What can we offer them?	Why are they important to us?	How do we engage with them?	Frequency of engagement	Key ESG concerns
 <b>Suppliers / Vendors</b>	<ul style="list-style-type: none"> <li>Revenue generation</li> <li>Driving business growth</li> <li>Fostering innovation</li> <li>Cultivating brand loyalty</li> <li>Essential for meeting the demand for a sustainable supply of equipment and materials</li> </ul>	<ul style="list-style-type: none"> <li>An effective tool for improving operational and cost efficiencies</li> <li>Ensuring high-quality deliverables</li> <li>Completing both new and ongoing projects promptly and within budget</li> <li>Embracing and advancing technology throughout the value chain</li> <li>Incorporating ESG parameters into operations</li> <li>Minimizing carbon emissions</li> </ul>	<ul style="list-style-type: none"> <li>One-to-one discussions</li> <li>Online surveys</li> <li>Supplier meets</li> <li>Review and Audits</li> <li>Contractual Agreements</li> <li>Capacity building and training</li> </ul>	<ul style="list-style-type: none"> <li><b>Continuous:</b> Meetings/calls.</li> <li><b>Half-yearly:</b> Assessments, Site visits and inspections</li> </ul>	<ul style="list-style-type: none"> <li>Product Stewardship</li> <li>Responsible Sourcing</li> </ul>
 <b>Investor Relations and Media</b>	<ul style="list-style-type: none"> <li>Latest updates on company developments</li> <li>Providing clear and open information about events that may raise concerns</li> </ul>	<ul style="list-style-type: none"> <li>Improving financial and brand reputation</li> <li>Increasing visibility among potential customers and investors</li> <li>Making a lasting impact</li> </ul>	<ul style="list-style-type: none"> <li>One-to-one discussions</li> <li>Online surveys</li> <li>Quarterly Investor Meets</li> <li>Media announcements</li> <li>Interviews</li> <li>Annual Events</li> </ul>	<ul style="list-style-type: none"> <li>Need-based</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring high-quality products and happy customers</li> <li>Prioritizing the well-being and safety of our employees</li> <li>Implementing strong corporate governance practices</li> </ul>
 <b>CSR Partners</b>	<ul style="list-style-type: none"> <li>We prioritize partnerships that contribute to the sustainable development of the communities surrounding our operations, creating a positive ripple effect for the ecosystem</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing societal support for operations</li> <li>Building a strong sense of community is essential for conducting business smoothly and without any interruptions</li> <li>Develop an ecosystem that is more environmentally friendly and sustainable</li> </ul>	<ul style="list-style-type: none"> <li>CSR programs</li> <li>Face-to-face meetings</li> <li>Online surveys</li> <li>Community meets</li> <li>Review &amp; Impact studies</li> </ul>	<ul style="list-style-type: none"> <li><b>Continuous:</b> Project Progress</li> <li><b>Annual:</b> Review</li> <li>Need-based</li> </ul>	<ul style="list-style-type: none"> <li>Community Development</li> <li>Training &amp; Education</li> </ul>
 <b>Industry bodies, Regulators</b>	<ul style="list-style-type: none"> <li>Sustainability</li> <li>Make in India</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring compliance, interpreting regulations and maintaining uninterrupted operations while obtaining/ granting permissions are key factors</li> </ul>	<ul style="list-style-type: none"> <li>Discussions on applicable regulations</li> <li>Making necessary changes and conducting routine inspections</li> </ul>	<ul style="list-style-type: none"> <li>Need-based</li> </ul>	<ul style="list-style-type: none"> <li>Timely approvals</li> <li>Adaptation to changing regulations</li> <li>Corporate Governance</li> </ul>

**MATERIALITY ASSESSMENT:**

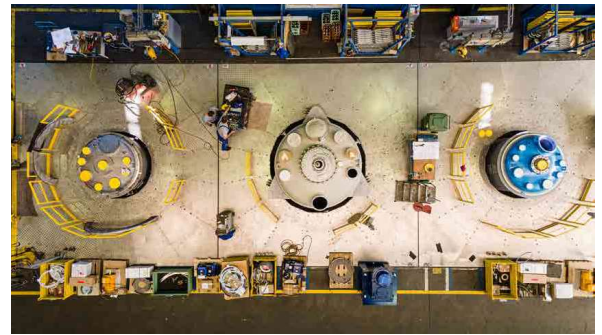
At the start of our ESG Transformation journey in FY22, we conducted a comprehensive materiality assessment to understand which environmental, social, and governance (ESG) issues are most critical for our continued success and most impactful on our stakeholders. Through a structured engagement

process, we gathered valuable insights from both internal and external stakeholders. This included one-on-one discussions and online surveys, allowing us to assess the potential risks and their impact on our ability to create value. In addition to stakeholder engagement, we conducted a desk review, evaluating relevant industry

and sustainability topics to ensure our assessment covered a broad range of material issues.

This combined approach provided a clear picture of the ESG factors that matter most, allowing us to focus our efforts on those areas with the greatest potential impact.

**Our Materiality Assessment aimed to:**





**Process**

The materiality process involves a collaborative mapping exercise that engages all stakeholders in the identification of key issues. This process follows a structured approach, starting with stakeholder engagement, materiality analysis, and aligning the insights with the sustainability roadmap.

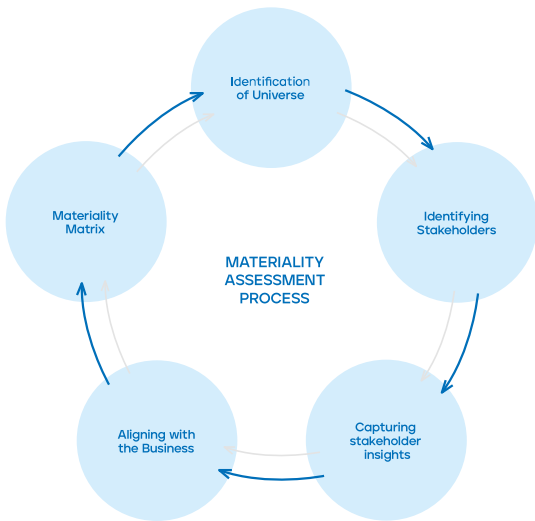
- Stakeholder engagement includes interactions with various parties such as senior management, employees, suppliers, dealers, customers,

community, academics, government, regulatory authorities, industry associations, and investors.

- The identified material issues are periodically evaluated every three years, taking into account the triple bottom line.
- To prioritise the identified issues, capability building workshops and feedback sessions are conducted. Additionally, benchmarking with peers is undertaken to gain insights into industry best practices.

- Top management engagement and stakeholder consultations lead to the development of a final material assessment matrix and a strategic roadmap.

The materiality assessment conducted in FY22 consisted of five essential phases, beginning with the core business priority and concluding with the completed Materiality Matrix. Here is the process:



**GMM Pfaudler Materiality Matrix**

We illustrate the relative importance of issues using the materiality matrix. Based on our analysis, we have identified the material issues that will help us determine our ESO priorities. These issues are categorized in the High and High to Medium priority quadrants in the matrix provided below:

Importance to Stakeholders	HIGH	<b>Medium to High Priority</b> <ul style="list-style-type: none"> <li>Occupational Health And Safety</li> <li>Climate Change</li> <li>Community Development</li> <li>Energy and Emissions Management</li> <li>Water and Waste Water Management</li> <li>Waste Management</li> <li>Ethics and Compliance</li> </ul>	<b>High Priority</b> <ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Product Quality and Customer Satisfaction</li> <li>Product Stewardship</li> <li>Responsible Supply Chain</li> </ul>
	MEDIUM	<b>Medium Priority</b> <ul style="list-style-type: none"> <li>Talent Attraction and Retention</li> <li>Diversity and Equal Opportunity</li> <li>Labour Relations</li> <li>Customer Privacy</li> <li>Training and Education</li> </ul>	<b>High to Medium Priority</b> <ul style="list-style-type: none"> <li>Risk Management</li> <li>R&amp;D and Innovation</li> </ul>
		MEDIUM	HIGH
		Importance to GMM Pfaudler	



Every year, we conduct an internal review of our material issues within the business environment. After careful review, we have determined that the 12 material issues listed below are relevant and applicable for the current reporting period.

**GMM Pfaudler Material Issues**



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

**ESG Strategy**

In FY22, we took a significant step forward by developing a robust ESG-led growth roadmap for 2022-2025. This roadmap integrates the key sustainability issues identified through our comprehensive materiality assessment. The roadmap is designed to be both agile and scalable, providing a powerful framework to translate our ESG goals into concrete action plans. This ensures we not only meet our financial commitments but also establish a scalable and responsive business model. The roadmap empowers us to cultivate a future-ready talent pool while prioritizing the well-

being of our people and the preservation of our planet.

**The strategy is centered around four key pillars:**

Environment Protection and Climate Resilience, Responsible Business Conduct, Workplace Symphony, and Social Stewardship. Additionally, it encompasses nine specific focus areas.



**ESG Strategic Pillar 1: Environmental Protection and Climate Resilience**

This strategic pillar is designed to reduce the environmental impact and carbon emissions caused by our operations. Our objective is to promote the sustainability of our resources, reduce water usage and waste production, and ensure the success of our organization in the face of climate challenges. The main areas of focus for this pillar during the reporting period are outlined below, along with the corresponding actions taken:

Focus Area	KPI	3 Year Target (FY25)
Low Carbon and Climate resilient operations	Low Carbon and Climate resilient operations	To reduce energy intensity
	Decarbonization (SBTi)	To increase the share of renewable energy
	Climate Risk Analysis	Conduct Climate risk and opportunity analysis
Water and 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

This year marked significant progress in environmental responsibility. We reduced emission intensity by 15% and total energy consumption by 3%, with a particularly impressive 24% decrease in grid electricity use. Exploring the feasibility renewable energy alternatives will further strengthens our commitment to renewables. Water conservation efforts yielded a 15% decrease in consumption and an 11% reduction in water intensity. We maintained a best-in-class 97% waste recycling rate, with the remaining 2% being reused.

**ESG Strategic Pillar 2: Responsible Business Conduct**

Our business goals align perfectly with our vision of becoming the preferred provider of high-quality engineered products and services to our valued customers. We will achieve this by conducting business in an ethical and transparent manner, which will build trust with stakeholders, increase the appeal of our brand, and cultivate stronger customer loyalty. The main area of focus for this pillar during the reporting period is as follows:

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 and Compliance	No of breaches / non-compliances	<ul style="list-style-type: none"> <li>Identify and disclose the number of breaches or non-compliances with the Code of Conduct</li> <li>100% Training Compliance on Ethics (Code of Conduct)</li> </ul>
	Internal Communication	<ul style="list-style-type: none"> <li>Half-yearly ESG newsletters</li> <li>Conduct Quiz/competitions on ESG issues.</li> <li>Celebrate ESG/Safety Week</li> </ul>
ESG Communication	External Communication	<ul style="list-style-type: none"> <li>Develop and Disclose a Sustainability report or Integrated Report</li> <li>Develop a micro site on the website and disclose the sustainability updates /progress every quarter</li> </ul>

This year, we achieved a bronze Sustainability rating from Ecovadis, reflecting our focus on environmental and social practices. We're significantly reducing our plastic footprint by increasing the use of recycled plastic in packaging, reusing plastic for packaging needs, and implementing gunny bags with suppliers. We've also found innovative ways to reuse wooden materials for

packaging and transportation. To ensure ethical conduct throughout our supply chain, we've added a recyclable packaging clause to purchase orders and reduced the use of thermocol. Additionally, we've prioritized employee well-being and ethical awareness by conducting training sessions on code of conduct & ethics, whistleblowing, anti-corruption, data privacy, and POSH (Prevention of

Sexual Harassment). We effectively addressed all reported concerns in FY24, including whistleblowing reports, conflicts of interest, POSH complaints, and data breaches. We've kept stakeholders informed by uploading an ESG & CSR newsletter to our website.

**ESG Strategic Pillar 3: Workplace Symphony**

Our ongoing business achievements and the trust we have earned from stakeholders are a direct result of the skills, expertise, and dedication of our employees. Creating

a secure and welcoming work environment that appreciates a range of viewpoints, promotes fairness regardless of gender or age, and encourages professional development is essential to

our growth strategy rooted in ESG principles. The main area of focus for this pillar during the reporting period are the associated actions:

Focus Area	KPI	3 Year Target (FY25)
Human Capital Development	Diversity and 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 and Safety	ISO 45001 Alignment and Certification	All manufacturing sites to be ISO 45001 certified
	Zero Accident and Zero Injury	Zero Accident and Zero Injury (Reportable)

We actively promoted gender diversity through targeted recruitment drives. Employees received an average of 5.5 hours of ESG-specific training, and concerns identified through our annual Parivartan survey were addressed through action plan workshops. We maintained

a perfect safety record with zero high-consequence incidents or reportable accidents. All workers received health and safety training, with ongoing behavior-based and safety induction programs for new hires and contractors. We further enhanced safety by investing

in improved equipment and facilities, standardized PPE, and advanced electrical safety features. This commitment culminated in the successful completion of ISO 45001 surveillance audits at our factories.

**ESG Strategic Pillar 4: Social Stewardship**

At GMM Pfaudler, we understand the importance of continuous progress for the long-term success of our company. We are committed to improving the well-being and prosperity of the communities in which we work, while promoting

overall social progress. We prioritize the promotion of human rights in all aspects of our operations and value chain. Our commitment is to act with fairness, transparency, and without any form of discrimination or prejudice, in accordance

with applicable regulations. As part of our commitment to ESG objectives, we strongly encourage our employees to make a positive impact on society by participating in community engagement initiatives.

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

Through about 10 CSR projects focused on healthcare, education & skill development, and environmental sustainability, we positively impacted over 54,000 lives. We identified new opportunities for social

good by completing needs assessments for four new projects. Our employees actively participated in social initiatives, contributing over 500 volunteer hours through activities like computer training, community service

camp, blood donation drives, and awareness sessions. Furthermore, we conducted a Human Rights Due Diligence assessment to ensure our operations are conducted ethically and responsibly.

# Environment



## Index

42 : Energy & Emissions
46 : Water Management
47 : Waste Management
48 : Environment Sustainability through CSR Projects

Environmental responsibility is a core value, reflected in our robust ESG strategy. This commitment translates into tangible actions that minimize our environmental impact. We leverage renewable energy sources whenever possible, reducing our reliance on fossil fuels. Additionally, we have implemented efficient manufacturing processes that optimize resource utilization. Furthermore, we have undertaken water conservation projects and robust waste reduction and recycling programs. Our commitment extends beyond implementing these programs. We adhere to globally recognized environmental standards, ensuring our operations meet the highest benchmarks. Regular environmental assessments are also conducted to proactively identify potential risks and opportunities for further improvement.



**ENERGY AND EMISSIONS**

GMM Pfaudler is dedicated to promoting an energy-efficient culture through various initiatives. These include improving operational efficiencies, implementing energy conservation mechanisms, and giving priority to the integration of renewable sources into its energy mix. The fuel consumed consists of a variety of options, such as liquefied petroleum gas, high-speed diesel, petrol, and piped natural gas. In addition, energy is obtained from grid electricity, and solar power plants.

Energy Consumption (Units-GJ)			
Source	FY22	FY23	FY24
Total Grid Energy (as grid electricity)	74,926	2,42,608	<b>68,807</b>
Total Renewable Energy (as electricity)	9,476	6,472	<b>4,337</b>
Total Electricity (A)	84,402	97,406	<b>73,144</b>
Total Fuel Energy (B)	1,58,206	1,45,308	<b>1,62,199</b>
Total Energy (A+B)	2,42,608	2,42,713	<b>2,35,343</b>

In FY24, our overall energy consumption saw a 3% decrease compared to FY 23. This decrease can be attributed to a 24% decrease in our total grid energy (specifically grid electricity). It should be noted that our fuel consumption rose by 12% compared to FY23. This increase was largely due to shifting the heat treatment process from an external vendor to in-house operations. This change was implemented to enhance product quality, which consequently led to higher diesel and LPG usage.

GHG Emissions (Unit-tCO2e)			
Scope	FY22	FY23	FY24
Scope 1 Emissions	8,933	8,518	<b>9,930</b>
Scope 2 Emissions	16,442	20,460	<b>13,685</b>
Total	25,375	28,978	<b>23,614</b>

Our total GHG emissions in FY24 decreased by 19% compared to FY23. Our company experienced a 17% increase in Scope 1 emissions due to starting of inhouse heat treatment of parts due to quality control and an impressive 33% reduction in Scope 2 emissions. This was made possible through a strategic shift in our operations, which involved reducing our electricity consumption by undertaking energy saving projects and also streamlining our processes which led to efficiency improvements.

**Reducing Impact**

Over the past year, GMM Pfaudler has been dedicated to implementing sustainability measures throughout our operations. We have fully embraced ISO 50001 to prioritize energy management. In addition, we have taken significant steps to offer environmentally conscious products and services. Furthermore, we have implemented process improvements to effectively

reduce waste and minimize resource consumption. Through the implementation of energy-efficient alternatives, advanced technology, and equipment retrofitting/upgrades, we have successfully decreased consumption and enhanced overall efficiency. In addition, we have discovered further opportunities for renewable energy alternatives in our factories, demonstrating our

dedication to sustainable energy solutions. Starting FY22, we implemented a holistic strategy to greatly decrease our energy usage and environmental impact. We are committed to maintaining our current strategy throughout the year to ensure that we make consistent progress towards our goals of reducing energy consumption and emissions.



**Energy Efficiency**

We saved 272,266 kWh and avoided 194.98 tonnes of CO<sub>2</sub> equivalent emissions by implementing a range of solutions. This includes harnessing renewable energy with solar streetlights, upgrading equipment to more efficient models, implementing smart building practices like on/off scheduling, maximizing natural light with skylight improvements, and optimizing processes through air compressor control, furnace modifications, VFD installation, interlocked cooling systems, and power factor improvement. We've even integrated electric vehicles for local travel and material movement.



**Process Improvement**

We implemented a range of projects focused on optimizing resource utilization, minimizing material consumption, and streamlining processes. These initiatives not only targeted cost reduction but also prioritized emission reduction and avoidance, all while maintaining our commitment to product quality. Through these efforts, we achieved impressive results, including saving 27,10,220 kWh of energy helping avoid 1940.51 tCO<sub>2</sub>e, reducing base metal usage by 52,017 Kg, and minimizing waste generation within our processes.



**Renewable Energy**

Our existing 1MW rooftop solar plant at the Karamsad manufacturing unit generated 12,04,771 kWh of clean energy in FY24, avoiding 863 tonnes of CO<sub>2</sub> equivalent emissions. We're further amplifying our renewable energy efforts by exploring the feasibility of renewable energy alternatives.



Solar panel at GMM's facility

**Re-glassing Service**

India's steel sector, accounting for 12% of national CO2 emissions, urgently needs innovative, sustainable solutions like low-carbon technologies and resource reuse.

Our Re-glassing service addresses this challenge head-on by refurbishing old and damaged equipment, extending their lifespan by 10-15 years through a multi-step process of repairing and reapplying glass linings.

In FY24, we re-glassed over 445 tons of steel, avoiding the need for new steel production and preventing an estimated 1,135 tonnes of CO2 emissions, delivering significant environmental benefits.

**Benefits of Re-glassing**

 <b>Waste Reduction</b>	 <b>Conserve Natural Resources</b>	 <b>Sustainable Consumption</b>	 <b>Extend Product Lifespan</b>
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**GMM's Mixion Division**

GMM's Mixion division is a pioneer in industrial mixing technology, offering a unique blend of experience and innovation. With over 35 years of expertise and collaborations with renowned institutions like the Institute of Chemical Technology Mumbai, Mixion designs, simulates, engineers, and manufactures advanced agitators, reactors, and other mixing equipment. These solutions go beyond simple process optimization; they are instrumental in driving environmental sustainability across various industries.

Mixion's impact is evident in its contributions to recycling and resource conservation. Our equipment plays a vital role in a revolutionary chemical recycling process that breaks down used PET bottles into sustainable esters. This technology employed by our

customer has resulted in the recycling of over 74 billion PET bottles, saving 142,650 tonnes of CO2 and reducing oil consumption by a staggering 888,000 barrels.

Furthermore, Mixion's mixing technology is facilitating the development of advanced recycling techniques for critical metals in India. From catalysts in oil refineries to waste from electric vehicle batteries, our solutions empower customers to achieve over 90% elemental recovery and treat over 45,000 tons of recyclables annually. This not only minimizes environmental impact but also strengthens sustainable supply chains for strategic metals.

Mixion's commitment extends beyond resource recovery. Our custom-based mixing technology is at the forefront of carbon sequestration processes,

converting methane – a potent greenhouse gas – into valuable products. By enabling the capture of methane and its conversion into sustainable ingredients, Mixion contributes to a balanced ecosystem and reduced greenhouse gas emissions.

Additionally, GMM's agitators play a critical role in Flue Gas Vaporization systems used by power plants. These systems rely on efficient mixing within absorber towers to remove harmful SOx and NOx emissions, thereby mitigating environmental and health risks.

Through collaboration with industry leaders and integration of cutting-edge technologies,

Mixion aspires to be a significant force in creating a cleaner, more sustainable future.

**Process Innovation**

GMM Pfaudler is committed to continuous improvement, and FY24 saw significant progress in this area through two key process optimization projects. These initiatives not only enhanced efficiency but also minimized environmental impact, demonstrating our dedication to sustainable manufacturing practices.

- Optimization of Storage Tank Design: GMM undertook a comprehensive

review and optimization of storage tank design calculations. This meticulous process ensured precise thickness measurements, leading to a substantial reduction in base metal consumption. In FY24 alone, this initiative saved 52,017 kgs of raw material for storage tank construction. This not only improved material efficiency but also enhanced cost-

effectiveness, all while maintaining the structural integrity and safety of the tanks.

- Thin Wire SAW Process: GMM adopted the Thin Wire Submerged Arc Welding (SAW) process to elevate productivity, quality, and sustainability in its welding operations. This cutting-edge technology offers several advantages over conventional methods:

 <b>Increased Productivity</b> 4-5 times higher productivity	 <b>Enhanced Quality</b> Upholding high manufacturing standards	 <b>Reduced Waste</b> 40% less waste	The process' versatility allows for application across various projects, offering significant cost savings and operational flexibility.
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### WATER MANAGEMENT

At GMM Pfaudler, we recognize the importance of water in our business operations and are dedicated to using it responsibly. Water is crucial for our manufacturing facilities and offices, as well as many other aspects of our organization.

In order to meet our operational requirements,

we utilize on-ground water sources as well as 3rd party sources. Nevertheless, we understand that our operations produce wastewater as a result of the manufacturing processes. Thus, we acknowledge the significance of water conservation and have firmly committed to utilizing water efficiently in all our operations.

In order to ensure responsible water management, we have implemented protocols that align with the standards set by the Pollution Control Board of India. These protocols guarantee the conscientious handling and recycling of wastewater, minimizing any potential harm to the environment.

#### Total Water Withdrawal & Consumption (Units-KL)

Type of source (e.g. groundwater, surface water, tankers etc.)	FY22	FY23	FY24
Groundwater	14,735	25,685	<b>20,595</b>
Third-party water	15,811	18,985	<b>13,563</b>
Total water withdrawal	30,546	44,670	<b>34,158</b>
Total Water Discharge	3,980	5,190	<b>420</b>
Total Water Consumption	26,566	39,480	<b>33,738</b>

In FY24, our Total Water Consumption reduced by 15% to 33,738 KL compared to FY23, which led to decrease in our water intensity by 11%.

### Reducing Impact

We are committed to closely monitoring and minimizing water usage across all our operations. Our focus is on adopting sustainable water management practices and making investments in water infrastructure. We are dedicated to decreasing water usage in accordance with ISO 14001 certification standards.

We have implemented significant water-saving measures across our facilities, reducing annual water consumption from 16 ML to 11 ML and treating wastewater for irrigation with a new Sewage Treatment Plant (STP). Additional water saving measures include use of recycled water for equipment testing, monitoring water usage with flowmeters,

and utilizing RO system wastewater for gardening. Furthermore, a rainwater harvesting system with a 170 KL capacity captures rainwater for additional water conservation. By continuously seeking innovative solutions, we are minimizing our water footprint and promoting a more sustainable future.

### WASTE MANAGEMENT

Our organization generates both non-hazardous and hazardous wastes as a result of our operations and manufacturing processes. Non-hazardous wastes consist of paper, food, metal scrap, rubber scrap, wooden scrap, and other scrap materials. In addition, we

generate hazardous wastes like aluminium oxide, used oil, and paint sludge.

In order to tackle this challenge, we are proactively making adjustments to our processes and implementing measures to minimize waste generation. We are fully dedicated to achieving our

company-wide goal of zero disposal by the year 2025 at all our manufacturing sites across India. In order to achieve this, we have put in place a range of operational control procedures, developed the required infrastructure, and formed partnerships with authorized disposal agencies.

#### Total Waste Generated (Units-MT)

Parameter	FY22	FY23	FY24
Plastic waste	-	1	-
E-waste	-	3	-
Bio-medical waste	0	0	-
Construction and demolition waste	94	310	<b>33</b>
Battery waste	1	0	<b>1</b>
Radioactive waste	-	-	<b>0</b>
Hazardous waste	0	22	<b>9</b>
Non-hazardous waste	2,305	4,450	<b>2,812</b>
Total	2,401	4,787	<b>2,855</b>

In FY24, our Total Waste Generation is reduced by 40% to 2,855 MT compared to FY23, which led to a 38% decrease in waste intensity.

#### Waste Diverted (Units-MT)

Category of waste	FY22	FY23	FY24
Recycled	2,306	4,455	<b>2,776</b>
Re-used	94	310	<b>71</b>
Incinerated	0	0	-
Landfill	-	20	<b>8</b>
Total	2,400	4,785	<b>2,855</b>

**Reducing Impact**

We are pleased to announce that in FY24, we achieved a 99% waste recycling or reuse rate, with 97% recycled and 2% effectively reused.

Our Waste Management Initiative employs various strategies to reduce, reuse, and recycle waste, ensuring efficient and effective

practices across our operations while complying with relevant regulatory frameworks.

To reduce paper consumption, we revised our drawing process, saving an estimated 38,100 sheets annually. We also optimized scrap metal utilization for in-house

production, minimizing waste. Additionally, we adopted closed-loop practices for packaging materials, reusing and repurposing them to minimize the need for new resources and eliminate environmentally harmful materials.

**Shot Blasting Waste Reduction Project**

GMM Pfaudler is relentlessly committed to minimizing waste generation across its operations. Our Hyderabad plant's recent transformation in the shot blasting process exemplifies this commitment. Previously, the process generated hazardous waste through the use of aluminum oxide grain, requiring landfill disposal. In a significant shift, we've implemented a more sustainable solution: reusable

steel cut wire shots. These reusable shots offer a multitude of benefits. The use of aluminum oxide has been slashed by 77%, significantly reducing hazardous waste generation. Steel shots are incredibly efficient, requiring only 10,250 kgs to replace a staggering 56,000 kgs of aluminum oxide, translating to an 82% reduction in material usage. This shift

aligns perfectly with our sustainability goals by promoting recyclable waste and minimizing environmental impact. Additionally, the reusability of steel shots translates to cost savings in procurement and waste management. By embracing this innovative approach, we are moving closer to achieving our target of zero waste to landfill.



**ENVIRONMENTAL SUSTAINABILITY THROUGH CSR PROJECTS**

GMM Pfaudler is committed to maintaining environmental responsibility and protecting biodiversity. Our proactive approach in mitigating risks and protecting biodiversity is

evident through projects like Urban Afforestation, Marine Megafauna Rescue, and coral reef restoration undertaken by GMM Pfaudler Foundation. With these initiatives, we

uphold our commitment and dedication to protect the environment and create a beneficial influence on ecosystems.

**Urban Afforestation**

The GMM Pfaudler Foundation prioritizes increasing urban greenery and supporting India's goal of achieving 33% forest cover. Our new initiatives, like the Tree Plantation Drive with Green Leaf Baroda, actively engage communities. This specific project, involving 200 students from JVP Patel ITI revitalized the local vegetation and fostered a sense of ownership by utilizing local resources.



Plantation Drive at JVP ITI

The ongoing Urban Afforestation program in Secunderabad, Telangana, showcases the long-term success of this approach. Saplings planted just last year have flourished, demonstrating the effectiveness of careful planting and maintenance.

We have planted a diverse range of plant species for optimal growth and long-term sustainability. We meticulously monitor the project's impact, tracking survival rates, plant height, and capturing biodiversity changes. Our commitment extends beyond simply planting trees; we focus on enhancing soil health and promoting biodiversity to create a thriving ecosystem. By fostering community involvement, we contribute to a greener future for India, improving air quality and enriching the local environment with vibrant green spaces that attract diverse wildlife.

**Urban Afforestation program in Secunderabad, Telangana**



Before

After



**Restoration of Coral reefs in Andaman Island:**

We are trying to make a significant environmental impact through our collaboration with ReefWatch Marine Conservation in the Andaman Islands, a project initiated in 2018. This initiative tackles the complex challenges threatening the region's coral reefs, including rising temperatures, ocean acidification, overfishing, and deteriorating water quality. The project's core mission is to restore and preserve this delicate marine ecosystem.

Employing the innovative Re(ef)Build approach, the project combines physical and biological restoration methods. Fragmented corals are meticulously attached to underwater metal structures linked to mineral accretion devices. This technique, in use since 2017, has fostered the growth of numerous coral fragments, with 97 distinct species and 249 non-cryptic

species colonizing the 9 constructed Artificial Reefs. In FY24 50 broken coral fragments sourced from natural reefs were collected and placed onto artificial reef linked to marine accretion device to facilitate their growth. Projected annual

growth for Branching Coral and Boulder Coral is estimated at an impressive 28.8 cm and 4.1 cm respectively. Regular maintenance dives ensure the removal of unwanted algae, safeguarding the health of the marine ecosystem.



Restoration of Coral reefs

The project's success is evident in the thriving presence of diverse marine life. The reef has transformed into a haven for a variety of fascinating creatures, including Chromis, Glassfish, Wrasse, Hawkfish, Trevallies, Dragonets, Borer Clams/ worms, and Coral Round Grabs. Measurable impact is another hallmark of this initiative. The bio-diversity index has risen by 0.23, signifying a flourishing ecosystem, and a remarkable 69% survival rate for coral fragments highlights the project's effectiveness.

Beyond restoration, the collaboration extends its reach through community awareness. 10 sessions were conducted for students, forest officials, fishermen, coastal

police, and communities, promoting responsible marine practices. Furthermore, the Reef Scrapper Initiative

organized twelve beach clean-up drives, collecting over 560 kilograms of waste and significantly reducing marine pollution.



Thriving Marine Life

**Marine Megafauna Rescue at Karnataka Coast**

Since 2019, GMM Pfaudler's partnership with ReefWatch Marine Conservation has been instrumental in protecting Karnataka's rich marine ecosystems through the Karnataka Marine Megafauna Rescue program. This program tackles the critical issue of Marine Megafauna Strandings, where endangered or vulnerable species like whales, dolphins, sea turtles, and sharks become beached. By prioritizing swift response, the program has addressed a total of 324 stranding cases since its inception, including 100 cases this year alone. Their efforts extend beyond immediate rescue; 16 sea turtle nests were identified, monitored, and protected, with 884 hatchlings released safely into the ocean. Additionally, 9 injured sea turtles received treatment and were successfully released back into the wild. Recognizing the importance of community involvement, the program conducted 10 awareness sessions for students, forest officials, fishermen, coastal police, and local communities. These sessions covered marine megafauna stranding protocols, marine biodiversity, and threats to marine life, including pollution. Notably, awareness sessions on sustainable fishing practices motivated 200 fishermen to join the marine stranding



Marine Megafauna Rescue

responders' team, significantly strengthening the program's reach and impact along the Karnataka coastline.

**Dissemination of Improved Biomass Cookstoves ("IBCS") in the rural areas of Gujarat**

GMM Pfaudler Foundation partnered with Sardar Patel Renewable Energy Research Institute (SPRERI) in FY23 for the Improving Lives with Biogas Cookstoves (IBCS) project, a CSR initiative addressing the health and environmental challenges faced by women in rural Gujarat.

Traditional, inefficient biomass-burning stoves in poorly ventilated kitchens posed health risks. The IBCS, designed by SPRERI,

maximizes fuel efficiency, reduces harmful emissions, and enhances safety. The project resulted in a healthier environment for families, particularly women and children, due to reduced pollutant exposure. Additionally, it improved productivity with less time spent collecting fuelwood, reduced fuel consumption lowering costs, and mitigated greenhouse gas emissions by an estimated 6,092 tonnes annually. Over 850+



Distribution of IBCS

cookstoves were distributed across 13+ villages in Gujarat's Anand and Panchmahal districts, directly benefiting these communities.

**Environmental Compliances**

At GMM Pfaudler, we prioritize strict adherence to all applicable regulations and ensure that we have obtained the necessary approvals from

local authorities at all our sites. There were no instances of non-compliance or fines imposed throughout the year. In addition, our factories are

ISO 14001 certified, which demonstrates our dedication to implementing sustainable practices.

# Social

**Index**

<a href="#">54: Employees</a>
<a href="#">54: Workforce Diversity</a>
<a href="#">55: Equal Opportunities &amp; Pay</a>
<a href="#">55: Employee Benefits</a>
<a href="#">56: Training &amp; Development</a>
<a href="#">57: Workplace Health &amp; Safety</a>
<a href="#">58: Reward &amp; Recognition</a>
<a href="#">58: Human Rights</a>
<a href="#">59: Suppliers</a>
<a href="#">60: Customers</a>
<a href="#">62: Social Initiative Through CSR Projects</a>
<a href="#">62: Healthcare</a>
<a href="#">63: Education</a>
<a href="#">66: Employee Volunteering</a>

At GMM Pfaudler, our vision is to create a better future. Our commitment to sustainability goes beyond delivering exceptional products and services to our customers. We understand the importance of promoting comprehensive and inclusive development for all our stakeholders to ensure the ongoing prosperity of our company. Ensuring active participation and collaboration from our employees, supply chain partners, customers, and the community is a fundamental aspect of our commitment to sustainable growth.

## EMPLOYEES

Our success at GMM Pfaudler is built on the talent and dedication of our employees. We foster a meritocratic workplace that offers equal opportunities and rewards excellence, regardless of background. We attract top talent by providing competitive salaries and benefits, alongside a range of professional development opportunities.

Through comprehensive people policies, we strive to create a secure and supportive environment for all our employees. Given the nature of our work, safety is paramount, and we implement rigorous measures to ensure the well-being of our workforce. Furthermore, a well-defined Code of Conduct promotes ethical and inclusive behavior throughout

our entire organization, including subsidiaries and across the value chain. Our Whistleblower Policy empowers employees to report any suspected wrongdoing without fear of retaliation. In essence, we invest in our people, who in turn, are the driving force behind our achievements.



### Workforce Diversity

GMM Pfaudler recognizes the strength that diversity brings to our organization. We value individual differences, diverse backgrounds, and the unique perspectives that come from varied experiences. These elements are essential for building a resilient and future-proof business. To promote greater gender diversity in Indian manufacturing, we conducted

thorough workforce planning to identify roles suitable for female candidates. In FY24, we held a specific recruitment drive focused on attracting qualified women. Furthermore, we are developing a retention strategy to support and empower our existing female workforce. Our commitment to diversity extends beyond recruitment; we foster a welcoming and inclusive

environment through regular training programs on the Prevention of Sexual Harassment (POSH) and Diversity & Inclusion. By prioritizing these initiatives, GMM Pfaudler strives to create a balanced workplace where everyone feels valued and empowered to contribute their best.

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: FY24							
Year	Employee Type	Employee	Age Group (no.)			Gender (no.)	
			<30 Years	30-50 Years	>50 Years	Male	Female
FY22	Permanent	743	171	521	51	707	36
FY23	Permanent	809	194	567	48	779	30
FY24	Permanent	784	158	585	41	755	29

### Hiring and Turnover:

Year	New Hires	Age Group (no.)			Gender (no.)	
		<30 Years	30-50 Years	>50 Years	Male	Female
FY22	201	67	129	5	194	7
FY23	183	95	88	0	179	4
FY24	165	106	55	4	161	4

### Attrition:

Year	New Hires	Gender (no.)	
		Male	Female
FY21	27	25	2
FY22	74	67	7
FY23	122	112	10
FY24	124	119	5

### Ratio of Basic Remuneration of Women to Men

Employee Category	Officer	Staff
Ratio of Basic Remuneration of Women to Men	1.30	0.67

### Equal Opportunities & Pay

At our company, we prioritize a fair and inclusive work environment. Competency Based Interviewing ensures all candidates are evaluated solely on their skills and abilities, promoting equal opportunity from the very

start. Salaries are transparent and based on objective criteria like qualifications, experience, and performance, eliminating bias. We value both excellence and loyalty, offering a comprehensive remuneration package that includes

bonuses, stock options, and competitive benefits tied to performance and tenure. Furthermore, we exceed minimum wage standards, ensuring all on-roll employees receive a fair wage and a decent standard of living.

### Employee Benefits

GMM Pfaudler understands the importance of employee well-being and a healthy work-life balance. Our comprehensive employee benefits program goes beyond just compensation, fostering a productive and secure work environment. We offer complete health and accident insurance coverage for both male and female employees, along with access to various medical resources

like the Occupational Health Centre, Employee Health Care Scheme, company ambulance, and hospital partnerships. Furthermore, the Group Medical Policy extends coverage to our employees' parents, ensuring a wider safety net. Recognizing the challenges faced by working parents, we provide maternity benefit, as well as daycare facilities, available to all female employees. This

commitment to work-life balance is reflected in our outstanding 100% return-to-work rate and 95.45% retention rate for permanent employees who take parental leave. By providing these benefits, we empower employees to focus on both their careers and families, contributing to a more engaged and productive workforce.

**Training and Development**

In recognition of the ever-evolving needs of our industry and client expectations, we prioritized a robust training and development program for our employees. We understand that a skilled and competent workforce is instrumental in ensuring accurate execution of labor-intensive manufacturing processes and maintaining the highest quality standards across our products.

Our training programs encompass a comprehensive range of topics, including leadership development, essential functional skills, behavioral skills for a positive work environment, and operational training focused on efficiency and loss minimization.

Furthermore, we collaborate with renowned external trainers to offer a blend of self-paced and instructor-led programs that cater to both personal and professional development.

These programs cover crucial areas like leadership and critical thinking, empowering our employees to excel in their roles. FY24 witnessed significant progress in our training efforts, with over 35 training sessions conducted on more than 20 diverse topics. This translates to a commendable 6,900+ man-hours dedicated to cultivating skill development and employee competency.

Safety remains paramount at GMM Pfaudler. We are committed to providing safety training to 100% of our permanent and contractual workforce, ensuring a safe and healthy work environment for all.

Our commitment extends beyond core skills and safety; we recognize the importance of Environmental, Social, and Governance (ESG) awareness. In FY24, employees received an average of 5.5 hours of ESG training. Looking ahead, we are excited to launch

new online modules under the NEEV initiative. These modules, accessible to all employees, will cover crucial topics like the impact of discrimination and exclusion in the workplace, legal aspects of promoting equal opportunities, fostering diversity and inclusion, and recognizing unconscious biases. Additionally, we will be deploying online training programs on the Code of Conduct & Ethics, Anti-Corruption practices, and POSH (Prevention of Sexual Harassment) – all critical areas for maintaining a positive and ethical work environment. By investing in our employees' development, we empower them to excel in their roles, contribute effectively to our success, and navigate the ever-changing landscape of our industry.



**Welder Training Program**

GMM Pfaudler's commitment to quality extends to its workforce through the Welder Training Program. This program, established at our Vatva plant, operates dedicated training centers to elevate the skills of both existing and new welders in a range of techniques. These include Gas Tungsten Arc Welding (GTAW), Shielded Metal Arc Welding (SMAW), Submerged Arc Welding (SAW), Flux-cored Arc Welding (FCAW), and Electro Slag Strip Cladding (ESSC). The program offers a well-rounded curriculum, encompassing both theoretical knowledge and practical experience to ensure a strong foundation in each welding process. Before undertaking any welding task, all personnel undergo a rigorous proficiency test at the training center to assess their abilities. Successful completion of this test leads to the issuance of a welder card, specifying the types of welding jobs and materials the individual is qualified for. To maintain these high standards, welders are required to undergo a proficiency check every six months, ensuring their continued competence. This program not only empowers our workforce through upskilling but also translates to tangible benefits like improved product quality and reduced waste generation.



**Workplace Health and Safety**

Ensuring a safe and healthy work environment is a top priority at GMM Pfaudler. We recognize it as both a moral imperative and a foundation for smooth business operations. Our unwavering commitment extends to preventing all forms of injuries, illnesses, and fatalities, addressing both physical and mental well-being. This commitment is translated into

action through a multi-pronged approach. We leverage cutting-edge technology to identify and mitigate potential hazards. Comprehensive training programs equip our employees with the knowledge and skills necessary to work safely. We prioritize safety by providing appropriate personal protective equipment (PPE) and maintain a rigorous incident tracking and

reporting system to identify areas for improvement. FY24 saw significant progress in fostering a culture of safety across our manufacturing locations. This is evidenced by the successful completion of surveillance audits for ISO 45001:2018 at our Vatva & Hyderabad factory. All our three-manufacturing facilities ISO certified.

**Zero Accident & Zero Injury**

To achieve zero incidents and zero reportable accidents, the company has implemented comprehensive health and safety measures. This includes Behavior-Based and Safety Induction Training for all employees, with a focus on new hires and contractors. Shop floor safety has been enhanced with first aid boxes, fire extinguishers, clear safety visuals, trolleys for cylinder transport, guards

on grinding machines, and specialized equipment like scaffolds, scissor lifts, and safety harnesses. Additional improvements include screens for grinding, marked gangways, standardized PPE, and advanced electrical safety features.

A digital tool Mi Safe App is used to report unsafe conditions & unsafe acts where the closure of the

reported safety deviations are monitored by a Steering Committee and Observation team. "5S" monitoring, checklists, and audits ensure work area safety. Medical checkups were completed, and National Safety Week was celebrated with awards. In FY24, there were zero reportable accidents or incidents, reflecting the effectiveness of these initiatives.



**Reward & Recognition**

We have iAppreciate Reward & Recognition Program to reinforce valued behaviors and leadership messages. This program encourages managers and the leadership team to acknowledge and reward desired behaviors,

fostering collaboration and providing a platform for peer appreciation. This program aligns recognition with individual and business goals, recognizing exceptional performance that exceeds grade expectations.

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

**Human Rights**

In FY24, an independent third-party conducted a comprehensive human rights due diligence assessment across our facilities. This assessment covered a wide range of topics, including diversity and inclusion, equal rights and pay, labor rights, grievance redressal mechanisms, disability rights,

supplier code of conduct, and other relevant human rights considerations. The results identified areas for improvement in policies, procedures, and training programs. We are committed to addressing these findings by modifying existing policies, creating new ones where needed, and implementing or

enhancing training programs. Our goal is to foster a workplace that respects and upholds the human rights of all employees, while ensuring responsible sourcing practices throughout our supply chain. This commitment is an ongoing journey, and we are dedicated to continuous improvement in this vital area.

**Key Human Rights Elements:**

**Respect for Human Dignity**

We uphold human dignity and promote human rights in line with the UN's Universal Declaration of Human Rights. We strictly prohibit unlawful child labor and exploitation of children and adolescents. We respect employees' rights to join labor unions and ensure fair compensation, benefits, reasonable working hours, and paid leave.

**Equal Opportunity and Prohibition of Discrimination**

We provide equal opportunities to all our employees and to all eligible applicants for employment in our company, without discriminating based on race, caste, religion, color, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability, or any other legally protected category.

**Non-Harassment**

We do not tolerate harassment of any kind. Harassment can unreasonably interfere with an individual's work performance and create an intimidating or offensive work environment. Our commitment is to ensure a safe and respectful workplace for everyone. Any behavior that undermines this standard is addressed promptly and effectively.

**SUPPLIERS**

At our company, we recognize the value of working together with different supply chain partners to obtain the essential inputs for our operations. As part of our dedication to our customers, we make sure that the majority of our raw materials are sourced from specific suppliers. Nevertheless, we have made deliberate efforts to work together with partners who are located near our facilities. By implementing this strategy, we can not only reduce carbon emissions associated with transportation and storage,

but also improve our cost management capabilities.

Our Sustainable Sourcing strategy is centered around three key elements: Guidelines, Assessment, and Collaborative Innovation. Our Guideline component provides a comprehensive set of policies and procedures tailored to meet the needs of our suppliers. These guidelines outline our procurement process for materials. Our Sustainable Procurement Policy and Supplier Code of Conduct outline our clear

expectations for sustainable practices.

To ensure compliance with our guideline, we regularly conduct Supplier Sustainability Risk Rating and Supplier Self-Assessment for environmental and social criteria. These evaluations offer valuable insights into the sustainability risks and compliance levels within our supply chain. In FY24 we evaluated our suppliers using the Eco Vadis Assessment and achieved an impressive average category score of 915%.



Our Collaborative Initiative focuses on reducing waste, optimizing resource efficiency, and promoting sustainable production and consumption. In FY24, we launched several successful collaborative efforts, including supporting small and local businesses by sourcing 21% of our materials from MSMEs in India. We've made notable progress in minimizing our environmental footprint through initiatives such as adopting 50+ micron stretch film for durable and minimal-waste product

wrapping, and using recycled low-density polyethylene (LDPE) film to significantly cut down our plastic use.

We have reduced new wooden material usage from 7300 to 6400 cubic feet by substituting wood with more sustainable materials like metal sheets and ply/ cardboard. We also repurpose wooden waste into saddle supports for transportation, further decreasing our resource consumption and environmental impact.

We enforce the use of recyclable packaging materials through our Purchase Order Clauses, ensuring our environmental standards are maintained across our supply chain. Additionally, we've eliminated the use of non-biodegradable thermocol sheets by adopting a new, sustainable packing method for quality dossier files.

More details about our supplier code of conduct can be found at: [https://www.gmmpfaudler.com/file/Suppliers\\_Code\\_of\\_Conduct.pdf](https://www.gmmpfaudler.com/file/Suppliers_Code_of_Conduct.pdf)

### CUSTOMERS

GMM Pfaudler is committed to building strong and valuable partnerships with our customers. We leverage our strengths – technological expertise, manufacturing capabilities, global reach, and brand reputation – to create meaningful connections. By actively engaging with customers and immersing ourselves in their processes and challenges, we go beyond simply meeting their stated needs. Our

advanced technologies and extensive knowledge allow us to uncover and address even unvoiced requirements. This collaborative approach fosters the development of customized solutions that not only benefit our customers but also fuel innovative growth for GMM Pfaudler. We prioritize continuous improvement through customer feedback mechanisms, offering a variety of channels for open communication –

website, customer meetings, satisfaction surveys, helplines, and technical support. Furthermore, we are committed to safeguarding customer information through robust data privacy policies and systems. In essence, we view our customers as partners in success, and their feedback is instrumental in driving our journey of innovation and excellence.

#### GMM Pfaudler's Sampling System

Ensuring the safety of workers and minimizing risks during production are paramount concerns in the chemical and pharmaceutical industries. GMM Pfaudler's innovative sampling system addresses these challenges, specifically for glass-lined and alloy reactors that handle corrosive and hazardous fluids.

Traditional methods of taking periodic samples often require stopping the reactor and manual extraction, exposing workers to potential dangers. GMM Pfaudler's solution eliminates these

risks by enabling online sampling –collecting samples directly from the reactor while it's running. This completely eliminates human exposure to hazardous materials.

Furthermore, the system boasts a PTFE/PFA lining, guaranteeing exceptional corrosion resistance against the harsh chemicals it encounters. This safeguards not only personnel but also the integrity of the sampling process itself. Additionally, the visual check window on the system allows for safe and easy monitoring of the sampling process.

Designed with safety at its core, the system utilizes an air-operated diaphragm pump to extract samples. This eliminates the need to stop the reactor even under pressure, minimizing downtime and enhancing process efficiency. Finally, the system allows for complete flushing with nitrogen, ensuring complete drainability and eliminating residual contamination risks.

In essence, GMM Pfaudler's sampling system offers a triple win: **enhanced safety for workers, improved process efficiency, and complete confidence in sample integrity.**

#### GMM Digital Solutions

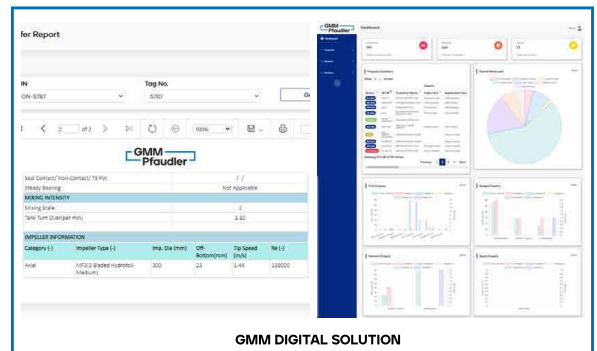
As part of the digital solutions offered by GMM, several innovative projects have been successfully implemented to enhance efficiency for both clients and employees. One such project is the **Mixion Design Tool**, which has undergone multiple phases to improve its capabilities. The initial phase enabled users to perform quick and accurate calculations for application engineering, created a searchable database for future reference, and delivered ready technical offers. Upcoming phases plan to expand design options, improve functional capabilities, and incorporate a cost database to generate commercial offers and link to AutoCAD for

general assembly drawing preparation.

Another significant project is the **Automated Order Forwarding Note (OFN) Generation system**. This application automates the creation of OFNs based on data collected during the inquiry stage, eliminating the need for manual data entry. This automation reduces errors and delays, enhancing accuracy and efficiency, thus improving collaboration between sales and execution teams and accelerating workflows, which ultimately boosts customer satisfaction.

The **Inspection and Welding Management Software (IWMS)**, including its upgraded version IWMS 2.0, revolutionizes welding

instruction slip generation and management. By automating these processes, the system achieves high productivity and accuracy, reducing the slip generation time from minutes to seconds. It maintains a comprehensive database of project-specific weld maps, Welding Procedure Specifications (WPSs), and certified welders, tracking consumable usage in real-time and ensuring complete traceability for quality assurance. The IWMS not only streamlines internal processes but also demonstrates the company's commitment to automotive-grade quality and efficiency, delighting customers with its advanced capabilities.



**SOCIAL INITIATIVES THROUGH CSR PROJECTS**

**Healthcare**

GMM Pfaudler is dedicated to improving healthcare accessibility and making a positive impact on the well-being of local communities. Through the GMM Pfaudler Foundation, our company has undertaken significant projects such as the ESIC

Hospital Upgradation and Sparsh 2.0. These initiatives are designed to extend the reach of high-quality healthcare services to those in need. By upgrading essential medical facilities and launching comprehensive healthcare programs, we

aim to ensure that more people have access to the medical care they deserve. Our commitment reflects a broader goal of fostering healthier, more resilient communities.

**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 reduced healthcare costs, improved productivity, and increased life expectancy. Project Sparsh 2.0 is aimed at addressing



Medical Health Camp

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, 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.

<b>400+</b> Health Camps conducted in FY24	<b>10,000+</b> Patients Consulted in camps in FY24	<b>2,400+</b> Health Camps conducted in the last 7 years	<b>80,000+</b> Patients Consulted in camps till date in the last 7 years
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**Upgrading facilities in the mother and childcare division at ESIC Hospital Nacharam, Hyderabad.**

GMM Pfaudler Foundation has undertaken a 3-year long phased upgradation of maternity ward at ESIC Hospital Nacharam, Hyderabad.

In addition to the four-equipment donated in FY23, the Foundation has donated a Bubble PAP, Two Infant Radiant Warmers, a Blood Gas Analyzer, Coagulation Analyzer and Towel & Fluid warming system in FY24. These equipment enable healthcare professionals to oversee and monitor the healthcare of mothers as well as the new borns.



Ultra Sound Scanner

<b>84,000+</b> Number of Scans/ Test conducted in FY24	<b>20,000+</b> Number of patients benefited in FY24	<b>10+</b> Equipment donated in the last 2 years
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**"The Foundation's contribution of Bubble CAP proved to be a ray of hope for two new born babies grappling with Infant Respiratory Distress Syndrome".**



Infant Respiratory Support Device

**GMM Pfaudler is committed to providing quality healthcare to the local communities**

### Education & Skill development

At GMM Pfaudler, we prioritize our community's education and skill development. We strongly believe that equipping individuals with knowledge is absolutely crucial for achieving success in an ever-evolving world. Our investment in education is in line with the United Nations Sustainable Development Goals, working towards a future that is sustainable and equitable. We place a strong emphasis on education in disadvantaged areas and marginalized communities, making sure that it is accessible to everyone. Our organization offers a wide range of educational opportunities, including classrooms, workshops, mentorship, and career programs. We strive to create an inclusive environment where everyone can engage in meaningful learning experiences. Through the promotion of a learning-focused environment and the provision of resources and assistance, we enable individuals to effectively navigate the obstacles of the present.

### Skill Development at JV Patel Industrial Training Institute. (JVP ITI)

GMM Pfaudler Foundation has partnered with JVP ITI to promote education and skill development and to enhance vocational employment opportunities among the local community. The Institute has been providing skill development training to the local unemployed youth in National Vocational Training (Draughtsmen Mechanical, Electronic Mechanic, Fitter, Electrician, Wiremen, Welder, Sheet Metal courses), Technical Education Board and Pradhan Mantri Kaushalya Vikas Yojana trades. Over the span of six years JVP ITI has successfully provided skill development training to over 1000+ youths.



Classroom Training- Electrician



Industrial Visit at Vulcan

#### Success Stories

"All my children are settled, thanks to the training given at JVP ITI. I can now retire peacefully"

-Parent of Alumni JVP ITI

### Upgrading facilities at JV Patel Industrial Training Institute ("JVP ITI") at Karmasad, Gujarat

To improve the quality of education imparted to the students and enhance their employment prospects GMM Pfaudler Foundation has partnered with JVP ITI to modernise the facilities of the existing institute which includes setting up of a new IT Lab. In addition, the Foundation has also taken up the construction of a new wing in a phased manner. The construction of a new wing will enable the introduction of additional educational programs thereby catering to a larger student population addressing their education needs.

Among various employment skills & awareness workshops, the Foundation also organized an awareness session in collaboration with Project SPARSH on the consequences of consumption of Tobacco and Alcohol which was attended by 250+ students and staff members of the institute thus enabling students to make informed decisions & cultivate a well- rounded approach to personal development.



Modernizing of Theory Classrooms



Inauguration of IT Lab



Awareness session on consequences of consumption of Tobacco and Alcohol

### Project Adopt a Home



Distribution of Uniform



Certificate course in Active Basic IT

GMM Pfaudler Foundation has partnered with Catalyst for Social Action to extend educational support and provide basic facilities and safety to 70 underprivileged children across two Childcare Institutions (CCIs) at Sangli in Maharashtra. Various educational initiatives were taken in both the CCIs which includes engagement of tuition teachers emphasizing on the development of foundational literacy and numeracy skills of students. School uniforms were provided to the students to ensure accessible and equitable education. Developmental training sessions on child safety and awareness were conducted at both CCIs.

A certified course in Active Basic IT is conducted in collaboration with the NIIT Foundation, aimed to enhance the computer knowledge and skills of students. Furthermore, recreational activities such as self-defence karate workshops and paper quilling were organized.

As part of capacity-building, training sessions on Child Protection Policy were organized for CCI staff.



**Upgrading sanitation facilities & providing basic requirements at Railway Station Primary School at Karamsad, Gujarat**

Sanitation and drinking water facilities at Railway Station Primary School were in a very poor condition, adversely impacting the health and overall wellbeing of 350+ students.

GMM Pfaudler Foundation has initiated the upgradation of sanitation and drinking water facilities at the school. Additionally, the Foundation has supported the students by providing school bags and PT uniforms.



Distribution of PT Uniform

**Provision of drinking water facility at Vatva Gujarati Saraswati Vidhyamandir School at Vatva, Gujarat**

Vatva Gujarati Saraswati Vidhyamandir school relied on a single source of water to meet all its requirements, including drinking water and sanitation which posed a significant health risk to over 1300+ students

GMM Paudler Foundation has taken up the initiative to install two water filters and water cooler systems with an aim to provide sustainable solution for clean and safe drinking water for the students.



Distribution of School Bags

**EMPLOYEE VOLUNTEERING**

The GMM Pfaudler Foundation has actively participated in various community and employee engagement initiatives, focusing on health, education, and environmental conservation.

**Employee Sensitization Session**

GMM Pfaudler Foundation partnered with Charutar Arogya Mandol, organized a sensitization session for the employees of GMM Pfaudler under Project SPARSH 2.0. The session aimed on imparting knowledge about the project and basic information on measuring various health parameters adopted during medical camps conducted by Mobile Health Teams (MHT) under project SPARSH 2.0. Over 20+ employees actively participated in the sensitization session.

Also employees of GMM Pfaudler actively volunteered in the MHT camps organized in the villages.



Employee Sensitization session

**World Ocean Day Session**

GMM Pfaudler Foundation, in collaboration with ReefWatch Marine Conservation, organized an awareness session on the significance of oceans and the importance of protecting and preserving these precious resources on the occasion of World Oceans Day, with participation of over 450+ employees.



Computer Training at JVP ITI

**Computer Training Course at JVP ITI**

GMM Pfaudler Foundation in collaboration with the IT team of GMM Pfaudler Limited successfully completed the first batch of computer training course at JVP ITI with about 15+ students.

**Blood Donation Camp**

GMM Pfaudler Foundation in collaboration with Shree Krishna Hospital organised 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.



Blood Donation Camp

500+ volunteering hours completed through these programs, the GMM Pfaudler Foundation continues to drive social responsibility and community service, enhancing community health and environmental awareness.

# Governance

## Index

70 : Board & Policies
73 : Corporate Governance
73 : Sustainability Governance
74 : CSR Governance
75 : Business Continuity Plan
75 : Risk Management

At GMM Praudler, we have successfully integrated Environmental, Social, and Governance (ESG) considerations into our governance framework. This integration has allowed us to proactively manage risks, capitalize on opportunities, and make significant contributions to society and the environment. We are committed to maintaining responsible governance, which helps build trust with our stakeholders and drives sustainable growth, creating long-lasting value. We are committed to upholding high standards and leading by example for a sustainable future. Our focus is on meeting the diverse needs of our stakeholders, while maintaining accountability and responsible resource utilization. In this section of our sustainability report, we will provide a detailed overview of our governance practices, emphasizing our dedication to transparency, ethical conduct, and meeting the changing expectations of our stakeholders.

**BOARD & POLICIES**

The Board of Directors and Committees oversee the company's operations, guiding the management team to safeguard the long-term interests of stakeholders. In addition, the Board

ensures compliance with relevant regulations led by our Code of Conduct and ethical standards across all locations of our company and its subsidiaries. Our Board consists of experienced

professionals who provide the strategic leadership and skills necessary for business growth, aligned with our ESG goals. In FY24, the Board of Directors held 7 meetings, achieving participation rate of 100%.

**Enabling Governance structure**

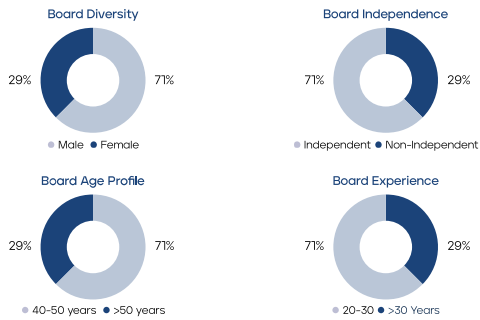
Our governance framework, rooted in the company's core principles, is implemented through the standing committees of the Board. The Committees ensure

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, integrating our ESG goals into every business objective and execution strategy.



**Board Statistics**



**Board Committees**

Board Committees enhance the Board of Directors' effectiveness by delivering specialized expertise and insights, refining and upholding governance policies, and providing thorough, regular reports that ensure informed decision-making and accountability.



Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee	Allotment Committee
• Members: 4	• Members: 3	• Members: 3	• Members: 4	• Members: 5	• Members: 3
• Independence: 100%	• Independence: 100%	• Independence: 67%	• Independence: 50%	• Independence: 60%	• Independence: 67%

All committees are chaired by Independent Directors.

**Brief role of these committees:**

- **The Audit Committee** oversees financial reporting, internal controls, and audit processes.
- **The Nomination & Remuneration Committee** identifies and nominates qualified candidates for board positions & executive roles and establishes remuneration policies.
- **The Stakeholders Relationship Committee** facilitates effective communication and engagement with stakeholders.
- **The Corporate Social Responsibility Committee** develops and oversees CSR initiatives aligned with the company's values.
- **The Risk Management Committee** oversees the implementation and effectiveness of the company's risk management framework.
- **The Allotment Committee** manages the allotment of shares during capital raising activities.

These committees collectively ensure that GMM Pfaudler adheres to the highest standards of corporate governance, fostering transparency, accountability, and sustainable growth within regulatory frameworks.

**Management**

The Managing Director sets the overall direction for the company's effective management, overseeing corporate strategy, brand equity, planning,

external relations, and key management issues. The Chief Executive Officer (CEO) and Chief Financial Officer (CFO), along with a team of senior executives, assist the

Managing Director in these responsibilities, ensuring cohesive and efficient operations aligned with the company's strategic goals.

**Policies**



Scan the QR Code to see our policies.

Our policies provide an enabling framework that supports the realization of our governance vision and ensures transparency both within our organization and externally.

**A Snapshot of Our Policies**

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



**Code of Conduct & Business Ethics**

Our comprehensive Code of Conduct and Ethics Policy (GMM/COC) applies to all employees, guiding their behaviour and fostering trust with stakeholders. The GMM COC aligns with the Companies Act, 2013, and sets clear expectations for employees, business conduct standards, and director responsibilities. We conduct

business ethically, adhering to anti-trust and anti-corruption policies, 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. To ensure a culture of transparency, we have multiple channels for reporting concerns, receiving various complaints, all of which were effectively addressed. We are dedicated to building and maintaining a strong ethical foundation for sustainable business success.

**Anti-Sexual Harassment Policy**

GMM Pfaudler has a strict zero-tolerance policy towards any form of harassment, including sexual harassment. This policy ensures to maintain a workplace where everyone is treated with respect & dignity and that all employees, regardless of their

position, can work in a safe and supportive environment. Each reported incident is promptly & thoroughly investigated in accordance with the Prevention of Sexual Harassment Act, 2013 and Company's policies. Anyone found violating this policy will

face appropriate disciplinary actions, which could include termination. Our goal is to foster a culture of respect, inclusion, and equality, where every individual feels valued and protected.

**CORPORATE GOVERNANCE**

At GMM Pfaudler Limited, corporate governance is recognized as a critical factor in maximizing shareholder value 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.

For more details, refer to the Corporate Governance section at: <https://www.gmmpfaudler.com/investors/corporate-governance-and-compliance>

**Awards and Recognition**

GMM Pfaudler's commitment to ESG excellence is reflected in the recognitions we have received throughout FY24.

<p><b>India's leading listed ESG entities for 2024</b></p> <p>Dun &amp; Bradstreet</p>	<p><b>Bronze Sustainability Rating</b></p> <p>ECO Vadis</p>
<p><b>Sustainable Partnerships</b></p> <p>Aarti Industries</p>	<p><b>'Rising Star Award' and 'Best Company in Engineering'</b></p> <p>Fortune India's The Next 500 Event</p>

**SUSTAINABILITY GOVERNANCE**

GMM Pfaudler's robust sustainability governance structure guides our ESG efforts. The Board of Directors provides leadership and oversight of our Company's sustainability mission, while the ESG Steering Committee, composed

of leadership, crafts the strategy and integrates it across operations. This committee also fosters stakeholder engagement and collaboration for sustainable value creation. Department heads, along with their teams, implement the strategy,

providing data and insights to the Steering Committee for informed decision-making and transparent reporting. This collaborative approach ensures effective ESG integration throughout the company.

**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

- Present the disclosures to the Leadership or Board for approval
- Review and approval of public disclosures on ESG (Annual Report, ESG Report, Specific Disclosures, Policies)
- Engage with stakeholders, including external agencies and auditors relevant to ESG

**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-focused

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 dedicated to maximizing positive influence by envisioning a prosperous future for the communities where we operate. We firmly embrace our responsibility to enhance these communities, contributing to their social and economic development as well as environmental sustainability. GMM Pfaudler's focused approach 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**

GMM Pfaudler has a robust Business Continuity Policy which aids the company to mitigate potential disruptions and their impact on operations, ensuring smooth continuation of business activities during such events. It focuses on minimizing

the time required to restore normal operations, protecting employees and essential facilities, and clearly defining roles and responsibilities for team members during emergencies. Additionally, the policy emphasizes the importance of assessing

the impact of emergencies in terms of finance, time, services, and workforce, as well as maintaining effective communication with both internal and external stakeholders.

**RISK MANAGEMENT**

The GMM Pfaudler board has established a Risk Management Committee (RMC) to oversee the implementation and effectiveness of the risk management framework, as mandated by the Securities and Exchange Board of India's (SEBI) Listing Obligations and Disclosure Requirements (LODR). Previously, the Company's Audit Committee managed this framework.

GMM Pfaudler has institutionalized an Enterprise Risk Management (ERM) Framework that is regularly reviewed and benchmarked against industry best practices to enhance our

value creation capabilities for stakeholders. This framework enables effective risk management through consistent processes for risk identification, assessment, treatment, and the review and monitoring of risks across the company.

The Risk Management Committee periodically evaluates and monitors key risks, including economic impacts, geopolitical issues, reputation and brand risks, competition, counterparty risks, foreign exchange and commodity price fluctuations, interest rates, cyber security, and ESG-related issues, among others.

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

Risk Governance Structure: The Risk Management Framework spans the entire organization across all levels. For further information, please refer to the Management Discussion & Analysis Report of this Annual Report.