Business Responsibility and Sustainability Reporting

DRAFT INTERIM REPORT FOR FY 2023-24

KENNAMETAL
KENNAMETAL INDIA LIMITED | 8/9TH MILE, TUMKUR ROAD, BANGALORE - 560073

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Business Responsibility and Sustainability Reporting

Section A: General Disclosures

I. Details of the listed entity

1.	**Corporate Identity Number (CIN) of the Listed Entity**	L27109KA1964PLC001546
2.	**Name of the Listed Entity**	Kennametal India Limited
3.	**Year of incorporation**	September 21, 1964
4.	**Registered office address**	8/9th Mile, Tumkur Road, Bengaluru, Karnataka - 560073, India
5.	**Corporate address**	8/9th Mile, Tumkur Road, Bengaluru, Karnataka - 560073, India
6.	**E-mail**	in.investorrelation@kennametal.com
7.	**Telephone**	0802839432
8.	**Website**	https://www.kennametal.com/in/en/home.html
9.	**Financial year for which reporting is being done**	FY 2023-24
10.	**Name of the Stock Exchange(s) where shares are listed**	BSE Limited (Scrip code: 505890, Scrip Name: KENNAMET)
11.	**Paid-up Capital**	₹ 219,782,400 /-
12.	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	DIN: 07901688 Mr. Vijaykrishnan Venkatesan Managing Director +91 80 28394709 vijaykrishnan.venkatesan@kennametal.com
13.	**Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).**	Disclosures made in this report are on a standalone basis and pertain to Kennametal India Limited (KIL). There are no subsidiaries.

14.	**Name of assurance provider**	Not Applicable
15.	**Type of assurance obtained**	Not Applicable

II. Products/Services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing and Trading	Manufacture of other fabricated metal products; metalworking service activities	87%
2.	Manufacturing	Manufacture of special-purpose machinery	13%

17. **Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

S. No.	Product/Service	NIC Code	% of total Turnover contributed
3.	Hard Metal Products	25910	87%
4.	Machining Solution Group	282	13%

III. Operations

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

Location	Number of plants	Number of offices	Total
National	1	5	6
International*	NA	NA	NA

*KIL has operations within India only.

19. **Markets served by the entity:**	
a. **No. of locations**	
Locations	Number
National (Number of states)	28
International (No. of countries)	18
b. **What is the contribution of exports as a percentage of the total turnover of the entity**	
Along with pan-India domestic operations, KIL exports products to Asia Pacific, European, Middle East and American markets. The exports account for around 16% of KIL's total turnover.	
c. **A brief on type of customers**	
KIL has successfully positioned itself as a reliable industrial technology leader in materials science, tooling, and wear-resistant solutions for customers across the aerospace, earthworks, energy, general engineering and transportation industries across India, Asia Pacific, European, Middle East and American markets.	

IV. Employees

20. Details as at the end of the Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	Employees					
1.	Permanent (D)	451	418	92.68%	33	7.32%
2.	Other than Permanent (E)	19	11	57.89%	8	42.11%
3.	**Total employees (D + E)**	**470**	**429**	**91.28%**	**41**	**8.72%**
	Workers					
4.	Permanent (F)	305	305	100%	0	0%
5.	Other than Permanent (G)	91	91	100%	0	0%
6.	**Total workers (F + G)**	**396**	**396**	100%	0	0%

b. **Differently abled Employees and workers:**

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently Abled Employees						
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	**Total differently abled employees (D + E)**	0	0	0%	0	0%
Differently Abled Workers						
4.	Permanent (F)	3	3	100%	0	0%
5.	Other than permanent (G)	0	0	0%	0	0%
6.	**Total differently abled workers (F + G)**	3	3	100%	0	0%

21. **Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	2	22.22%
Key Management Personnel	3	1	33.33%

22. **Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)**

	FY 2023-24 (Turnover rate in current FY 2023-24)			FY 2022-23 (Turnover rate in previous FY 2022-23)			FY 2021-22 (Turnover rate in the year prior to the previous FY 2021-22)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	15.31%	12.12%	15.08%	16.18%	8.51%	15.78%	11.4%	0	10.96%
Permanent Workers	8.52%	NA	8.52%	7.17%.	NA	7.17%	3.67%	NA	3.67%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures				
S. No.	**Name of the holding / subsidiary / associate companies / joint ventures (A)**	**Indicate whether holding/ Subsidiary/ Associate/ Joint Venture**	**% of shares held by listed entity**	**Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)**
1	Kennametal Inc. USA	Holding	24%	Yes
2	Meturit A.G., Zug, Switzerland*	Holding	51%	Yes

* The ultimate holding company of Meturit A.G., Zug, Switzerland is Kennametal Inc., USA that also participates in the BRSR activities of KIL

VI. CSR Details

24. **(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)**	**Yes**
(ii) Turnover (in Rs)	10998562101
(iii) Net worth (in Rs.)	7329000000

VII. Transparency and disclosure compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redressal policy)	Current Financial Year (FY 2023-24)			Previous Financial Year (FY 2022-23)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	Nil	Nil	Nil	Nil
https://images.kennametal.com/is/content/Kennametal/policy-on-redressal-of-stakeholders-grievancespdf							
Investors (other than shareholders)	Yes	Nil	Nil	Nil	Nil	Nil	Nil
https://images.kennametal.com/is/content/Kennametal/policy-on-redressal-of-stakeholders-grievancespdf							
Shareholders	Yes	Nil	Nil	Nil	Nil	Nil	Nil
https://images.kennametal.com/is/content/Kennametal/policy-on-redressal-of-stakeholders-grievancespdf							
Employees and workers	Yes	282	22	Nil	111	0	Nil
https://images.kennametal.com/is/content/Kennametal/policy-on-redressal-of-stakeholders-grievancespdf							
Customers	Yes	371	71	Nil	232	10	Nil
https://images.kennametal.com/is/content/Kennametal/policy-on-redressal-of-stakeholders-grievancespdf							
Value Chain Partners	Yes	91	14	Nil	63	0	Nil
https://images.kennametal.com/is/content/Kennametal/policy-on-redressal-of-stakeholders-grievancespdf							

VIII. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy	Opportunity • Transition to green energy is expected to reduce overall GHG emissions and energy costs in the long run.	KIL is partially reliant on grid power and sources renewable energy through Power Purchase Agreements (PPAs). The consumption is bound to increase to meet the growing market demands, which would impact its energy efficiency. The reliance on grid energy consumption is a potential risk to business in case of grid outage/ browning of grid.	The company seeks to continuously enhance its systems and processes along with the transition to green energy consumption, thus ensuring an increase in its energy efficiency. During the previous year, the company increased its solar energy consumption to 73% from 67% in the previous year.	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Occupational Health and Safety (OHS)	Risk and Opportunity • Health and Safety hazards are intrinsic to the engineering industry. Despite implemented systems and controls by KIL, any slippage can result into an incident and injury	The health, safety, and well-being of employees is of paramount importance to KIL. The company has implemented safety management systems and initiatives in line with the best industry standards. Considering the intrinsic nature of the material issue, OHS is an ever-prevailing risk. There is always a possibility of slippage in the compliance to systems and controls considering the business and external circumstances. Any fatality or cases of serious injuries due to workplace issues would have a direct negative impact to business sustenance.	The company conducts Hazard Identification and Risk Assessment (HIRA) and Job Safety Assessment (JSA) as per international standards to identify potential risks per job/role. This enables KIL to develop adequate corrective and preventive measures in creating an employee safe workplace. During the year, the company put in place several mechanisms to enhance safety standards like fall protection mitigation, rigor in the usage of various safety tools, and introducing AI to enhance safety controls for all Power Industrial Vehicles.	Positive and Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Product Safety and Quality	Risk • KIL products are used as key components in aerospace, earthworks, energy, general engineering, and transportation industries. • While KIL has implemented a quality management system consistent with global and industry standards, any rare incident of slippage can impact customers.	KIL products can impact the performance of critical components and processes of customers from aerospace, earthworks, energy, general engineering, and transportation industries. Bearing this in mind, KIL has long brought into effect robust mechanisms to ensure consistent global quality. At the same time, KIL focuses on continuous improvement while maintaining consistent product safety standards. Any deviation in product quality or minor lapse in product safety would result in loss of customers and impact the business.	The company adheres to global standards of quality management. This would augment its product quality and in-turn its safety while also contributing to business growth. The company has invested in technology, equipment, and people to build capabilities, better serve customers, compete, and grow. The company has established a new Quality Clinic that enables the team to address customer complaints faster while also conducting proactive outreach to mitigate any issues. The clinic has reduced the response time to customers by half.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Employee engagement & wellbeing	Opportunity • Close engagement with the workforce has helped to build a strong relationship between management and the workforce. This is expected to further help retain skilled employees and attract talent.	Employee well-being is critical to business operations and productivity. Multiple facets of employee well-being is adequately managed and incorporated by the company in various employee-centric initiatives. A highly productive workforce would augment business growth.	The company continues to implement employee-centric initiatives such as periodic health check-ups, regular leadership communication, People Development Council to retain and grow the talent pool, engaging employees through Reward and Recognition programs, celebration of important days, sports tournaments, and cultural activities – all aimed at ensuring a vibrant workforce, propelling its business growth.	Positive
5	Diversity & Equal Opportunity	Opportunity • To attract broader pool of talent and contribute to employee satisfaction and retention.	KIL seeks to foster an inclusive and diverse workplace that organically propels business growth. KIL embraces diversity in its entirety to tap innovative ideas and new opportunities. It strives to be an equal opportunity provider, thus instilling a work culture underpinned by a sense of belonging, fairness, and equity. Through its approach towards diversity & equal opportunity, it seeks to achieve operational efficiency	The company continues to implement and actively embrace diversity, equity, and inclusion through the pillars of “Acquisition”, “Awareness”, “Development” and “Community” to be an equal opportunity provider. During the year, the company steered various initiatives that will be highlighted in the message from the Managing Director in Annual Report.	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Ethics and Compliance	Risk • The intrinsic nature of this material issue has the potential of severe consequences in the event of minor deviation from protocols. • While KIL has a strong Code of Conduct and ethics for employees, suppliers and senior management, there can be a possibility of slippage due to external environment issues beyond the control of the organization.	KIL holds itself accountable for all relevant ethical and compliance requirements, as it is ingrained in its business ethos. The company is mindful that these matters pose significant reputational risks and raise questions on the organizational conduct with respect to integrity, business relationship problems, conflicts of interest, etc.	KIL adheres to strong ethical standards of integrity. Its Board of Directors, top management, and workers follow a strict code of conduct and ethics. An effective surveillance mechanism and a whistle blower policy are in place to guarantee that such regulations are properly followed. The company continues to periodically and scrupulously monitor inconsistencies and non-alignment pertaining to relevant ethics and compliance requirements.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Data security and information security	Risk • This is an evolving global risk, and the organization keeps assessing its vulnerability from time to time.	KIL maintains compliance with global and local regulations with respect to data privacy, as any deviations would result in legal, reputational, and financial implications. As is the case with most manufacturing organizations, the company is exposed to ever-emerging IT risks in its operations, including R&D and patents, design of engineering processes, etc.	As a business process, the company ensures adherence to the global policy https://www.kennametal.com/in/en/about-us/data-privacy.html along with global monitoring of data privacy and cyber security, to avoid any misalignment.	Negative

Section B: Management and process disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Policy and Management Processes

	Disclosure Questions	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
1.	a. **Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. **Has the policy been approved by the Board? (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. **Web Link of the Policies, if available**	https://www.kennametal.com/in/en/about-us/kil- financials/policies.html								
2.	**Whether the entity has translated the policy into procedures. (Yes / No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	**Do the enlisted policies extend to your value chain partners? (Yes/No)**	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
4.	**Name of the national and international codes/certifications/labels standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle**			ISO 45001			ISO 14001			ISO 9001
5.	**Specific ESG commitments, goals and targets set by the entity with defined timelines, if any.**	As of date, we have not defined any specific ESG commitments.								
6.	**Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.**	Not applicable								

Governance, Leadership, and Oversight

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7.	**Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements.**	This will be covered in the managing director's message in the Annual Report								
8.	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).**	The ESG Committee of Board of Directors monitors the implementation of the Business Responsibility (BR) policies. The Managing Director of the Company is responsible for implementation and oversight of the Business Responsibility policy(ies).								
9.	**Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**	Yes, an ESG committee of the Board of Directors has been constituted comprising five Directors – responsible for decision making on sustainability related issues.								

10. Details of review of NGRBCs by the Company:																		
Subject for Review	**Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee**									**Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)**								
	P1	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
Performance against above policies and follow up action	No									NA								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes, Committee of the Board									Quarterly for all principles								

11.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No	No	No	No	No	No	No	No	No

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:									
Questions	**P1**	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
The entity does not consider the Principles material to its business (Yes/No)	Not applicable, as KIL has developed policies against each principle.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Section C: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness program
Board of Directors	0	0	
Key Managerial Personnel	0	0	
Employees other than BoD and KMPs			
Workers			

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principle	**Name of regulatory/ enforcement agencies/judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/Fine	NA	NA	NA	NA	
Settlement	NA	NA	NA	NA	
Compounding Fee	NA	NA	NA	NA	
Non-Monetary					
	NGRBC Principle	**Name of regulatory/ enforcement agencies/judicial institutions**	**Brief of the case**	**Has an Appeal been preferred (Yes/No)**	
Imprisonment	NA	NA	NA		
Punishment	NA	NA	NA		

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	**Name of the regulatory/enforcement agencies/Judicial institutions**
NA	NA

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

Yes. Kennametal India Limited has a well-defined policy on Anti-Corruption and Anti-Bribery. The policy is applicable to all directors, officers and employees of Kennametal India Limited, and its sales agents, representatives and distributors (collectively referred to as “Third Parties”) operating or located in the regions where Kennametal operates. The policy is available on the company’s website at:

https://images.kennametal.com/is/content/Kennametal/anti-corruption-and-anti-bribery-policypdf

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

	FY 2023-24 (Current Financial Year)	**FY 2022-23 (Previous Financial Year)**
Directors	0	0
KMPs	0	0
Employees		0
Workers		0

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

	FY 2023-24 (Current Financial Year)		**FY 2022-23 (Previous Financial Year)**	
	Number	Remarks	Number	Remarks
Number of Complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs			0	NA

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not applicable

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

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables	69	79

9. **Openness of Business: Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:**

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	**a.** Purchases from trading houses as % of total purchases	**0**	**0**
	b. Number of trading houses where purchases are made from	**0**	**0**
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	**0**	**0**
Concentration of Sales	a. Sales to dealers / distributors as % of total sales.	**56%**	**50%**

	b. Number of dealers / distributors to whom sales are made	**342**	**356**
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	**17%**	**19%**
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	**43%**	**40%**
	b. Sales (Sales to related parties / Total Sales)	**13%**	**15%**
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	**0**	**0**
	d. Investments (Investments in related parties / Total Investments made)	**0**	**0**

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current financial Year	Previous financial Year	Details of improvements in environmental and social impacts
R&D			
Capex			

2. **Does the entity have procedures in place for sustainable sourcing? If yes, what percentage of inputs were sourced sustainably?**

No, KIL does not have an entity level procedure for sustainable sourcing. However, it has undertaken a number of initiatives relating to sustainable sourcing such as; 1) Recovery of tungsten oxide is recovered from grinding sludge: The sludge is collected and recycled through an external vendor. On dry basis grinding sludge contains 45-48% tungsten and 2-3% cobalt, among others. 2) Recovery of green carbide powder: Around 20% of the recovered green carbide from the air pollution control equipment is reused in the process which was otherwise going for disposal.3) Carbide buy back policy: Kennametal Inc. has a carbide buy back policy in place

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

	Add Details
(a) Plastics (including packaging)	Not applicable
(b) E-waste	Not applicable
(c) Hazardous waste	Not applicable
(d) other waste	KIL has a B2B business model selling products to industrial customers. Therefore, waste generated due to disposal of plastics, ewaste, etc. at the end of life of the product by end-consumers is not applicable to KIL. However, the company has a buy back policy for used carbide powder, the details of which can be accessed at: https://www.kennametal.com/in/en/services/carbide-recycling.html Accordingly, waste carbide generated at KIL is sent to other Kennametal sites for recycling.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes. KIL has obtained EPR registration for plastic waste under 'Importer and Brand Owner" category.

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

1. **A.** Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	418	418	100%	418	100%	0	0%	418	100%	418	100%
Female	33	33	100%	33	100%	33	100%	0	0%	33	100%
Total	451	451	100%	451	100%	33	7.32%	418	92.68 %	451	100%
Other than Permanent employees											
Male	11	11	100%	11	100%	0	0%	0	0%	0	0%
Female	8	8	100%	8	100%	8	100%	0	0%	8	100%
Total	19	19	100%	19	100%	8	42.11 %	0	0%	8	42.11 %

B. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	305	305	100%	305	100%	0	0%	0	0%	305	100%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	305	305	100%	305	100%	0	0%	0	0%	305	100%
Other than permanent worker											
Male	91	91	100%	91	100%	0	0%	0	0%	91	100%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	91	91	100%	91	100%	0	0%	0	0%	91	100%

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

	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company		

2. **Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	56%	Y
Gratuity	100%	100%	Y	100%	56%	Y
ESI*	2.34%	17.42%	Y	1.93%	16.75%	Y
Others – please specify						

3. **Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes. KIL's administration building, and Master Inserts Plant are accessible to differently abled employees through infrastructure such as ramps and dedicated washrooms.

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

We believe in the power of diverse talents and capabilities to propel our business. To that end, we are committed to ensuring a fair and equitable workplace, free from harassment and discrimination, where advancement is based on job-related qualifications, accomplishments, and experience. We are in the process of aligning our global human rights policy statement (which can be accessed at:

https://www.kennametal.com/us/en/about-us/doing#business-with-kennametal/global-human-rights-policy-statement.html

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

	Permanent Employees		Permanent workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	0	0	0	0
Female	0	0	0	0
Total	0	0	0	0

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

	Yes/No	**(If Yes, then give details of the mechanism in brief)**
Permanent Workers	Yes	Yes, KIL has in place a robust grievance redressal mechanism for employees and workers which has been detailed in the policy on redressal of stakeholders' Grievances (Link: https://images.kennametal.com/is/content/Kennametal/policy-onredressal-of-stakeholders-grievancespdf). Employees and workers of KIL can share their concerns initially to their points of contacts at KIL, and if dissatisfied with the grievance redressed at this stage, the employees are encouraged to write in detail about their grievance to the grievance redressal officer at anupriya.garg@kennametal.com. Within 30 days of the receipt of the grievance, the officer shall ensure due resolution of said grievance. In the event the resolution is taking longer than the assigned time of 30 days, the officer shall bring up the grievance to the committee for grant of more time for resolution OR in the event the grievance cannot be resolved to the satisfaction of the stakeholders, shall bring it to the notice of the committee for further direction.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

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

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	451	0	0%	447	0	0%
Male	418	0	0%	419	0	0%
Female	33	0	0%	28	0	0%
Total Permanent Workers	305	305	100%	291	291	100%
Male	305	305	100%	291	291	100%
Female	0	0	0%	0	0	100%

8. Details of training given to employees and workers:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	417	102	24.46%	147	35.25%	433	397	91.69%	196	88.22%
Female	31	13	41.96%	10	32.25%	34	29	85.29%	15	67.65%
Total	448	115	25.67%	157	35.04%	467	426	91.22%	211	86.72%
Workers										
Male	394	12	3.05%	101	25.63%	400	400	100%	228	57%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Total	394	12	3.05%	101	25.63%	400	400	100%	228	57%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	**No. (B)**	**% (B/A)**	**Total (C)**	**No. (D)**	**% (D/C)**
Employees						
Male	418	418	100%	433	418	96.53%
Female	33	33	100%	34	25	73.53%
Total	451	451	100%	467	443	94.86%
Workers						
Male	305	0	0%	400	0	0%
Female	0	0	0%	0	0	0%
Total	305	0	0%	400	0	0%

10. **Health and safety management system:**

	Response
a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).	Yes
If yes, the coverage such system?	Our manufacturing facility and head office at Bangalore are certified to the international standards ISO 45001:2018 Occupational Health and Safety Management System and ISO 14001:2015 Environmental Management System (EMS) which are valid up to November 12, 2026. During the last recertification process, no non-conformance was flagged. This demonstrates KIL's consistent effort to reduce accidents and illnesses related to the workplace. Internal audits are conducted regularly to ensure continuous improvement in safety standards and performance.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non- routine basis by the entity?	Being certified to ISO 45001:2018, KIL has a robust procedure for Hazard Identification and Risk Assessment (HIRA). The findings from dynamic Job Safety Assessment (JSA) for nonroutine work along with the work permit system and Static JSA for routine work are considered while developing the HIRA. Daily walk-through audits, leadership safety walkthrough, internal audits, safety campaigns, toolbox talks, and quantitative risk assessment etc. along with employee concerns are considered during the risk identification process. This register is frequently reviewed and duly updated. As on date of this report, the company has identified several hazards and risks, for which mitigation measures have been implemented. As a business practice, any process change, accident or fatality would instigate necessary changes to the HIRA and associated procedures. Necessary KPIs have been designated against all mitigation measures which are frequently reported to the top management. Necessary

	Response
	corrective actions and preventive actions are implemented as part of continuous improvement of our processes
c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks?	Yes. Kennametal India, through its established HIRA register, has well-defined processes for both routine and non-routine jobs, which are integrated into the respective SOPs. Dynamic Job Safety Assessment (JSA) for non-routine work along with the work permit system and Static JSA for routine work are implemented to ensure safety. These procedures are frequently reviewed and updated. All employees are sensitized on all salient safety aspects through training. Furthermore, the employees and workers can escalate any safety related concerns in their tier meeting. Details of some of the processes in place for workers to report work-related hazards is described below : Stop Work Authority: It is one of the best ways to engage the workforce in preventing Fatality & Serious Injury (FSI). KIL has empowered any staff, employee, worker, contractor or visitor to stop any work which is hazardous in nature, and which may cause injury to a person or damage to the company assets. It is a six-step process of Stop, Notify, Investigate, Correct, Communicate and Follow up. Once the correction is complete, the work can be resumed with the corrected method. The person who has successfully issued a Stop Work is recognized and rewarded. Find and Fix: It is another important process to ensure engagement of the workmen and staff in the prevention of FSIs. The worker / staff who identities any FSI the will take up the work to correct the gap. Once the gap is closed, he/she will communicate back to EHS in a template on his/her work on Find & Fix (F & F). KIL's manufacturing facility has a target for F&F, however it has exceeded the requirement by more than 3 to 4 times in the last reporting periods.
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?	Yes. All our employees and workers and their direct dependent family members (including employee parents) are covered under medical insurance (for hospitalization). Additionally, all employees and workers are also covered under group personal accident and group term life insurance.

11. **Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	4.17
Total recordable work-related injuries	Employees	0	0
	Workers	0	1
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. **Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Kennametal India has a strong safety culture. The operational factory has a dedicated department safety committee, to review the policy, procedures, key performance indicators and systems of Health, Safety and Environment. The tier board meetings and walk-through audits are instrumental in addressing the safety concerns and conditions at the factory. Various kinds of initiatives, drives/campaigns along with trainings are regularly provided for all employees. These ensure continual improvement in the safety performance.

Some of the other measures taken at plants are as below:

1. KIL has an OHS Policy, the briefing of which is included as part of its induction training and general trainings and drills targeted towards all relevant stakeholders including but not limited to employees, workers, and contractors.

2. KIL conducts a webinar on health-related topics (e.g., ergonomics, hypertension etc.) once a month.

3. The operational plant has a department-level EHS safety committee that ensures compliance with the standard operating procedure (SoP) developed as per ISO 45001

4. KIL has developed SoPs for all major activities with its plants to ensure safe working environment

5. All workmen, staff and visitor are empowered to use the Stop Work Authority for identifying the hazardous work condition and stopping the activity,

6. Daily tier board meetings with fixed agenda on safety (review of incidents, internal incidents (KIL

or associated Kennametal facilities, actions taken, how to implement similar actions in KIL's facilities, Stop Work Authority, find and fix, near misses etc.) are provided and it encourages safety toolbox talks

7. OHS inspections are conducted on a daily basis.

8. Permits are issued for activities.

9. KIL ensures all chemicals are provided with a material safety data sheet (SDS) for awareness of all staff

10. Safety Kaizen is highly encouraged for process modification and upgradation

11. KIL encourages all staff to report near-miss incidents (IFE – injury free events) along with first-aid cases, recordable injuries, and fatalities.

12. KIL includes a clause on safety for contract workmen in the purchase order which will ensure as a guiding mechanism for the contractors

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

	FY 2023-24 (Current Financial Year)			**FY 2022-23 (Previous Financial Year)**		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Working Conditions						
Health & Safety	282	22	-	111	0	-

14. **Assessments of this financial year**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

The typical process followed by KIL to address safety-related incidents is described below.

1. An incident alert report is developed which details the hazard category, incident description, and root cause analysis (RCA) is done and CAPA is implemented

2. Incident alert report is shared globally to communicate the incident with all internal stakeholders.

3. The completion of actions is tracked in the GENSUITE portal.

Following instances highlight Kennametal India's initiatives towards improving safety at the workplace:

1. Machine guarding initiatives - high risk machines provided with safety interlocks, sensors and gaurds to provide 100 % safety during operations

2. Integration of safety features in PIV - Biometric control provided, installation of warning zone red light, provision of seat belt interlock system, provision of load cell sensor

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

1. **Describe the processes for identifying key stakeholder groups of the entity.**

Stakeholder engagement is essential in identifying sustainability risks, the mitigation of which is ingrained in the business growth strategy. KIL acknowledges the importance of stakeholder identification. It has identified relevant stakeholder groups based on their material influence on the business strategy. The results from a desk-based sector analysis also contributed to the finalization of its stakeholders, namely: customers, employees and workers, suppliers, contractors / sub-contractors, supply chain partners, channel partners / distributors, shareholders and investors, regulatory and government agencies, media, and implementation partners and communities by the India Leadership Council (ILC) of Kennametal. The engagement approach entails identifying and capturing stakeholders; assessing and evaluating their responses; prioritizing key material issues; and identifying sustainability indicators. KIL then incorporates the identified material topics into its business strategy.

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

Stakeholder Group	**Whether identified as Vulnerable & Marginalized Group (Yes/No)**	**Channels of communication** (Email, SMS Newspaper, Pamphlets, Advertisement, community meetings, Notice Board, Website), other	**Frequency of engagement** (Annually/Half yearly/ Quarterly/ others- please specify)	**Purpose and scope of engagement including key topics and concerns raised during such engagement**
Investors	No	Press releases and media interactions, emails, Annual General Meetings, stock exchange filings, analyst calls, updates on the company's website	Annually through Annual Report, quarterly through financial results, continuous engagement: investor / shareholder page on website, investor calls	Economic & industry outlook, strategic outlook, business update and queries on published financials.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS Newspaper, Pamphlets, Advertisement, community meetings, Notice Board, Website), other	Frequency of engagement (Annually/Half yearly/ Quarterly/ others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Press releases and media interactions, emails, Annual General Meetings, stock exchange filings, analyst calls, updates on the company's website	Annually through Annual Report and Annual General Meeting, quarterly through financial results, continuous engagement: investor / shareholder page on website	Company's performance, dividend confirmation, financial performance, event-based compliance matters, strategic initiatives.
Customers	No	Customer meet, exhibitions, digital marketing (websites, social media, newsletters, emails), trainings, etc.	Event-based, continuous engagement, periodic customer satisfaction survey	Company overview, new product launches, product promotions, success stories, product displays, product trainings, ESG and other strategic initiatives, etc.
Employees and Workers	No	Periodic newsletters, long service awards, notice on bulletin boards, Reward & Recognition, monthly connect, townhalls, daily shopfloor meetings, emailers.	Quarterly, monthly, event-based, continuous engagement	Company overview, strategic initiatives, awareness on programs / policies / processes / ESG, key management decisions, updates on company performance and initiatives, training courses, etc.
Regulatory and Government Agencies	No	Notices, circulars, etc.	Event-based	Regulatory/statutory compliance.
Implementation Partners	No	Emails, in-person and virtual interactions and on-ground CSR activities.	Event-based	Implementation partners (NGOs) identify projects based on the needs of communities and in alignment with KIL's CSR strategy.

Communities	Yes	In-person interaction, employee volunteering activities, implementation partners etc.	Event-based	CSR activities, ESG initiatives, company overview and relevant updates.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS Newspaper, Pamphlets, Advertisement, community meetings, Notice Board, Website), other	Frequency of engagement (Annually/Half yearly/ Quarterly/ others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Supply chain partners	No	Supplier meets, trainings, emails / letters, etc.	Annually, event-based	Supplier code of conduct and other allied matters, company initiatives, ESG initiatives, etc.

Principle 5: Businesses should respect and promote human rights

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial year)		
	Total (A)	No. employee's workers covered (B)	% (B / A)	Total (C)	No. employee's workers covered (D)	% (D / C)
Employees						
Permanent	448	19	4.24%	447	412	92.27%
Other than permanent	21	0	0%	20	2	1%
Total Employees	469	19	4.05%	467	414	88.65%
Workers						
Permanent	302	0	0%	291	14	4.81%
Other than permanent	92	0	0%	109	0	0%
Total Workers	**394**	**0**	**0%**	**400**	**14**	**3.5%**

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

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	418	0	0%	418	100	419	0	0%	419	100%
Female	33	0	0%	33	100	28	0	0%	28	100%
Other than Permanent										
Male	11	0	0%	11	100	14	0	0%	14	100%
Female	8	0	0%	8	100	6	0	0%	6	100%
Workers										
Permanent										
Male	305	0	0%	305	100	291	0	0%	291	100%
Female	0	0	0%	0	0%	0	0	0%	0	100%
Other than Permanent										
Male	91	0	0%	91	100%	109	0	0%	109	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%

3. **Details of remuneration/salary/wages, in the following format:**

a. **Median remuneration / wages:**

	Male		**Female**	
	Number	**Median remuneration/ salary/ wages of respective category**	**Number**	**Median remuneration/ salary/ wages of respective category**
Board of Directors (BoD)	4	2356600	2	1084200
Key Managerial Personnel	3	7,383,669.02	0	0
Employees other than BoD and KMP				
Workers				

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

	FY 2023-2024 Current Financial Year	**FY 2022-2023 Previous Financial Year**
Gross wages paid to females as % of total wages		

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?**

No

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

KIL has set up a mechanism to address grievance/concerns related to human rights violations, which has been detailed in the policy on redressal of Stakeholders' Grievances. All the stakeholders of KIL can share their concerns initially to their points of contacts at KIL, and if dissatisfied with the grievance redressed at this stage, the employees are encouraged to write in detail about their grievance to the grievance redressal officer at naveen.c@kennametal.com. Within 30 days of the receipt of the grievance, the officer shall ensure due resolution of the said grievance. In the event the resolution is taking longer than the assigned time of 30 days, the officer shall bring up the grievance to the committee for grant of more time for resolution OR in the event the grievance cannot be resolved to the satisfaction of the stakeholders, shall bring it to the notice of the committee for further direction.

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

	FY 2023-24 (Current Financial Year)			**FY 2022-23 (Previous Financial year)**		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Sexual Harassment	NIL	NIL	No Complaints	1	NIL	NA
Discrimination at workplace						
Child Labour						
Forced Labour/Involuntary Labour						
Wages						
Other human rights related issues						

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

	FY 2023-2024 Current Financial Year	**FY 2022-2023 Previous Financial Year**
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	NIL	NIL

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Kennametal India Limited has an established Whistle Blower / Vigil Mechanism Policy as well as Global Non-Retaliation and Reporting Obligation Policy (English (scene7.com)) which can be accessed by all employees to apprise us of any concerns, inclusive of discrimination and harassment. In the global non-retaliation and reporting obligation policy, the following modes are available for employees to raise their concerns:

i. Kennametal Helpline (confidential and anonymous) at 1- 877-781-7319

ii. Office of Ethics and Compliance mailbox: k-corp.ethics@kennametal.com

iii. Submitting a report online at https://kennametal.alertline.com/gcs/welcome

In the whistleblower policy, the following modes are provided for employees to raise their concerns:

i. Ethics Alert Line India (toll-free and anonymous): 000-800-100-1704

ii. K-Corp Ethics Mailbox: k-corp.ethics@kennametal.com

iii. Directly approach the Office of Ethics and Compliance, via telephone or consultation.

The ‘Global Human Rights Policy Statement’ also directs employees to approach Kennametal’s Office of Ethics and Compliance.

KIL has a strict no retaliation policy that protects employees and directors who report concerns to the Office of Ethics and Compliance. This policy protects KIL employees and directors from having their job negatively impacted as a result of raising an ethics or compliance concern. Violations of the no retaliation policy may result in discipline or termination.

Complaints pertaining to harassment are directed to the Internal Complaint Committee, formulated as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. While concerns pertaining to discrimination are directed to the Audit Committee for review and resolution. Kennametal India ensures that concerns received are appropriately investigated, within a stipulated timeframe.

9. Do human rights requirements form part of your business agreements and contracts?

Yes

10. Assessments for the year

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

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

The company internally monitors compliance for all applicable laws and policies pertaining to human rights issues.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial year)
From renewable sources		
Total electricity consumption (In GJ)(A)	60696	21960
Total fuel consumption (In GJ)(B)	0	0
Energy consumption through other sources(In GJ) (C)	0	0
Total energy consumed from renewable(In GJ) (A+B+C)	60696	21960
From non-renewable sources		
Total electricity consumption(In GJ) (D)	70592.26	17762.904
Total fuel consumption(In GJ) (E)	1613.35	1243
Energy consumption through other sources(In GJ) (F)	0	
Total energy consumed from non-renewable sources(In GJ) (D+E+F)	72205.61	11235
Total energy consumed(In GJ) (A+B+C+D+E+F)	62309.35	33195
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	5.67	
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	5.67	
Energy intensity in terms of physical output	NA	
Energy intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	42266	32624
(iii) Third party water	13751	13018
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	56017	45642
Total volume of water consumption *(in kiloliters)*	56017	45642
Water intensity per rupee of turnover ***(Water consumed / turnover) KL/million INR***	5.09	4
Water intensity per rupee of turnover adjusted for Purchasing (Total water consumption / Revenue from operations adjusted for PPP)	5.09	4
Water intensity in terms of physical output	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. **Provide the following details related to water discharged**

Parameter	FY 2023-2024 (Current Financial Year)	FY 2022-2023 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment - With treatment - please specify level of treatment	**NA**	**NA**
(ii) To Groundwater	**NA**	**NA**
- No treatment - With treatment - please specify level of treatment	**NA**	**NA**
(iii) To Seawater	**NA**	**NA**
- No treatment - With treatment - please specify level of treatment	**NA**	**NA**
(iv) Sent to third-parties	**NA**	**NA**
- No treatment - With treatment - please specify level of treatment	**NA** 100 % treated water sent to garden	**NA** 100 % treated water sent to garden
(v) Others	**NA**	**NA**
- No treatment - With treatment - please specify level of treatment	**NA**	**NA**

Total water discharged (in kilolitres)	**NA**	**NA**
	NA	**NA**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation?**

Yes, Kennametal India Limited has implemented 100 % reused of treated water from STP and ETP for gardening purpose. Also, we have RO unit for treatment of process effluent. Effluent generated from processes is sent to a recovery plant comprising of sequential batch reactor (SBR) followed by Reverse osmosis (RO). Approx. 90% of the water gets reused. Consequently, the effluent (RO reject) is sent to the treatment plant and after treatment the same is used for gardening purpose.

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

Parameter	**Please specify unit**	**FY 2023-24 (Current Financial Year)**	**FY 2022-23 (Previous Financial year)**
NOx	ppmv	39	14.10
SOx	ppmv	0	0.36
Particulate matter (PM)	mg/m^3	27	13.47
Persistent organic pollutants (POP)	NA	0	NA
Volatile organic compounds (VOC)	NA	0	NA
Hazardous air pollutants (HAP)	NA	0	NA
Others – please specify	NA	0	NA
Carbon Monoxide (CO)	mg/m^3	12	47.11

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, We have been assessed by CII GREENCO for different module of environment in which one of the module was GHG emissions.

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

Parameter	**Unit**	**FY 2023-24 (Current Financial Year)**	**FY 2022-23 (Previous Financial year)**
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*tCO2e*	265.82	88.6
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*tCO2e*	14,040.015	1985
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	NA		
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted		-	-
for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)			
Total Scope 1 and Scope 2 emission intensity in terms of physical output			
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, We have been assessed by CII GREENCO for different module of environment in which one of the module was GHG emissions.

8. **Does the entity have any project related to reducing GreenHouse Gas emission? If Yes, then provide details:**

Yes. The project undertaken for renewable energy was replacing grid electricity with offsite solar energy. Presently KIL has 81 % of total electricity from solar energy. KIL has also implemented solar street lights as a part of renewable energy projects to reduce greenhouse gas emissions.

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

Parameter	**FY 2023-24 (Current Financial Year)**	**FY 2022-23 (Previous Financial year)**
Total Waste generated (in metric tonnes)		
Plastic waste ***(A)***	5.22	8.8
E-waste ***(B)***	0.56	0.49
Bio-medical waste ***(C)***	0.018	0.15
Construction and demolition waste ***(D)***	0	0
Battery waste ***(E)***	0	0
Radioactive waste ***(F)***	0	0
Other Hazardous waste. Please specify, if any. ***(G)***	329.8	339.1
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	183.1	269.07
Total **(A+B + C + D + E + F + G + H)**	518.698	617.61
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.047	0.055
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.047	0.055
Waste intensity in terms of physical output	NA	NA

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial year)
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in kg)		
Category of waste		
(i) Recycled	330	602.6
(ii) Re-used	137	0
(iii) Other recovery operations	50	0
Total	517	602.6
For each category of waste generated, total waste disposed by nature of disposal method (in kg)		
Category of waste		
(i) Incineration (cotton waste, paraffin wax, biomedical waste)	0.018	9.6
(ii) Landfilling	0	5.52
(iii) Other disposal operations	0	602.6
Total	0.018	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Waste assessment was done by third part independent agency - Sahas Waste Management Pvt. Ltd. Detailed report was submitted to KIL by Sahas Waste Management Pvt. Ltd.

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Waste generated from the process is stored at the plant in the separate storage area. Hazardous Waste and Non-Hazardous Waste are segregated at the source itself.

The Hazardous Waste is further segregated based on the Hazardous Waste Category. Once a day, the hazardous waste is moved to the Central Hazardous Waste storage area with a slip indicating the date of generation, quantity, etc. The storage inventory is updated. Within 90 days of the arrival, the waste is disposed of to the KSPCB approved vendor by managing the online e-manifest. The manifest is submitted to the KSPCB on a monthly basis.

The general Waste (Non-Hazardous) is shifted to the central waste storage area on a daily basis. This includes paper, plastics, metals, etc. which is sold to authorized vendors on a periodic basis based on the load.

New scrap yard is under construction with an area of 418 sq m and will be operational by H2 FY2024. This will lead to systematic storage of waste with modern day design and facility complying with the norms.

11. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S. No.	Location of operations/offices	Type of Operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	Not Applicable		

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

13. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes

S. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is

1. A. Number of affiliations with trade and industry chambers/ associations.

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

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry (CII)	National
2	Confederation of Indian Industry -Indian Women Network (CII-IWN)	National
3	Indian Valve and Actuator Manufacturers Association (IVAMA)	National
4	Indian Machine Tool Manufacturers' Association (IMTMA)	National
5	Indian Cutting Tools Manufacturers' Association (ICTMA)	National

6	Indian Construction Equipment Manufacturers' Association (ICEMA)	National
7	Automotive Component Manufacturers Association of India (ACMA)	National
8	National Institute of Personnel Management (NIPM)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
NA	NA	NA
NA	NA	NA
NA	NA	NA

Principle 8: Businesses should promote inclusive growth and equitable development

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

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
Devanahalli Lake restoration project			Yes		

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Name of project for which R&R in ongoing	State	District	No. of Project Affected Families (PAF)	% of PAFs covered by R&R	Amounts No. paid to PAFs in the FY (in INR)

None

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

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

	FY 2023-24 (Current Financial Year)	**FY 2022-23 (Previous Financial year)**
Directly sourced from MSMEs/small producers	6%	5%
Sourced directly from within the district and neighboring districts	43%	42%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	**FY 2023-2024 Current Financial Year**	**FY 2022-2023 Previous Financial Year**
Rural		
Semi-urban		
Urban		
Metropolitan		

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

At KIL with the B2B model, customer complaints are received by sales engineers, the same is updated in Customer complaint information form (CCIF) and shared to head office. Kennametal's Customer Experience Centre (CEC) team raises the complaint in the SAP CRM portal using CCIF data. The manufacturing complaints are daily reviewed with quality clinic approach & cause analysis done using 8D methodology.

Quality clinic is a new concept which was developed and initiated to enhance the speed of response to customers considering the improvement opportunities identified in the earlier approach with weekly CFT calls. Quality clinic mainly revolves around seven elements namely physical location, visuals, daily review, response, defined flow, inspection setup and people. This focused one cell approach is implemented to assure the first response within 24 hours. Immediate analysis is completed within 2 days and complaint resolution with complete update within 15 days of average time It is a single front end for handling complaints of all Bangalore plants, with daily summary provided to the business team. Quality clinic daily handles the open complaints, reasons and actions with ageing track, proactive customer connect is the highlight of this new approach which builds the relationship with customer technical team.

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product	**100%**
Safe and responsible usage	**100%**
Recycling and/or safe disposal	**100%**

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

Sr. No.	Category	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 (Previous Financial Year)		Remarks
		Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
1	Data privacy	0	0	Nil	0	0	Nil
2	Advertising	0	0	Nil	0	0	Nil
3	Cyber-security	0	0	Nil	0	0	Nil
4	Delivery of essential services	NA	NA	Not applicable to KIL based on the definition of essential services per the Karnataka Essential Services Maintenance Act, 2013	NA	NA	Not applicable to KIL based on the definition of essential services per the Karnataka Essential Services Maintenance Act, 2013
5	Restrictive Trade Practices	0	0	Nil	0	0	Nil
6	Unfair Trade Practices	0	0	Nil	0	0	Nil
7	Other (manufacturing, engineering, product management, application, sales support, order handling, CSD, etc.)	NA	NA	Nil	NA	NA	Nil

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

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy**

Yes. Cyber Security: Yes. An IT Security framework has been established based on the NIST framework. Data Privacy Policy: KIL ensures adherence with the global data privacy policy along with global monitoring of data privacy and cyber security, to avoid any misalignment. The policy may be accessed at : https://www.kennametal.com/in/en/about-us/data-privacy/privacy-statement.html

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on the safety of products / services.

No corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

7. Provide the following information relating to data breaches:

	Response
Number of instances of data breaches	Nil
Percentage of data breaches involving personally identifiable information of customers	NA
Percentage of data breaches involving personally identifiable information of customers	NA