

ESG 2023 REPORT 3



Towards a sustainable future



CENTURYPLY
www.centuryply.com

Century Plyboards (India) Limited



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At Century Plyboards (India) Limited (CPIL), we place sustainability at the heart of our business. We aim to create long-term stakeholder value through implementation of a business strategy that focuses not only on the economical but also the ethical, social and environmental dimensions of doing business. Each day at CPIL, we work towards achieving positive outcomes that look beyond economic growth and focus on sustainable and inclusive growth.



Opening letter from Chairman

Dear Stakeholders

I am delighted to present our inaugural Sustainability Report, showcasing our Environmental, Social and Governance (ESG) endeavours for the fiscal year 2023. This underscores our commitment to sustained growth as a responsible and sustainable business and not just a profit-making organization.

The rising demand from our key stakeholder groups including our investors, customers and regulators for enhanced transparency and accountability is making ESG a pivotal factor influencing corporate behaviour. In context of which, our Sustainability Report provides our stakeholders with deep insights into our non-financial performance and actions to integrate sustainability into our key business decisions.

Sustainability has been a cornerstone of Centuryply's vision for ensuring long-term value creation. To accelerate our sustainability journey, we have developed a comprehensive ESG framework, which outlines the material issues that have most significant impact on our business performance and on our relationship with external stakeholders. Each material issue has associated ESG risks and opportunities and we have developed effective strategies to mitigate the risks and capitalize on the opportunities.

As an environmentally responsible business, we are unwavering in our commitment to judicious resource use and undertake proactive measures to reduce our environmental footprint.

As a climate steward, our environmental initiatives are aligned to our nation's commitment to achieve net zero by 2070. As a part of which, we have achieved 13% renewable electricity share in FY 2023 and endeavour to continue increasing our renewable energy capacity through our on-going efforts in this direction.

Further, we have significantly reduced our water

usage intensity by 8.6%, successfully reduced our coal consumption in operations by nearly 6% (YoY) through its substitution with biomass fuel. In addition, we actively promote agroforestry practices while sourcing about ~98% of our timber requirements through our plantation activities, which results in livelihood opportunities for local farmers around our manufacturing facilities.

Alongside, we aspire to position our organization as an employer of choice, emphasizing on diversity and employee well-being. Notably, the board showcases a 12.5% representation of female employees. We ensure that our employees receive requisite skill upgradation trainings on multiple aspects including human rights protection, health and safety and more.

As a responsible organization, we take regard of our people beyond our premises and indulge in activities that positively impact the communities we operate around. During the reporting year, we have positively touched the lives of more than 22,63,578 individuals through our CSR initiatives in the focussed areas - sanitation, healthcare, animal welfare, infrastructure development, education, skills development and natural resource enhancement.

On behalf of Centuryply, I thank you for your undeterred support in our journey so far, which has helped us arrive at where we are today. I invite you to read our report, highlighting our sustainability performance for FY 23. We shall continue to drive this sustainability journey together and build a better world for our future generations.

With gratitude

Sajjan Bhajanka

Chairman, Century Plyboards (India) Limited





About the report

Century Plyboards (India) Limited, hereafter referred to as “CPIL” or “we” or “us” or “our” or “the Company,” is a public owned organization incorporated under the provisions of the Companies Act, 1956. Our registered and head office is located in Kolkata, India and our market presence extends to 15 countries including India.

We are pleased to present the inaugural edition of our Sustainability Report for the reporting period FY 2022-23 that has been prepared with reference to and in accordance with the latest Global Reporting Initiative (GRI) standards. The primary objective of publishing the report is to effectively communicate our non-financial performance to our internal and external stakeholders.

The Report provides an insight into the key topics that represent our organization’s most significant impacts on the economy, environment and people. These topics are the sustainability issues that significantly impact our own performance and that of our stakeholders. In the Sustainability Report, we have outlined the key initiatives and actions undertaken by CPIL around each material topic along with the outcomes achieved against them in the reporting period. Furthermore, the report also brings forth our future sustainability commitments as we continue to integrate Environment, Social and Governance (ESG) in our business decision making. At CPIL, we believe that by transparently sharing our performance and progress, we can foster trust, engagement and collaboration among all our stakeholders, paving the way for a sustainable future together.





Report content

In the reporting period, the Company has undertaken its materiality assessment and conducted comprehensive dialogues with internal as well as external stakeholders, to identify and include the larger sustainability considerations of all stakeholders, in its long-term business strategy. This report includes CPIL's sustainability performance against all the material aspects that were identified through this assessment.



External assurance

The environmental and social data in this report has been externally assured by Ernst and Young Associates LLP, in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (assurance for non-financial information), as set forth in the assurance statement included in this report.



Feedbacks and suggestions

Your feedback on this report is invaluable. For any clarifications, feedback and request for additional copies of this Report, please contact at below mentioned:
Ph: +91 33 3940 3950
Email: investors@centuryply.com



1.1 Key performance highlights of FY 2022-23

Nurturing a greener tomorrow



13%

share of renewable electricity of total electricity consumption

5

manufacturing facilities have substituted coal with biomass as their primary fuel in boilers.

1.56×10^{-5} *
GJ/INR

energy intensity of CPIL, marking 14% reduction compared to the previous year.



19,061

tCO₂e scope 1 emission

61,039

tCO₂e scope 2 emission

2.21×10^{-6} **

GHG intensity (tCO₂e/INR)



100%*

Zero liquid discharge across all facilities



100%*

recovery rate of wood waste generated across the manufacturing units.

People first



11,769

total strength
(5% Increase from previous year)

Inclusive growth



22,63,578

lives impacted through CSR activities.



100%*

of workforce are trained under human rights issues



98%

timbers are sourced from agroforestry.

Financial performance



3,620.65

INR Crore revenue



16.07%

EBITDA margin in FY 2022-23

*Excludes data from CFS division

** Includes data from CFS division



About the Company



1.2 Company overview

Overview:

Centuryply, founded by Mr. Sanjay Agarwal and the late Mr. Hari Prasad Agarwal, has evolved into India's premier player in the interior infrastructure industry. Under the leadership of Mr. Sajjan Bhajanka as Chairman, the Company Boast of a skilled team of professionals. Headquartered in Kolkata, India, it operates manufacturing facilities in Joka, Guwahati, Kandla, Chennai, Karnal and Hoshiarpur, with additional units in Roorkee, Laos and Gabon managed through subsidiaries.

Product range and services:

Centuryply offers a comprehensive range of interior products, including doors, plywood, laminates, veneers, MDF and particle board. This diverse portfolio allows the company to provide a holistic solution for trade partners and retail consumers, with successful brands in each category. It holds a dominant market share of 29% in India's organized plywood sector.

Additionally, Centuryply leveraged its strong brand across the Container Freight Services (CFS) value chain. Century CFS offers multi-modal transportation and logistics consultancy services, focusing on door-to-door delivery to aid customers in inventory management and working capital efficiency. However, to enhance focus for the parent and the demerged Company, Centuryply has

decided to hive its container freight station (CFS) business into a wholly owned subsidiary going forward.

Presence and distribution:

With a robust distribution network of 3,848 trade partners spanning across 28 states and 7 union territories, Centuryply has a nationwide presence. The company is synonymous with trust and dependability, reflecting its leadership in India's wood products industry.

Certifications:

Respected for product quality and consistency, Centuryply holds ISO 9001 and ISO 14001 certifications, showcasing its commitment to quality management and environmentally responsible practices.

Valuation and market capitalization:

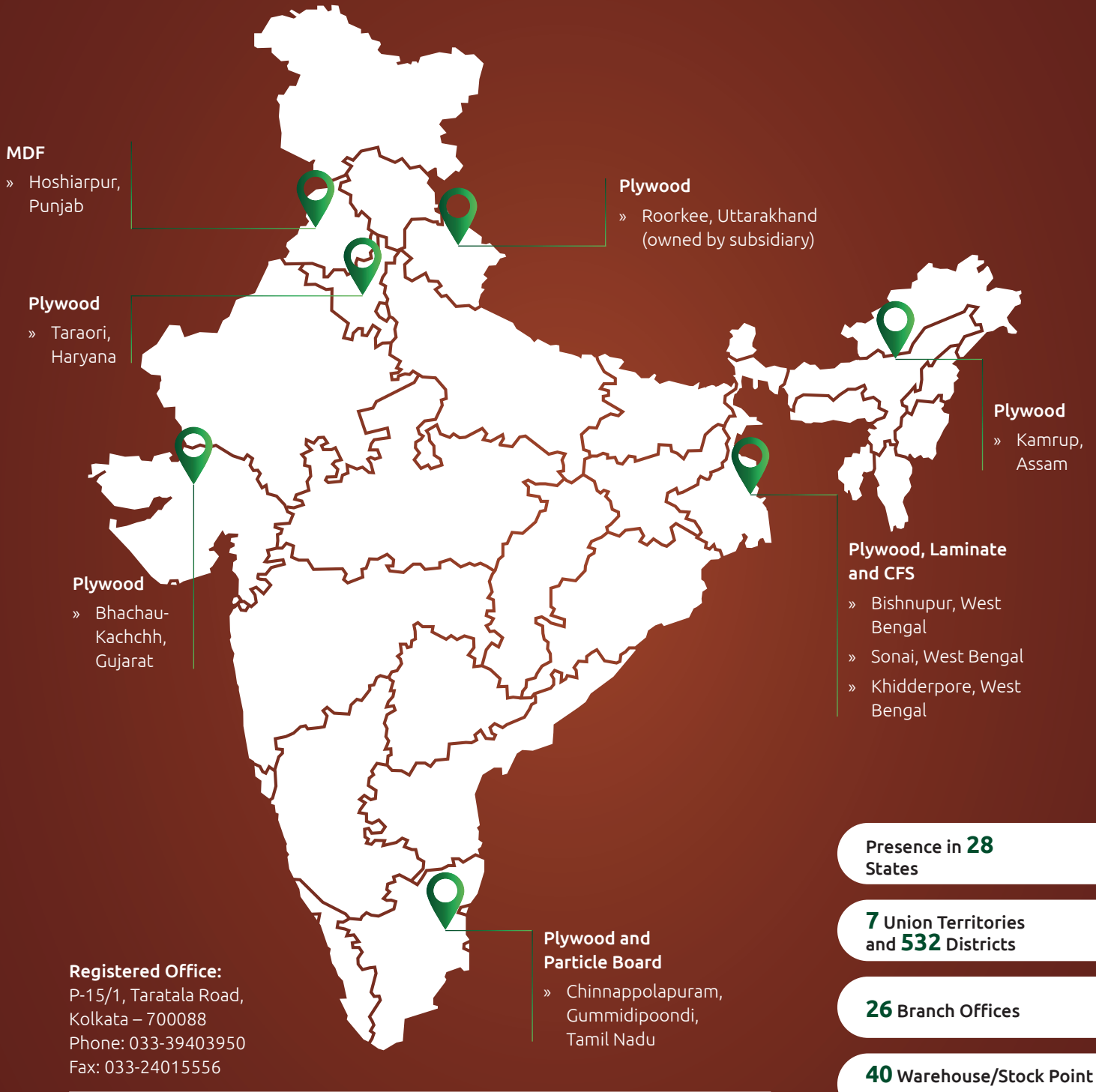
Centuryply's leadership and respect in the industry are evident through its market capitalization, growing at a remarkable 25% CAGR over the last decade. As of March 31, 2023, the company was valued at ₹10,349 Crore, the highest in India's wood products sector. Centuryply is listed on the National Stock Exchange of India Ltd. and BSE Ltd.



1.3 Our geographical footprint in India

Our products are sold in around 14 other countries including Indonesia, Singapore, Mexico, Bangkok, USA, Venezuela, Bangladesh, Israel, Vietnam and Puerto Rico.

13 manufacturing Units including CFS (10 Pan-India and 3 overseas)



Presence in **28** States

7 Union Territories and **532** Districts

26 Branch Offices

40 Warehouse/Stock Point presence

14091 Retailers

3,848+ Dealers

Our distribution models

Plywood

- » Factory
- » Warehouses
- » Dealers
- » Retailers

Laminates

- » Factory
- » Distributors
- » Retailers
- » Regional Distribution Centre

MDF

- » Factory
- » Stockiest/OEMs

Particle Boards

- » Factory
- » Stockiest/OEMs

1.4 Our Business Value Chain

Upstream

Raw material procurement

Transport & Logistics

Manufacturing

Manufacturing

End



1 Laminates Division

2 Particle Board Division

3 Plywood Division

4 MDF Division



Chemicals

Overseas Manufacturing Units

- » Attapeu, Laos
- » Savannakhet, Laos
- » Gabon, Africa

Pan-India Manufacturing Units

- » Bishnupur, West Bengal
- » Gummidipoondi, Tamil Nadu
- » Taraori, Haryana
- » Kamrup, Assam
- » Bhachau-Gujarat
- » Roorkee, Uttarakhand
- » Hoshiarpur, Punjab



Agroforestry

98% timber through agro-forestry



Paper (Both imported and locally sourced)

- » Kraft Paper
- » Barrier Paper
- » Design Paper
- » Tissue Paper



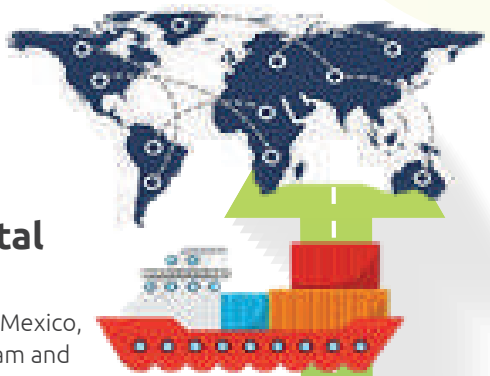
Manufacturing | **Downstream**

End Product | **Packaging** | **Logistics** | **Distribution & Market**



Export as percentage (%) of total revenue– 4.16%

Across 14 countries including Indonesia, Singapore, Mexico, Bangkok, USA, Venezuela, Bangladesh, Israel, Vietnam and Puerto Rico.

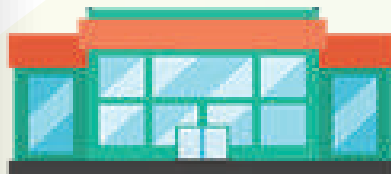


40

Warehouses Pan India

~18000 dealers and retailers

Pan India Distribution % of total revenue - 95.8%



5

CFS Division

- » Sonai, West Bengal
- » Hyde Road, West Bengal



1.5 Our products

Embracing our vision “Sarvada Sarvottam”, we at CPIL, have always put the interest of customers and the society at the forefront. Our differentiated product offerings are a result of our constant dialogue with the different consumer segments that we serve including retail and institutional segments. The retail segment includes individual customers, small retailers, dealers and sub-dealers and distributors while the institutional segment comprises corporate clients, government agencies and other large-scale buyers. Our products are highly rated

and recognized in the market due to its premium quality, durability and affordability.

Our product portfolio encompasses a diverse range of product segments including doors, plywood, laminates, veneers, MDF and particle board. Over time, we have introduced several brands within these segments, solidifying their positions as industry leaders. Notably, in the organized plywood sector, we have achieved a significant Indian market share of 29%.

Plywood

- » Waterproof
- » Made to Order (customisation)

Doors

- » Flush Doors
- » Panel Moulded Doors
- » Decorative Doors

MDF & Particle Board

PVC Board

Fibre Cement Boards & Planks

Face Veneers

Exterior Grade Laminates

Century Laminates

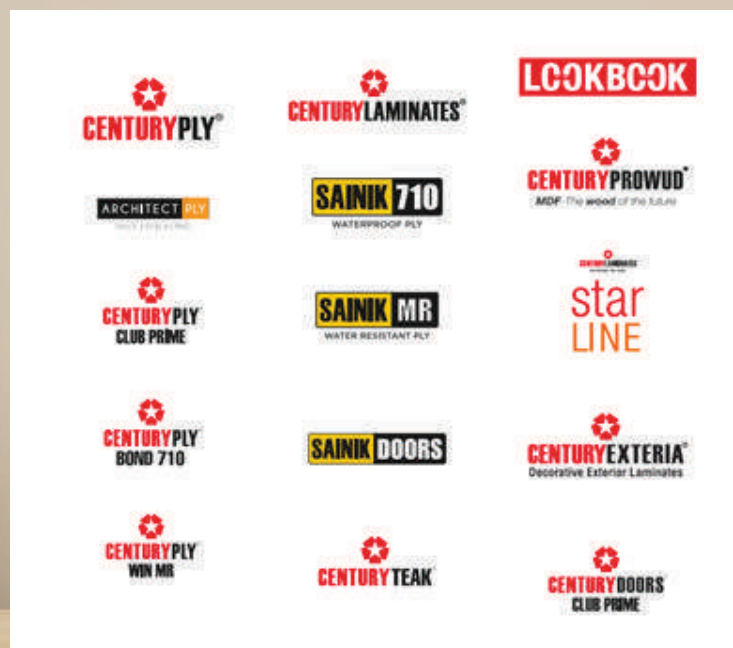
Sainik Laminates

Veneers

1.5.1 Brands that define excellence

Within India’s interior wood products sector, CPIL holds a pre-eminent position as a trusted brand. The CPIL brand signifies not only ‘trust’ but also ‘dependability’.

We lead by example in embracing innovation to unlock new opportunities and improve our existing products. We have overtime introduced many innovative products in the market, disrupting the conventional norms of our industry. We’ve successfully launched value-added laminates and MDF products, infusing new life into our traditionally rooted business.



Virokill Technology - Safeguarding against pandemics

In the year 2020, “Global pandemic led business” to prioritize safety like never before. In response, we embarked on a remarkable journey to develop a game-changing innovation. As a committed advocate of safety and quality, our team worked tirelessly to craft a solution that would offer enhanced protection against viruses. The result was the birth of ‘Virokill’ a unique nanotechnology driven feature.

By infusing this technology into plywood, laminates and decorative products, we as CPIL pioneered a shield against viral threats. These Virokill-treated products not only provided safety but instilled confidence in stakeholders who interacted with them. The successful development of this technology was a testament to our innovative spirit and commitment to safeguarding customers and communities. Today, Virokill stands as a market leader, a symbol of resilience in the face of adversity.

Fire-Wall Technology - Enhancing fire safety standards

In a world where fire safety regulations are evolving to meet the demands of modern construction, we at CPIL stepped up to meet these challenges head-on. Recognizing the growing need for fire-retardant materials, especially in the context of skyscrapers and stringent safety guidelines, we introduced the groundbreaking Fire-Wall technology. This innovation, incorporated into the Architect and

Club Prime range of plywood products, set a new standard in fire safety. Compliant with both domestic and international standards, such as IS 5509-2000, BS-476 Part-7 and ASTM-E84, our fire-retardant plywood products prioritized safety and compliance. By proactively addressing the evolving fire safety landscape, we once again demonstrated its commitment to innovation and ensuring the safety of both users and structures.

1.6 Industry associations and membership

Membership associations

At CPIL, we actively engage with nine industry chambers/associations. Through these associations our aim is to engage with pertinent stakeholders on industry best practices and emerging trends, in alignment with sustainable business processes and technologies.

Furthermore, we participate in various discussion forums and industry platforms to exchange business knowledge and latest insights with industrial fraternity, professional bodies, the academia and more.

The industrial associations we engage :

1. MCC Chamber of Commerce and Industry

2. Bharat Chamber of Commerce

3. Indian Chamber of Commerce

4. Federation of Indian Chambers of Commerce and Industry

5. Indian Plywood Industries Research & Training Institute

6. The Bengal Chamber of Commerce and Industry

7. Federation of Indian Plywood and Panel Industry

8. Association of Indian Panel board Manufacturer

9. Indian Laminate Manufacturers Association



“Best CEO Award” by Business Today awarded to Mr. Sajjan Bhajanka in FY 2022-23.



Century Plyboards (India) Limited won the Realty Plus Brand Award of the Year for Boards & Laminates in FY 2022-23.



Our ESG commitments



In the wake of global challenges, the importance of Environmental, Social and Governance (ESG) issues has become increasingly evident to policymakers, boards and executives. Recognizing this, forward-thinking companies like ours understand that prioritizing stakeholder interests and addressing social needs are essential for building a sustainable and resilient business. With a focus on long-term value creation, we are committed to embracing ESG principles as integral components of our business growth strategy.

2.1 Stakeholder engagement

At CPIL, we place significant value on fostering robust stakeholder relationships as a cornerstone for nurturing a sustainable business. Prioritizing stakeholder engagement is essential to securing a business's success, as we steadfastly embody the principle of 'Sarvada Sarvottam' by relentlessly striving to deliver optimal outcomes for all parties involved.

To effectively engage with stakeholders, we take into consideration several factors such as dependency, immediacy, responsibility, vulnerability and influence. These factors help us identify and select key stakeholder groups. The key stakeholders for CPIL include investors, suppliers, regulatory bodies, employees, consumers and local communities, including NGOs.

2.2 Identification and selection of stakeholders

At CPIL, we embrace a systematic approach to work with our business partners across the value chain and consider their perspectives on various ESG aspects. This approach strengthens dialogue with stakeholders, allowing us to address their concerns and manage the direct or

indirect impacts on our company. It serves as a strategic management tool, helping build lasting relationships with key stakeholders and providing the foundation for materiality assessment.

2.3 Approach to stakeholder engagement

At CPIL, we strongly believe in involving our stakeholders in shaping our sustainability approach. The sustainability aspects listed in our materiality matrix are presented to stakeholders, allowing them to confirm the most important topics and express their desire to discuss or learn more about specific issues. This process gives

stakeholders an active role in shaping our sustainability approach and prioritizing key issues. We have established various channels for stakeholder dialogue across different departments and teams, including regular communication during the course of our business operations.





Vision

Sarvada Sarvottam



Mission

To provide best-in-class products and services, while ensuring the management of resources in an environmentally, socially responsible manner



Values



Transparency



Environmental stewardship



Integrity



Change



Teamwork



Empowerment



Speed & Energy



Excellence



Customer Focus



Frugality



Accountability











Friendliness



Caring and Sharing



2.4 List of stakeholder groups

	Whom we engage	Why we engage	How we engage
	Investors and Shareholders	Investors and Shareholders provide financial support and have ownership interests	General meetings, annual report and Investor meets
	Employees	Employees contribute to the success of the business and are directly impacted by its operations.	Meetings, newsletters, intranet portal, employee satisfaction survey and trainings
	Suppliers and Dealers	Suppliers and Dealers provide essential goods and services, ensuring smooth operations and customer satisfaction.	Site visits and personal/ telephonic interactions/ video conferencing
	Retailers and Customer	Retailers and Customers drive revenue and success, shaping demand and influencing the perception of products or services.	Customer meets, customer satisfaction survey and web-based interactive portals
	Government and Regulatory authorities	Government and Regulatory authorities set and enforce laws, regulations and policies that impact business operations and compliance.	Industry bodies/ forums
	Trade unions	Trade unions represents and impact labour conditions, employee relations and advocate for fair treatment and workers' rights.	Union meetings
	Media	Media influence public opinion, shape reputation and impact the overall perception and success of the business.	Press releases, media events and announcements
	Local communities	Local Communities are directly impacted by the business's activities and have a vested interest in its social, environmental and economic effects.	Personal visits

In FY 2022-23, we engaged with all stakeholders, considering their perceptions on ESG topics to prioritize key material issues for our organization. Details of our materiality assessment are provided in the following section.

2.5 Materiality Assessment

At CPIL, we recognize the significance of materiality assessment in evaluating risks, identifying opportunities and aligning with stakeholder expectations.

We follow a three-step approach aligning with the GRI standards to comprehensively identify and address key sustainability issues and their impact on our operations.

The outcome of the materiality assessment exercise is presented in the form of matrix that reflects the importance of topics with respect to two dimensions i.e., significant to external stakeholders and importance to our business.





Identification of material aspects

Identified material aspects on the economy, environment, people and governance. These aspects are mapped from various sources, such as sector specific sustainability indicators like GRI, SASB and rating indices like MSCI followed by benchmarking against peer reports.



Understanding the significance of material topics to external stakeholders and business

Evaluated the significance of the identified impacts based on severity, scale, scope and likelihood. The assessment involved both quantitative and qualitative analysis, considering the unique context of the organization, its sectors and business relationships, followed by consultation with stakeholders and experts for determining aspect significance.



Stakeholder consultations for prioritisation and materiality mapping

Set a threshold for reporting by arranging material aspects based on the impact's significance through various internal and external stakeholder consultations with key identified stakeholders such as Investors, shareholders, suppliers and vendors, employees and key managerial personnel.

The outcome of the materiality assessment exercise is presented in the form of matrix that reflects the importance of topics with respect to two dimensions i.e., significant to external stakeholders and importance to our business.



Sustainability pillars

The material topics are categorized into four strategic pillars based on their impact and boundary. We have implemented a robust governance system and established policies, procedures and strategies to manage risks and generate positive impact for stakeholders. As a forward-thinking business, we have set both short-term and long-term goals for the identified material topics as part of our sustainability strategy which is discussed in the following section.

 Ethical leadership	» Corporate governance	
	» Regulatory and statutory compliance	   
 Nurturing a greener tomorrow	» Nurturing a greener tomorrow	   
	» Chemical management	
	» Sustainable forest / plantation management	    
	» Product stewardship	 
	» Resource efficiency	
	» Waste management and circular economy	    
	» Water and effluent management	  
 Inclusive Growth	» Responsible supply chain	  
	» Community welfare	 
	» Customer centricity	 
 People first	» Employee management	    
	» Human rights	  
	» Occupational health & safety	  



Ethical leadership



3.1 Corporate governance

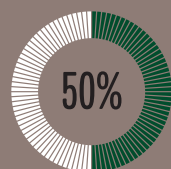
Robust corporate governance practices form the bedrock upon which resilient and thriving organizations are built. At CPIL, our corporate governance framework entails vigilant oversight of the business strategies, ensuring unwavering accountability, fostering ethical corporate conduct and promoting equitable treatment of all stakeholders. The responsibility of upholding these principles lies with our distinguished Board, which assumes a pivotal role in championing and upholding the tenets of good governance.

3.1.1 Board oversight

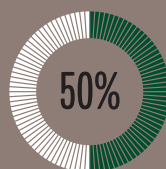
At CPIL, the Board of Directors, chaired by the Chairman & Managing Director, stands as the highest decision-making authority. Its paramount responsibility includes overseeing the company's overarching growth strategy and charting its trajectory for the future. At CPIL, our Board of Directors play a significant role, providing strategic oversight, upholding ethics, ensuring sustainability and driving innovation & growth. Our diverse and inclusive Board comprising of skilled Executive, Non-Executive and Independent Directors foster effective governance and balanced decision-making.

Committees like Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee, Finance Committee and Share Transfer Committee are diligently overseen by the Board. Guided by their respective terms of reference, they address specific concerns, making informed decisions within set authority and reporting to the Board. These Committees, both statutory and non-statutory, optimize Board efficiency, overseeing areas like audit, remuneration and risk management. Decisions are presented to the Board transparently, ensuring effective governance.

Board independence

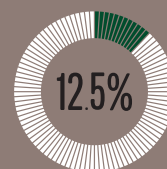


Independent Directors

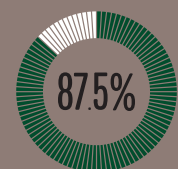


Executive Directors

Board diversity



Female



Male





Mr. Sajjan Bhajanka
Chairman & Managing Director

C F



Mr. Sanjay Agarwal
CEO & Managing Director

R F



Mr. Prem Kumar Bhajanka
Managing Director



Mr. Vishnu Khemani
Managing Director



Mr. Ajay Baldawa
Executive Director

St



Mr. Keshav Bhajanka
Executive Director

St R



Ms. Nikita Bansal
Executive Director

S



Mr. Rajesh Kumar Agarwal
Executive Director

A C S F St



Mr. Amit Kiran Deb
Independent Director



Mr. Debanjan Mandal
Independent Director

R



Mr. J.P. Dua
Independent Director

A N



Mr. Naresh Pachisia
Independent Director

A



Mr. Probir Roy
Independent Director

A N S C



Ms. Ratnabali Kakkar
Independent Director



Mr. Sunil Mitra
Independent Director



Mr. Vijay Chhibber
Independent Director

N

- A Audit Committee
- N Nomination and Remuneration Committee
- S Stakeholders Relationship Committee
- C Corporate Social Responsibility Committee

- R Risk Management Committee
- F Finance Committee
- St Share Transfer Committee



3.2 Risk management

At CPIL, our primary objective is to enhance stakeholder value while adhering to the risk appetite determined by our Board. This approach safeguards the interests of our key stakeholders and also ensures their protection and well-being. By implementing a robust risk management framework, we aim to navigate potential challenges and uncertainties proactively, enabling us to achieve sustainable growth and success.

CPIL has successfully developed a progressively de-risked business model, strategically designed to maintain seamless business operations and navigate through uncertainties effectively. Recent global and national events have underscored the importance of risk management as a critical aspect of its operations.

The primary objective of this de-risked model is to safeguard the interests of the business during challenging periods and facilitate a rebound when the conditions improve. In this regard, CPIL has meticulously crafted an all-encompassing de-risked business model with key priorities in mind:



3.2.1 Risk management framework

From a strategic to an operational level, our risk management framework envelops all risk management stages: identification, measurement, analysis, assessment, reporting, limitation and monitoring. Each stage is vital in meticulously tracking and managing major risks.

We follow a four-step approach where we proactively identify potential business downsides, prioritise risks based on the threat levels and their subsequent mitigation, followed by monitoring, to avert risks at an early stage. The efficacy of our risk management system is gauged through the Company's ability to navigate market fluctuations and unexpected calamities.





3.2.2 Operationalizing the risk management framework


Throughout the reporting period, the Risk Management Committee ensures ongoing assessment and management of risks. Our Board-approved Risk management policy serves as a guiding document to identify, assess and mitigate material risks, using a comprehensive framework for prudent project profile management.

We have developed a robust risk management framework to mitigate risks and seize opportunities while maintaining a robust balance between growth and governance.

The exhaustive list of major risks identified are systematically addressed through mitigating actions on a continuing basis and can be assessed through the link with <https://www.centuryply.com/centuryply-annual-report/annual-report/Centuryply-Annual-Report-2023.pdf>.

The dedicated Risk Management Committee provides the highest executive oversight on risk management and has identified the following key risk areas and their mitigation strategies as presented below:

ESG aspect	Risk	Risk description	Mitigation strategies
 Environment	Environment risk	Struggling to adhere to increasingly stringent global environmental, standards might invite criticism and lead environmentally conscious customers to favour competitors.	We have made significant investments in moderating our carbon footprint, surpassing regulatory requirements. Our commitment to environmental conservation extends to implementing innovative measures such as sustainable sourcing practices, energy-efficient technologies and waste reduction initiatives.
	Geographic focus risk	A narrow geographic focus carries the risk of vulnerability to weather-related disruptions and constrained resource access.	We have consistently invested in data-based research for identification of the geographies of its presence (manufacturing and resource access)
	Innovation risk	The absence of new product launches can erode our brand image and market relevance.	Our R&D team consistently introduces new products that meet evolving customer demand and give us a competitive advantage.
 Social	Safety risk	Inadequate safety standards in manufacturing and transportation processes could lead to potential risks and operational setbacks.	We have made extensive investments in mechanization to enhance both physical and operational safety, ensuring a comprehensive approach to safeguarding our workforce and optimizing overall safety measures
	People risk	The inability to retain or attract skilled professionals can impede our capacity to leverage expertise, thereby affecting brand equity, productivity and profitability.	We offer unmatched growth opportunities in our sector, with competitive pay, incentives, flexibility and robust learning programs. Our supportive culture emphasizes career advancement, attracting and retaining top talent.

ESG aspect	Risk	Risk description	Mitigation strategies
 Governance	Political risk	The risk emerges from potential shifts in government, leading to changes in policies that could impact not only our operations but also the overall prospects of industry participants.	The government enunciated the need to boost housing for all, which provides us with a robust foundation on which it has to grow in a sustainable manner
	Regulatory risk	Business operations are subject to regulatory permissions and restrictions, which, if not managed, might lead to operational slowdowns and increased scrutiny.	Our strategies are aligned with national regulatory norms and regulations as far as interior infrastructure investments are concerned
	Locational risk	Poor decisions in selecting manufacturing locations may have lasting repercussions on investment returns, affecting overall profitability.	We conduct extensive studies across locations for port proximity, land costs and hinterland demand to arrive at an informed decision
	Competition risk	Escalating competition in the market can have negative impact on the company's growth and margins, as it may result in reduced demand for the company's services and increased pressure to lower prices.	We hold the largest market share in the Indian interior infrastructure market, due to our significant capacity and competitive operating costs.
	Project management risk	Delays in commissioning projects can tarnish the Company's reputation and market perception.	We coordinated across various functions of resource assessment, land acquisition, construction readiness, technical studies and supply chain management, which resulted in projects being implemented faster than the sectorial benchmark
	Distribution risk	Over dependence on a specific geographic region's demand can expose the Company to sluggish growth if that region experiences economic downturns.	Our products benefit from availability throughout the nation through 26 marketing offices, covering almost all the cities and townships. Additionally, we extend our global footprint by selling our products in 14 countries across the globe.

3.3 ESG Governance

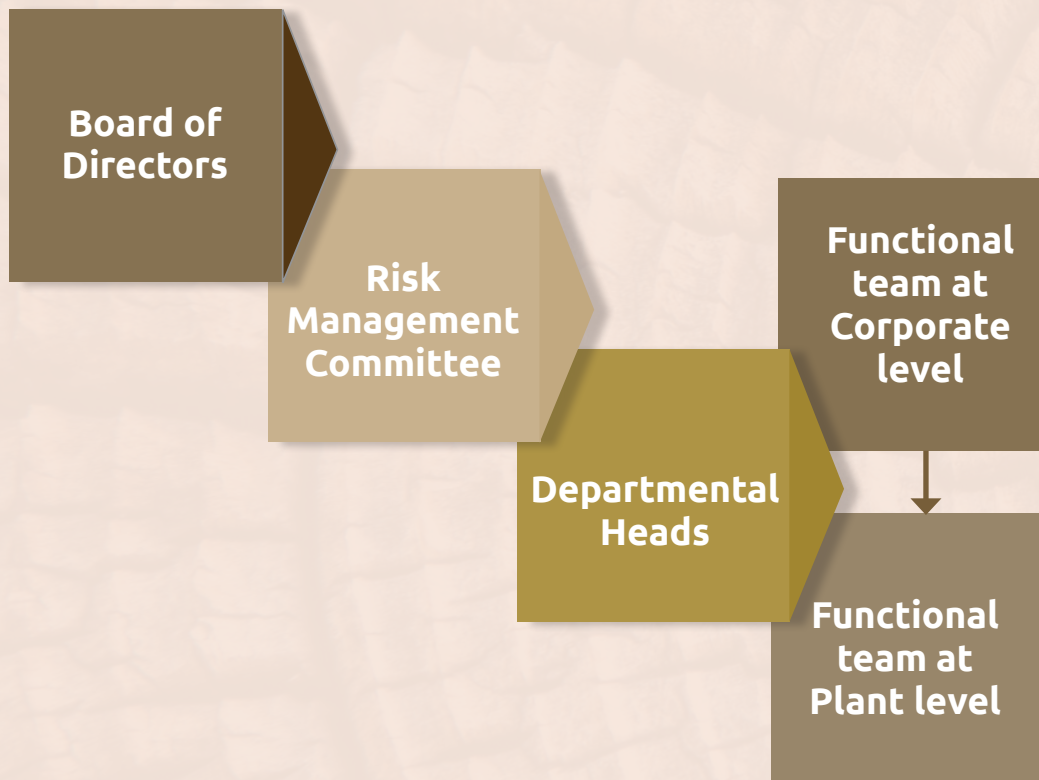
In our pursuit towards sustainability excellence, we have developed a robust three-tiered governance structure to integrate sustainability at every hierarchy: Board level, strategic level and operational level. This structure serves as the compass guiding our journey towards sustainable development.

At the apex, the Risk Management Committee assumes the mantle of overseeing our sustainability initiatives. Tasked with a comprehensive mandate, this committee meticulously reviews performance metrics, steers strategic trajectories, aligns priorities. Our Board meets quarterly to evaluate company performance, provide strategic guidance and ensure adherence to policies, targets and strategies. Within CPIL, our sustainability approach is rooted in a commitment to give back more to the environment and society than we consume.

Further at the strategic level, the committee, provides operational directives to the various departmental heads at the corporate level including PR, Finance, Operations & Maintenance, R&D, Procurement, Human Resources, Marketing & Sales, Compliance, Supply Chain & Logistics and CSR positioned at both corporate and unit level.

Down at the unit level, the departmental / functional managers serve as sentinels of sustainability. They monitor key performance indicators linked to topics material to CPIL including operations and maintenance, R&D, Procurement, HR, Marketing & Sales, Compliance and Health & Safety and ensure our ESG performance remains steadfast against set targets. They also implement planned programs and initiatives, translating intention into action.

The diagram below provides an in-depth glimpse into the composition and functions of the different levels:



3.4 Business Ethics

At CPIL, we firmly believe that ethics, transparency and accountability are the cornerstones of responsible corporate governance. Our core values are deeply ingrained within us, guiding our daily choices and decisions. Integrity serves as the bedrock of our identity and is reflected in everything we do. As a responsible business, ensuring that our employees embody these ethical principles is of paramount importance. We strive to maintain the highest standards of professionalism and honesty in all our endeavours.

As a leading organization committed to responsible practices, we conduct our business with utmost integrity and adhere



to the best governance principles. To ensure that good corporate governance permeates all our transactions and processes, we have adopted and implemented various policies and codes.

Our Code of Conduct serves as a guiding tool, translating principles into consistent practice and upholding high standards of business conduct and extends to our Directors and Senior Management Executives.

We have a Code of Conduct to regulate, monitor and report trading by designated persons to recognize our responsibility to protect and maintain the confidentiality and disclosure of price-sensitive information in line with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. Our Code of Practices

and Procedures for Fair Disclosure of Unpublished Price-Sensitive Information conforms to regulatory requirements and fosters a sense of responsibility among designated personnel.

At CPIL, we also have a Whistle Blower Policy/Vigil Mechanism in place, providing employees and directors with a direct channel to report concerns about unethical behaviour, fraud, irregularities, or violations of codes and policies.

Additionally, CPIL has also developed numbers of policies which establish expectations and provide guidelines to achieve company's vision. Some of the other key policies are:



ABAC policy

This policy sets up a systematic framework for preventing bribery and corruption, providing explicit guidelines, procedures and expectations to uphold ethical conduct and adhere to anti-bribery and anti-corruption standards.



CSR policy

Our Corporate Social Responsibility (CSR) policy outlines guiding principles that underpin our commitment to make meaningful contributions to societal and environmental well-being



Remuneration policy

The Remuneration Policy defines a comprehensive framework governing equitable and competitive compensation practices, aligning employee rewards with organizational objectives.



BRS policy

The BRS policy delineates our dedication to transparently report on sustainability endeavours and their associated outcomes in line with the SEBI-BRSR disclosure requirements.



Board diversity policy

Our Board Diversity Policy articulates a strategic approach to foster diverse representation within the board, fostering a range of perspectives and balanced decision-making.



Board evaluation policy

This policy establishes a comprehensive framework for conducting board evaluations, defining clear procedures, guidelines and expectations to ensure effective governance and adherence to evaluation standards.



POSH policy

The Prevention of Sexual Harassment (POSH) policy establishes a safe and respectful work environment for all employees, irrespective of gender.



Dividend distribution policy

This policy outlines systematic procedures to determine, declare and distribute dividends to shareholders, outlining the criteria, frequency and procedures .

For more information on existing policies, please visit: <https://www.centuryply.com/investors-new/codes-and-policies>



Our board and senior management review policies as and when required for consistency, effectiveness and compliance with current laws. These policies extend to CPIL's own activities and are communicated to employees via CPIL's intranet website and various training programs.

At CPIL, we have established a series of Standard Operating Procedures (SOPs) to ensure the implementation of its policy commitments throughout our business operations. Our functional managers at the operational level ensure adherence to the SOPs and provide regular progress updates to their respective functional heads. The structured approach guarantees the effective

enforcement of our policies and their alignment with our overarching objectives.

Grievance redressal

CPIL upholds a commitment to providing all its key stakeholders with a transparent grievance redressal guided by our core values. Our comprehensive grievance redressal procedures are designed to address concerns raised by all stakeholders, fostering open discussions.

Within this framework, please refer to the table below for the various tailor-made mechanisms for each key stakeholder.

	Stakeholders	Grievance Redressal Mechanism
	Investors and Shareholders	Our Secretarial department headed by our Company Secretary acts as the shareholders' first point of contact with the Company for resolving their grievances and complaints.
	Employees	Employees and workers report their concerns either verbally or in writing to the Human Resources (HR) department of respective facilities or the head office HR, as the case may be.
	Suppliers and Dealers	Our procurement team has implemented a dedicated mechanism to effectively address and resolve any grievances raised by suppliers within our organization.
	Retailers and Customer	We receive consumer complaints and feedbacks from numerous empanelled dealers and architects on all relevant issues related to product quality. All complaints are resolved by the marketing and sales team, however any complaint that requires escalation is raised to the zonal in-charge appointed for each product line (Laminates, Plywood, Particle board, MDF, decorative veneer, New Age Products).
	Local communities	At CPIL, we have a CSR Team which engages in in-person discussion with its network of NGO partners and community members to resolve the grievances and work for upliftment of the weaker and marginalised sections of the society.

3.5 Regulatory and statutory compliance



In the intricate and ever-evolving realm of regulatory landscapes, ensuring compliance stands as our paramount commitment at CPIL. Recognizing its vital role in safeguarding our operations and preserving our reputation, we embrace a proactive approach, always striving to be one step ahead of regulatory changes.

Our approach to compliance is grounded in proactive measures and responsive interventions. As part of our governance structure, the Company Secretary plays a pivotal role in overseeing all matters related to compliance, ensuring adherence to legal and corporate compliance and promoting high standards of ethical behaviour through a robust compliance framework. This framework helps us assess existing regulatory requirements and adapt to emerging regulations effectively. It covers a wide range of statutes that govern our business operations, including those related to the environment, climate change, trade restrictions, competition, taxes and more.

Our compliance management framework includes a web-based compliance management and monitoring tool, various policies, Standard Operating Procedures (SOPs) and guidance that help us meet our statutory obligations and navigate potential litigation scenarios. We acknowledge

that non-compliance with regulations can lead to severe legal and financial repercussions, encompassing substantial fines, legal action and can be detrimental to the company's standing. Notably, throughout the reporting period, CPIL effectively averted any such penalties or non-monetary repercussions.

At CPIL, we are committed to preventing, deterring and detecting bribery and other corrupt practices. Our 'Anti-Bribery and Anti-Corruption Policy' (ABAC Policy) establishes adequate procedures to prevent the Company's involvement in any activity related to bribery, facilitation payments, or corruption and untoward incidents, even unintentionally. It mandates that all employees, directors, officers and relevant third parties recognize and address questionable behaviour or conduct through established procedures.



The Risk Management Committee has the overall responsibility for ensuring that this policy complies with the Company's legal and ethical obligations and that all those under our control comply with it.

It also plays a pivotal role in upholding the prescribed standards of conduct concerning anti-bribery and anti-corruption for all recruited or contracted individuals.

Our stringent measures include employee reporting of misconduct or bribery without apprehension of reprisals. Through periodic training, we equipped our entire workforce with the knowledge and skills needed to recognize and prevent bribery, both in their own actions and in those of others. We are pleased to report that, for the financial year 2022-23, CPIL has no cases of bribery, corruption, anti-trust and monopoly practices.

Nurturing a greener tomorrow



4.1 Building climate resilience

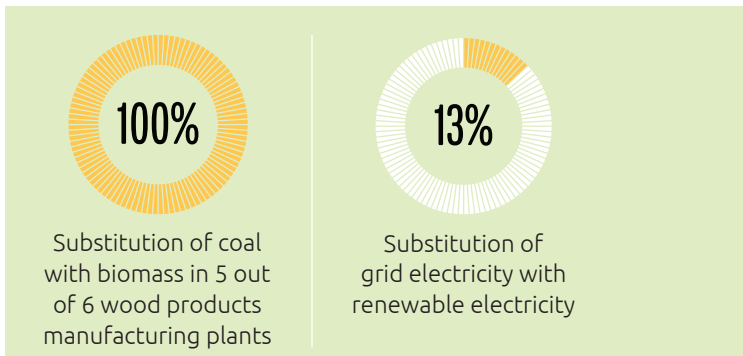


Nature provides abundant resources with its regenerative capacity, but rapid industrialization and changing lifestyles lead to unsustainable resource use and irreversible environmental damage. To protect our planet, it is essential to adopt sustainable practices. Governments, corporations and individuals worldwide recognize their joint responsibility for environmental conservation and are taking necessary action in this direction. The 6th Assessment Report (AR6) by the United Nations Intergovernmental Panel on Climate Change (IPCC) underscores the profound challenges posed by climate change, with a particular focus on its severe impact in India. These impacts encompass intense heatwaves, unpredictable rainfall patterns, heightened flood risks and diminished crop yields.

For plywood manufacturing companies like ours, this report underscores our vulnerability to climate-induced disruptions. Our industry relies heavily on natural resources and is sensitive to weather patterns, making us particularly susceptible. These disruptions can lead to greater resource volatility, supply chain instability and evolving regulations aimed at reducing greenhouse gas emissions. Recognizing these risks, our commitment to addressing climate change is not only an environmental imperative but also a strategic necessity. We view it as essential for ensuring business continuity and long-term resilience. By aligning our operations with international sustainability standards and proactively implementing measures, we position ourselves to mitigate these risks, adapt to changing conditions and capitalize on emerging opportunities in an increasingly climate-conscious world.

As part of our endeavour to prevent climate change, we ensure the following at our organization:

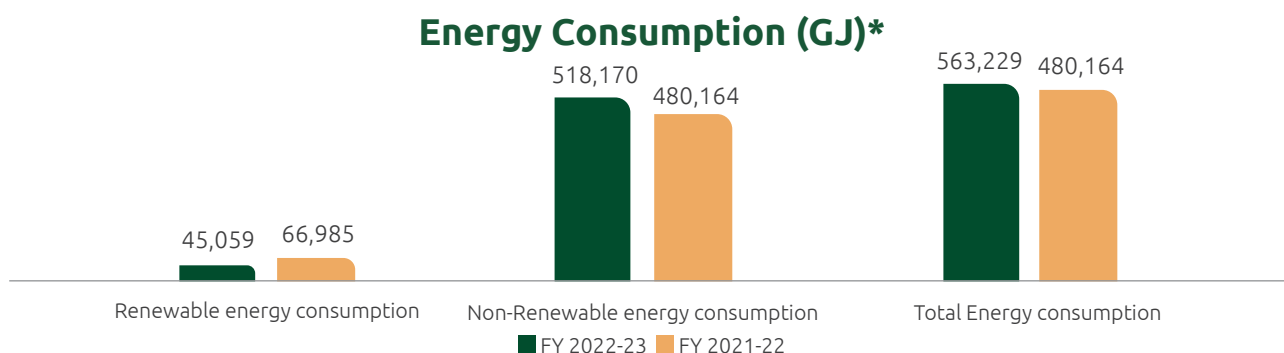
- A clean environment by minimizing effect of dust, fume and smoke generated in our process and activities various means like recycling and process modifications.
- Efficient use of resources through effective management practices and technological measures.
- Compliance with all applicable environmental norms and regulations.



Our climate action

Energy management

During FY2022-23, the total energy consumption across all our units amounted to 5,63,229 gigajoules (GJ), representing a modest 3% uptick from the preceding year, despite a concurrent 6% expansion in Plyboard, MDF and Particle Board production. Notably, our energy intensity in FY 2022-23 stands at 1.56×10^{-5} GJ/INR marking a significant 14% reduction compared to the previous year. Furthermore, it is worth highlighting that, all our manufacturing units except Joka unit have successfully transitioned from coal to biomass as their primary fuel source for boilers.



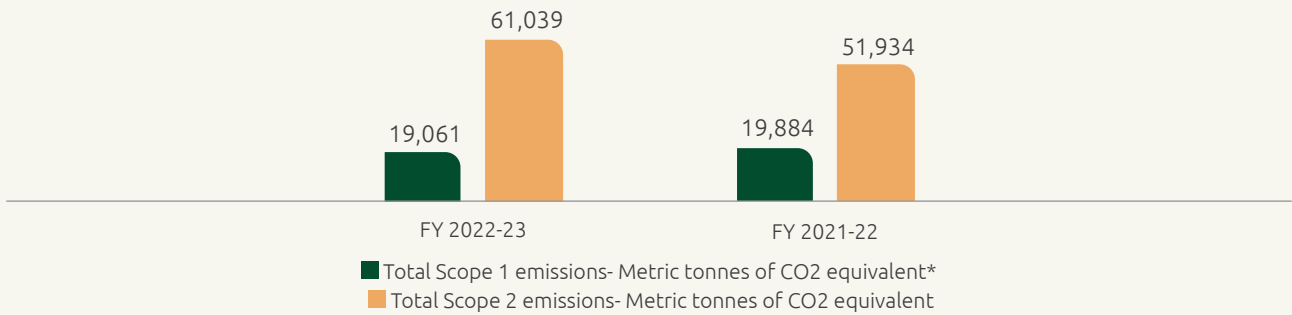
*Includes data from CFS division



GHG Emission

The marginal increase in our GHG emissions in FY 2022-23 is attributed to the rise in grid electricity consumption (non-renewable) and increased coal consumption at the Joka unit due to unavailability of resources and climatic factors. However, at the same time, we have adopted multiple sustainable measures, such as increasing the use of renewable energy in our operations through in house solar power plants and power purchase agreements, implementing energy-efficient technologies and focusing on waste minimization and re-use in production. As a result of these efforts, we have effectively reduced the overall GHG emissions stemming from our operations.

Total direct and indirect emissions in last two years

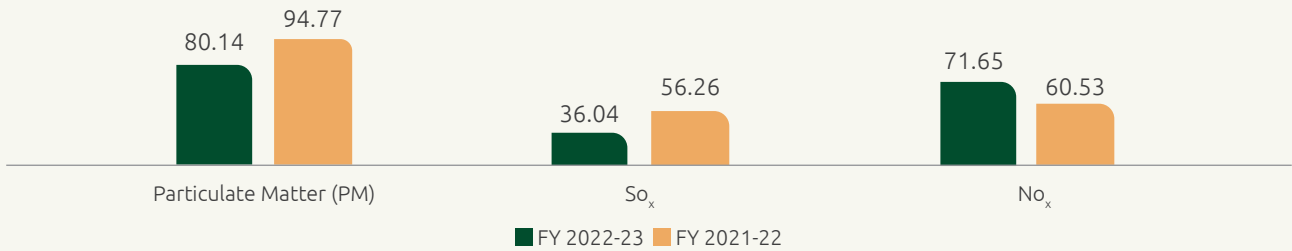


*Excludes data from CFS division

Air Emission

In addition to controlling our GHG emissions, we place equal significance on managing air pollutants emanating from our operations. The preservation of air quality within and around our facilities ranks high on our priority list. At CPIL, we diligently adhere to both national and local regulations to ensure that emissions consistently remain well below the prescribed limits. To achieve this, we conduct annual emission monitoring of all our stacks through accredited labs certified by the National Accreditation Board for Testing and Calibration Laboratories (NABL).

Total air emissions in last two years in mg/Nm3*



*Excludes data from CFS division

Initiatives taken to improve the energy efficiency

At CPIL, we make conscious efforts to upgrade our facilities to positively contribute towards energy efficiency, reduce non-renewable energy consumption and optimize energy costs.

Technological Interventions:

- » Introduction of High-Capacity Veneer Dryer and Variable Frequency Drive (VFD) to replace manual glue spreaders, reducing heat loss from the process and improving energy efficiency.
- » Implementation of chippers at the energy plant to increase fuel efficiency.
- » Replacement of multiple Thermic Fluid Heaters (TFH) with a single high-capacity modern energy efficient TFH to save on fuel and reduce emission in multiple facilities. Example: Joka and Karnal, have replaced three of their conventional TFH of 15 Lac kcal capacity with a single highly efficient TFH of 60 Lac kcal capacity.
- » Installation of DG synchronization panels to automate DG set operations and decrease diesel consumption.
- » Optimization of power consumption using capacitors, achieving higher power factors and reducing energy waste. Example: Joka facility has achieved a power



factor of 99% with the support of capacitors in its circuit system.

- » Replacement of screw compressed starters with VFD compressors for improved energy efficiency.
- » Installation of energy-saving fans on dryers to consume less energy compared to conventional fans.
- » Installation of AC drives on boilers to regulate motor speed according to the boiler's load, resulting in reduced energy consumption.

Alternate energy integration:

- » Installation of solar panels and concentrated solar thermal (CST) technologies for heating water and thermic fluids, integrating them with existing boilers and heating systems.
- » Adoption of electric forklifts, replacing diesel forklifts, to enable less emission intensive logistics systems.
- » Introduction of 4 Electric Vehicles (EVs) for logistic purposes.
- » Reduction in consumption of coal by almost 6% (YoY) despite an increase of average 15% in production due to replacement of coal with biomass fuel.

Process optimization:

- » Redesign of buildings to maximize the utilization of natural light and minimize electricity usage during the daytime.

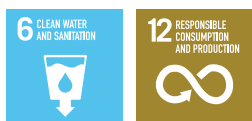
- » Use of heat exchangers to improve the output of refiner and press machines, optimizing energy usage and reducing greenhouse gas emissions.
- » Implementation of laser-guided lights at panel assembly tables for accurate dimensions, reducing wear and tear of edge trimming machines.
- » Adoption of auto sensing pneumatic pressure control on glue spreaders to prevent fluctuations, reduce material loss and increase machine service life.

Facility upgradation:

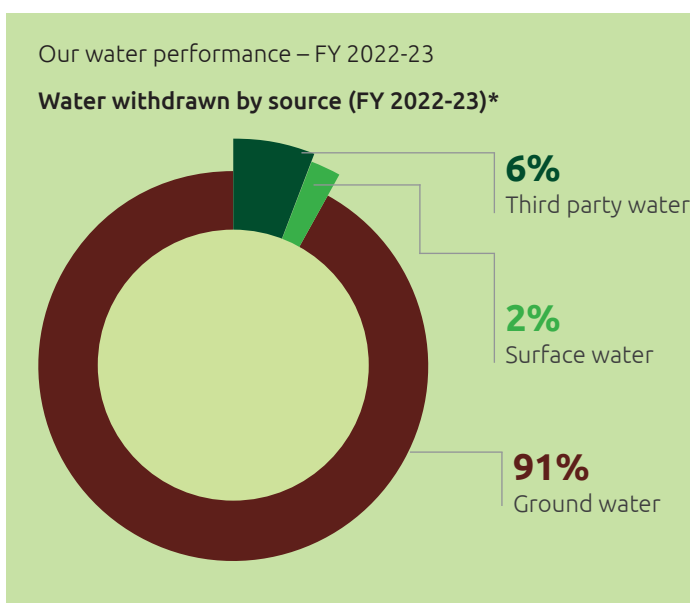
- » CPIL's Head Office (HO) is a Platinum LEED certified building, being cognizant of the need to regulate the energy footprint of its buildings, the Company make conscious efforts to prioritize. leasing buildings that are LEED certified.

At CPIL, we provide a variety of training programs to educate staff members on energy-efficient practices. To monitor the environmental-related activities, we have an environmental officer stationed at each plant. Training on the environmental management system, which covers climate risks and opportunities, environmental compliances, efficient usage of resource etc., is provided to relevant parties and employees under ISO 14001:2015.

4.2 Responsible water and effluent management



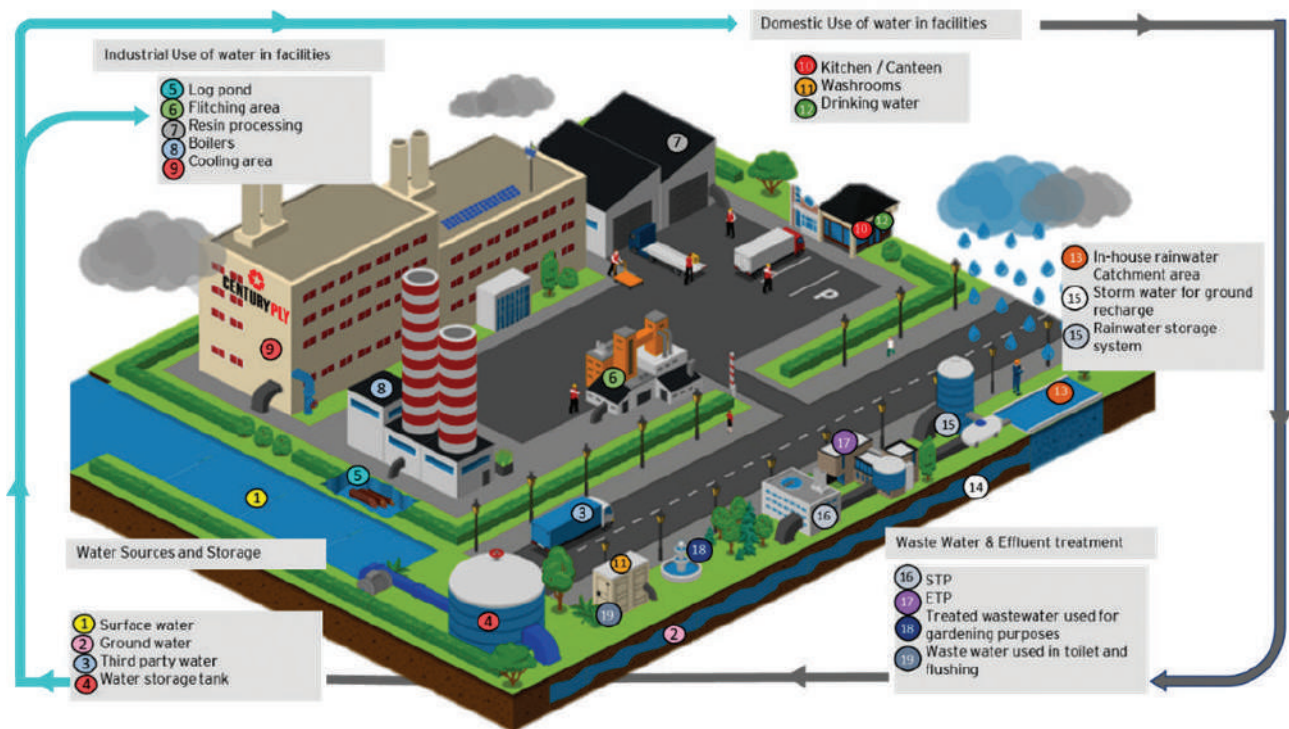
Being a water intensive industry, efficient water management is crucial for plyboard manufacturing. Water plays an essential role throughout the manufacturing process, encompassing raw material preparation, adhesive application and board formation. Prudent water management practices can significantly reduce the environmental footprint of Plyboard manufacturing operations. Driven by our purpose, our BRS policy emphasizes the significance of responsibly using natural resources, including water. In line with the policy commitments, we are consistently intensifying our endeavours to implement water conservation practices and reduce water consumption in our operations.



Parameter	FY 23	FY 22
* Water withdrawn by source (in kilolitres)		
Surface water	10,052	7,739
Ground water	3,88,121.23	3,56,807.34
Third party water	26,457.50	20476.50
Total volume of water withdrawal	4,24,630.73	3,85,022.84
Total volume of water consumption	4,24,630.73	3,85,022.84

*Excludes data from CFS division

Interactions with water as a shared resource



This diagram depicts CPIL's wood products manufacturing facilities and their interaction with water as a shared resource.

Key initiatives

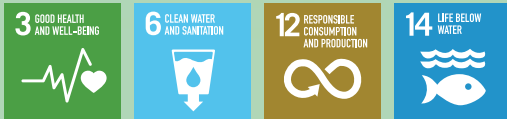
- » Reduced water intensity per rupee of turnover by 9% in FY 2022-23 in comparison with previous year.
- » Rainwater harvesting has been implemented at all our facilities.
- » All our facilities are zero liquid discharge.
- » Reusing treated sewage water for gardening and flushing purpose.
- » Water effluent quality regularly through certified laboratories.
- » Utilization of the wash water from resin kettles to produce sodium hydroxide (caustic soda) helps minimize the overall consumption of fresh water in the production process.

Zero liquid discharge

We have successfully implemented Zero Liquid Discharge across all its facilities in India. It essentially means that the wastewater generated during the operational processes undergoes treatment in in-house Effluent Treatment Plants (ETPs) present at each facility. This treated wastewater is then recycled and reintroduced back into the system for a variety of purposes including filling ponds to store logs, irrigation for gardening purposes, flushing toilets, fire water storage, facility cleaning etc.

In FY 2022-23, to drive continuous improvement, all CPIL units have systems in place to track and monitor water flow across production lines.

4.3 Waste management and circular economy



Natural resources are finite and depleting at a faster rate than their natural regeneration. Therefore, waste management and the adoption of a circular economy are of utmost importance for us. Embracing these practices can have significant positive impacts on both the environment and our company's bottom line. By efficiently managing waste streams, we can reduce our environmental footprint, minimize the amount of waste sent to landfills and decrease the depletion of natural resources. Additionally, recycling and reusing waste materials within a circular economy framework can lead to cost savings, as it reduces the need for raw materials and lowers disposal expenses.

Circular Economy at CPIL

6R's of Waste Management

At CPIL, we embrace the 6R (rethink, refuse, reduce, reuse, repair, recycle) In essence, our products are used, reused and eventually avoided from entering landfills.

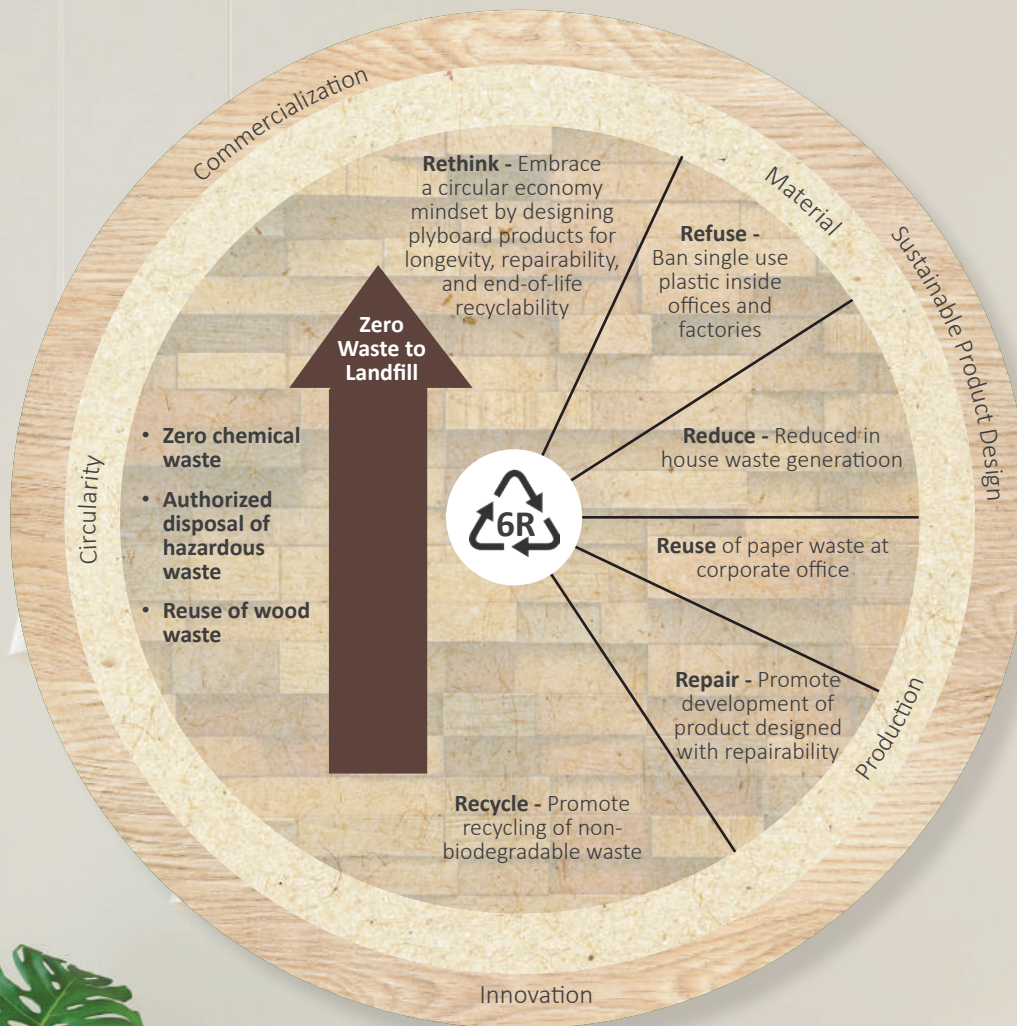
Additionally, under our Business Responsibility and Sustainability (BRS) policy, we have established firm commitments aimed at curbing excessive resource consumption while promoting the principles of waste reuse and recycling.

All Wood waste generated in the process has been reused in FY 2022-23

100%

in-process hazardous waste generated in FY 2022-23 has been disposed through authorised vendors for compliance with relevant laws and regulations





6R Approach of circularity at CPIL

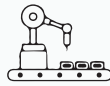
As a response to climate change, we are proactively working on developing innovative solutions to expedite the transition towards a circular economy, with a continuous commitment to reducing our environmental impact. We have started mapping our waste footprint at each stage of our production process. The infographic illustrates the various types of waste generated at each stage of our production process:



Upstream

Wood waste

- » Wood trimmings
- » Bark waste
- » Saw dust
- » Veneer waste



Manufacturing

Wood waste

- » Wooden pellet

Hazardous waste

- » Chemical waste
- » ETP sludge

Non-hazardous waste

- » Paper
- » Metal scrap
- » Plastic waste
- » Rubber scrap



Downstream

Wood waste

Non-hazardous waste

- » Packaging waste
- » Adhesive waste
- » Saw dust



Circularity measures

- » Reducing waste generation at all CPIL units through improvement of material utilization efficiency.
- » Reducing use of plastic packaging through alternatives such as paper packaging for pre-laminates and pellets packing for the exported products.
- » Implemented 6R concept of circular economy across plants.
- » Implemented waste source segregation practices across plants.



Waste disposal

- » At CPIL, we have partnered with authorized vendors who specialize in the disposal of both hazardous and non-hazardous waste. These vendors are registered with relevant regulatory bodies like State Pollution Control Board and Central Pollution Control Board. Currently, we recycle 100% of the waste generated at our operation. We have strategically deployed dedicated environmental officer at each plant to monitor and assess compliance with applicable regulations, as well as to identify potential risks and hazards, foster sustainable practices and facilitate a culture of environmental consciousness.

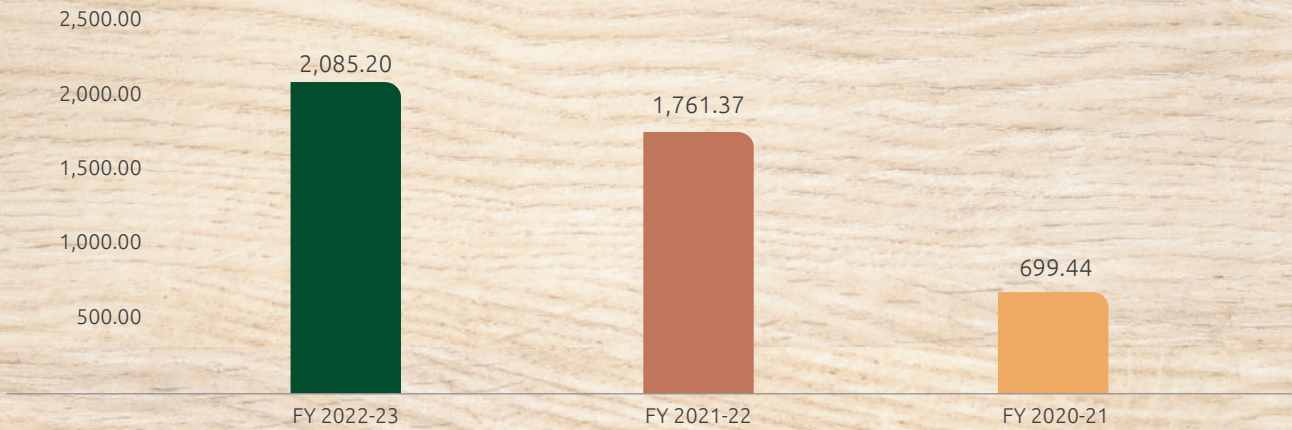


Waste monitoring

- » We have strategically deployed dedicated environmental officer at each plant to monitor and assess compliance with applicable regulations, as well as to identify potential risks and hazards, foster sustainable practices and facilitate a culture of environmental consciousness.

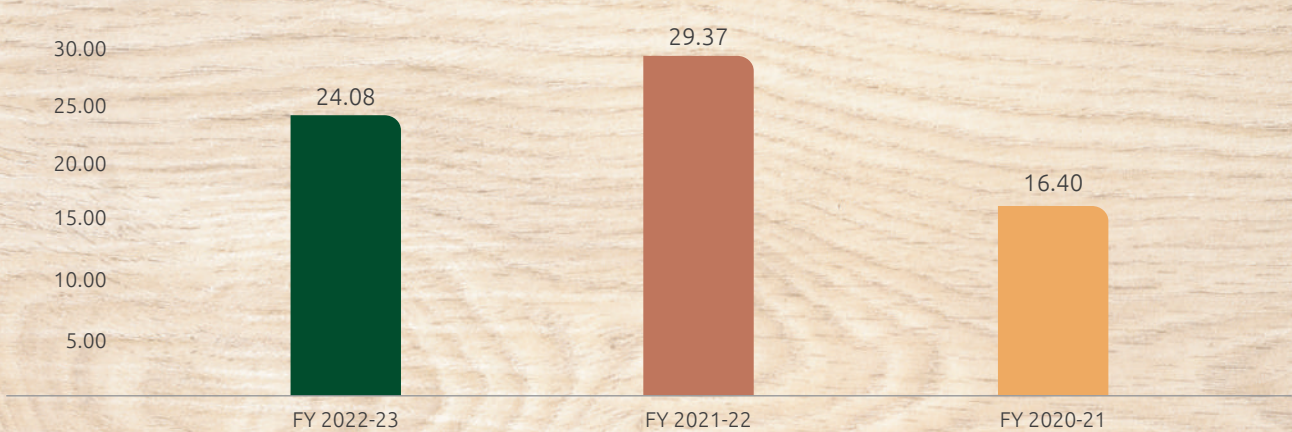


Non-hazardous waste generated (MTs)



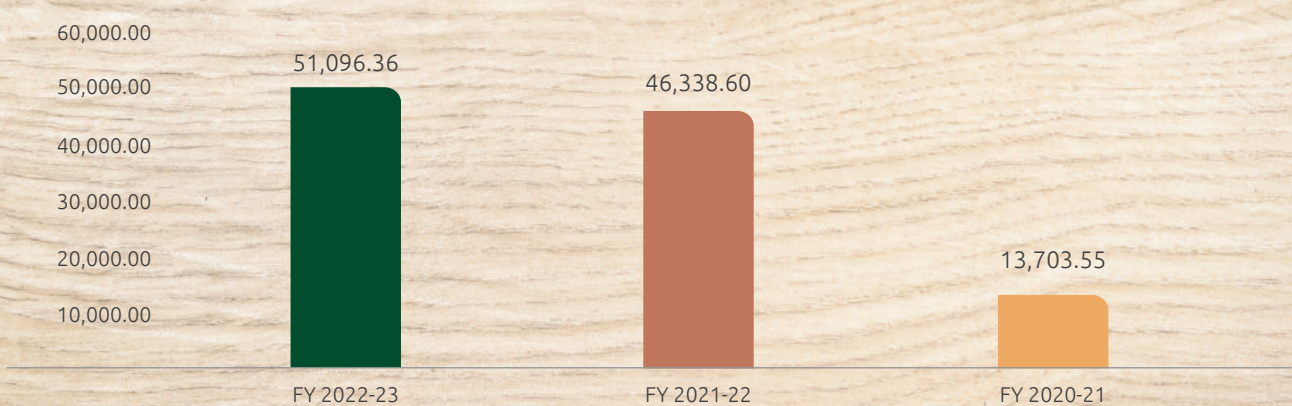
*Excludes data from CFS division, TP and corporate office

Hazardous waste generated (MTs)



*Excludes data from TP, CFS, Karnal, Guwahati, Chennai and Corporate office

Wood waste generated (MTs)



*Includes data from manufacturing units only, other business units of CPIL do not generate wood waste



4.4 Resource efficiency and product stewardship



Plywood manufacturing industry is heavily dependent on the use of natural resources. From the initial harvesting of timber to the veneer-cutting stages, until the bonding and finishing processes, plywood industries require careful use of natural resources. Hence, it is imperative for the industry to ensure efficient resource utilization and responsible product management.

At CPIL, we maintain the highest standards of resource efficiency and product stewardship and consistently drive efforts to innovate and optimize processes, ensure sustainable production while maintaining our premium product quality and brand equity.

Our philosophy

Our BRS policy highlights the guidelines for ensuring safety and resource-efficiency throughout the product design and manufacturing phases. Moreover, it encourages the utilization of our products in a manner that not only creates value but also minimizes and mitigates their potential adverse impacts on the environment and society.

4.4.1 Product stewardship

Our emphasis lies in generating enduring value, extending beyond our internal operations to encompass the design and development of products and solutions that amplify the positive environmental and social impact of our customers. Our innovative product range not only ensures compliance with international benchmarks and regulatory standards but also positions our customers to future-proof their operations, fostering increased profitability and sustainability. Plywood stands out as an environmental asset of paramount importance due to its inherent capacity to curtail deforestation. This stems from its adept utilization of logs, outperforming solid wood alternatives by yielding a more substantial output from each harvested tree. The utilization of plywood allows for an enhanced yield of usable products while consuming a lesser quantity of wood, thereby exerting a dual influence in diminishing the requisition for raw timber and mitigating the imperative for supplementary logging activities.

Our approach to sustainable product design and innovation

Our R&D department works closely with the Sales and Marketing team to develop new innovative products.

Key Initiatives

Product and process design: Our forward-thinking product designs and process optimisation effortlessly

incorporate circularity and sustainability principles into our processes. This involves our efforts to minimize waste throughout the entire value chain and substitute traditional fossil fuels with viable alternatives.



Product safety: In alignment with the prevailing market demands, CPIL has engineered an innovative Fire-Wall technology, designed to seamlessly fulfil the contemporary requisites. This user-centric and production-friendly technology has been harnessed to craft a range of fire-retardant plywood products. These products not only adhere to domestic standards but also align with esteemed international benchmarks, including IS 5509-2000, BS-476 Part-7 and ASTM-E84.

Amidst the backdrop of the Covid pandemic, the innovative Virokill technology has been introduced. This pioneering advancement integrates cutting-edge Nano technology into both the upper and lower layers of plywood, laminated decorative elements. These layers are further shielded by a delicate veneer, culminating in a comprehensive defence mechanism against viral agents.

Product certifications and labelling

We are dedicated to delivering excellence and adhering to relevant regulatory standards. Through our product labelling, we demonstrate this commitment by transparently conveying crucial information to stakeholders. This includes details about product specifications and safety, ensuring clarity and accountability in our communication.

Key material purchased in FY 2022-23

We prioritize transparency and responsible sourcing in our materials selection at CPIL. Timber being our major raw material, we carefully source it from sustainably managed forests. We adhere to relevant forestry standards, ensuring that our collaborative initiatives with farmers on timber procurement practices contribute to forest health, biodiversity and the well-being of local communities. In addition to timber, our operations involve the conscientious use of associated materials such as paper, chemicals, steel plates etc. We

meticulously assess and select these materials with a focus on minimizing environmental impact.

Marketing and product communication

Adhering to the principle of 'responsible marketing,' we align with national and international regulatory requirements. Transparent disclosure of pertinent product information is a key aspect of our commitment to stakeholders. This encompasses details about responsible usage, product specifications and the environmental impact of our products. We disseminate this information through diverse marketing channels, including our websites, social media platforms, press conferences, expos and more.



FSC certified MDF, E0 certified MDF, CARB certified MDF. Laminate & veneer are certified by Indian Green Building Council.



Our laminate and plyboards are ISO 9001:2015 certified, guaranteeing availability of premium quality products for our customers.



4.4.2 Resource Efficiency

Key Initiatives for efficient resource management:

- » Installation of new and advanced machinery to improve the recovery efficiency of resources such as fuel, timbers and resins.
- » Complete replacement of multi-layered plastic with paper for laminate packaging, contributing to a reduction in plastic usage and waste.
- » Development of in-house peeling capabilities, increasing daily production to 70-75 cubic meters and reducing reliance on third-party suppliers resulted in enhancing self-sufficiency, reducing logistic costs and minimizing fuel consumption.
- » Implementation of efficient core veneer handling techniques, leading to decreased wastage during veneer production.
- » Implementation of a major process change, enabling direct transfer of materials from trucks to dryers and subsequent sorting resulted in reducing wastage due to manual handling and improving operational efficiency.
- » Increased production of MDF and particle board through efficient utilization of both hard wood and

soft wood residues, contributing to a more sustainable resource utilization approach.

- » Introduction of laser-guided light installation at the panel assembly table, resulting in reduced maintenance needs and heightened operational efficiency.
- » Implementation of rejected fibre recycling using an external blower, leading to minimized wastage of rejected fibre and overall material waste.

Efficient chemical management

At CPIL, we ensure effective handling of our hazardous chemicals.

We constantly explore non-hazardous alternatives for use in product manufacturing to ensure safety at our operations and prevent any environmental or health hazards through use of the final product. To ensure the secure and efficient management of chemicals within our factory premises, we have implemented a comprehensive set of Standard Operating Procedures (SOPs). These procedures serve as a foundation for the systematic and responsible handling of chemicals, promoting both operational efficiency and safety. Some Key initiatives by CPIL are :



Chemicals are transported via an integrated, closed pipeline system, minimizing exposure risks and ensuring a controlled environment.



Every batch of procured chemicals undergoes thorough quality checks to guarantee the purity and integrity of hazardous substances.



Display boards are strategically positioned throughout our premises serve to educate and inform workers about essential safety practices associated with chemical handling.



Hazardous chemicals are consistently disposed of through authorized vendors, adhering strictly to established disposal protocols.



Wastage resins are efficiently recycled and reintegrated into the manufacturing process.



4.5 Sustainable Plantation Management



At CPIL, our agroforestry initiative is a strategic move toward achieving self-sufficiency in raw material sourcing while maintaining environmental equilibrium through contract farming. To operationalize this initiative, we actively promote the cultivation of high-yielding strains such as Eucalyptus and other tree species tailored to our production needs.

Central to this initiative are our Tree Farming Guidelines, meticulously crafted to assist farmers in obtaining top-quality planting materials. These materials comprise high-yielding, rapidly regenerating and straight-cylindrical bore trees that exhibit resistance to pests and diseases, including hybrid varieties. To facilitate the implementation of this program, we provide farmers with subsidized saplings for plantation near our manufacturing facilities.

To ensure the success of the agroforestry initiative, dedicated teams are stationed at all manufacturing facilities. These teams oversee and support the entire plantation process, fostering collaboration with farmers and fostering a sustainable supply chain. Through these measures, we aim not only to meet our raw material needs

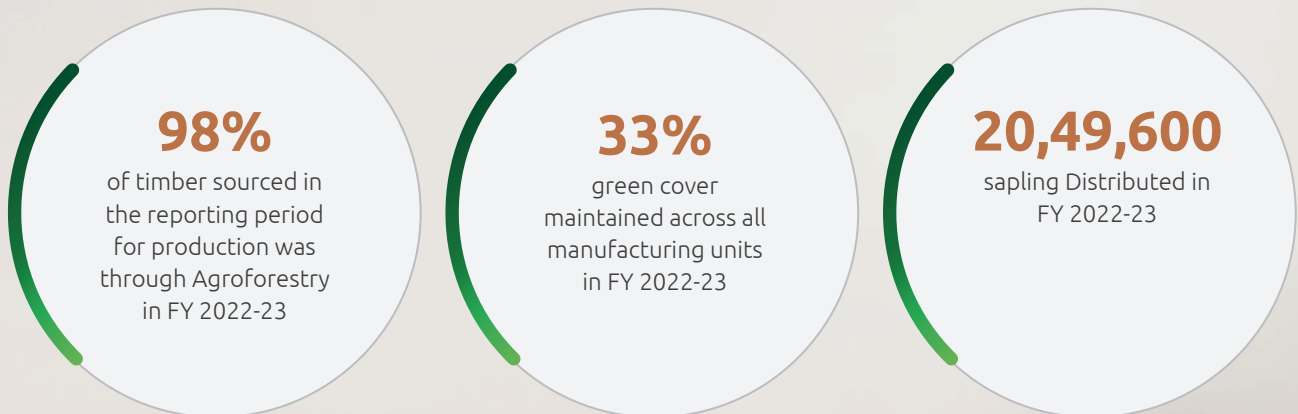
but also to actively contribute to the environmental and economic well-being of the communities involved in our agroforestry program.

Support provided to farmers for sustainable plantation programme:

- » Supply quality seedlings to farmers for growing high-yield trees
- » Insure first year crop through authorized insurance agency
- » Extend necessary technical advice and guidance to the tree growers.

Our approach

In the endeavour to source wood responsibly for plywood manufacturing, a farmer-driven sustainable plantation programme has been adopted as the cornerstone of our approach. This innovative approach not only addresses the critical need for sourcing raw materials efficiently but also aligns seamlessly with our commitment to environmental conservation and community empowerment.



Collaborative approach for sustainable plantation management

- » At CPIL, we engaged in a cooperative research initiative funded in collaboration with the Forest College and Research Institute, Mettupalayam - Tamil Nadu Agricultural University (TNAU), focusing on "Enhancing the Value Chain of Plywood Agroforestry." This collaborative endeavour successfully identified novel and enhanced genetic resources, as well as high-yield clones, contributing to enhanced productivity within the context of sustainable agroforestry practices.
- » CPIL is registered as an industrial partner within the Industrial Wood Outgrower Scheme, a component of the Trees Outside Forests in India (TOFI) Program to expand India's green cover and combat environmental degradation. This program represents a five-year collaborative initiative between the United States Agency for International Development (USAID) and the Ministry of Environment, Forest and Climate Change (MoEF&CC) of the Government of India, operating under a bilateral agreement centred on sustainable forestry and climate adaptation. Through this partnership, CPIL not only supports the broader environmental objectives but also plays a role in fostering sustainable forestry practices within the industrial context, contributing to the overall well-being of ecosystems and communities.
- » Eucalyptus is well-suited for plywood production; however, it possesses a robust invasive potential that can have adverse implications for the conservation of native floral ecosystems, especially within protected areas.
- » We are collaborating with local farmers to educate them about using organic manure application as a strategy to mitigate the adverse effects of Eucalyptus on the growth of neighbouring crops. Additionally, we actively engage with local farmers through awareness building sessions and group discussions to build their knowledge on the cultivation and promotion of alternative plywood species, including but not limited to *Grewia Tilifolia*, *Khaya Grandifoliola*, *Koelreuteria Paniculata*, *Lagerstroemia*, *Melia Composita*, *Paulownia Tomentosa* and *Populus Deltoides*. This diversification initiative is aimed at decreasing our reliance on Eucalyptus and expanding the range of sustainable wood sources for plywood production.



**Inclusive
growth**

5.1 Collaborating with suppliers



The global supply chain is evolving rapidly, fuelled by digitization, seamless integration and a heightened focus on sustainability and ethical sourcing. Recent disruptions have underscored the imperative of prioritizing sustainability in supply chain management. This paradigm shift not only enhances supply chain resilience but also addresses environmental and social concerns, becoming a crucial element of modern global commerce. In the

plywood manufacturing sector, this transformative trend is particularly noteworthy. The industry is witnessing a shift towards sustainable practices, driven by a recognition of the importance of environmental responsibility. Plywood manufacturers are reevaluating strategies to integrate eco-friendly materials, reduce waste and ensure ethical sourcing, aligning with the broader global push towards sustainable supply chain management.

Supplier categorisation



Our procurement model is both centralized and decentralized. Raw materials such as timber, veneer and paper are procured at the plant level, while materials like chemicals and fuels like coal are sourced at the head office level. In order to establish and maintain strong internal

control for supply chain management, we have a dedicated team in place for overseeing the process. Moreover, at CPIL, we have established an approval matrix for procurement of raw materials to ensure quality control and ethical sourcing. The below table represents the same:

ITEMS	FINAL APPROVAL AUTHORITY
CHEMICAL, COAL	Chairman
PAPER, VENEERS	Executive Director (ED)
MRO, CORE	Vice President (Purchase)

Suppliers' assessment

As part of our comprehensive supplier relationship management, we meticulously review and evaluate various facets of our suppliers' operations. This includes an assessment of their past performance, adherence to statutory requirements, compliance with Know Your Customer (KYC) mandates and an evaluation of their

technical and financial capabilities. Additionally, our team conducts periodic assessments of farmers and tree growers to ensure ongoing performance alignment.

In line with our commitment to transparency and sustainable practices, we continuously refine our supplier framework and classification processes.

Our sustainable procurement practices

At CPIL, we endeavour to majorly source our raw material requirements from local suppliers. (India based suppliers) This is reflected in the fact that majority of our timbers and

other associated materials are sourced locally in FY 2022-23.

Moreover, we place a significant emphasis on the plantation of timber and agroforestry materials as a means of ensuring sustainable sourcing of raw materials. In FY 2022-23, we distributed 20,49,600 saplings to 2,808 farmers around our manufacturing locations to encourage

the cultivation of eucalyptus and other trees near their fields. Through this initiative, we aim to promote extensive plantations of fast-growing, short-rotation plant species in close proximity to our manufacturing facilities, with a particular focus on areas in Punjab and Tamil Nadu.

Fostering suppliers' relationship



5.2 Customer centricity



Customer centricity is the fundamental principle that guides our business approach. At CPIL, we place immense value on cultivating strong and meaningful relationships with our customers. Our primary focus is to provide them with a unique value proposition that revolves around trust, transparency and exceptional customer experiences.

As a responsible and truly sustainable business, we prioritize the development of quality products, upholding the highest standards of product quality and placing our customers at the focal point of our endeavours, we aim to drive purpose-led, long-term growth. Our intention is to amplify our positive impact on the world by continuously innovating sustainable solutions that contribute to a happier, healthier planet.

To achieve this, we actively engage with our customers through various means, such as social campaigns, loyalty programs and Brand Equity surveys. This allow us to gain valuable insights into their needs and preferences, enabling us to tailor our products to precisely meet their requirements. We take pride in our commitment to comply with all regulations while ensuring that our high-quality products are communicated effectively through multiple channels, with a strong emphasis on health, safety and sustainability. During the reporting year, all significant product and services underwent assessment of the health and safety impacts and there were no incident of non-compliance concerning the health and safety impacts of the product and services offered by CPIL.

Consistent innovation giving us the winning edge

Centuryply is a renowned and reliable provider of innovative, high-quality products across various price ranges. With an extensive pan-India dealer network for plywood and laminates and a robust Original Equipment Manufacturer (OEM) presence for MDF and particle board, Centuryply is easily accessible wherever you are. Our

commitment to excellence ensures that you always have access to top-notch products that inspire trust and meet your diverse needs.

We have introduced interactive tools that will help in making the right decision while choosing from the range of products.





Plywood Requirement Calculator: A special tool designed for buyers to calculate the estimated cost of using the products.



Visualizer: An interactive tool designed to help customers and buyers narrow down choices to achieve the desired look they wish to opt for the products.



Colour Bar: Developed an application named colour to show buyers how each type of veneer can enhance their space.



E-Catalogues: For enhance convenience of buyers the entire range of products are made easily accessible through e-catalogues available on the company's website.

Customer grievance redressal

Delivering effective resolution to customer grievances stands as a cornerstone of our comprehensive post-sales services, fostering trust and catalysing customer-centric solutions. Our specialized customer grievance mechanism exhibits a resolute commitment to promptly address and rectify complaints.

At, CPIL we have a formal grievance redressal mechanism is in place to address consumer concerns promptly, Complaints are primarily handled by the marketing and sales team, with escalation to zonal in-charges when necessary, aligning with their convenience and environment. Furthermore, in the contemporary landscape, consumers enjoy a plethora of channels to voice their concerns. These avenues include toll-free helplines, email correspondence, various social media platforms, our official website and the accessibility of WhatsApp for business interactions. Notably, within the current reporting period, we have introduced an innovative digital interface titled "Enquire Now." This dynamic platform empowers our customers with the ability to connect with us around the clock, 24x7, ensuring seamless communication.

Responsible marketing

At CPIL, we uphold legal statutes for product labelling and information display, ensuring compliance. Our communication strategy is comprehensive and dynamic, involving advertisements, product launches, engaging social media promotions and impactful awareness campaigns. For enhanced transparency, we have introduced barcoding which enhances consumer confidence in product authenticity. Moreover, we recognize the significance of informed decision-making, which is why our product labels provide detailed information on product quality and safety precautions. This ensures that our customers are well-informed and empowered to make choices that align with their needs and values. In the reporting year, all

significant products and services have been covered and were assessed for compliance with applicable procedures concerning product labelling, service information, marketing communications, including advertising, promotion and sponsorship. Furthermore, there were zero incidents of non-compliance with regulations and/or voluntary codes concerning product labelling, marketing communications, including advertising, promotion and sponsorship.

Customer satisfaction and wellbeing

Consumer satisfaction is pivotal to our business success. Through varied touchpoints, the Company fosters connections with consumers. Feedback of end-consumers are collected from dealers, architects to gauge product and service quality. A systematic complaint resolution process underscores our commitment to consumer delight.

In FY 2022-23, CPIL received 3002 customer complaints out of which 2941 were successfully resolved, showcasing our dedication to efficient redressal. By year-end, merely 61 complaints (2.03%) remained pending, which have since been largely addressed.

Customer data privacy

Safeguarding customer data is our top priority. Stringent measures include robust data protection policies, secure storage, encryption for transmission and strict access controls. Employee training, regular security audits and compliance with data protection laws reinforce our commitment.

During the reporting period and the preceding years there were no such substantiated complaints received concerning breaches of customer privacy, identified leaks, thefts, or losses of customer data.



5.3 Community welfare



We at CPIL, believe that strong community building is a key pillar for a successful and responsible business. Our approach to community development is deeply rooted in our organizational objective, which emphasizes responsible corporate citizenship and the well-being of the communities we operate in. With an objective to develop the communities we operate around, we have framed a comprehensive CSR policy that serves as a guiding framework for all CSR activities. The policy is developed to provide guidance on undertaking CSR activities in our four identified thematic areas - health and sanitation, education, biodiversity conservation and elevating social awareness. CSR initiatives in these thematic areas aim to uplift economically marginalized communities and promote their advancement.

CSR programme strategy and implementation

In line with stakeholder engagement, innovation, scalability and sustainability principles, our strategy aligns with the United Nations Sustainable Development Goals (UNSDGs). Our approach focuses on sustaining program impacts over the long term by consistently engaging with communities and fostering positive change through their participation.

At CPIL, we have a dedicated CSR committee comprising of three committee members. The committee is responsible for collectively planning, implementing and monitoring the CSR activities of the organization.

Also, any community grievances that may arise is brought to their focus for appropriate resolution.

CSR committee under the guidance of Board, reviews multiple CSR programs and initiatives to select the ones we want to implement. In certain cases, we collaborate with suitable Non-Governmental Organizations (NGOs) to act as our implementing partners for conducting CSR programs. In other scenarios, we manage the execution of CSR projects independently.

We are committed to deliver inclusive growth along with ensuring that our activities have no unfavourable impact on local communities. We prioritize open and continuous communication with communities to proactively address their concerns, if any.

We actively engage in voluntary community development initiatives aimed at making a positive difference in people's lives. Through our efforts, we strive to uplift and empower individuals and communities, contributing to their overall well-being and prosperity.



Gyanoday
Education and skill development focused activities



Vatavaran Sanrakshan
Protection and welfare of animals, flora and fauna, environment etc.



Swasthya aur swachhata
Maintaining overall sanitation, organizing health check-ups, sponsoring needy patients etc.



Samajik Kalyan
Support to armed forces veterans, war widows and their dependables

CSR thematic areas

1. Thematic area: Gyanoday (Education and skill building)

- » **Friends of Tribals Society** : The most marginalized segment of society, the tribals, have perpetually aspired for social justice. Collaborating with the Friends of Tribal Society, we are actively contributing to the betterment of tribal communities. Following the “One village, one school, one teacher” philosophy, Friends of Tribals Society is providing fundamental education to students from Grade 1 to Grade 3.
- » **Udayan Care** : Our objective is to provide educational support to girls for school / college / higher studies and vocational skill building finds it direction through Udayan Care program. A total of 10 such girls have received direct support of CPIL in their way to educational aspirations
- » **Help us Help Them** : A noble initiative to build free residential learning Centres for 100 girls from marginalised backgrounds.
- » **Morning Glory School** : Our association with Morning Glory School is a step towards bring inclusive growth. Children conditioned with Autism, Cerebral Palsy and other mental differences are supported through various training programs.



Case study: “Embrace the Sporty Future” with Debanjan Sen Foundation - We along with Debanjan Sen Foundation are empowering football talents from underprivileged backgrounds, particularly from hilly regions. Talented female students with exceptional football skills are carefully selected and offered comprehensive 360-degree support to nurture their growth and development. They receive provisions for food, accommodation, education and technical training, in order to get an environment where they can flourish and excel.



2. Thematic area- Swasthya aur Swachhata (Health and Sanitation)

- » **Friends of Vrindaban**: We have joined forces with Friends of Vrindaban to contribute to the cause of cleaning prominent tourist spots in Vrindaban and helping the Safai Karmacharies involved in these efforts.
- » **Calcutta Centre Mahavir Seva Sadan**: We have partnered with Calcutta Centre Mahavir Seva Sadan to establish a new Rehabilitation & Research Centre for Cerebral Palsy children, aiming to provide holistic support. The center will be built on a vast area of 1,00,000 sq.ft.
- » **Marwari Relief Society and Marwari Relief Society Hospital -RANIGANJ (Unit of Marwari Relief Society)**: Under this initiative, we allocate a monthly budget of INR 200,000, towards enhancing medical infrastructure with INR 25,000 designated specially for kitchen amenities. Individuals in need, regardless of their religious affiliation, can access hospital beds at an affordable price through this arrangement.





Case study: Support to CanKids In 2013, CanKids commenced its efforts in West Bengal, dedicated to assisting children with cancer and their families. Currently, their primary focus lies in strengthening Pediatric Oncology treatment. To support this noble cause, we have joined hands with CanKids, aiming to extend holistic support to these young patients. The organization's approach goes beyond mere medical treatment, encompassing various aspects to enhance the well-being of the affected children.

CanKids works tirelessly to provide essential services such as nutritious food, convenient stay facilities near hospitals, networking with authorities to facilitate aid in multiple forms, arranging for medications and funds, offering paramedical support, addressing mental health concerns and undertaking all possible measures to ensure comprehensive assistance.

We are profoundly delighted to be associated with such a meaningful initiative. In the financial year 2022-23, a total of 687 children have been supported, receiving not only medical care but also educational and skill development opportunities to secure a promising and prosperous future.



3. Thematic area - Vatavaran Sanrakshan (Protection of animals, flora, fauna and environment)

- » **Tree Plantations Drive :** Plantation drives is the most promising initiative of CPIL held at various parts of India guided by various units of CPIL. Lakhs of saplings are distributed to communities at minimal or no cost. The saplings are of variety which will grow and be timber ready in a period of five years. Then the timber resource at disposal is free to be sold at market price. This is a way to replenish green cover and generating income avenues for local communities.
- » **Calcutta Pinjrapole Society:** We have partnered with the Calcutta Pinjrapole Society in prominent initiative of animal care, overseeing the welfare of 6,000 cows across various gaushalas situated

in Kalyani, Ranigunj, Liluah, Chakulia, Sodepur and Hazaribagh. Recently funds have been raised and utilised to build a new hospital for treating cows in Sodepur.

- » **Tree Plantations Drive :** The plantation drive guided by our respective plants and conducted across various parts of India, stands as one of our most promising initiatives. Lakhs of saplings are distributed to communities at minimal or no cost. The saplings are of variety which will grow and be timber ready in a period of five years. This is a way to replenish green cover and generating income avenues for local communities.





Case study: We have joined hands with Purna Foundation which has dedicated itself to enhancing the aesthetics and amenities at the Nimtala, Ahiritola and Keoratala crematories including the Rabindranath Samadhi Sthal. Arrangements like pollution-free wooden chulhas, electric furnaces, wooden pyres and trolleys for bodies are periodically evaluated and maintained. The Foundation has also provided the premises with extra chairs for mourners, washrooms, CCTV surveillance cameras and large-screen televisions. Further the cremation places have been renovated with proper shading and equipped with 24x7 security measures. Bathing arrangements for the deceased have been facilitated, AC sitting rooms, water coolers and a van for wood transportation have been provided free of cost for the public benefit. The Foundation's efforts also extend to maintaining and beautification of peripheral areas of crematories through employed gardeners, sweepers and security guards.

4. Thematic area - Samajik Kalyan (Social welfare)

We allocate a portion of our funds to support armed forces veterans, war widows and their dependents, as well as veterans of the Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF). Moreover, as part of this endeavour, we extend support to the construction and maintenance of dharmshalas and restrooms nationwide.



People first



6.1 Attracting, retaining and developing the right talent



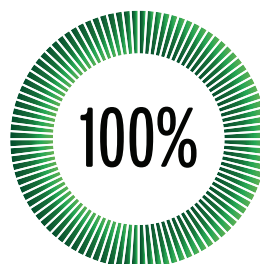
At CPIL, we focus on attracting, developing and retaining employees from a diverse pool of resources and nurturing their skills to create a positive and meaningful work experience for them.

Talent attraction

Talent attraction plays a crucial role in driving our business growth and brand value. We strive to hire the right talent, providing them with adequate training and developmental support to identify and nurture the future leaders of our organization. We also strive to provide our employees with distinctive career opportunities. To uphold our commitment to being an equal-opportunity employer, we also ensure that our recruitment process is unbiased.

Our workforce is divided into two main categories namely, 'Permanent employees and workers' and 'Other than permanent employees or workers'. Within the 'Permanent employee category', we have senior management comprising of the Chairman and Board level members and the staff which includes rest of the employees at the Corporate, Plant and Branch level. Staff at the Corporate also includes Trainees and Probationers. In the reporting period, CPIL has not engaged employees under the 'Other than permanent employees' category.

Headcount of employees by category (FY 2022-23)

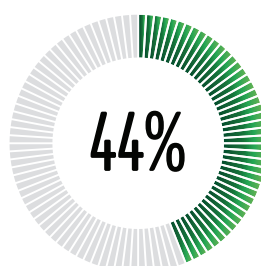


3169

Permanent employees

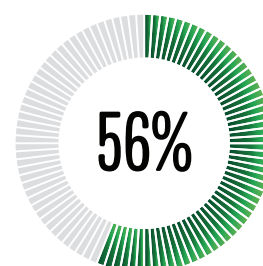
Total employees 3169

Headcount of workers by category (FY 2022-23)



3797

Permanent workers



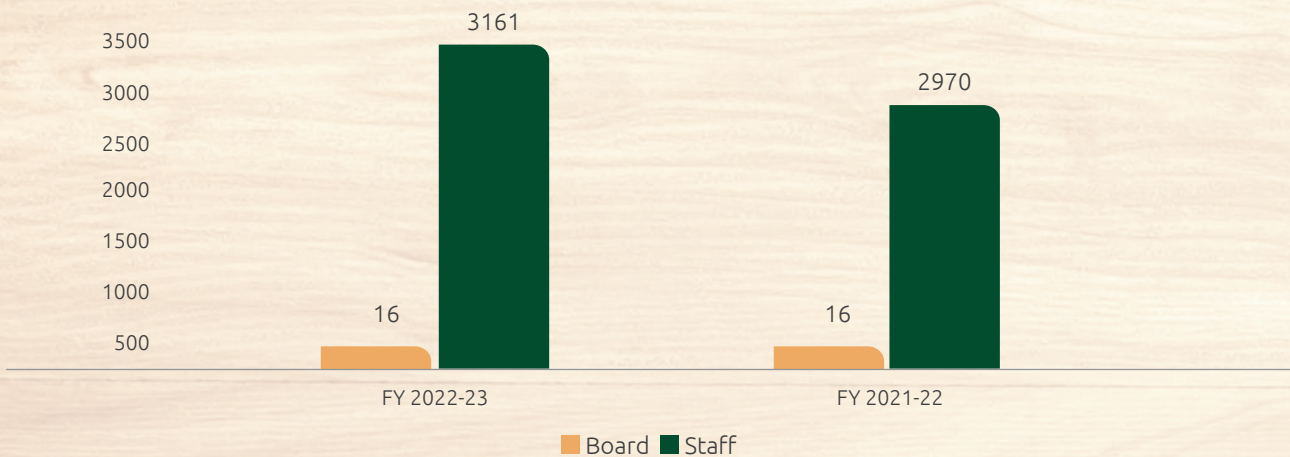
4803

Other than Permanent workers

Total workers 8600



Board and Permanent employee categorization



The second employee category, namely the workers comprise of 'Permanent workers' on CPIL's payroll and 'Other than permanent (casual and contractual) workers'. Casual workers are primarily engaged in activities related to housekeeping, security and plant maintenance. The contractual workers are engaged in production related activities at CPIL's plants.

We follow a structured approach in hiring our permanent and contractual employees. We recruit experienced professionals for both our Corporate Office and plants majorly through internal job postings. At the Corporate

level, we recruit freshers including Graduate Engineer Trainees (GETs) through campus connect programmes from Tier 1 and Tier 2 management institutes. Further, we recruit Management Trainees (MT) from Tier 1 management institutes and Sales Management Trainees (SMT) from Tier 2 Post-graduate institutions.

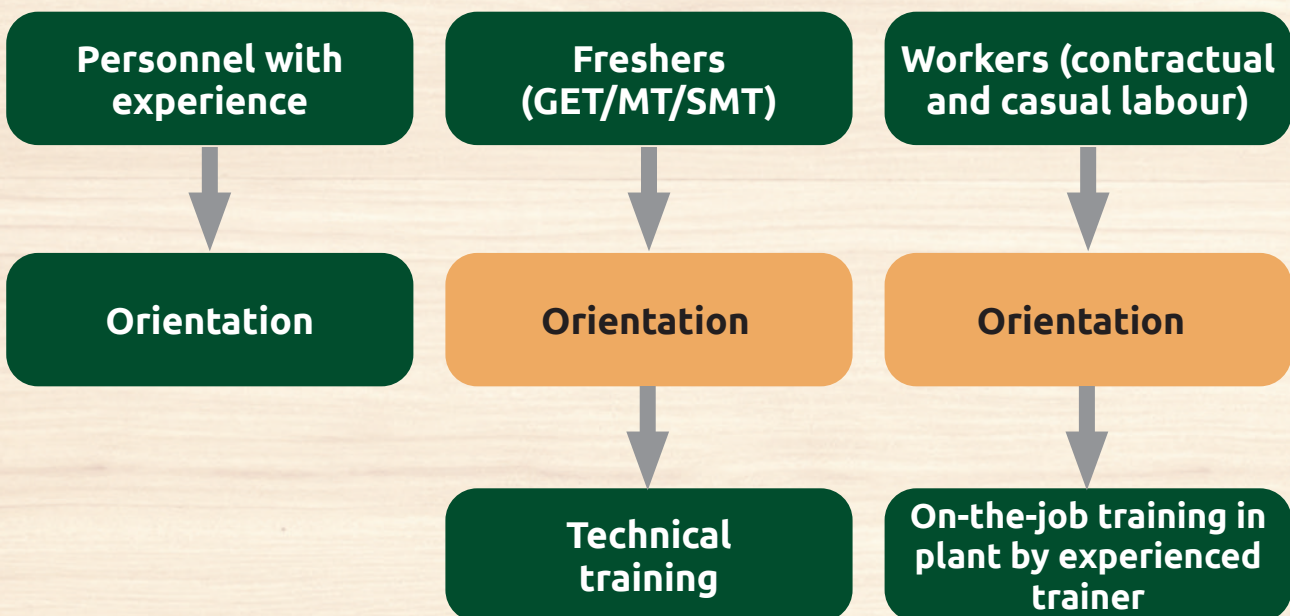
Besides, where qualification criteria are not met, we also look outwards to hire new employees laterally through externally managed job portals and third-party consultants.

Our workers (both permanent and other than permanent) are hired through the Workers Trade Union.

Talent onboarding

Our onboarding process ensures the seamless inclusion of recruits into CPIL's culture, values, policies and operational dynamics. This program offers an extensive understanding

of the roles and responsibilities across various functions and departments. Our new joiner's development model is illustrated below:



Following the orientation, all GETs are trained under CPIL's GET Program that follows a 2+2+2 framework. Under the program, the GETs first visit the Joka plant and engage with the leadership team. Subsequently, they are assigned to a particular plant for comprehensive training for two months, followed by training at another plant for the next two months. Finally, they are taken to the third plant to be thoroughly trained on plant production process. At the end of the training cycle, a comprehensive assessment is conducted to identify the areas of improvement and determine the interests of the new joiners. Based on the organizational requirements and basis the outcomes of this assessment, along with organizational requirements, the trainees are then absorbed in their respective departments/functions.

CPIL also runs a Leadership Trainee Program for its Management Trainees. Under the program, a group of four candidates are chosen for a one-year training program and their training module is centred entirely around analytical content on plywood industry and market. The recruited Sales Management Trainees undergo a 6-month training program. Training starts at the Joka plant for process communication, followed by field exposure with dealers in and around Kolkata. After 3 weeks, they are placed with the dealers, without sales targets. However, their performance is evaluated based on various parameters such their work ethic, productivity, communication and persuasion skills, general aptitude etc.

Building a fulfilling career through capability development

Providing every talent with the right set of opportunities for professional growth is crucial. Nurturing employee capabilities and recognizing their contributions catalyses retaining employees and fostering a sense of belonging and

fulfilment within them. We enable our people to develop and grow through structured performance feedback and comprehensive learning and development (L&D).

Performance management

Performance review plays a pivotal role in evaluating our talent strategies, employee compensation and investments in learning and development, enabling our people to develop and grow through structured and unbiased performance feedback. The performance review process involves establishing clear and specific performance expectations for each employee and providing them with regular formal or informal feedback on their performance relative to the stated goals and objectives.

We annually circulate an assessment form to all our employees to self-assess their performance based on pre-defined attributes. These are both, work related and personal attributes such as :



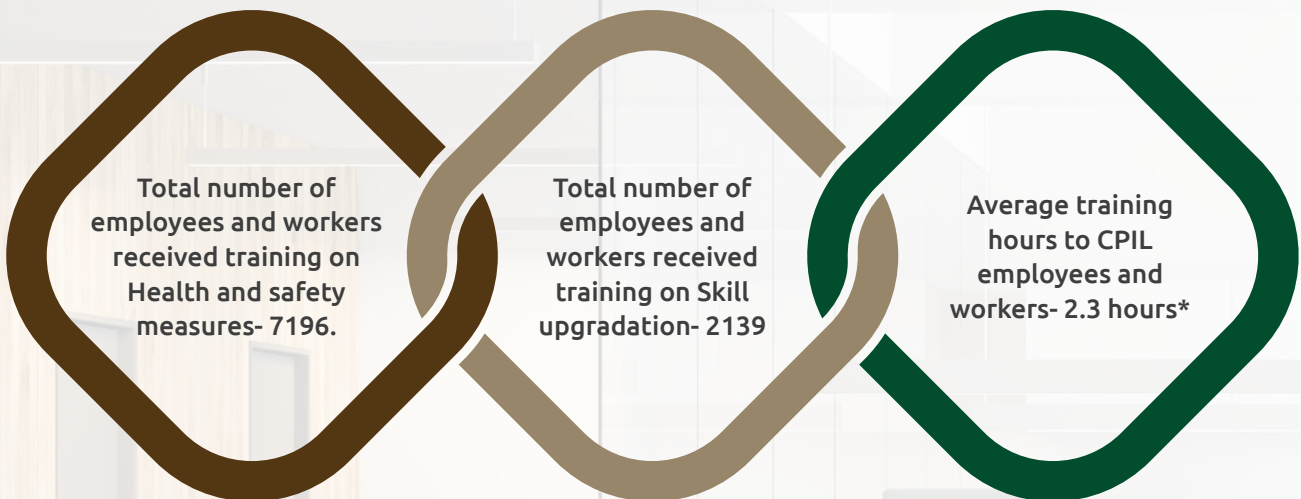
Post completion of the self-assessment process, responses received from the employees are assessed by the Departmental Heads (either at the plant or Corporate Office, depending on where the employee is engaged) and the HR Head (Corporate) and accordingly individual feedbacks are provided to the employees through one-to-one performance review discussions with them. The performance review process includes discussion on the employees' concerns and work-related expectations, their existing skill gaps along with clear articulation of the specific performance expectations from them. From the annual performance appraisal mechanism, we capture the training needs and gap areas where employees need to be developed through training. Performance review supports us with relevant data around assessing a professional's progress, job-relevant skills and areas of development, over a set period.

For communication of any further concerns or grievances related to the performance evaluation, employee compensation, promotion etc., employees can directly reach out to the HR Department.

Learning and development

It is essential to not only attract the right talent but also provide them with the right platform to grow as a professional within the organization. Recognising the skills of our people, nurturing them through adequate guidance is our key focus in creating a meaningful employment experience for our employees. Our Departmental Heads

and technical experts have a key role to play in this process by counseling their subordinates and reflecting on the areas of improvement. During the performance appraisal process, they assess the training needs of individual employees and assign them to specific training.



*excludes data from CFS division

Our learning and development training programs cover a wide range of areas, including technical and non-technical trainings. Technical training generally comprises on-the-job training on various departmental functions. Apart from our Corporate employees, we ensure that our employees working at the plants round the clock also get adequate opportunity for skill upgradation while they are at work.

Our Non-technical training includes management skill training and behavioural training. Moreover, we organize

refresher courses to ensure effective knowledge transfer in practice. These training sessions are conducted by our internal trainers.

On completion of the training programme, we evaluate its efficacy by collecting feedback from participants.

Some of our key training areas include :





Human rights

We at CPIL unitedly believe human rights training is an essential aspect of promoting awareness and action against pervasive issues such as child labour, forced labour, discrimination, sexual harassment and inequity.



Health & Safety

The training provides detailed knowledge of workplace hazards, secure protocols and emergency management. It covers fire safety, first aid, CPR, HAZCOM training, proper use of personal protective equipment and precise procedures for preventing slips, trips, falls and safe chemical handling.



Skill upgradation

Skill upgradation related trainings are imparted mainly to our employees and workers for improvement of their performance, giving scope to career advancement, improving their confidence, ensuring job satisfaction and retention.

We have designed specific training programs for Skill upgradation of our employees at the CPIL plants and the Corporate Office. For example, our Siders Training Program is an annual program conducted at our Karnal plant. Under this program, we handpick individuals with exceptional craftsmanship to provide them with specialised in-hand training to further hone their skill sets. Similarly, at our Joka plant, which is ISO certified, all employees and workers are annually trained on the specific requirements of the standard, the protocol to raise any concerns for deviation from the standards etc.

At our Corporate Office, we run a program called the Leadership Trainee Program. Through the program, we identify the employees showcasing exceptional performance at work and assess the additional skill sets they may require. Accordingly, a comprehensive training calendar is designed specific to their training requirements for their multi-skilling. Employees identified as potential supervisors are provided soft skills training and behavioural mentoring.

Every year, we review and refine our training modules and introduce new courses with the aim of adapting to the constantly evolving ecosystem. Our Departmental Heads, technical experts come together to discuss the training modules that need to be introduced and those that require upgradation. Currently, we are using our Learning Management System platform 'Hono' to track the training coverage of our programs. Going forward, we intend to

introduce e-learning modules that will be delivered using the learning platform.

We are also in the process of rationalizing our approach to deliver behavioural training. With the objective to break down silos among plants, encourage collaboration during post-training assignments, create opportunities for interaction and harmonize program content, we plan to organize such training not only through classroom sessions but also virtually.

Rewards and recognitions

Recognizing and valuing the dedication and performance of our employees and workers is essential for motivating them and earning their loyalty. Alongside annual salary increments and performance bonuses, for demonstrating commendable work-related improvements beyond the call of their duties, we recognize them through various other initiatives that include :

- » Special celebration to accord due recognition to the retiring employees
- » Long-service award to recognize the loyalty and commitment of employees
- » Talent hunt initiatives in the form of 'Centurion Idol'
- » Performance recognition through initiatives like 'Sarvada Sarvottam Ambassadors' and 'Centurion Star'.

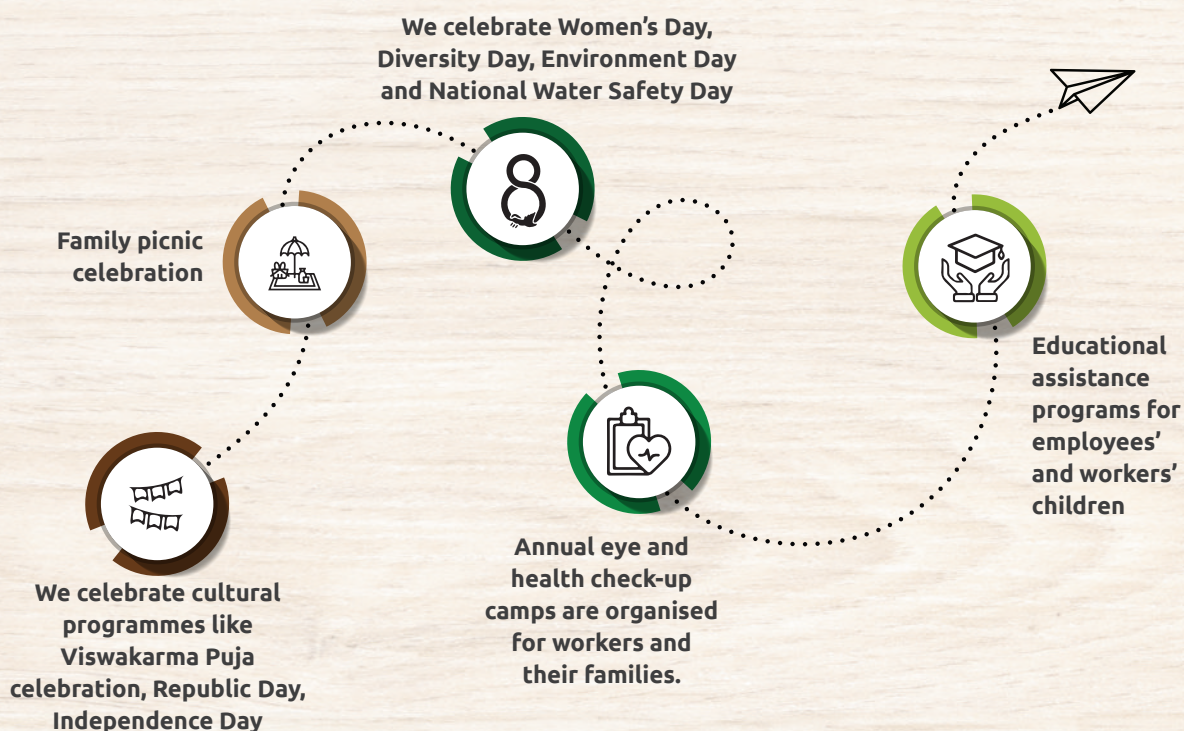


6.2 Ensuring employee health and well-being



Our commitment lies in fostering a cohesive workplace that prioritizes the well-being of every individual. Year-round, we organise numerous employee engagement programs, propelling our team to strive for personal and organizational success. These programs go beyond uniting

our workforce and enhancing their health and fitness; they extend to incorporating their loved ones into the CPIL family. Here are some of the various initiatives undertaken during the reporting period:



We recognize the importance of work-life balance and support our workforce during their significant life events. We provide maternity benefits through the ESI scheme and Maternity Benefit Act, 1961, both during childbirth and in the post-delivery period. Eligible individuals get 6 months paid leave and we ensure that women receive equitable treatment and equal opportunities to grow after returning from maternity leave. We're pleased to announce that CPIL has achieved a 100% return-to-work rate and a 100% retention rate.

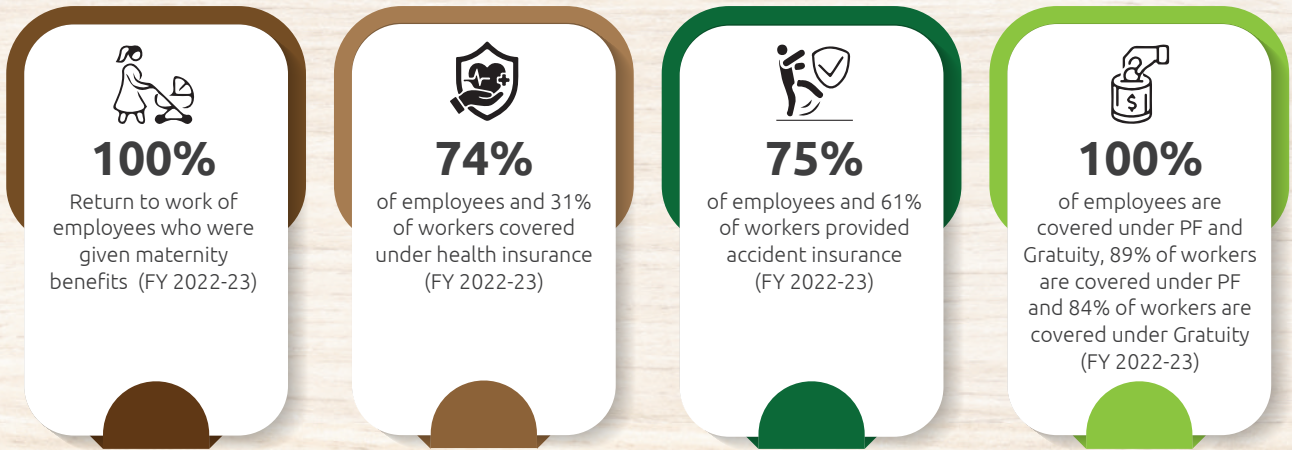
We prioritize the lifelong well-being of our employees and workers by offering comprehensive retirement plans. Our commitment extends beyond the workplace, aiming to provide financial security to our employees as they transition into their retirement years. We provide coverage for provident fund, gratuity and the Employee State

Insurance Scheme to our retired permanent employees and workers in compliance with statutory regulations.

Moreover, we also ensure employee health and well-being by providing health and accident insurance coverages and day-care facilities for permanent and non-permanent employees and workers.

Our HR's initiative in form of intranet portal called 'Centurion', functions as an interactive platform, fostering unity among employees and facilitating closer connection with management. Additionally, it keeps employees well-informed about the CPIL's activities. Besides this, the 'Centurion Helpdesk', a WhatsApp group, also facilitates the time-bound resolution of employee grievances as and when raised.





6.3 Upholding and protecting human rights



We acknowledge the fundamental importance of upholding and respecting human rights and are committed towards safeguarding our people from potential human rights violations. Our BRS policy and HR Manual share profound commitments to engage in preservation of human rights that encompass the following aspects :



- » **Prevention of child labour and forced labour** – We enforce stringent measures to prevent child labour and forced labour, ensuring that such practices have no place in our operations.
- » **Non-discrimination** – Discrimination of any kind is strictly prohibited within our organization, fostering an inclusive and diverse work environment.
- » **Fair wages** – We are committed to maintaining fair wages for all our employees, promoting equitable compensation across the board. Our remuneration structure is significantly above the minimum fair wage requirements under the Minimum Wage Act, 1948 to ensure that our employees can comfortably maintain their basic standard of living.

- » **Preventing involvement in human rights abuses** – Our vigilant approach helps prevent any involvement in human rights abuses, ensuring ethical business practices.
- » **Workplace health and safety** – Workplace safety is paramount at CPIL, with comprehensive measures in place to protect the well-being of our employees such as 24 hours round the clock ambulance availability for

any workplace accidents, conducting periodic medical health camps and medical sessions by renowned doctors on different health talks.

- » **Freedom of association and right to collective bargaining** – We fully support freedom of association and the right to collective bargaining, empowering our workforce to voice their concerns and aspirations openly and constructively.

To put this policy into action, we follow these steps:



We maintain a clear and confidential decentralized reporting mechanism, backed by our Human Resources Department. Our Human Resource (HR) department at the Corporate Office reports directly to the Central Human Resource Officer (CHRO), while at the plant level, the Deputy HR Manager reports to the Plant Head. Ultimately, the entire HR structure is accountable to the Board.

Plant supervisors are primarily tasked with the responsibility of keeping a log to document complaints, their root causes and the actions taken to address them.

Human rights training

Human rights training is pivotal for us, as it aligns with our commitment to ethical practices and empowers employees and workers to recognize and address potential human rights violations. We provide annual human rights training to both our permanent and non-permanent workforce. By equipping our workforce with the following training, we ensure a responsible working environment, considering both organizational integrity and social accountability:

100% of employees and workers are trained in human rights modules*

Training on human rights and sexual harassment at workplace

Human rights
The training encompasses understanding human rights, including awareness of natural, ethical, legal, citizen, fundamental, economic, social, and cultural rights. It covers a comprehensive range of rights education.

Sexual harassment at workplace
The training educates the participants on defining sexual harassment with case examples, preventive measures, reporting procedures, legal frameworks, and our response protocols

*Excludes data from CFS division

Employee grievance mechanism

We empower our workforce by providing them the platform to share their feedback and concerns without any fear or hesitation. We encourage our employees to openly communicate any observed, potential, or suspected violations to the relevant authorities within our company.

We maintain a clear and confidential reporting mechanism, backed by our Human Resources Department. Our employees raise concerns related to Human Rights violation through the "Centurion Helpdesk" which facilitates the time bound resolution of employee grievances. In case where a grievance requires further intervention, the matter is reported to the top management to ensure its timely redressal and closure. On the other hand, our Workers are motivated to channelise their complaints through their respective unions and employees are free to seek redressal from their respective HRs or can directly reach out to head office HR verbally or in written.

Furthermore, to address complaints related to sexual harassment and ensure adherence to the Sexual Harassment of Women at Workplace (Prevention,

Prohibition and Redressal) Act, 2013, CPIL, has established an Internal Complaints Committee. Furthermore, to address complaints related to sexual harassment and ensure adherence to the POSH (Prevention of Sexual Harassment) Act, 2013 CPIL, has established an Internal Complaints Committee (ICC). The ICC comprises of internal members and an external member who has extensive experience in this field. This committee serves as a confidential platform to address and redress such complaints effectively. The Internal Complaints Committee investigates a sexual harassment complaint within 7 days.

In addition to the mentioned framework, there are various plant level subcommittees e.g. Ladycore committee of Joka plant, who meet regularly to oversee matters concerning women's interests and challenges.


We at CPIL are proud to report that there were no instances of child labour, forced labour, involuntary labour, sexual harassment, or discriminatory employment within our organization during reporting period FY 2022-23.

Creating and diverse and inclusive employment journey

We're committed to fostering a diverse workplace that embraces individuals from varied cultural and geographical backgrounds. Our inclusive approach to hiring and management cultivates a spectrum of perspectives, fostering innovative thinking and contributing significantly to value creation in our business.

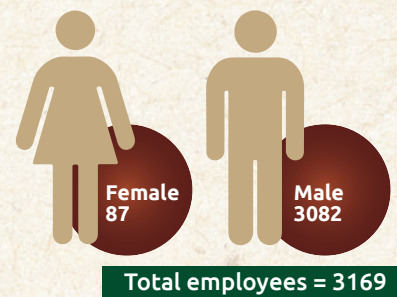
We endeavour to be recognized as an equal opportunity employer and focus on attracting individuals with the right skills and expertise, irrespective of their race, nationality, gender, birthplace, religion, disability, or age. The diversity in our total workforce by gender is shown in the diagram.

We continuously drive efforts towards creating an inclusive environment where women employees from diverse backgrounds collaborate, voice their concerns and actively engage in the decision-making processes. The share of women in our Permanent employee and Other than permanent worker category has witnessed an increase of 14% (approx) as compared to FY 2021-22.

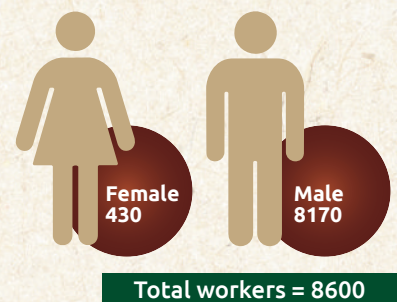


Zero instances of non-compliance with human rights issues, including child labour, forced labour and sexual harassment (FY2022-23)

Diversity by gender among employees (FY 2022-23)



Diversity by gender among workers (FY 2022-23)





To encourage women in leadership positions, we ensure that women comprise of at least 10% of our Board of Directors (BoD) and Key Management Personnel (KMP), respectively in our organization. Currently we have 12.5% of women representation in the Board and 10% women representation in KMP. We have established dedicated facilities and policies to support and honour their participation. We have an Internal Complaints Committee (ICC) to redress complaints received on sexual harassment guided by POSH (Prevention of Sexual Harassment) Act, 2013. Adherence to this policy ensures a safe and respectful working environment for all employees, with zero tolerance for any form of harassment.

Furthermore, we actively seek to expand our diversity horizon through the inclusion of differently abled employees and workers in our organization. For this, we have equipped all our facilities with specially-abled-friendly infrastructure like ramps and wheelchairs. In addition to that, our Corporate Office is a LEED-certified building as it provides accessible infrastructure which includes ramps, elevators, accessible restrooms, accessible parking spaces and other facilities that cater to the need of differently abled people. Currently, 12 differently abled individuals

are engaged as part of our total workforce. Going forward, we aim to continue building on our infrastructure and provisions to increase our accessibility to the differently abled.

Minimum notice period regarding operational changes

Collective deliberations and bargaining are vital in our decision-making process, which find its platform through presence of Union bodies in CPIL facilities. All workers are free to join them according to their preferences. Any big change that has the potential to impact worker's performances and tenure are percolated to operational level with the assistance of the Union, ensuring that the change is well accepted in a peaceful manner. However, in case of employees, major change related communications are made through HR. We offer a window of 1-3 months for changes to materialise, based on their scale. In all situations, we ensure open channels for two-way communication, allowing everybody to have their voices heard when significant changes are on the horizon. This collaborative approach seeks to minimise adverse impact of any upcoming changes.





6.4 Fostering a Safe Work Environment



At CPIL, safety is a priority for us. Our unwavering commitment lies in elevating health and safety standards in our workplace, ensuring the well-being of our employees and cultivating an environment that is secure, clean and healthy. By doing so, we set the stage for the prosperity of our business.

We have unanimously started our journey towards creating a 'Zero Harm workplaces for all', by promoting a robust safety culture, implementing safe workplace procedures and monitoring and controlling unsafe work conditions. Our aim is to position ourselves as industry leaders in terms of safety standards and provide our people with an accident-free workplace.

To maintain good standards of health and safety, we have developed plant level OHS manual inspired by ISO 45001 standards. These OHS manuals are duly evaluated and sanctioned by respective plant heads. At each CPIL plant, we've designated and stationed safety officers who undertake regular workplace safety inspections and ensure that workers adhere to health and safety protocols. The Heads of Departments (HODs), in collaboration with these safety officers, remain vigilant and oversee the implementation and management of the procedures outlined in the OHS document, with the primary goal of ensuring occupational safety and ensuring zero harm.

Health and safety risk management

Our robust health and safety management system begins with identifying and mitigating hazards. We aim to achieve zero harm within the facility. We classify all incidents into three categories:

High-consequence work-related injury (excluding fatalities) - An injury that has the potential to cause death or extensive injury.

Fatality- An occurrence of death by accident

Total recordable work-related injuries- Work-related injury or ill health that results in days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness etc.

Aligned with our aspirations, we conduct hazard identification exercises for all routine and non-routine jobs, based on which risks are observed, assessed and classified as the high, moderate and acceptable, post which risk control and minimization measures are used to bring down the risk index within the acceptable limit. Further, through incident investigation reports, unsafe acts observed, process safety analysis reports through Hazard and Operability (HAZOP) and Hazard Identification (HAZID) studies and recommendations are made, our risk assessment and control process ensure seamless integration of precautions and safety procedures into standard operations.

We are deeply attentive to any safety concerns that employees and workers may face. Consequently, we actively encourage their input during discussions on safety aspects, ensuring a proactive approach to addressing any issues.

In our workplace, there are easily understandable visual instructions in vernacular languages presented as essential rules. These emphasize safe work practices and serve as a guide for safety management. These rules cover various safety aspects such as electrical safety, chemical handling safety, work-at-height safety, road safety, mechanical safety and ensuring worker and workplace safety. Employees and workers are motivated regularly to follow these rules for their own and workplace safety. Additionally, we are seeking to develop performance appraisal system linked to safety performances across all facilities to strengthen worker's participation in safety mechanism.



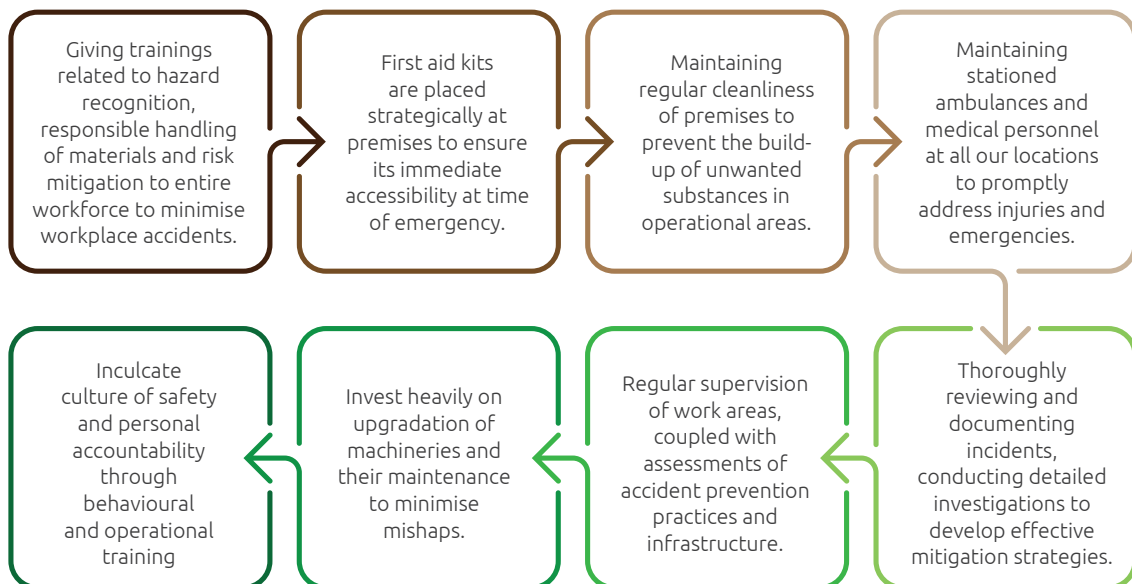
Health and safety measures

At CPIL, we offer health insurance coverage to all our employees and workers. We organize annual health camps in collaboration with top-tier health service providers to ensure their holistic well-being. For example, at our Karnal plant, we organized a health awareness session, in partnership with Medanta to educate employees and workers about diseases like TB and HIV. The aim was to inform individuals about the early symptoms, effects and available treatments for these diseases.

We largely rely on training and raising awareness to ensure the safety of our employees since we feel that prevention is better than cure. We indulge in all possible endeavours to ensure a culture of safety within all units of CPIL by undertaking following steps-



Safety message in vernacular medium



Apart from the above measures, we have implemented specific safety strategies to strengthen the overall safety net, mentioned below:

Strategy

- » Turbo air ventilators to maintain fresh air circulation inside plant sheds
- » Installation of exhaust fans near chemical working areas
- » Appointment of Environmental Officer for environment related activities
- » Strengthen the Work Permit System
- » Strengthen Lockout-Tagout (LOTO) system
- » Regular inspection and repair of roof sheets
- » Scheduled examination of lifting machines within the facilities
- » Provision of the canteen to provide hygienic food
- » Periodic safety meetings to review prevailing standards
- » Emergency lighting at critical points within the factory area and assembly points inside manufacturing facilities in emergencies
- » Proper waste disposal system in all acid handling areas
- » Old structure demolition
- » Electrical safety investigation
- » Implementation of various fire-fighting tools in each unit
- » Arranging "Toolbox talk" shift to promote safety awareness among employees and ensure that they are equipped with the knowledge and skills to prevent workplace accidents and injuries

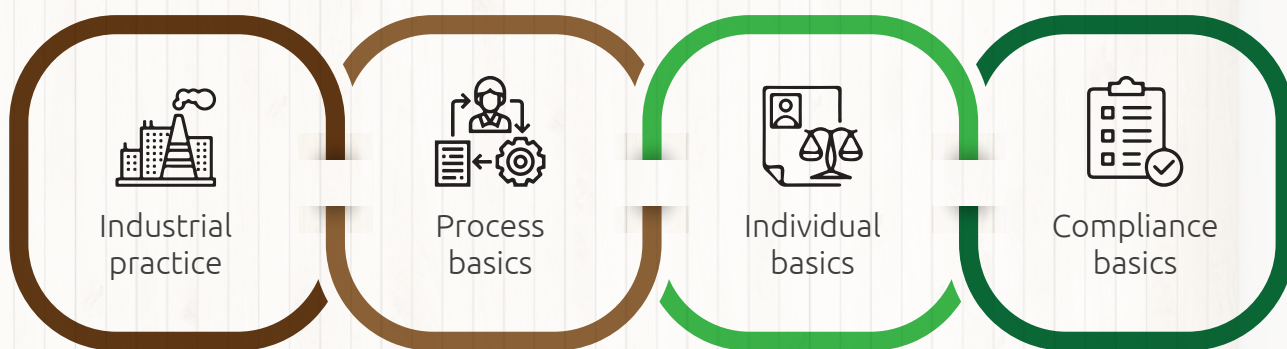


We always believe that developing a Zero Harm culture is an ongoing process that requires commitment, continuous improvement and adaptability. It may take time to achieve this culture, but we are committed to attain.

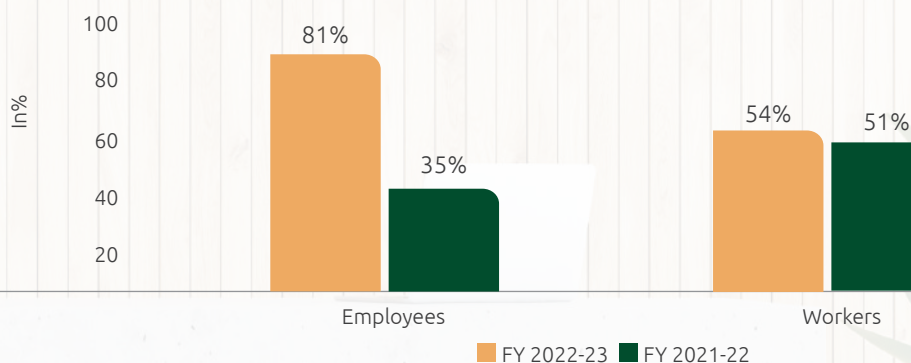
Health and safety training

We highly value the relevance of training in prevention of occupational hazards. We often map the safety related training needs of specific groups and develop modules accordingly. Once the material is in place, we select the trainer and mode of training. Once, the training calendars are made they are communicated to respective groups for participation. At the end of the process the training feedback shows the effectiveness of such sessions. Visible reduction in occupational mishaps show the positive result of such trainings in long run. We have established a “Welfare Section” along with a dedicated accident registers for employees to record any concerns they may have regarding their working conditions and safety. Safety related trainings are executed once during induction and again redone if there is a change in existing process.

Pillars of safety training modules



Health and safety training coverage



Our safety performance

We are happy to state that our total recordable work-related injuries for workers have reduced as compared to the previous reporting period. Our primary objective is to learn from the best practices of other industry leaders to significantly reduce overall injury occurrences and promote a safe working environment. Additionally, we are trying to induct digitalisation in various aspects of safety control to make the entire system safe, sound and secure.

Safety indicators	FY 2022-23		FY 2021-22	
	Employee	Worker	Employee	Worker
High consequence work-related injury or ill-health (excluding fatalities)	0	1	0	0
No. of fatalities (safety incident)	0	1	0	0
Total recordable work-related injuries	167	240	121	269



GRI index



GRI Standard	Disclosure	Location	SDGs Linkage
GRI 2: General Disclosures 2021	2-1 Organizational details	7	
	2-2 Entities included in the organization's sustainability reporting	7	
	2-3 Reporting period, frequency and contact point	7	
	2-5 External Assurance	7	
	2-9 Governance structure and composition	28	
	2-11 Chair of the highest governance body	28	
	2-12 Role of the highest governance body in overseeing the management of impacts	28	
	2-13 Delegation of responsibility for managing impacts	28	
	2-14 Role of the highest governance body in sustainability reporting	28	
	2-22 Statement on sustainable development strategy	52	
	2-23 Policy commitments	29	
	2-27 Compliance with laws and regulations	30	
	2-28 Membership associations	15	
	2-29 Approach to stakeholder engagement	18	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	20	
	3-2 List of material topics	21	
	3-3 Management of material topics	21	
GRI 204: Procurement Practices 2016	3-3 Management Approach	47	
	204-1 Proportion of spending on local suppliers	48	SDG 8 – Decent Work and Economic Growth
GRI 205: Anti-corruption 2016	3-3 Management Approach	31	
	205-2 Communication and training about anti-corruption policies and procedures	31	SDG 16 – Peace, Justice and Strong Institutions
	205-3 Confirmed incidents of corruption and actions taken	31	SDG 16 – Peace, Justice and Strong Institutions
GRI 206: Anti-competitive Behaviour 2016	3-3 Management approach	31	
	206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	31	SDG 16 – Peace, Justice and Strong Institutions



GRI Standard	Disclosure	Location	SDGs Linkage
GRI 302: Energy 2016	3-3 Management approach	33	
	302-1 Energy consumption within the organization	33	SDG 7 – Affordable and Clean Energy SDG 8 – Decent Work and Economic Growth SDG 12 – Sustainable Consumption and Production SDG 13 – Climate Action
	302-3 Energy intensity	33	SDG 7 – Affordable and Clean Energy SDG 8 – Decent Work and Economic Growth SDG 12 – Sustainable Consumption and Production SDG 13 – Climate Action
	302-4 Energy reduction	33	SDG 7 – Affordable and Clean Energy SDG 8 – Decent Work and Economic Growth SDG 12 – Sustainable Consumption and Production SDG 13 – Climate Action
GRI 303: Water and Effluents 2018	3-3 Management approach	35	
	303-1 Interactions with water as a shared resource	36	SDG 6 – Clean Water and Sanitation and SDG-12 Responsible Consumption and Production
	303-3 Water Withdrawal	36	SDG 6 – Clean Water and Sanitation
	303-4 Water discharge	36	SDG 6 – Clean Water and Sanitation
	303-5 Water Consumption	36	SDG 6 – Clean Water and Sanitation
GRI 304: Biodiversity	3-3 Management approach	44	
	304-2 Significant impacts of activities, products and services on biodiversity	44	SDG 6-Clean Water and Sanitation, SDG 14- Life Below Water, SDG 15- Life on Land
GRI 305: Emissions 2016	3-3 Management approach	34	
	305-1 Direct (Scope 1) GHG emissions	34	SDG 3 – Good Health and Well-being SDG 12 – Sustainable Consumption and Production SDG 13 – Climate Action SDG 14 – Life Below Water SDG 15 – Life on Land
	305-2 Energy indirect (Scope 2) GHG emissions	34	SDG 3 – Good Health and Well-being SDG 12 – Sustainable Consumption and Production SDG 13 – Climate Action SDG 14 – Life Below Water SDG 15 – Life on Land
	305-4 GHG emissions intensity	34	SDG 13 – Climate Action SDG 14 – Life Below Water SDG 15 – Life on Land



GRI Standard	Disclosure	Location	SDGs Linkage
GRI 306: Waste 2020	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	37	SDG 3 – Good Health and Well-being SDG 12 – Sustainable Consumption and Production SDG 14 – Life Below Water SDG 15 – Life on Land
	3-3 Management approach	37	
	306-1 Waste generation and significant waste-related impacts	40	SDG 3 – Good Health and Well-being SDG 6 – Clean Water and Sanitation SDG 12 – Sustainable Consumption and Production SDG 14 – Life Below Water SDG 15 – Life on Land
GRI 401: Employment 2016	3-3 Management approach	60	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	60	SDG 3 – Good Health and Well-being SDG 5- Gender Equality SDG 8 – Decent Work and Economic Growth
	401-3 Parental leave	60	SDG 5- Gender Equality SDG 8 – Decent Work and Economic Growth
	3-3 Management approach	60	
	403-2 Hazard identification, risk assessment, and incident investigation	61	SDG 8 – Decent Work and Economic Growth
	403-3 Occupational health services	61	SDG 8 – Decent Work and Economic Growth
	403-5 Worker training on occupational health and safety	61	SDG 8 – Decent Work and Economic Growth
GRI 403: Occupational Health and Safety 2018	405-1 Diversity of governance bodies and employees		SDG 5 – Gender Equality SDG 8 – Decent Work and Economic Growth
	403-8 Workers covered by an occupational health and safety management system	61	SDG 8 – Decent Work and Economic Growth
	403-9 Work-related injuries	61	SDG 3 – Good Health and Well-being SDG 8 – Decent Work and Economic Growth SDG 16 – Peace, Justice and Strong Institutions
	403-10 Work-related ill health	61	SDG 8 – Decent Work and Economic Growth
GRI 404: Training and Education 2016	3-3 Management approach	58	
	404-1 Average hours of training per year per employee	58	SDG 4 – Quality Education SDG 5- Gender Equality SDG 8 – Decent Work and Economic Growth SDG 10 – Reduced Inequalities



GRI Standard	Disclosure	Location	SDGs Linkage
	404-2 Programs for upgrading employee skills and transition assistance programs	59	SDG 8 – Decent Work and Economic Growth
	404-3 Percentage of employees receiving regular performance and career development reviews	58	SDG 5 – Gender Equality SDG 8 – Decent Work and Economic Growth SDG 10 – Reduced Inequalities
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management approach	23	
	405-1 Diversity of governance bodies and employees	23	SDG 5 – Gender Equality SDG 8 – Decent Work and Economic Growth
GRI 406: Non-discrimination 2016	3-3 Management approach	61	
	406-1 Incidents of discrimination and corrective actions taken	61	SDG 5 – Gender Equality SDG 8 – Decent Work and Economic Growth
GRI 407: Freedom of Association and Collective Bargaining 2016	3-3 Management approach	62	
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	62	
GRI 408: Child Labour 2016	3-3 Management approach	63	
	408-1 Operations and suppliers at significant risk for incidents of child labour	63	SDG 8 – Decent Work and Economic Growth SDG 16 – Peace, Justice and Strong Institutions
GRI 409: Forced or Compulsory Labour 2016	3-3 Management approach	63	
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	63	SDG 8 – Decent Work and Economic Growth
GRI 413: Local Communities 2016	3-3 Management approach	50	
	413-1 Operations with local community engagement, impact assessments and development programs	50	
GRI 414: Supplier Social Assessment 2016	3-3 Management Approach	47	
	414-1 New suppliers that were screened using social criteria	47	SDG 5 – Gender Equality SDG 8 – Decent Work and Economic Growth SDG 16- Peace, Justice and Strong Institution
	414-2 Negative social impacts in the supply chain and actions taken	47	SDG 5 – Gender Equality SDG 8 – Decent Work and Economic Growth SDG 16 – Peace, Justice and Strong Institutions



GRI Standard	Disclosure	Location	SDGs Linkage
GRI 416: Customer Health and Safety 2016	3-3 Management approach	48	
	416-1 Assessment of the health and safety impacts of product and service categories	48	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	48	SDG 16 – Peace, Justice and Strong Institutions
GRI 417: Marketing and Labelling 2016	3-3 Management approach	49	
	417-1 Requirements for product and service information and labelling	49	SDG 12- Responsible Consumption and Production
GRI 410: Security Practices 2016	417-2 Incidents of non-compliance concerning product and service information and labelling	49	SDG 16- Peace, Justice and Strong Institution
GRI 418: Customer Privacy 2016	3-3 Management approach	49	
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	49	SDG 16 – Peace, Justice and Strong Institutions



CENTURYPLY

www.centuryply.com

Century Plyboards (India) Limited
CENTURY HOUSE
P15/1, Taratala Road, Kolkata
West Bengal, Pincode - 700088

Independent Practitioner's Assurance Statement

The Management and Board of Directors
Century Plyboards (India) Limited
P15/1, Taratala Road
Kolkata-700088
West Bengal, India

Scope

We have been engaged by Century Plyboards (India) Limited (hereafter "CPIL") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements 3000 (Revised), hereafter referred to as the engagement, to report on following non-financial KPIs (the "Subject Matter"), as contained in Century Plyboards (India) Limited Sustainability Report FY 2022-23, as of 14th March 2024 for the period 1 April 2022 to 31 March 2023 ("the Report").

Sl. No.	GRI KPIs
1	2-7 Employees
2	2-8 Workers who are not employees
3	2-27 Compliance with laws and regulations
4	2-28 Membership associations
5	3-2 List of material topics
6	205-3 Confirmed incidents of corruption and actions taken
7	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices
8	302-1 Energy consumption within the organization
9	305-1 Direct (Scope 1) GHG emissions
10	305-2 Energy indirect (Scope 2) GHG emissions
11	303-3 Water withdrawal
12	306-3 Waste generated*
13	401-3 Parental leave
14	403-9 Work-related injuries
15	404-3 Percentage of employees receiving regular performance and career development reviews
16	405-1 Diversity of governance bodies and employees
17	406-1 Incidents of discrimination and corrective actions taken
18	408-1 Operations and suppliers at significant risk for incidents of child labour
19	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour
20	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services
21	417-3 Incidents of non-compliance marketing communications
22	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

*Only Non-hazardous waste generated.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Century Plyboards (India) Limited

In preparing the subject matter, Century Plyboards (India) Limited applied the Global Reporting Initiative (GRI) Standards, hereafter referred to as “Criteria”. GRI Standards were specifically designed for the select non-financial KPIs included in the Sustainability Report FY 2022-23; as a result, the subject matter information may not be suitable for another purpose.

Century Plyboards (India) Limited’s responsibilities

Century Plyboards (India) Limited management is responsible for selecting the Criteria, and for presenting the select non-financial KPIs included in the Sustainability Report FY 2022-23 in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY’s responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (‘ISAE 3000 (Revised)’), and the terms of reference for this engagement as agreed with Century Plyboards (India) Limited on 01 March 2023 and its subsequent amendment dated 12th February 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our Independence and Quality Management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the select non-financial KPIs included in the Sustainability Report FY 22-23 and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Checking the standard disclosures regarding the company’s material sustainability aspects contained in the report;
- Checking consistency of data / information within the report;
- Testing on a sample basis, underlying source information to check the accuracy of the data for the following sites, through consultations with the site team and corporate sustainability team;

S.No.	Locations	Geography
1.	Head Office	West Bengal, India
2.	Joka Unit	West Bengal, India
3.	Guwahati Unit	Assam, India
4.	Kandla Unit	Gujrat, India
5.	Karnal Unit	Haryana, India
6.	Chennai Unit	Tamil Nadu, India
7.	Hoshiarpur Unit	Punjab, India

- Executing an audit trail of claims and data streams, on a sample test basis, to determine the level of accuracy in collection, transcription and aggregation processes followed;
- Conducting interview of select representatives of Company’s management to understand the current processes in place for collecting, collating and reporting the subject matter as per GRI Standards, and the progress made during the reporting period;
- Checking that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria
- Undertaking analytical procedures of the data and made inquiries of management to obtain explanations for any significant differences we identified
- Identifying and testing assumptions supporting calculations
- Checking the Company's plans, policies, and practices, pertaining to their social, environment and sustainable development, to be able to make comments on the completeness of the reporting.

We also performed such other procedures as we considered necessary in the circumstances.

The assurance scope excludes:

- Data and information outside the defined reporting period-1 April 2022 to 31 March 2023
- Data and information on economic and financial performance of the Company;
- Data, statements and claims already available in the public domain through Annual Report, or other sources;
- The Company's statements that describe the expression of opinion, belief, inference, aspiration, expectation, aim or future intention;




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- The Company's compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the subject matter as of 14th March 2024, for the year ended 31 March 2023, for the period of 1 April 2022 to 31 March 2023, in order for it to be in accordance with the Criteria.

For and on behalf of Ernst & Young Associates LLP

Saunali Saha 

14 March 2024
Kolkata, India