

## Godawari Power and Ispat Limited (GPIL)

GPIL	Previous Score	Rating Symbol	Current Score	Rating Symbol	Rating Movement
ESG Rating	51.0	CareEdge-ESG 3	76.6	CareEdge-ESG 1	↑

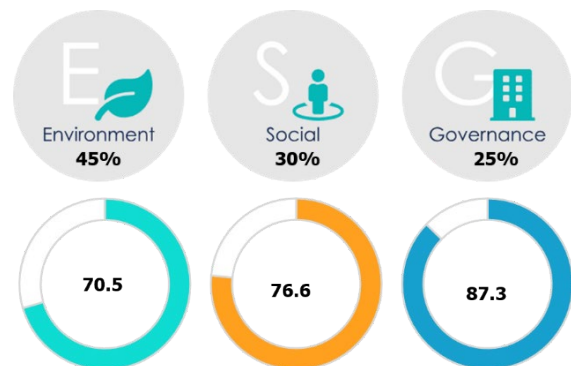
\* [www.careedgeesg.com](http://www.careedgeesg.com) for detailed understanding of CareEdge-ESG’s rating symbols and definitions.

*Leadership position in managing ESG Risk through best-in-class disclosures, policies, and performance*

### ESG Score



### Pillar Weights & Scores



Data Transparency Level: **High**  
 Data Reporting Boundary: **Standalone**  
 Overall Transition Pathway Trajectory: **Adequate**  
 Environment Transition Pathway Trajectory: **Adequate**  
 Social Transition Pathway Trajectory: **Adequate**

### Rating Scale



All scores are on the scale of 0 – 100

### Rating Rationale

The rating assigned to Godawari Power & Ispat Limited (GPIL) reflects the company’s commitment to sustainable practices within the iron and steel manufacturing sector. GPIL has made notable progress in its ESG journey, particularly with respect to reducing its carbon footprint, increasing the use of renewable energy, and strengthening employee safety and development initiatives. The company’s strategic focus on enhancing energy

efficiency, adopting low-carbon technologies, and diversifying its energy mix positions it well in its transition towards more sustainable operations.

The rating also factors in GPIL's initiatives related to human capital management and workforce health and safety. These include measures to address workplace hazards, improve employee well-being, and promote gender diversity within the workforce. Further, the company's efforts to increase renewable energy usage, strengthen water and waste management practices, and reduce Scope 1 and Scope 2 emissions underscore its commitment to transitioning towards low-carbon operations. This transition is supported through target setting and the prospective use of advanced technologies to mitigate plant-level ecotoxicity. GPIL has demonstrated tangible progress on environmental initiatives through investments in solar and biomass energy, alongside setting ambitious targets to reduce emissions, water consumption and waste to landfill. GPIL showcased strong performance across key social parameters, supported by a dedicated health and safety team and a comprehensive occupational health and safety management system. The company follows systematic processes for hazard identification and risk assessment, maintains robust emergency preparedness and response plans, and implements well-defined safety protocols along with structured training programs. In addition, GPIL promotes human capital development through inclusive growth initiatives, strengthening workforce capabilities across its operations. Additionally, the company's governance framework—supported by a dedicated ESG Committee and adherence to BRSR principles—further reinforces its commitment towards sound governance practices.

However, the rating is moderated by certain areas that require further strategic strengthening and more concrete initiatives to enhance overall ESG performance. While GPIL has undertaken measures to reduce emissions, additional efforts are warranted given the inherently high environmental impact of the industry and the company's anticipated capacity expansion in the near future, driven by rising demand. The absence of comprehensive Scope 3 emissions tracking also continues to constrain the overall rating. Further, several short-term targets set by the company across areas such as renewable energy, waste generation, water recycling, and energy efficiency have reached their target year of FY25. A comprehensive assessment outlining the extent to which these targets have been achieved, along with clarity on targets that may require revision, would provide a more transparent and holistic view of the company's ESG practices and progress. GPIL also lacks structured and targeted diversity initiatives, including focused efforts to enhance the recruitment of women. Further, inadequate coverage of workers under skill upgradation and health & safety training programmes has negatively impacted the company's score. In addition, the absence of paid paternal leave provisions remains a gap in the company's human capital practices.

Overall, GPIL's ESG score of 76.6 reflects a leadership position in managing its ESG performance, placing the company among the best performers in its industry. GPIL has demonstrated initiatives that are ahead of the

industry median in areas such as emission reduction, biodiversity, energy efficiency, community development and employee welfare. The company has evolved from a predominantly compliance-driven approach in the previous year and has since incorporated most of the recommendations provided by CareEdge-ESG. These include initiatives beyond regulatory requirements, such as publishing a Sustainability Report with disclosures exceeding mandatory BRSR norms, setting medium to long-term targets, undertaking comprehensive biodiversity measures, and adopting a more structured approach to CSR fund allocation. Collectively, these actions have contributed to the significant improvement in the company's ESG score.

## Environment Score



The Environmental pillar holds significant relevance in the iron and steel manufacturing sector due to its large-scale ecological impact accounting to high emissions, substantial energy consumption, extensive water consumption and voluminous waste generation. For GPIL, this pillar carries a weight of 45%. In FY25, GPIL demonstrated strong efforts towards improving its environmental impact

through its commitment to carbon emission reduction, biodiversity preservation and efficient management of energy and water.

In line with practices adopted by leading industry players, GPIL has achieved a score of 73.8 out of 100 in the theme of carbon emissions and featured in the top quartile by undertaking multiple initiatives aimed at reducing its overall carbon footprint. These efforts include commissioning newer facilities to enhance renewable energy capacity and increase the share of renewable energy usage, transitioning from coal gas to natural gas in its manufacturing operations, and improving process efficiency across multiple units. In addition, the company is investing in green technologies such as carbon capture, utilisation and storage (CCUS) and green hydrogen to further support its decarbonisation strategy. Complementing these initiatives, GPIL has an innovative waste heat recovery project in the pipeline. Under this project, the planned 6.91 MW captive power plant is expected to generate approximately 50,000 MWh of clean energy annually, resulting in an estimated reduction of around 38,856 tonnes of CO<sub>2</sub> emissions each year. The project is scheduled to be completed by FY26. Further, the company utilises high-grade imported coal, which has led to a 30% reduction in coal consumption in the DRI process—the segment generating the majority of its emissions at 1.6 tCO<sub>2</sub>e per tonne of sponge iron production. GPIL has also initiated the measurement of its Scope 3 emissions across various categories, with completion expected by FY26. In addition, the company has set greenhouse gas (GHG) reduction targets that are appropriately distributed across medium-term and long-term time horizons. As a result of these concerted efforts, GPIL has reduced its Scope 1 emissions intensity to 0.67 tCO<sub>2</sub>e per tonne of crude steel production (tcs) in FY25, significantly lower than the industry median of 2.2 tCO<sub>2</sub>e per tcs. Scope 2 emissions have remained broadly stable compared to the previous year at 0.12 tCO<sub>2</sub>e, which is at par with the industry median.

Alongside its decarbonisation initiatives, GPIL has undertaken focused and comprehensive measures towards biodiversity during the current year which has led to it scoring 77.5 in the theme of Biodiversity, way higher than the industry median (of 63.8). The company has engaged a third party to assess biodiversity in and around its industrial plants and has charted objectives and mitigation measures based on the findings of this assessment. In addition, GPIL aims to develop areas surrounding its industrial plant in Raipur into a green belt and is undertaking multiple initiatives to achieve this objective. The company has also conducted a materiality assessment, through which biodiversity has been identified as a key material issue. Further, GPIL holds ISO 14001 certification and has strategies in place to incorporate climate-related risks and opportunities into its business decision-making processes.

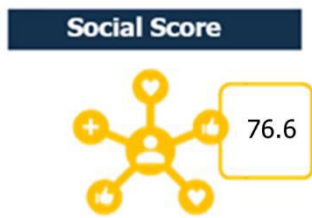
GPIL also continues to focus on improving energy efficiency across its operations. It has scored 85.2 in the theme of energy efficiency, higher than the industry median of 78.5. The company regularly assesses and replaces older machinery with newer technologies that enable more energy-efficient processes. This includes upgrading from smaller induction furnaces, which consume higher energy, to larger 15T and 30T capacity furnaces, thereby achieving a significant reduction in specific power consumption. These initiatives have contributed to a 9% year-on-year reduction in energy intensity, with GPIL consuming 11.1 joules per tcs in FY25, compared to the industry median of 19.04 joules per tcs in the same year.

However, despite taking initiatives towards waste and water management, GPIL's waste and water intensities increased in the current year compared to the previous year. This increase is primarily attributed to the commissioning of a new production facility. The company's waste intensity per tcs increased from 0.3 metric tonnes in FY24 to 0.45 metric tonnes in FY25, although it remains below the industry median of 0.7 metric tonnes per tcs. Similarly, GPIL's water consumption intensity increased marginally from 1.49 KL per tonne in FY24 to 1.52 KL per tonne in FY25 yet continues to remain below the industry median of 2.6 KL per tcs.

The company is in the top quartile in the theme of waste management with a score of 57.0, just below the industry median of 58.7, which along with the above data shows that the company's initiatives towards effective waste management and recycling are yielding results. GPIL sells waste materials such as scrap, clinker ash, char, and dolochar, which are reused in captive power plants and brick manufacturing units. Dust collected from settling chambers and electrostatic precipitators (ESPs) is utilised in brick manufacturing and for the reclamation of low-lying areas. Slag is processed such that its magnetic portion is reused in the steel melting shop for remelting, while the non-magnetic portion is applied in road base construction, cement manufacturing, and low-lying area reclamation. Other materials, including fly ash, mill scale, tailings, and ash from the coal gasification plant, are used in road base construction, brick and cement manufacturing, embankments, and for filling low-lying areas.

With respect to water management, initiatives such as implementing water positivity measures and substituting freshwater with treated water have supported GPIL in maintaining water consumption levels below the industry median and being in the top quartile in this theme too with a score of 62.6. The company has a groundwater recharge capacity of approximately 483,537 KL through rainwater harvesting and has set a target to reduce domestic borewell water usage by 20% by 2027. GPIL has also achieved zero liquid discharge. Nevertheless, the company will need to continue strengthening its efforts in both waste and water management to ensure a consistent year-on-year transition towards lower intensity levels per tcs.

Further strengthening its environmental performance, GPIL undertakes life cycle assessments as part of its environmental initiatives. The company has engaged a third party to conduct a comprehensive cradle-to-gate life cycle assessment of its iron pellets product, which accounts for approximately 35% of its total turnover. These initiatives distinguish GPIL from its peers and reflect its commitment to a more sustainable future. With an emphasis on transparency, GPIL also engages third parties for the assessment and verification of its environmental data, covering emissions, energy, water, and waste.



For the iron & steel manufacturing sector, the social pillar accounts for 30% of the sector’s overall weight. With a social score of 76.6, GPIL holds the leadership position among its industry peers, demonstrating its strong performance across parameters such as employee health & safety, community support & development, human capital, and human rights, which together contribute over 75% of the overall weightage given to this pillar.

GPIL held a leadership position among its peers with a score of 81.2 in the employee health and safety theme, highlighting the strength of its health and safety management systems across operations. Safety is a fundamental priority deeply embedded in the company’s operational framework. GPIL is committed to occupational health and safety and strives to provide a safe working environment for all employees, contractors, and visitors through proactive risk management, regular training, and advanced safety programs, demonstrating its strong focus on workforce well-being. A dedicated health and safety team oversees compliance and implementation across all sites, with the adoption of ISO 45001 standard. Employee health and well-being are supported through a comprehensive occupational health and safety management system that clearly defines responsibilities for both employers and employees and includes a structured preventive action plan. GPIL conducts systematic hazard identification and risk assessments across all operational areas to proactively identify and mitigate potential health and safety risks. Key health and safety performance indicators are regularly monitored and measured to evaluate the effectiveness of the OHSMS, enabling continuous improvement through a data-driven approach. The company has established emergency preparedness and response plans to address various scenarios, including fires, medical emergencies, and natural disasters. Employees receive regular training

on these plans and participate in periodic drills to ensure effective response during emergencies. Robust safety protocols and structured training programs have been implemented to mitigate risks and foster a strong safety culture. These measures include the mandatory use of personal protective equipment, structured incident and near-miss reporting systems, and ongoing safety drills to ensure a safe and compliant work environment. GPIL has also implemented a comprehensive process for identifying work-related hazards and assessing risks for both routine and non-routine activities. This process includes regular inspections, a well-established incident reporting mechanism that encourages timely reporting of near misses and accidents, and continuous training and awareness programs on hazard recognition and risk assessment methodologies. By equipping employees with the knowledge and skills to proactively address safety risks, GPIL promotes a culture of safety across the organization. Structured mechanisms are in place to enable employees to report work-related hazards and, if necessary, remove themselves from unsafe conditions. Multiple reporting channels are available, including direct communication with supervisors, submission of hazard or incident reports, use of safety suggestion programs, and participation in safety meetings or committees, empowering employees to actively contribute to workplace safety. In addition to occupational health and safety measures, GPIL provides employees and workers with access to comprehensive non-occupational medical and healthcare services. In FY25, 99.8% of employees and 44.9% of workers received health and safety training. The company recorded a low total recordable injury rate of 0.0003 and an average lost time injury frequency rate of 0.17 in FY25. Notably, GPIL reported zero workforce fatalities during the year, reflecting its sustained commitment to maintaining a safe and healthy workplace.

GPIL secured a leadership position among its peers with a score of 77.8 in the community support and development theme. The company follows a structured, transparent, and compliant approach to community development, fully aligned with the corporate social responsibility (CSR) provisions of the Companies Act, 2013. GPIL has established a comprehensive CSR policy that reflects its long-standing commitment to social welfare and inclusive growth. Through its CSR initiatives, the company has contributed to employment generation in rural and semi-urban areas during FY25, thereby supporting local livelihoods. Notably, 100% of employee wages in FY25 were paid to individuals based in smaller towns. Over the past three years, GPIL has consistently utilized more than 100% of its CSR allocations, demonstrating a strong focus on social impact, accountability, and effective fund utilization. In FY25, GPIL allocated INR 887.62 lakhs toward CSR projects in Aspirational Districts, with 100% of beneficiaries belonging to vulnerable and marginalized communities. To further strengthen community engagement and ensure responsiveness, the company has implemented a robust grievance redressal mechanism. This mechanism enables communities to raise concerns and provide feedback through a structured process that includes grievance identification, fact verification, evaluation of appropriate solutions, implementation of corrective actions, and measures to prevent recurrence.

GPIL ranks in the top quartile among its peers with a score of 56.2 in the human capital theme. The company has a clearly defined strategy that reflects its commitment to fostering diversity, equity, and inclusion, creating

economic opportunities, reducing inequalities, and promoting inclusive growth across its operations. At the core of GPIL's workforce management philosophy is the creation of an environment where individuals from diverse backgrounds feel valued, respected, and empowered to contribute meaningfully. The company's approach to diversity and equity is grounded in fairness and equal opportunity, ensuring that recruitment, talent development, and leadership practices reflect a strong culture of inclusion. By embracing diverse perspectives and providing equitable growth opportunities, GPIL aims to build a workplace that supports its people and mirrors the diversity of the communities it serves. Local hiring for senior management positions is undertaken based on organizational requirements and requisite qualifications, aligning with the company's commitment to merit-based recruitment while supporting diversity and equity objectives. To enhance workforce capabilities, GPIL places strong emphasis on talent nurturing and building future-ready skills across the organization. The company follows a comprehensive and structured talent development framework, offering a wide range of initiatives such as technical training modules, domain-specific workshops, certification programs, and collaborative knowledge-sharing platforms. Induction programs, periodic safety drills, and continuous awareness campaigns are conducted to ensure that both employees and contractual personnel are well-equipped to operate safely and efficiently in a dynamic industrial environment. GPIL also maintains a robust employee and worker grievance redressal mechanism designed to ensure fair, transparent, and timely resolution of workplace concerns. However, the company does not currently provide paid paternal leave for its workforce. The cost incurred on employee well-being initiatives, expressed as a percentage of total revenue, increased from 0.3% in FY24 to 0.8% in FY25, reflecting enhanced focus on employee welfare. In FY25, GPIL reported a male employee turnover rate of 17% and a female employee turnover rate of 26%. The female-to-male employee ratio stood at 2 females per 100 males during the year. In terms of pay equity, the median pay ratio of female to male employees improved to INR 92 per INR 100 of male employees' median pay in FY25, compared to INR 75 in FY24. However, the median pay ratio of female to male workers declined from INR 94 per INR 100 of male workers' median pay in FY24 to INR 69 in FY25. Reinforcing its focus on workforce development and sustainability integration, GPIL provided skill upgradation training to 99.8% of its employees and 44.9% of its workers in FY25. In addition, 100% of employees (excluding board of directors [BoDs] and key managerial personnel [KMPs]) were trained on BRSR principles, underscoring the company's commitment to embedding sustainability within its human capital practices.

GPIL ranks in the top quartile among its peers with a score of 81.4 in the human rights theme, demonstrating its sustained commitment to upholding human rights across all areas of its operations. The company has implemented a comprehensive human rights policy that recognizes and respects the rights of all stakeholders, including employees, customers, investors, and supplier partners, both within and beyond the workplace. GPIL actively engages with stakeholders such as customers, suppliers, and investors to promote and support human rights principles across its business relationships. To address human rights impacts and concerns, the company

has constituted an internal complaints committee under the Prevention of Sexual Harassment (POSH) Act and has designated the chairman of the audit committee to oversee the whistle blower mechanism. Human rights requirements are embedded into business agreements and supplier contracts, reinforcing responsible business conduct throughout the value chain. To prevent retaliation and safeguard complainants in cases of discrimination and harassment, GPIL has established robust mechanisms supported by a comprehensive set of policies, including the whistle blower policy, grievance redressal mechanism, and anti-sexual harassment policy. With its anti-sexual harassment policy, GPIL ensures the safety of women and prevent sexual harassment at the workplace. In FY25, 99.8% of employees and 100% of workers received training on human rights policies. In addition, 100% of employees were trained on POSH guidelines, further strengthening awareness and compliance across the organization.



The Governance pillar carries a weight of 25%. With a Governance score of 87.3, GPIL secured the leadership position among its industry peers, demonstrating a strong commitment to overseeing its ESG initiatives and ensuring the effective integration of sustainability goals into its operations.

GPIL ranks in top quartile among its peers with a score of 93.9 in the theme of business ethics, reflecting its strong dedication to ethical governance and responsible corporate conduct. The company has instituted a comprehensive Code of Conduct, insider trading controls, whistleblower protection, anti-corruption and anti-bribery frameworks, and conflict of interest management processes. Ethical standards are also extended to value-chain partners through supplier code of conduct and anti-corruption, although training coverage for suppliers remains an area for improvement. GPIL secured in leadership position among its peers with a score of 76.1 in the theme ESG oversight, demonstrating its structured and transparent approach to sustainability. The company has board-approved ESG policies covering the majority of BRSR principles, defined targets and initiatives, a formal ESG materiality assessment, and dedicated ESG Committee, which plays a key role in steering the implementation of ESG strategies and developing new initiatives. Reviews of ESG performance and statutory compliance are conducted regularly, on an annual and quarterly basis, respectively with no BRSR principles pending review. While annual review of BRSR principles ensures board-level approval and implementation, increasing the frequency of performance reviews to a quarterly or semi-annual basis could enable more continuous monitoring and strengthen governance outcomes. The company has also established an environmental and sustainability team to manage sustainability-related issues. However, R&D and capex investments in technologies aimed at improving environmental and social impact remain relatively low, indicating scope for further enhancement. In terms of grievance redressal and stakeholder protection, the company maintains formal grievance mechanisms for both investors and shareholders, with 100% resolution rates reported for the current fiscal year, reflecting transparency, responsiveness, and accountability to stakeholders.

The company also demonstrates structured stakeholder engagement processes which were unavailable during FY24.

In the theme of Board Composition, GPIL ranks in top quartile among its peers with a score of 89. The company demonstrates a robust and well-structured governance framework; company complies with the Companies Act 2013 and SEBI Listing Regulations with respect to board and committee independence. The Board meets the statutory requirements on overall independence, and the Audit Committee, Nomination and Remuneration Committee (NRC), Risk Management Committee, and CSR Committee are constituted in accordance with applicable regulatory norms. The chairpersons of the Audit Committee and NRC are independent directors, and independent directors are present as per the statutory norms in both committees. Further, the Risk Management Committee comprises at least two-thirds independent members, and the CSR Committee also meets the independence requirements under the Companies Act 2013. Board effectiveness is supported by high sector-relevant experience among directors. Shareholder dissent on key resolutions, including appointment of independent directors and related party transactions, remains minimal.

In the theme of remuneration, GPIL scored 59.3 which is below the industry median of 71.2. The CEO-to-median employee pay ratio is 69.3, which is slightly higher than the industry median of 68.0, which may warrant closer monitoring from pay-parity perspective. In addition, board compensation as percentage of total compensation stands at 7.1% in FY25. In the theme of reporting, filing, and disclosure, GPIL scored 100. The company has established comprehensive enterprise risk management processes. Further, the company has demonstrated strong practices through timely filings, no restatements, unqualified audit opinions, and low non-audit fee exposure. Overall, the company's governance profile can be characterized as strong and compliant-driven, with effective board oversight, ethical safeguards, stakeholder protection, and ESG integration. Incremental improvements in remuneration linkage, supplier capability building, ESG due diligence in acquisitions, and formal risk certifications would further enhance governance quality.

## Key Rating Drivers

### Strengths

#### **Comprehensive and outcome-driven approach to carbon emissions reduction**

The iron and steel industry, one of the largest industrial sources of carbon emissions, has been taken several measures such as decrease in fossil fuel usage, improve energy efficiency, and adopt advanced technologies to reduce direct and indirect emissions thereby diminishing its environmental footprint. The industry is making gradual shift towards low-carbon alternatives and striving to achieve net-zero emissions in the coming future.

Carbon emissions management stands out as a key strength for GPIL, underpinned by a broad and well-integrated set of decarbonisation initiatives combined with strong, outcome-oriented performance metrics. In line with leading industry practices, the company has undertaken multiple measures to reduce its overall carbon footprint, including commissioning newer facilities to increase renewable energy capacity and usage, transitioning from coal gas to natural gas in its manufacturing operations, and improving process efficiency across multiple units. These operational interventions are further supported by GPIL's investments in green technologies such as carbon capture, utilisation and storage (CCUS) and green hydrogen, reflecting a forward-looking approach to emissions reduction.

GPIL's decarbonisation strategy is strengthened by project-level interventions, most notably its waste heat recovery project. The planned 6.91 MW captive power plant is expected to generate approximately 50,000 MWh of clean energy annually and deliver an estimated reduction of around 38,856 tonnes of CO<sub>2</sub> emissions each year, with completion targeted by FY26. In addition, the company's use of high-grade imported coal has resulted in a 30% reduction in coal consumption in the DRI process, which is the most emission-intensive segment of its operations, generating 1.6 tCO<sub>2</sub>e per tonne of sponge iron production.

These initiatives have translated into measurable improvements in emissions performance. GPIL reduced its Scope 1 emissions intensity to 0.67 tCO<sub>2</sub>e per tonne of crude steel production in FY25, significantly outperforming the industry median of 2.2 tCO<sub>2</sub>e per tcs, while Scope 2 emissions intensity remained stable at 0.12 tCO<sub>2</sub>e, in line with the industry median. Further strengthening this theme, the company has initiated measurement of Scope 3 emissions across multiple categories, with completion expected by FY26, and has set greenhouse gas reduction targets distributed across medium- and long-term time horizons. Collectively, these initiatives and outcomes highlight carbon emissions management as a clear and material strength within GPIL's overall ESG performance.

### **Structured and proactive biodiversity management**

Biodiversity management represents a notable strength in GPIL's environmental performance, supported by focused, structured, and increasingly comprehensive initiatives undertaken during the current year. The company has engaged a third-party agency to conduct a biodiversity assessment in and around its industrial plants, enabling GPIL to systematically identify biodiversity-related impacts, risks, and dependencies. Based on the findings of this assessment, the company has charted clear objectives and corresponding mitigation measures, reflecting a more informed and outcome-oriented approach to biodiversity management.

In addition to assessment-led planning, GPIL has undertaken multiple initiatives aimed at developing areas surrounding its industrial plant in Raipur into a green belt, thereby supporting local ecosystem enhancement. The company has also strengthened the strategic relevance of biodiversity within its ESG framework by conducting a materiality assessment, through which biodiversity has been identified as a key material issue. Further reinforcing its environmental management practices, GPIL holds ISO 14001 certification and has put strategies in place to integrate climate-related risks and opportunities into its business decision-making

processes. Collectively, these measures demonstrate a structured and proactive approach to biodiversity, positioning it as a key area of strength within GPIL's environmental performance.

## **Effective and Circular water stewardship**

Water management is a critical issue in the iron and steel industry due to the sector's high dependence on water for cooling, processing, and material handling, coupled with increasing water stress and regulatory scrutiny. Efficient water use, recycling, and minimization of freshwater withdrawal are therefore central to reducing operational risks and improving environmental performance. Consequently, companies that demonstrate lower water intensity and robust water stewardship practices are better positioned to manage resource constraints and ensure long-term operational resilience. Water management emerges as a key strength for GPIL, supported by a combination of operational initiatives and performance outcomes that keep its water intensity below industry benchmarks. The company has implemented water positivity measures and increased the use of treated water in place of freshwater, contributing to efficient water utilisation across its operations. As a result, despite a marginal increase in water consumption intensity from 1.49 KL per tonne in FY24 to 1.52 KL per tonne in FY25 due to the commissioning of a new production facility, GPIL's water intensity remains well below the industry median of 2.6 KL per tcs. GPIL has further strengthened its water stewardship through infrastructure-led initiatives. The company has a groundwater recharge capacity of approximately 483,537 KL through rainwater harvesting, supporting long-term water availability. In addition, GPIL has achieved zero liquid discharge, reflecting strong controls over wastewater generation and discharge. The company has also set a target to reduce domestic borewell water usage by 20% by 2027. While GPIL's water consumption intensity remains below the industry median, the year-on-year increase from FY24 to FY25 indicates emerging pressure on water efficiency, largely due to capacity additions. This underscores the need for sustained and enhanced focus on water management initiatives to ensure a consistent downward trajectory in water intensity per tonne of production going forward.

## **Stringent measures addressing health and safety of workforce**

The manufacturing entities and iron & steel industry, known for its high-risk operational intensity, faces serious challenges of workplace hazards and health. With the rising focus on employee well-being, the industry is increasingly adopting stringent safety standards, ensuring safe working environment and proactively address hazards. In line with these industry-wide efforts, GPIL maintains a strong commitment to employee health and safety. The company operates a dedicated 24x7 health and safety team (comprising full time doctors and ambulances) to cater to employee & workers well-being (via physiotherapy and exhaustive medical tests) and any workplace hazards. A clear reporting process is in place to address any potential hazards, ensuring employees can report safety concerns in a safe and transparent manner. All employees & workers are covered under health and accidental life insurance. Further to minimize and inscribe any potential risks, GPIL's plants and offices undergo regular third-party safety assessments to ensure maintenance of highest safety standards.

## **Adequate oversight into ESG with stakeholder engagement process and feedback mechanism albeit necessity of more frequent performance review**

As the importance of ESG factors continues to grow across industries & geographies, there is much needed focus on robust governance structures to effectively oversee ESG initiatives. Best practices in this area include the development of materiality matrices, regular compliance reviews, and a strong commitment to transparent reporting. Companies need to also ensure alignment of their ESG strategies with statutory requirements and industry standards to drive positive long-term impacts on sustainability coupled with driving business performance. GPIL has also taken a proactive approach by establishing a separate ESG Committee to oversee the implementation of its ESG strategies and to develop new initiatives. However, the committee needs to play a more proactive role in ensuring that the company's sustainability goals are strategically integrated into its operations and aligned with global best practices. To further demonstrate its commitment to transparency, GPIL has published detailed ESG data in its annual report with an overall data transparency of 73.8% (industry median: 76.6% | BRSR transparency: 77.8%), offering stakeholders clear insights into its ESG performance; although there is still substantial room for enhancement in ESG data disclosures that the company needs to explore. GPIL's compliance and performance on ESG initiatives and NGRBC (National Guidelines on Responsible Business Conduct) principles alignment are reviewed quarterly and annually respectively. This governance structure reinforces GPIL's dedication to sustainability and responsible business practices to a satisfactory extent.

### **Weaknesses**

#### **Limited Target Tracking, Disclosure, and Granularity in Long-Term Commitments**

An important area for improvement in GPIL's ESG performance relates to the monitoring, disclosure, and evolution of its ESG targets after the completion of defined timelines. While the company had set short-term targets across key themes such as renewable energy, waste, water, and biodiversity, several of these targets reached their target year in FY25. The absence of a consolidated progress assessment detailing the extent of achievement, partial progress, or areas requiring further action limits transparency and makes it challenging for stakeholders to comprehensively evaluate outcomes. Clear post-target reporting is an important element of mature ESG practices, as it enables performance benchmarking and strengthens stakeholder confidence.

Further, greater clarity around the setting of revised or successor targets following the completion of earlier ones would enhance GPIL's forward-looking ESG planning. Periodic recalibration of targets helps demonstrate continuity in improvement efforts, incorporation of operational learnings, and alignment with evolving regulatory and stakeholder expectations. In the absence of clearly articulated next-phase targets, there is a risk that the momentum achieved through earlier initiatives may not be fully sustained over the medium term.

In addition, while GPIL has articulated a long-term net-zero ambition, the commitment would benefit from being supported by more granular, time-bound intermediate milestones. Breaking down long-term goals into clearly defined and achievable phases enhances accountability and allows for more effective tracking of progress over

time. This is particularly relevant for the iron and steel sector, where emissions reduction pathways are capital-intensive and require sustained, staged implementation. Strengthening target granularity and disclosure would further improve the clarity, credibility, and robustness of GPIL's ESG strategy.

## **Waste Management Practices at GPIL**

Waste management is a critical concern in the iron and steel industry, as the sector generates large volumes of solid waste across various stages of iron and steel production, which, if not managed effectively, can result in environmental degradation and adverse health impacts. As an integrated steel producer, GPIL generates multiple categories of solid waste as an inherent by-product of its operations and has undertaken several initiatives aimed at managing and recycling waste across its facilities.

From a performance perspective, GPIL's waste intensity remains below the industry median, which is a positive indicator and reflects the effectiveness of its waste recycling and diversion practices. However, the company's waste intensity increased year-on-year from 0.3 metric tonnes per tonne of crude steel (tcs) in FY24 to 0.45 metric tonnes per tcs in FY25, indicating a deterioration in waste generation efficiency on a per-unit basis. While this increase may be partly linked to operational changes, a rising waste intensity is unfavourable from an environmental standpoint and underscores the need for stronger waste minimisation controls.

In addition, GPIL has not set specific, time-bound targets focused on reducing the absolute quantum or intensity of waste generated, which limits visibility on the company's long-term waste reduction trajectory. The current emphasis appears to be largely on diverting waste from landfill through reuse and recycling, rather than on preventing waste generation at source. Further, the absence of a dedicated policy or articulated strategy for hazardous waste management weakens the overall robustness of the company's waste governance framework. Although GPIL has initiatives and a general approach towards waste management, the lack of a standalone, comprehensive waste management policy reduces clarity around accountability, implementation mechanisms, and long-term strategic intent. Collectively, these factors moderate confidence in GPIL's waste management performance despite its relatively better positioning against industry benchmarks.

## **Limited Progress on Gender Equality and Diversity Initiatives**

It is essential for companies to embrace gender equality as it fosters innovation and creates a more inclusive workplace. And GPIL promotes gender equality with a female-to-male ratio of 0.014. However, GPIL's median pay ratio of female-to-male employees is 0.92. Moreover, GPIL has not yet introduced any diversity and inclusion initiatives, while its industry-leading peers have made significant strides in this area. One such peer has been recognized as a top employer for LGBT+ inclusion by both the India Workplace Equality Index (IWEI) and the World Economic Forum. Additionally, GPIL has not provided paid parental leave for its employees. While all of its plants and offices are accessible to a differently abled workforce, GPIL has yet to hire or onboard any differently abled employees or workers. In contrast, its best-in-class peers have onboarded more than 100 differently abled workers across their plants.

## Key ESG Parameters of GPIL

Parameters	Unit	FY 2025	Industry Median
<b>Environment</b>			
Scope 1 intensity	tCO2e equivalent/ton of production	0.7	2.4
Scope 2 intensity	tCO2e equivalent/ton of production	0.1	0.1
Scope 3 intensity	tCO2e equivalent/ton of production	NR	0.6
Renewable energy consumption	% (of total energy consumption)	10.95%	0.3%
Air emission intensity	tCO2e equivalent/ton of production	0.002	0.001
Energy intensity	GJ/ton of production	10.1	19.0
Water intensity	KL/ton of production	1.5	4.1
Waste intensity	MT/ton of production	0.45	0.7
<b>Social</b>			
Male Employee turnover	%	17.0%	17.0%
Female Employee Turnover	%	26.0%	12.0%
Female to male employees' ratio	Per 100 male employees	2	3
Female to male median pay	Per INR 100	92	79
Workforce Fatality rate	Total fatalities/total workforce	0	0
Health & safety complaints	#	0	0
POSH complaints resolved over reported	X/Y	0/0	-
<b>Governance</b>			
No. of Females in board	#	2	-
No. of Females in SMPs	#	0	0
% board members trained on BRSR	%	100%	100%
% KMPs trained on BRSR	%	100%	100%
Income gap ratio (CEO to median pay)	X:Y	69.3:1	68.0:1

Data source: company, public sources, CareEdge-ESG research & analysis

NR = Not Reported | BMP = Biodiversity Management Plans | SMP = Senior Management Personnel | KMP = Key Managerial Personnel  
KL = Kilotres

## Rating Sensitivities

### Positive Factors

- ✓ Significant transition towards renewable energy consumption
- ✓ Reduction in Scope 1 and Scope 2 emissions with targets set
- ✓ Continuous investments in energy and efficient technologies
- ✓ Promotion of gender equality
- ✓ Consistent training to value chain

### Negative Factors

- χ Consistent insufficient focus on biodiversity management
- χ Continued arbitrary utilization of CSR fund utilization and absence of CSR project identification

- χ Delay in implementing the reg-tech system setup
- χ Decline in median pay ratio of female vs male employees
- χ Workplace hazards & safety complaints

## Analytical approach

**Rating boundary:** CareEdge-ESG has considered standalone data of GPIL for assessment, which is in line with GPIL's disclosure in BRSR.

## Methodology/Criteria

For detailed understanding of the criteria and methodology used by CareEdge-ESG, please refer to the methodology document available on [www.careedgeesg.com](http://www.careedgeesg.com)

## About the company and industry

Godawari Power and Ispat Ltd. (GPIL), established in 1999, is a leading player in India's steel manufacturing and power sectors. The company specializes in the production of steel products such as sponge iron, billets, TMT bars, and ferro alloys, with a focus on catering to a wide range of industrial customers. GPIL also has a significant presence in the power sector, generating both captive and surplus power, which is used into the grid. The company's operations are managed by a skilled team with extensive experience in the steel and energy industries.

With a strong manufacturing base in Raipur, Chhattisgarh, GPIL's operations contribute to a diversified revenue model, with steel manufacturing (~70-75% of total revenue) and power generation (~25-30%) being the key segments. The company's footprint extends across India, particularly in Chhattisgarh, where it operates its core manufacturing and power facilities. GPIL is committed to sustainability and community development, with a focus on promoting clean energy, resource conservation, and social welfare initiatives for the local communities around its operations.

Additionally, the company has grown its distribution network, ensuring its products reach customers across various states. Through its strong commitment to innovation and growth, GPIL aims to continue being a key player in the steel and power industries while contributing to India's economic development.

## Source of information

While assigning the ratings, CareEdge-ESG has considered publicly available information such as annual reports of the company and other policies, sustainability reports, certifications, BRSR reports, additional information and comments provided by the company.

**Status of non-cooperation with previous ERP:** Not applicable

## Rating history for last three years:

Sr. No.	Name of Product	Current Rating		Rating history		
		Rating Dec. 27, 2025	Score	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1	ESG Rating	CareEdge-ESG 1	76.6	December 30, 2024 CareEdge-ESG 3 – 51.0	-	-

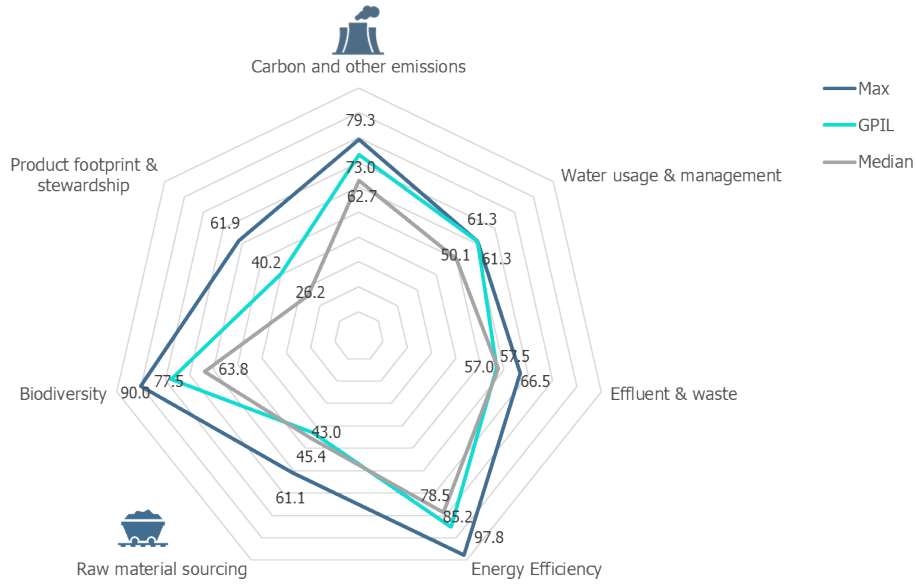
## Annexure: Graphical summary of key rating drivers<sup>1</sup>

**Hierarchy:** While arriving at pillar level scores for GPIL, CareEdge-ESG has assigned theme weights based on relative importance and sectoral hierarchy as depicted in the exhibit below.

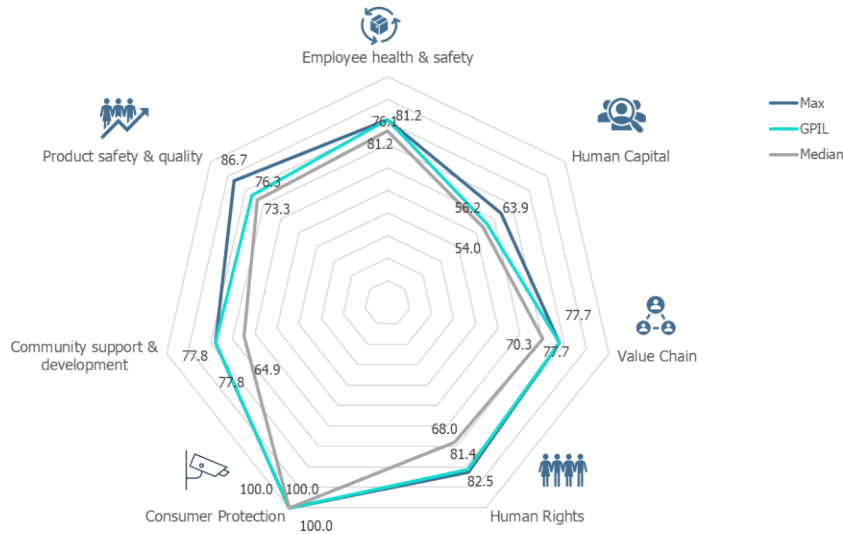
Materiality	Environment 	Social 	Governance 
HIGH	 Carbon and other emissions	 Employee health & safety	 Business Ethics
	 Biodiversity	 Community Support & Development	 Board Functioning
	 Energy efficiency		
MEDIUM	 Effluent & waste	 Human Capital	 Oversight on ESG
	 Water usage management	 Human Rights	 Reporting, Filing & Disclosures
	 Climate change risk management		
	 Raw material sourcing		
LOW	 Product footprint & stewardship	 Value Chain	 Board Composition
		 Product Safety & Quality	
	 Green Value Chain	 Customer protection	 Remuneration

<sup>1</sup> Comprehensive analytical insights, inferences and benchmarking is provided in CareEdge-ESG's detailed ESG Report

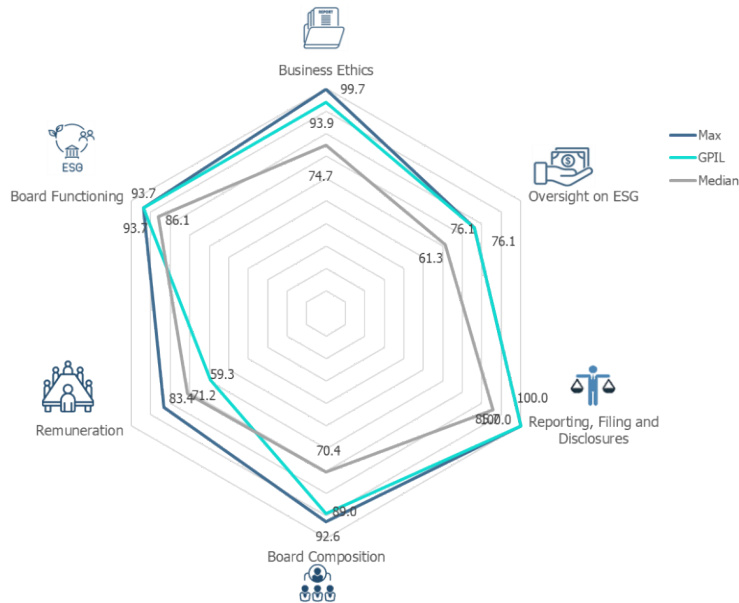
## Environment Pillar: GPIL's theme-wise performance and industry benchmarks



## Social Pillar: GPIL's theme-wise performance and industry benchmarks



## Governance Pillar: GPIL's theme-wise performance and industry benchmarks



### Summary of Pillar & Theme Scores:

Theme	GPIL	Industry Median
Carbon and other emissions	73.0	62.7
Water usage & management	61.3	50.1
Effluent & waste	57.0	57.5
Energy Efficiency	85.2	78.5
Raw material sourcing	43.0	45.4
Biodiversity	77.5	63.8
Product footprint & stewardship	40.2	26.2
<b>Total Environment Score</b>	<b>70.5</b>	<b>63.7</b>
Employee health & safety	81.2	76.1
Human Capital	56.2	54.0
Value Chain	77.7	70.3
Human Rights	81.4	68.0
Consumer Protection	100.0	100.0
Community support & development	77.8	64.9
Product safety & quality	76.3	73.3
<b>Total Social Score</b>	<b>76.6</b>	<b>65.9</b>
Business Ethics	93.9	74.7
Oversight on ESG	76.1	61.3
Reporting, Filing and Disclosures	100.0	85.7
Board Composition	89.0	70.4
Remuneration	59.3	71.2
Board Functioning	93.7	86.1
<b>Total Governance Score</b>	<b>87.3</b>	<b>73.3</b>
<b>Total ESG Score</b>	<b>76.6</b>	<b>71.6</b>

## Contact

Nikunj Dube	Director & Head – ESG Ratings	<a href="mailto:nikunj.dube@careedge.in">nikunj.dube@careedge.in</a>	+91 – 72191 09995
Sohini Majumdar	Analyst	<a href="mailto:sohini.majumdar@careedge.in">sohini.majumdar@careedge.in</a>	+91 – 22 – 6837 4400

## Media Contact

Mradul Mishra	Director – Media Relations	<a href="mailto:Mradul.mishra@careedge.in">Mradul.mishra@careedge.in</a>	+91 – 22 – 6754 3596
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## Relationship Contact

Gaurav Ketkar	Assistant Director– CareEdge-ESG	<a href="mailto:Gaurav.ketkar@careedge.in">Gaurav.ketkar@careedge.in</a>	+91 – 84528 15872
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## CARE ESG Ratings Limited

Corporate Office: A Wing – 1102 / 1103, Kanakia Wall Street, Andheri Kurla Road, Chakala, Andheri (East), Mumbai – 400 093  
Phone: +91 - 22 - 6837 4400 | CIN: U66190MH2016PLC285575

## About:

CareEdge is a knowledge based analytical group that aims to provide superior insights based on technology, data analytics and detailed research. CARE ESG Ratings Limited (CareEdge-ESG) is one of the India's pioneer ESG rating provider fostering sustainability with ESG insights. With an aim of being a catalyst of change for a sustainable future with the most credible ESG assessments, CareEdge-ESG provides a 360-degree appraisal for the ESG performance benchmarking cum transition enabling ESG risk mitigation and enhanced decision-making capabilities for all stakeholders.

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