

Rating Rationale

| KEI Industries Limited | Rating Symbol* | Rating Score | Rating Action |
|------------------------|-----------------------|--------------|-----------------|
| ESG Rating | CareEdge-ESG 1 | 72.8 | Assigned |

* Please refer to www.careedgeesg.com for detailed understanding of CareEdge-ESG's rating symbols and definitions.

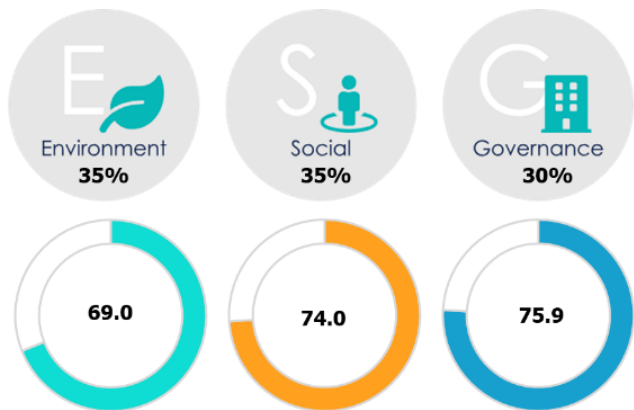
Leadership position in managing ESG Risk through **best-in-class** disclosures, policies, and performance

ESG Score



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

Pillar Weights & Scores



Rating Scale



Please note: all scores mentioned in this document are on the scale of 0–100.

Rating Rationale

The rating assigned to KEI Industries Limited (KEI) positions the company at the leadership level of ESG stewardship, reflecting its strong and proactive efforts to enhance sustainability performance across its core business segments comprising wires and cables. KEI embeds sustainability into its operational framework with a concentrated focus on critical ESG areas such as emissions reduction, water and waste management, energy efficiency, sustainable packaging and raw material sourcing, employee health and safety, value chain practices, human capital development, business ethics, board composition, and ESG governance and oversight.

KEI's environmental performance is reinforced by its holistic approach across emissions, energy, water, waste, raw materials, and packaging management. The company adopts a structured approach to managing emissions and enhancing energy efficiency through cleaner fuel transitions, equipment upgrades, advanced pollution-control systems, and digital monitoring, supported by efforts to expand renewable energy use and conduct structured GHG assessments. In water stewardship, KEI follows a circular and conservation-focused water strategy including implementing closed-loop systems, advanced treatment technologies, and rainwater harvesting across facilities to maximize recycling and reduce dependence on freshwater sources. Its waste management practices emphasize circularity through enhanced segregation, internal reuse of production scrap, and responsible processing of plastics, metals, and other waste streams in collaboration with authorized recyclers. KEI promotes responsible sourcing by prioritizing safe, environmentally compliant raw materials aligned with global standards and integrating sustainability expectations through a robust supplier code of conduct. The company advances resource efficiency through recycling initiatives and structured collaboration with authorized partners to ensure ethical, sustainable procurement across its value chain. In packaging, the company is transitioning toward environmentally friendly alternatives by reducing reliance on wood, adopting alternatives such as reusable HDPE sheets and steel drums, alongside promoting reuse of pallets to reduce environmental impact. Collectively, these initiatives reflect KEI's commitment to embedding sustainability across its operations and advancing long-term environmental stewardship.

KEI's social performance reflects a strong, people-centric approach embedded across employee well-being, value chain responsibility, and human capital development. The company demonstrates robust health and safety practices through a board-approved policy, ISO-aligned systems, dedicated safety oversight, regular risk assessments, emergency preparedness, and extensive training initiatives that promote a culture of accountability and well-being. Employee wellness is further strengthened through comprehensive medical support, insurance coverage, safe working conditions, and programs encouraging work-life balance and holistic health. Across its value chain, KEI upholds responsible business conduct through a comprehensive supplier code of conduct, integrating principles of ethics, human rights, environmental stewardship, and fair labour practices, while strengthening resilience through ESG-based evaluations, grievance mechanisms, and capacity-building initiatives for suppliers, dealers, and business partners. The company also advances human capital development through equal opportunity practices, talent acquisition, structured development programs, and mentorship initiatives aimed at fostering a skilled and future-ready workforce. KEI supports continuous learning through broad-based technical, behavioural, and safety training modules. While there remains scope to enhance gender representation and introduce more inclusive benefits, KEI's ongoing efforts in capability building, fair compensation, and proactive workforce engagement underscore its commitment to cultivating an equitable, safe, and resilient workplace ecosystem.

KEI's governance performance reflects a robust, ethics-driven, and strategically aligned framework that embeds accountability and transparency across leadership and operational layers. The company demonstrates strong ethical conduct through a board-approved code of conduct, comprehensive whistleblower and anti-corruption safeguards, and responsible supply chain expectations reinforced by structured grievance mechanisms and regular awareness programs. Governance and oversight of ESG are strengthened through a board-level ESG committee, well-defined policies, periodic third-party reviews, and a structured engagement model that actively incorporates insights from stakeholders via surveys, consultations, and materiality assessments. The board receives regular ESG updates, ensuring informed decision-making supported by members with environmental, social, and climate expertise, while business continuity planning further reinforces organizational resilience. Board composition reflects high compliance with regulatory norms, strong independence, and gender representation aligned with leading practices, supported by mandatory training of directors and senior leaders on BRSR principles. Although the company has yet to formalize a board diversity policy and establish a dedicated sustainability team, its risk management framework remains comprehensive, incorporating systematic identification, prioritization, and mitigation of strategic and operational risks. Together, these elements highlight KEI's commitment to responsible governance, stakeholder trust, ethical business conduct, and continuous strengthening of its ESG execution and oversight.

Overall, KEI's ESG rating of 72.8 reflects the company's leadership position in managing ESG risk through best-in-class disclosures, policies, and performance. However, the rating is constrained by certain factors, including the absence of quantified targets for key environmental aspects such as to reduce waste generation, water consumption reduction, and increase in renewable energy usage. Governance and social aspects also present gaps, such as limited BRSR-focused suppliers' trainings, lack of structured diversity initiatives including focused efforts to enhance women's recruitment, absence of board diversity policy, no female representation in senior management, and less than two-thirds independence within the risk management committee. Constraints further comprise inadequate coverage of employees under various training programs, including POSH, human rights, code of conduct, anti-corruption and anti-bribery, whistleblower protection, and skill upgradation trainings for employees and workers.

Environment Score

The electrical equipment sector exerts a significant environmental footprint, driven by carbon emissions, considerable waste generation, and intensive water consumption, making it one of the most ecologically significant industrial activities. Consequently, this pillar carries a substantial weight of 35% for the sector. KEI achieved environmental score of 69.0, demonstrating strong performance across key environmental areas. These include carbon and other emissions, water usage and management, effluent

and waste, raw material sourcing, and packaging material, which together contribute over 75% of the overall weightage given to this pillar.

In the Carbon Emissions and Energy Efficiency theme, KEI scored 62.0, consistent with the industry median, demonstrating adequate emission management across its operations through comprehensive set of board approved policies towards emissions reduction and energy consumption. KEI's air emissions primarily comprising NO_x and SO_x emissions originating from fossil fuel consumption (diesel) used in manufacturing processes and generator sets. To reduce air emissions across its operations, the company has implemented multiple measures, including installing filtration systems at stack emission outlets to capture pollutants, retrofitting emission control devices to convert air pollutants into less harmful substances, and conducting third-party laboratory testing at defined intervals to ensure emissions remain within permissible limits. KEI's carbon emissions emanating from fuel consumption are targeted for reduction through implementation of varied initiatives, including but not limited to transitioning from fuel sources such as diesel and furnace oil to natural gas for boiler operations, planning a feeder system to further reduce diesel and PNG consumption, installing a pollution control device system for DG set emission control, introducing a dual-fuel kit at Pathredi plant to reduce diesel dependency, and conducting GHG assessments to validate emission reduction performance. KEI's scope 1 emission intensity stood at 0.7 tCO₂e/ INR crore of turnover (Industry median: 1.2 tCO₂e/ INR crore of turnover) in FY25. Further, KEI set a strong target of 5% reduction in its scope 1 and scope 2 emission intensities by FY27. KEI's electrical equipment manufacturing operations are highly energy intensive and resultantly scope 2 emissions dominate (more than 75%) the overall carbon emissions. The company has implemented several initiatives to reduce overall energy consumption across its operations, such as installing high-efficiency machinery at the Pathredi, Bhiwadi, and Chopanki plants, operationalizing online monitoring systems for electricity tracking, transitioning to energy-efficient LED lighting across all manufacturing units, adopting cleaner energy sources such as renewable electricity, deploying high-efficiency motors in new equipment, and installing active harmonic filters to enhance power quality and prevent equipment overheating. The company is enhancing renewable energy consumption by installing rooftop solar systems across key manufacturing sites and planning a large-scale solar plant to substantially increase the share of clean energy in its power mix. In FY25, KEI's energy intensity stood at 54.0 GJ/ INR crore of turnover (Industry median: 59.2 GJ/ INR crore of turnover), an 9.9% decrement compared to FY24. Despite a 1.46% rise in absolute renewable energy consumption, KEI's renewable energy share in total energy consumption declined by 6% from FY24 to FY25, primarily due to an increase in overall energy usage. The company has adopted location-based approach for calculating its scope 2 emissions. KEI's scope 2 emission intensity stood at 8.1 tCO₂e/ INR crore of turnover (Industry median: 7.1 tCO₂e/ INR crore of turnover) in FY25, decreasing by 0.9% from FY24. Though the absolute scope 2 emissions increased in FY25 as a result of high production levels (12%), the intensity decline can be attributed to more than

proportionate increase in turnover (20%) compared to increase in absolute scope 2 emissions (19%). The company reported its scope 3 emissions in alignment with the GHG protocol in FY25 across five categories:



In FY25, KEI's scope 3 emission intensity stood at 34.6 tCO₂e/ INR crore of turnover (Industry median: 41.9 tCO₂e/ INR crore). The calculations were conducted in accordance with the GHG protocol methodology, using emission factors sourced from IPCC, EEIO, and DEFRA, among others.

KEI held the leadership position among its peers with a score of 66.9 in water stewardship, reflecting holistic and circular approach to water management. The company's strategy emphasizes consumption efficiency, wastewater treatment, and rainwater harvesting, supported by advanced treatment and reuse systems across all facilities. KEI's manufacturing plants operate as zero liquid discharge facilities. As an integral part of its sustainable manufacturing processes, the company has implemented a closed-loop water circulation system to conserve water resources. It is upgrading sewage treatment plants with nutrient removal, ultrafiltration, and RO-based recycling technologies at its Bhiwadi, Chopanki, and Pathredi plants to treat wastewater efficiently and reused in process and non-potable applications, such as in machines, boilers, washing, and gardening, thereby reducing dependence on freshwater sources. In addition, the company has constructed rainwater harvesting pits across all facilities, reinforcing KEI's commitment to sustainable water management. Its water consumption intensity reduced by 16% in FY25 upending at 10.5 KL/INR crore of turnover (Industry median: 12.4 KL/INR crore) compared to FY24.

KEI achieved a score of 74.4 in efficient waste management, outperforming the industry median of 67.7, underscoring its strong commitment towards minimizing waste generation across the lifecycle of its products and advancing circularity across operations. The company actively recovers and recycles scrap cables and other production waste, reinforcing its focus on resource efficiency. Its commitment to sustainability is reflected in its goal to embed circular economy principles throughout the value chain from product design to end-of-life recovery ensuring that its cables contribute to a more resource-efficient and low-carbon future. To reduce waste generation, KEI has implemented several initiatives, including enhancing waste segregation and disposal systems, maximizing internal reuse of production scrap, and partnering with authorized recyclers for the safe disposal and recovery of plastic insulation, e-waste, and other waste streams. KEI has achieved zero waste to landfill and continually increasing the share of recycled content in its products. The company has obtained recycler certificates for over 80% (by quantity) of scrap, ensuring adherence to responsible waste management

practices and sustainability commitments. The authorized recyclers process various scrap materials such as metallurgical, non-ferrous, and packaging waste, as well as plastic, rubber, and glass for reuse in secondary industries, contributing to material recovery and resource conservation. KEI exhibited improvement in the waste recovery rate standing at 99.9% in FY25. However, KEI witnessed an increase in waste intensity in FY25 but the same is resulting from following best practice of accounting for all types of waste comprising non-hazardous waste (scraps such as aluminium, copper, PVC, rubber, copper tape, stainless steel rod, lead alloys, etc) and plastic waste. This reflects KEI's enhanced reporting initiatives to capture various waste streams aimed at improving transparency and ensuring greater accuracy. On account of comprehensive disclosure and assured data on waste, KEI's waste intensity in FY25 stood lower than the industry median at 1.4 tonne/INR crore of turnover.

In the theme of raw material sourcing, KEI scored 79.4, significantly outperforming the industry median of 56.3, underscoring its strong commitment towards optimizing the use of natural resources and promoting sustainable procurement practices. The company prioritizes the use of environmentally responsible raw materials by ensuring that all inputs are lead-free, non-carcinogenic, and non-hazardous, and fully compliant with the Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) directives. These measures help minimize the use of restricted substances and promote the adoption of safer, more sustainable materials across KEI's manufacturing operations. KEI also actively collaborates with its suppliers to enhance sustainability performance across the value chain. The company's supplier code of conduct, aligned with global best practices on health, safety, environment, human rights, ethics, and fair business practices, outlines clear expectations for suppliers to comply with all relevant national and international regulations. This structured approach fosters responsible sourcing and drives the integration of sustainable practices throughout the supply chain. The company has undertaken several initiatives to reduce overall raw material consumption and promote the use of recycled materials. These include launching a structured program to recycle all major raw materials, except for XLPE compounds, and establishing in-house facilities to manufacture polyvinyl chloride (PVC) compounds for cable insulation. In addition, the company has implemented a systematic process for channelling other recyclable materials to authorized and empanelled recycling partners, ensuring responsible material recovery and reuse. In FY25, 99% of purchased inputs (by value) were sourced sustainably, reflecting KEI's strong commitment to ethical and environmentally responsible procurement. The proportion of recycled or reused input materials (by value) used in production declined marginally from 1.5% in FY24 to 1.2% in FY25, reflecting scope for further improvement in circular material utilization.

KEI scored 52.1 in the theme of packaging material, consistent with the industry median, indicating potential to further enhance the use of environmentally friendly packaging materials. To promote the use of sustainable

packaging for its products, the company has reduced its reliance on wood traditionally used for manufacturing drum battens in the domestic market by introducing high-density polyethylene sheets for cable drum packaging. In addition, KEI is implementing initiatives to reuse and repurpose wooden pallets received from domestic and international cross-linked polyethylene (XLPE) compound suppliers for packaging cable drums, thereby minimizing waste and promoting circularity. As part of its green manufacturing efforts, the company has also initiated the replacement of wooden drums (80-inch and above) with steel drums for cable supplies. This initiative contributes to the conservation of natural wood resources and the preservation of forest cover by mitigating deforestation impacts.

Social Score

The social pillar accounts for 35% of the sector's overall weight. KEI secured social score of 75.5, demonstrating its strong performance across parameters such as employee health & safety, value chain, and human capital, which together contribute ~75% of the overall weightage given to this pillar.

KEI ranks in the top quartile among its peers with a score of 89.1 in the employee health and safety theme, underscoring its robust health and safety management system across operations. The company has implemented a board-approved health and safety policy and adopted ISO 45001, reflecting its commitment to ensuring the well-being of its workforce. A dedicated health and safety team oversees compliance and implementation across all sites. Employee health and well-being are prioritized through a comprehensive framework promoting a safe, supportive, and balanced work environment. KEI regularly conducts training and awareness programs on topics such as hazard identification and risk assessment and total productive maintenance to strengthen its safety culture. Employee welfare is further supported through various insurance schemes along with facilities such as nutritious canteens, uniforms, and safety gear. Its policies on mobile usage, travel, and structured leave framework promote work-life balance and employee convenience, complemented by wellness initiatives including yoga, fitness sessions, nutrition guidance, and periodic health check-ups across all locations, fostering holistic well-being. KEI systematically identifies and mitigates work-related hazards in line with ISO 45001, covering routine and non-routine activities, through regular risk assessments, collaboration with shop floor employees, and a robust work permit system. The company has developed on-site emergency response plans, established clear communication and participation procedures, and implemented continuous monitoring and performance evaluation mechanisms. The company has implemented procedures that empower workers to report work-related hazards and refrain from engaging in unsafe work conditions, ensuring a culture of safety and accountability. In addition to occupational health and safety provisions, employees and workers have access to non-occupational medical and healthcare services under a comprehensive health insurance policy. In FY25, 73% of employees and 100% of workers received health and safety training. KEI maintained a low total recordable injury rate of 0.0004, while its average lost time injury frequency rate improved from 0.2

in FY24 to 0.1 in FY25. The workforce fatality rate stood at 0.0001 in FY25, reflecting the company's continued emphasis on maintaining a safe and healthy workplace.

In the value chain theme, KEI ranks in the top quartile among its peers with a score of 77.7, reflecting its strong commitment to responsible and sustainable supply chain management. The company has implemented a comprehensive supplier code of conduct (CoC) that integrates key principles of business ethics, human rights protection, environmental sustainability, safe working conditions, fair employment practices, and stakeholder engagement, aimed at fostering environmentally and socially responsible practices across the value chain. This framework encourages suppliers to adopt resource-efficient operations, eco-friendly technologies, and emission and waste reduction measures, while also discouraging practices that contribute to deforestation or environmental degradation. As part of its efforts to embed sustainability across the supply chain, KEI focuses on building long-term business resilience through the integration of environmental and social considerations into supplier relationships. It conducts periodic evaluations of suppliers against a broad set of ESG parameters, including carbon footprint, labour practices, diversity and inclusion, and ethical business conduct. However, the company is yet to implement structured initiatives specifically targeting the health and safety performance of its suppliers. The company has also established a grievance redressal mechanism for value chain partners and regularly assesses their human rights practices. In FY25, 75% of KEI's value chain partners were trained on BRSR principles. The company is further strengthening ESG awareness by conducting formal and informal engagement programs for its wider ecosystem, including dealers, distributors, business associates, and customer influencers. These initiatives aim to identify and mitigate potential environmental, health, safety, and human rights risks. Concurrently, KEI is advancing capacity-building programs and obtaining formal ESG affirmations from suppliers and customers to ensure comprehensive compliance and accountability across its value chain.

KEI achieved a score of 46.5 in the Human Capital theme, below the industry median of 50.1, indicating scope for further enhancement. The company remains committed to fostering a diverse, inclusive, and future-ready workforce, providing equal opportunities to all employees regardless of their background. As an equal opportunity employer, KEI continues to welcome talent from varied experiences and skill sets, supporting gender diversity through role alignment based on capability and aspiration, while maintaining sensitivity toward physical role suitability. To build a resilient and skilled workforce, KEI follows a comprehensive approach to talent acquisition and management, encompassing attraction, development, and retention. Recruitment efforts leverage structured sourcing, selection methods, and digital platforms to reach a broad and diverse talent pool. Once onboarded, employees are supported through personalized development plans, performance reviews, mentorship programs, and collaborations with external learning partners, fostering a culture of continuous learning and career growth. KEI is yet to implement structured and targeted initiatives to enhance gender

diversity, particularly with respect to women's representation. Advancing efforts in this area would not only contribute to a more inclusive and equitable workforce but also allow the company to leverage a wider talent pool, thereby strengthening innovation and supporting more effective decision-making. To strengthen employee capability and engagement, KEI has implemented a structured training and career development strategy. The company prioritizes learning, development, engagement, and holistic well-being, cultivating a culture that sustains excellence even in demanding conditions. KEI continues to expand access to impactful training programs, including behavioural, technical, systems, induction, environmental, health, and safety modules across a broader employee base. The company has implemented grievance redressal mechanism for its workforce. However, there is currently no provision for paid paternity leave. In FY25, KEI's employee turnover rate stood at 12%, consistent with FY24. The total number of female employees increased by 13%, reaching 89 females in FY25. Despite this growth, the female-to-male employee ratio declined by 3%, standing at 4 women per 100 men in FY25. This highlights the continued need to enhance gender representation, supported by targeted initiatives to increase women's participation across roles and functions. The median pays ratio of female to male employees improved to INR 95 per INR 100 of male employees' median pay in FY25, compared to INR 93 in FY24, primarily due to higher salary adjustments for female employees during the annual increment cycle, underscoring KEI's commitment to reducing gender pay disparity and promoting greater pay equity within the organization. KEI also demonstrated its dedication to workforce development, delivering skill enhancement training to 69.7% of employees and 46.4% of workers in FY25. Additionally, 100% of employees (excluding board of directors [BoDs] and key managerial personnel [KMPs]) were trained on BRSR principles, underscoring the company's commitment to sustainable and responsible business practices.

Governance Score

The Governance pillar carries a weight of 30% for the sector. KEI achieved governance score of 75.9, showcasing its strong governance framework and the efficient integration of ESG principles into strategic decision-making across top leadership levels. Key governance aspects such as Business Ethics, Oversight on ESG, Board Composition, and Reporting, Filing and Disclosures, together contribute over 75% of the overall weightage given to this pillar.

KEI achieved a score of 89.1 in the theme of business ethics, consistent with the industry median, reflecting its strong dedication to ethical governance and responsible corporate conduct. This commitment is anchored by a board-approved Code of Conduct (CoC) and supported by comprehensive whistleblower protection, anti-bribery, and anti-corruption (ABAC) policies. The company extends these ethical principles across its supply chain through a comprehensive supplier CoC that addresses critical areas such as environment management, labor and human rights, occupational health and safety, ethical business practices, and fair employment standards. In addition, KEI has implemented a grievance redressal mechanism for shareholders and investors and conducts

regular training sessions for employees on its CoC, whistleblower, and ABAC frameworks to promote continuous awareness and compliance. These training programs are also extended to suppliers. However, in the FY25, only 24% of employees received training on the CoC, whistleblower protection, and ABAC policies.

KEI achieved a score of 69.8 in ESG Governance and Oversight, consistent with the industry median, highlighting its structured and transparent approach to sustainability. The company's ESG framework is driven by a board-level ESG Committee that oversees the overall strategy, supported by a comprehensive set of board-approved ESG policies aligned with key BRSR principles. While KEI has made significant progress, it has yet to establish a dedicated management-level sustainability team to ensure the effective execution of ESG principles and initiatives across operations. In line with industry best practices, the company has undertaken a third-party review of its ESG policies to strengthen governance and transparency. KEI places strong emphasis on ongoing stakeholder engagement to ensure effective communication of its sustainability strategy and performance. Its stakeholder identification process is designed to recognize individuals and entities that either impact or are impacted by the company's operations. The company maintains a consistent and proactive dialogue with key stakeholder groups through active listening, collaboration, and transparent communication, conducted via both online and offline channels, and tailored to each group's specific needs and expectations. The board is regularly updated on key developments and provides strategic input on ESG-related matters. As part of its commitment to stakeholder inclusion, KEI carried out a comprehensive ESG materiality assessment involving both internal and external stakeholders through various platforms such as surveys, interviews, and consultations, supported by an external consultant. This process identified eight high-priority ESG issues deemed critical to the company's long-term business strategy. Stakeholder feedback played a central role in shaping these priorities, and the company plans to institutionalize this engagement process going forward. Notably, shareholder surveys conducted during the year resulted in an average rating of "Excellent", underscoring strong stakeholder confidence. Demonstrating its commitment to sustainable growth, KEI allocated 1.13% of its capital expenditure to sustainability-focused projects aimed at improving environmental and social performance. KEI conducts an annual review of its performance and compliance with BRSR principles, ensuring effective implementation and approval of ESG measures. The board and senior management include members with expertise in environmental, climate, and social domains, strengthening oversight and strategic decision-making. In addition, KEI has established an ESG materiality assessment framework and matrix to systematically prioritize critical issues and drive continuous improvement in its ESG performance. The company also maintains a comprehensive Business Continuity Plan (BCP) designed to ensure operational resilience during emergencies or disruptions. The plan includes business impact analyses, procedural guidelines, periodic testing, and training, with risks identified and reviewed annually.

In the theme of Board Composition, KEI scored 77.6, consistent with the industry median. The company has formulated a board diversity policy and has exceeded the gender diversity requirements prescribed under the Companies Act, 2013 by appointing two women directors, consistent with industry best-practice to have more than one woman on the Board. However, there is no female representation within senior management. KEI has trained 100% of its board members and KMPs on BRSR principles. The company complies with key governance mandates under the Companies Act, 2013, and SEBI LODR, including norms on board independence, board size, and the establishment of Audit, Risk Management, Nomination & Remuneration, CSR, and Stakeholders' Relationship committees. KEI also adheres to regulations on its audit committee's chairperson independence and independent members, NRC's chairperson independence and independent members, CSR committee's independent members, and NRC's non-executive members. Over 50% of KEI's board consists of non-executive directors. Although the Risk Management Committee does not meet the best practice of having two-thirds independent members, KEI has established a structured risk identification and assessment process to evaluate risks that could impact its strategic goals and operational performance. Risks are evaluated based on their likelihood and potential impact, then prioritized for action. The company's risk management framework outlines specific measures to treat, avoid, mitigate, transfer, and monitor risks throughout its operations. This approach is designed to enhance business performance, safeguard stakeholder interests, and identify growth opportunities within defined risk limits.

Key Rating Drivers

Strengths

Integrated water stewardship driving reduced consumption through efficient resource management and circular practices

KEI demonstrates a strong, industry-leading commitment to responsible water management through a comprehensive and circular stewardship approach. The company prioritizes consumption efficiency, wastewater treatment, and rainwater harvesting across its facilities while operating zero liquid discharge plants supported by closed-loop recirculation systems. Advanced treatment technologies enable effective recycling for both process and non-potable uses, significantly reducing reliance on freshwater sources. Strategic expansion of rainwater harvesting infrastructure further enhances resilience and resource conservation. These measures reflect a robust focus on operational efficiency, regulatory alignment, and sustainable growth, positioning KEI as a frontrunner in water stewardship within its sector.

Sustainable waste management and circular economy practices enhancing waste recovery and resource efficiency

KEI showcases a strong and continually improving performance in waste management, driven by its focus on circularity and resource efficiency across its operations. The company has strengthened material recovery practices across the value chain by enhancing internal recycling of production scrap and partnering with authorized recyclers for the environmentally responsible treatment of various waste materials. This approach supports the conversion of waste into secondary resources, reducing reliance on virgin raw materials and minimizing environmental impact. KEI has also achieved significant progress in improving its waste recovery rate over time, supported by better segregation methods, closed-loop reuse initiatives, and preventive systems to reduce landfill disposal. Its commitment to embedding circular economy principles throughout the product lifecycle from design to end-of-life material recovery supports sustainable value creation. Continued improvements in reporting mechanisms further strengthen transparency and accountability in waste management practices, positioning KEI as a responsible and environmentally conscious manufacturer within the wires and cables sector.

Driving material efficiency with a comprehensive approach to responsible sourcing and circular packaging solutions

KEI demonstrates a robust and responsible approach to material sustainability through its strong raw material sourcing practices and ongoing improvements in packaging sustainability. The company places high emphasis on environmentally safe, compliant, and ethically sourced materials, ensuring procurement aligns with RoHS and REACH standards while extending sustainability expectations to its suppliers through a well-defined supplier CoC. KEI actively promotes circularity by reducing dependence on virgin materials, increasing internal recycling of key inputs, setting up in-house facilities for the production of PVC compounds used in cable insulation, and partnering with authorized recyclers for responsible material recovery. Complementing these efforts, the company has taken steps to transition towards more sustainable packaging solutions by reducing the use of wood through the adoption of alternatives such as HDPE sheets and reusable steel drums, alongside initiatives to repurpose incoming wooden pallets. While the company exhibits strong performance in sustainable sourcing, continued enhancement of recycled content in inputs and further adoption of eco-friendly packaging materials will strengthen its overall circularity and reduce environmental impacts across the value chain.

Strengthening responsible supply chain governance through ethical standards and ESG integration

KEI exhibit a strong commitment to responsible value chain management by embedding ethical conduct, environmental sustainability, and human rights protection into supplier engagement practices, supported by a well-defined supplier CoC that embeds core expectations around ethical practices, environmental stewardship, human rights protection, safe working environments, and fair labor standards. The company promotes resource

efficiency and responsible sourcing by encouraging suppliers to adopt cleaner technologies and minimize environmental impacts across operations. Through periodic ESG-focused supplier assessments, KEI strengthens accountability and aligns its procurement practices with sustainability priorities. The organization has also established grievance redressal channels and actively monitors human rights compliance, ensuring stakeholder protection throughout the supply network. Additionally, KEI advances continuous engagement and capacity building through awareness programs and ESG-related commitments tailored to suppliers, distributors, and other ecosystem partners. These efforts reinforce long-term resilience, enhance risk mitigation, and contribute to a more sustainable and transparent value chain.

Strong ESG integration at the leadership level, fostering ethical governance, responsible corporate conduct, and strategic business decision

KEI integrates ethical governance and sustainability considerations within its core decision-making framework through a comprehensive code of conduct, whistleblower protection, and anti-bribery and anti-corruption policies, extending these standards across its supply chain through a structured supplier code of conduct. ESG responsibilities are overseen by a dedicated board-level ESG committee, ensuring alignment with BRSR expectations and leading governance standards. Through systematic stakeholder engagement, a formal ESG materiality assessment framework, and a robust risk identification and evaluation system, the company enhances transparency, incorporates ESG-related risks and opportunities into strategic deliberations, and strengthens its ability to navigate emerging operational and regulatory challenges.

Robust governance system promoting transparency, responsible oversight, and long-term sustained value creation

KEI maintains strong alignment with governance requirements under the Companies Act, 2013, and SEBI LODR, encompassing board independence, board size, and the implementation of critical committees such as Audit, Risk Management, Nomination & Remuneration, CSR, and Stakeholders' Relationship Committees. The company also adheres to regulatory expectations on chairperson independence and independent members within the Audit and NRC committees, as well as independent representation on the CSR committee and non-executive participation within the NRC. With a board predominantly composed of non-executive directors, KEI reinforces balanced oversight and prudent governance conduct. This well-structured governance framework enhances transparency, reinforces stakeholder trust, and contributes to resilient and sustainable long-term performance.

Weaknesses

Lack of clearly defined long-term environmental targets limits the company's ability to adopt a structured, forward-looking approach to managing climate-related transition risks

KEI has not yet articulated science-based targets for key environmental priorities, including waste reduction, water conservation, and the transition to renewable energy. Establishing achievable, data-driven targets with a defined baseline is essential for setting robust performance benchmarks and shaping long-term strategic direction. Strengthening internal systems to track, measure, and report progress is equally important to ensure accountability and course correction. In the absence well-structured set of environmental commitments, the company may struggle to drive steady, transformative improvements in its sustainability efforts or to implement more targeted and outcome-oriented environmental initiatives.

Inadequate coverage of training initiatives for employees and suppliers on critical aspects

KEI's training framework shows significant gaps, with limited employee exposure to essential areas such as POSH, human rights, code of conduct, anti-corruption and anti-bribery standards, and whistleblower protection mechanisms. Skill development trainings for employees and workers remain inadequate, with limited supplier training aligned with BRSR principles. These gaps weaken overall capability development and slow the effective embedding of ESG principles throughout the value chain. Inadequate awareness increases the likelihood of workplace concerns, compliance breaches, supply chain risks, and reduced workforce efficiency. Strengthening and expanding structured training programs would support a more capable workforce, enhance compliance, mitigate operational and ethical risks, and improve supplier alignment with the company's ESG commitments.

Gap in gender representation and risk committee independence limit governance oversight

KEI exhibits notable gaps in gender diversity and risk committee independence, as reflected in the absence of women in senior management roles and the risk management committee falling short against best-practice standards requiring two-thirds independent representation. These shortcomings reduce the breadth of perspectives incorporated into strategic decisions and indicate only partial adherence to established governance standards. Enhancing gender representation across leadership levels and reinforcing the independence of risk committee would strengthen decision-making quality, bolster stakeholder confidence, and improve the overall robustness of the governance framework.

Key ESG Parameters of KEI Industries Limited

| Parameters | Unit | FY 2025 | Industry Median |
|--|---|---------|-----------------|
| Environment | | | |
| Scope 1 intensity | tCO2e/ INR crore of turnover | 0.75 | 1.2 |
| Scope 2 intensity | tCO2e/ INR crore of turnover | 8.1 | 7.1 |
| Scope 3 intensity | tCO2e/ INR crore of turnover | 34.6 | 41.9 |
| Renewable energy consumption | % (of total energy consumption) | 2.9% | 6.0% |
| Energy intensity | GJ/ INR crore of turnover | 54.0 | 59.2 |
| Water consumption intensity | KL/ INR crore of turnover | 10.5 | 12.4 |
| Waste generation intensity | MT/ INR crore of turnover | 1.4 | 0.7 |
| Waste recovery rate | % | 99.9% | 98.0% |
| Zero waste to landfill | Waste to landfill/total waste | 0% | - |
| Zero liquid discharge | % of all manufacturing sites | 100% | - |
| Social | | | |
| Employee turnover | % | 12% | 19% |
| Female to male employees' ratio | Per 100 male employees | 4 | 6 |
| Female to male employees' median pay | Per Rs. 100 of male employees' median pay | 95 | 89 |
| Health & safety complaints | # | 0 | 0 |
| Health insurance coverage | % | 100% | 80% |
| Accident insurance coverage | % | 100% | 100% |
| Differently abled workforce | % of total workforce | 0.01% | 0.04% |
| Cost incurred on wellbeing measures | % of total revenue | 0.1% | 0.1% |
| POSH complaints upheld over reported | X/Y | 0/0 | - |
| Average lost time injury frequency rate | # | 0.1 | 0.1 |
| Workforce fatality rate | Per employee | 0.0001 | 0.0 |
| Total recordable injury rate | # | 0.0004 | 0.0004 |
| Governance | | | |
| No. of female in board | # | 2 | - |
| % board members trained on BRSR | % | 100% | 100% |
| % KMPs trained on BRSR | % | 100% | 100% |
| Income gap ratio (CEO pay to median pay) | X:Y | 73:1 | 78:1 |

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

KL = kiloliters | MT = metric tons | GJ = gigajoules

Rating Sensitivities

Positive Factors

- Minimising scope 3 emissions intensity.
- Decrease in waste generation.
- Enhancing initiatives for emissions control, rainwater harvesting, energy and water management.

- Setting measurable targets for renewable energy adoption and reductions in water and waste.
- Driving comprehensive diversity and inclusivity including targeted recruitment programs.
- Strengthening coverage of employees in critical training programs.
- Improving women's representation in senior management.

Negative Factors

- Increase in overall water and energy consumption.
- Rise in Scope 2 emissions intensity.
- Decline in renewable energy consumption.
- Limited emphasis on health and safety, workforce development, and sustainable supply chain practices.

Analytical approach

Rating boundary: CareEdge-ESG has considered standalone data of KEI for assessment. The same is in line with their 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

About the company and industry

KEI, established in 1968 and incorporated in 1992, is headquartered in Delhi and has evolved into one of India's leading wires and cables manufacturers with a growing global footprint. Over the decades, the company has built strong technical expertise, enabling significant expansion into international markets and positioning itself as a trusted provider of wires and cables, stainless steel wires, and comprehensive project solutions encompassing design, engineering, supply, erection, testing, and commissioning across more than 60 countries.

The company primarily operates in the wires and cables segment, offering an extensive product portfolio that serves a wide range of industrial applications. Notably, KEI is among the select Indian manufacturers capable of producing Extra High Voltage (EHV) cables above 220 kV, including 400 kV EHV cables for global markets. Alongside manufacturing, KEI supports large-scale utility and infrastructure development through its Engineering, Procurement, and Construction (EPC) services for complex cabling projects.

With a diverse customer base across both retail and institutional markets, and strong engagement with the public and private sectors, KEI leverages advanced manufacturing platforms, robust R&D capabilities, and a widespread distribution network to ensure high-quality, reliable product delivery across multiple geographies. Its continuous investments in technology and innovation further enhance product performance and operational efficiency. The company's strong market position is reflected in its substantial market capitalisation of ₹39,406

crore¹. KEI is committed to sustainability and adherence to global best practices in quality, safety, and environmental performance. Its strategic growth initiatives, global market presence, and strong partnerships reinforce its reputation as a reliable and forward-looking player in the wires and cables industry, contributing to infrastructure development and progress in India and worldwide.

Source of information

While assigning ESG Ratings, CareEdge-ESG has considered publicly available information such as integrated annual reports of the company, policies, sustainability reports, certifications, BRSR reports, quarterly presentations, and additional non-public 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 | 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 | 72.8 | - | - | - |

Annexure: Graphical summary of key rating drivers²

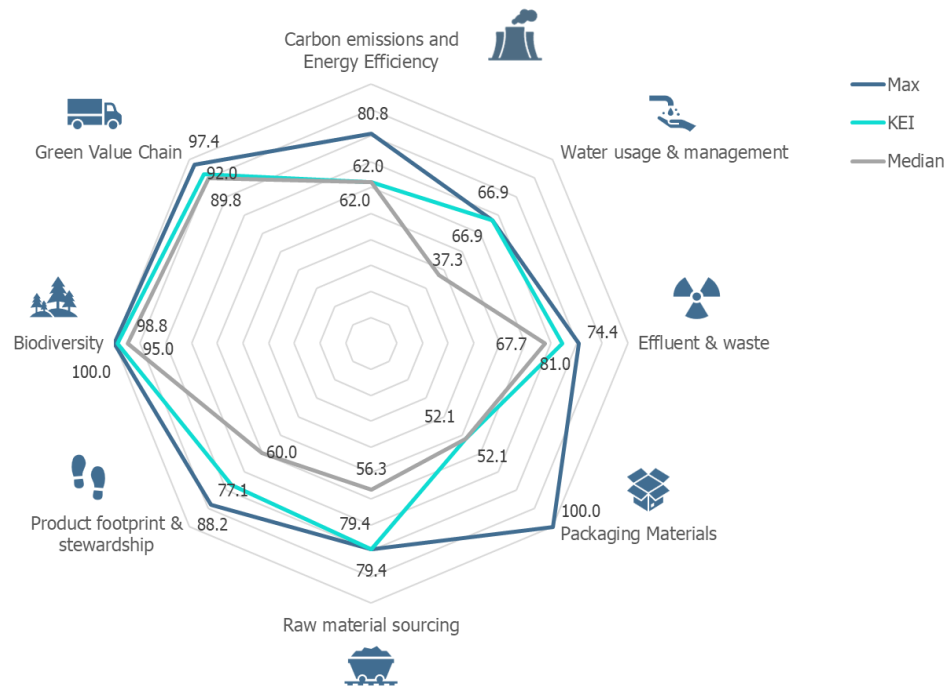
Hierarchy: While arriving at pillar level scores for KEI, CareEdge-ESG has assigned theme weights based on relative importance and sectoral hierarchy as depicted in the exhibit below.

| Materiality | Environment | Social | Governance |
|-------------|--|---|---|
| HIGH |  Carbon emissions and Energy Efficiency |  Employee Health & Safety |  Business Ethics |
| |  Water Usage & Management |  Human capital |  Oversight on ESG |
| MEDIUM |  Effluent & Waste |  Value Chain |  Reporting, filing & disclosures |
| |  Raw material sourcing |  Human Rights |  Board Functioning |
| |  Packaging Materials | | |
| LOW |  Product Footprint & Stewardship |  Consumer Protection |  Board composition |
| |  Biodiversity |  Product Safety & Quality |  Remuneration |
| |  Green Value Chain |  Community support & development | |

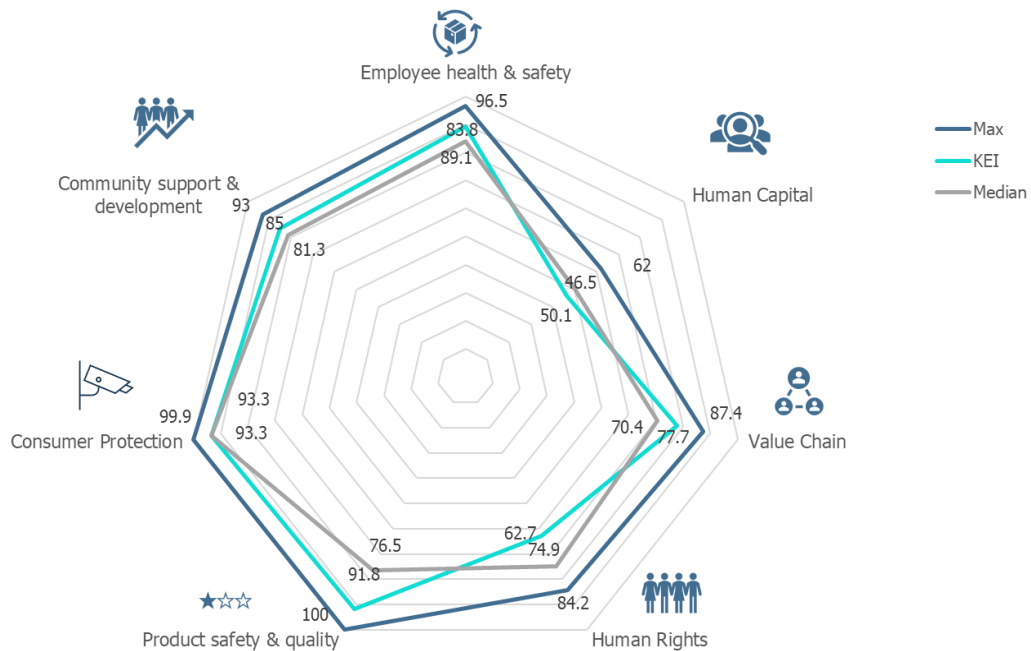
¹ As of 2 December 2025 (Source: BSE India)

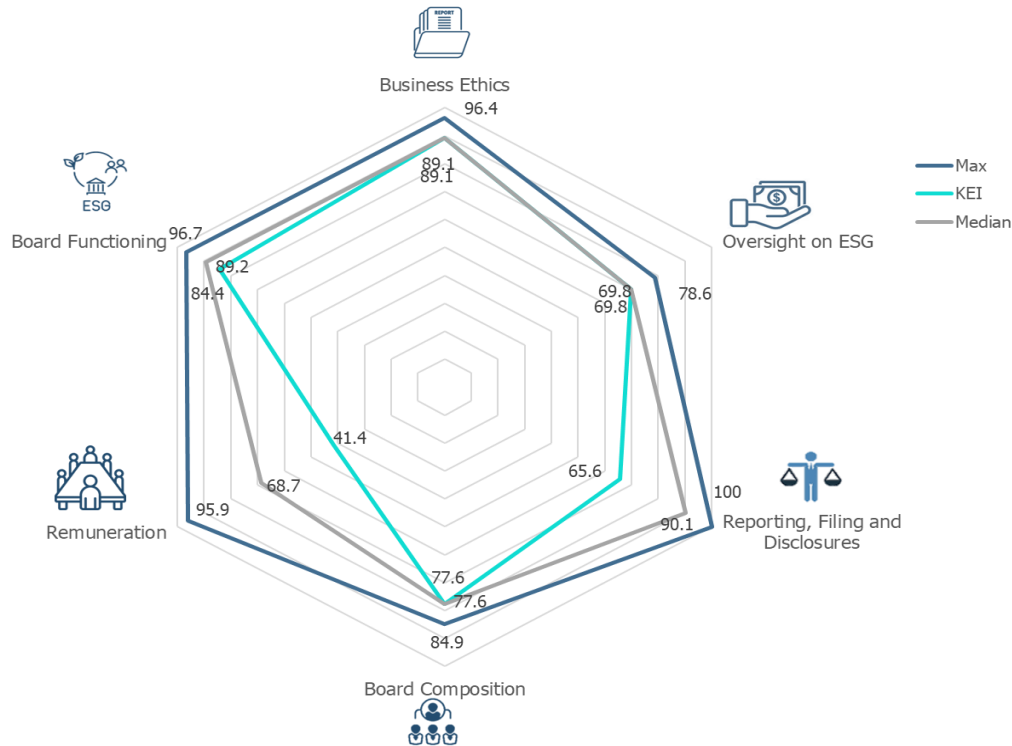
² Comprehensive analytical insights, inferences and benchmarking is provided in CareEdge-ESG's detailed ESG Report

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



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



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

Summary Pillars and Theme Scores

| Theme | KEI | Industry Min | Industry Median | Industry Max |
|--|-------------|--------------|-----------------|--------------|
| Carbon emissions and Energy Efficiency | 62.0 | 36.8 | 62.0 | 80.8 |
| Water usage & management | 66.9 | 33.4 | 37.3 | 66.9 |
| Effluent & waste | 74.4 | 41.3 | 67.7 | 81.0 |
| Packaging Materials | 52.1 | 48.2 | 52.1 | 100 |
| Raw material sourcing | 79.4 | 25.6 | 56.3 | 79.4 |
| Product footprint & stewardship | 77.1 | 11.4 | 60.0 | 88.2 |
| Biodiversity | 98.8 | 75.0 | 95.0 | 100.0 |
| Green Value Chain | 92.0 | 12.0 | 89.8 | 97.4 |
| Total Environment Score | 69.0 | 39.3 | 57.1 | 72.7 |
| Employee health & safety | 89.1 | 75.8 | 83.8 | 96.5 |
| Human Capital | 46.5 | 38.9 | 50.1 | 62.0 |
| Value Chain | 77.7 | 42.4 | 70.4 | 87.4 |
| Human Rights | 62.7 | 62.7 | 74.9 | 84.2 |
| Product safety & quality | 91.8 | 44.2 | 76.5 | 100.0 |
| Consumer Protection | 93.3 | 86.7 | 93.3 | 99.9 |
| Community support & development | 85.0 | 45.3 | 81.3 | 93.0 |
| Total Social Score | 74.0 | 65.2 | 73.4 | 78.9 |
| Business Ethics | 89.1 | 67.3 | 89.1 | 96.4 |
| Oversight on ESG | 69.8 | 55.1 | 69.8 | 78.6 |
| Reporting, Filing and Disclosures | 65.6 | 61.9 | 90.1 | 100.0 |
| Board Composition | 77.6 | 68.2 | 77.6 | 84.9 |
| Remuneration | 41.4 | 36.4 | 68.7 | 95.9 |
| Board Functioning | 84.4 | 70.7 | 89.2 | 96.7 |
| Total Governance Score | 75.9 | 71.3 | 76.4 | 85.5 |
| Total ESG Score | 72.8 | 58.6 | 71.4 | 76.6 |

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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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