Assessment Date:22-10-2025

ESG Risk Assessment Report

KEI Industries Limited

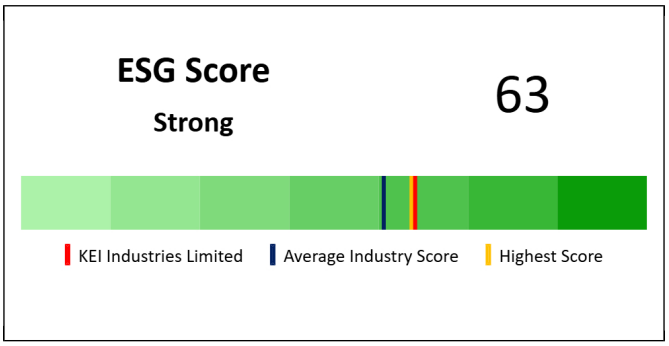
SEBI Industry Name: Industrial Products

SEBI Industry Code: IN070205

NIC Industry: Manufacture of electrical equipment

NIC Code: 273

CIN Code: L74899DL1992PLC051527



Environment	**38.7**
Weight	38%
Social	**79.98**
Weight	31%
Governance	**74.68**
Weight	31%

About the Company

KEI Industries Limited, founded in 1992 and headquartered in New Delhi, is a prominent manufacturer of wires and cables in India, with a diversified presence across power, infrastructure, oil & gas, defence, and renewable energy sectors. The company operates eight manufacturing plants and maintains 81 domestic and 4 international locations, exporting to over 60 countries. In FY 2024–25, KEI reported a turnover of ₹97,358.77 million and a net worth of ₹57,746.62 million. The wires and cables segment contributed 94.26% of total revenue, with exports accounting for 13%, reflecting a strategic focus on global expansion. KEI aims to increase export share to 15–18% over the next three years.

Rationale

KEI Industries Limited demonstrates a comprehensive ESG approach across environmental, social, and governance dimensions. The company has adopted ISO 50001 and ISO 45001 certifications, implemented zero liquid discharge mechanisms, and recycled 99.93% of its waste, reflecting strong environmental stewardship. It has policies to reduce air emissions, manage biodiversity, and promote renewable energy, though there is room for improvement in assessing product impact, GHG emissions, and biodiversity risks. Socially, KEI shows commitment through community service, gender equality, and human rights policies, with 94.92% of its workforce trained on health and safety, despite one reported fatality. Areas like employment quality and community impact monitoring could be strengthened. On governance, KEI maintains ethical business conduct, board diversity (25% female representation), and ESG oversight at the board level. It has mechanisms for whistleblowing, grievance redressal, and caps MD's commission below regulatory limits. However, enhancements in executive compensation oversight, minority shareholder rights, and board structure are recommended to further align with best practices. Material events were observed during the review period. The pillar-wise ESG scores and their respective weights have been applied as per ERP's industry-specific methodology. Conversely, negative rating action may be triggered by lapses in governance, material ESG-related controversies, or non-compliance with evolving sustainability norms. The rating has been assigned in accordance with the ERP's published ESG Rating Methodology available at https://esgrisk.ai/esg-rating-methodology/ and is subject to limitations on disclosure of proprietary models, weighting mechanisms, and peer data, in line with SEBI's confidentiality guidelines for ERPs under the subscriber-pays model.

Rating Sensitivity Factors

Focus on employee's ethics and awareness programmes
lack of a Net Zero target
Zero liquid discharge mechanism
ESG committee at board level
Initiatives on supplier's human rights
Measures to ensure a safe and healthy workplace

For ESGRisk.ai's Assessment Methodology, click here

ESG Risk Assessments & Insights

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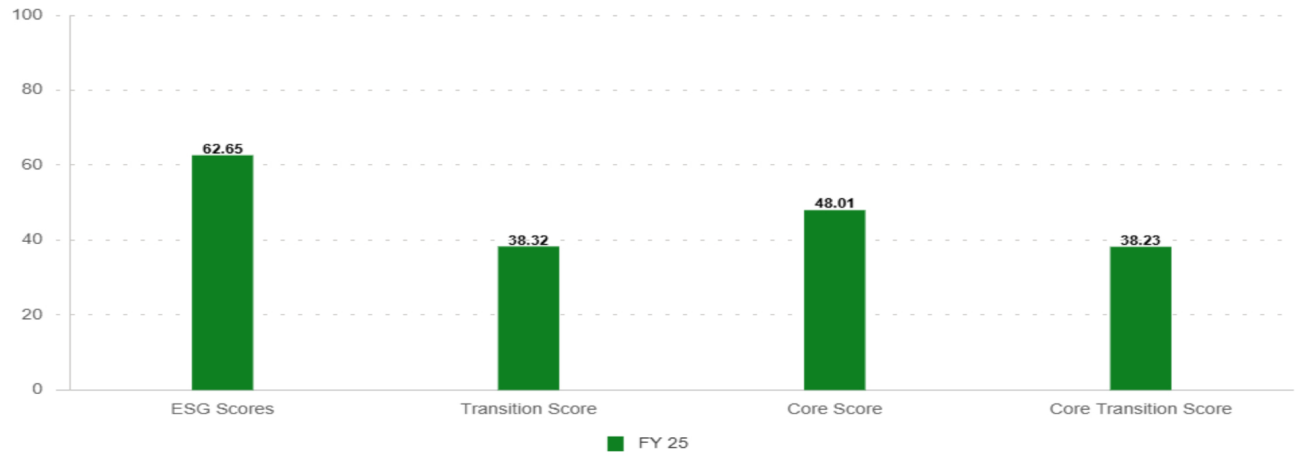
Key Strengths & Weaknesses

Key Strengths
Auditor independence
Environmentally responsible supply chain
Supply chain - Human rights
Financial transparency
Product responsibility

Key Weaknesses
Product impact
Business conduct
Water Efficiency
Biodiversity Impact
Water Pollution

Scores History

Year-On-Year ESG Performance



Score History for Recent Years

Financial Year	PR Date	ESG Score	Trigger	Rating Action
2025	-	62.65	New Coverage	-

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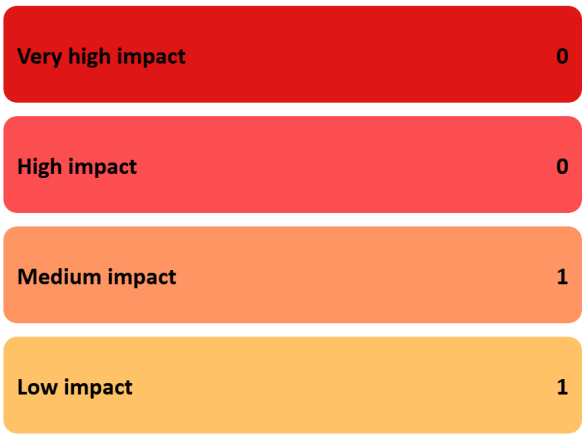
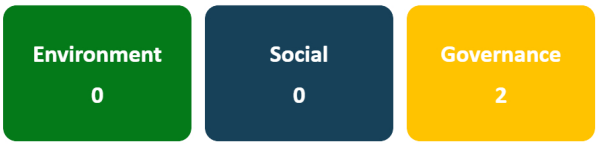
Material Event



Overall Scores deducted
1.86

Number of Material Event by Category



Material Event Review

Category	Impact	Key issue	Description
Governance	Medium	Business conduct	On February 3, 2025, KEI Industries received a GST demand order totaling ₹118.07 crore from the Office of the Additional Commissioner, CGST Delhi East. The notice pertains to alleged tax liabilities from FY 2017–18 to 2020–21, including ₹59.03 crore in tax, an equal penalty, and applicable interest. KEI disputes the claim, asserting it is unjustified and plans to appeal, assuring stakeholders that the issue won't impact its financial or operational stability.
Governance	Low	Business conduct	On June 19, 2024, KEI Industries faced a labor strike at its Rakholi and Chinchpada plants over wage-related demands, leading to production disruptions and daily losses of ₹8 crore. The company termed the demands as unwarranted, but the strike was soon withdrawn. Operations resumed shortly after, and KEI expressed confidence in its growth trajectory, supported by strong capex plans and robust demand.

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ESGRisk.ai’s approach to ESG ratings

ESGRisk.ai's ESG Rating model and report are designed to quantify ESG performance on a uniform scale across industries, based on industry-specific benchmarks and peer performance analysis. This approach helps investors and other stakeholders quickly understand and quantify an issuer's ESG risk exposure and risk management framework.

While all data used for ESG ratings provided by ESGRisk.ai is collected and analyzed from publicly available sources, ESGRisk.ai also provides subscribers an option to review data used for ESG Rating of their company and provide feedback to ESGRisk.ai for any corrections, if needed.

ESGRisk.ai's ESG rating provides a summary of the company’s ESG strategy, programs/initiatives, results and controversies across 34 Key Issues, including GHG emissions, water efficiency, environmental management, ESG oversight, human rights, supply chain, Minority shareholders’ rights, among others. The ESG ratings are based on a wide range of 1108 indicators that have been selected and assigned weights based on their materiality and relevance to specific industries.

Indicators are weighted and scored based on the company’s key issue-specific performance. Scores are aggregated using materiality and polarity to derive the ESG rating. This document details the approach to ESGRisk.ai’s ESG ratings.

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For a comprehensive understanding of ESGRisk.ai's ESG Assessment Methodology, please refer the methodology document available at -

ESG Assesment Methodology

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Glossary of Terms

Abbrevations	
Air pollutant emissions	Air pollutant emissions covers emissions of SOx, NOx, ODS, VOC and Particulate Matter-10
BRR	Business Responsibility Report mandated by SEBI
CIN Code	Corporate Identification Number (CIN Code) - assigned by the Registrar of Companies under the Ministry of Corporate Affairs
CDM	Clean Development Mechanism
CDP	CDP was previously known as Carbon Disclosure Project. It is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.
CPCB	Central Pollution Control Board (CPCB)
CSR	Corporate Social Responsibility
DP	Data point, indicators that are being assessed as part of our ESG taxonomy for their relevance to the industry and the companies performance on the same
ESG	Environmental, Social and Governance
EMAS	Certification under the European Union's (EU) Eco-management and Audit Scheme (EMAS)
FDA	Food and Drug Administration
GHG Emissions	Greenhouse gas emissions (GHG) - in the context of this report includes Carbon Dioxide, Methane, Nitrous Oxide, Sulphur Hexafluoride, Perfluorocarbons, Chlorofluorocarbons and Hydrofluorocarbons, the emissions of other gasses are captured under Air pollutant emissions.
GMO	Genetically modified organisms
GRI	Global Reporting Initiative
INR	The Indian Rupee
IUCN	The International Union for Conservation of Nature is an international organization working in the field of nature conservation and sustainable use of natural resources
KI	Key Issue pertaining to a specific theme under an ESG category
KMP	Key management personnel
LGBT	LGBT or GLBT is an initialise that stands for lesbian, gay, bisexual, and transgender
MT	Million tonnes
NAPCC	National Action Plan for Climate Change
NCAP	New Car Assessment Program
NGRBC	National Guidelines on Responsible Business Conduct
NOx	Nitrogen Oxides - Nitrogen dioxide and nitric oxide are referred to together as oxides of nitrogen
NVG	National Voluntary Guidelines provide a framework for responsible business behaviour along social, environmental and governance aspects
ODS	Ozone depleting substances
OHSAS 18001	Occupational Health and Safety Assessment Series (officially BS OHSAS 18001) - a British Standard for occupational health and safety management systems.
PM10	Particulate matters
SA 8000	Sustainability SA 8000 - Social Accountability Certification SA 8000 is an international certification standard that encourages organizations to develop, maintain and apply socially acceptable practices in the workplace.
Scope 1 Emission	Scope 1 greenhouse gas emissions are the emissions released to the atmosphere as a direct result of an activity, or series of activities at a facility level.
Scope 2 Emission	Scope 2 GHG emissions are indirect emissions from sources that are owned or controlled by the Agency.
SEBI	The Securities and Exchange Board of India - regulator of the securities & commodity market in India
SOx	Sulphur Oxides - Sulfur oxides (SOx) are compounds of sulphur and oxygen molecules
SPCB	State Pollution Control Boards (SPCB)
TCFD	Task Force on Climate-related Financial Disclosures
tCO2e	Tonnes (t) of carbon dioxide (CO2) equivalent (e)
VOC	Volatile organic compounds

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Rating Scale :

High - Low End	Class	What the rating signifies
Above 70.1	Excellent	An ESG leader who demonstrates exceptionally strong track record in managing material ESG risks through a robust risk management framework
70 - 61	Strong	An ESG leader who demonstrates strong track record in managing material ESG risks through a robust risk management framework
60 - 46	Adequate	A company who demonstrates adequate track record in managing material ESG risks but has inadequate risk management framework
45 - 31	Inadequate	A company who has a below average track record in managing material ESG risks along with inadequate risk management framework
30 - 0	Poor	A company who has a poor track record in managing material ESG risks along with inadequate risk management framework

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