



ESG

ENVIRONMENT, SOCIAL & GOVERNANCE

ESG Newsletter | Financial year ended Mar-2023



ARGL | Fully committed towards achieving ESG goals



- Climate change
- Carbon emission
- Air & water pollution
- Bio-diversity
- Deforestation
- Energy efficiency
- Waste management
- Water conservation



- Customer satisfaction
- Data protection
- Data privacy
- Gender and diversity
- Employee engagement
- Community relations
- Human rights
- Labor standards



- Board composition
- Audit committee structure
- Bribery and corruption
- Executive compensation
- Whistleblower Policy

Environment | Key Highlights from FY 2023

Measures and Impact



“B-” rating, higher than Asia regional average of “C”, metal products manufacturing sector average of “C” and global average of “C”



“A-” rating, higher than Asia regional average of “C”, metal products manufacturing sector average of “C” and global average of “C-”



Carbon Emission

- Consistently moving towards alternative fuels resulting in lower carbon emission
- Culture of tracking and reporting emissions instilled across the supply chain, including third party supplies
- Reduced emissions by 571 MT



Energy Saving

- Rooftop solar panels installed: 762 Kw thus far
- Incandescent lights / CFLs / Sodium vapor replaced with LED lighting
- Instituted automatic stoppage of machines during idle time



Waste Management

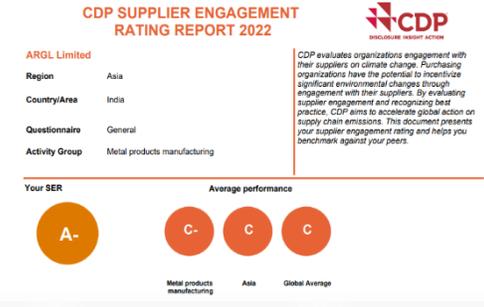
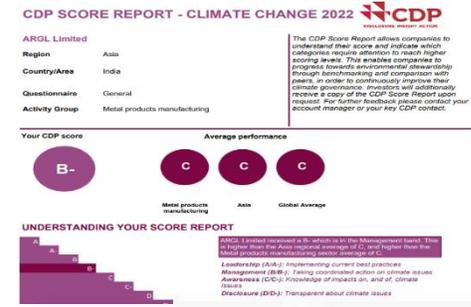
- Advanced ETP and STP installed
- Recycling of waste-water from RO with zero discharge in environment. Recycled water applied for plantation and harvesting



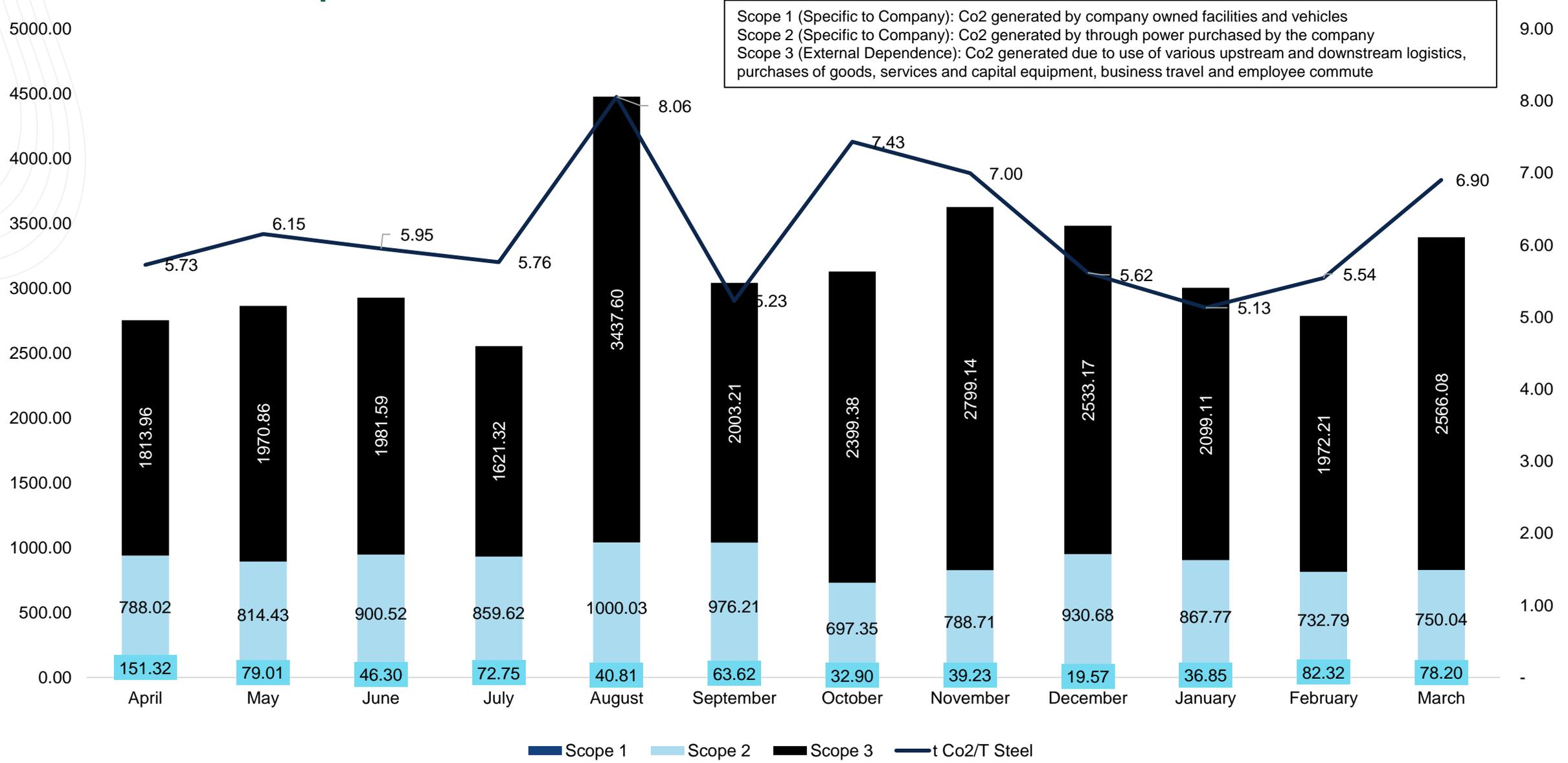
Bio diversity & Deforestation

- Planted 959 trees in FY 2022 and > 1,000 in FY 2023
- Promoting paperless processes by implementation of IOTs on machines and through SAP

Environmental Impact in Pictures



Carbon Emission | Trends



Social | Key Highlights from FY 2023 (1/2)

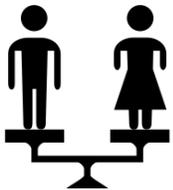
Measures and Impact



- Customer satisfaction: Delivery and logistics performance rating from customers representing >90% of sales between 99-100%
- Received Excellence award & Best Supplier award from one of Japan's largest OEMs for two consecutive years



- Regular health check arranged for employees and immediate community members
- Initiatives include camps to enhance hygiene, Yoga awareness, blood donation camps, plantation awareness and donation drives
- 98% of all employees and 85% of all family members fully Covid vaccinated which was sponsored by the company



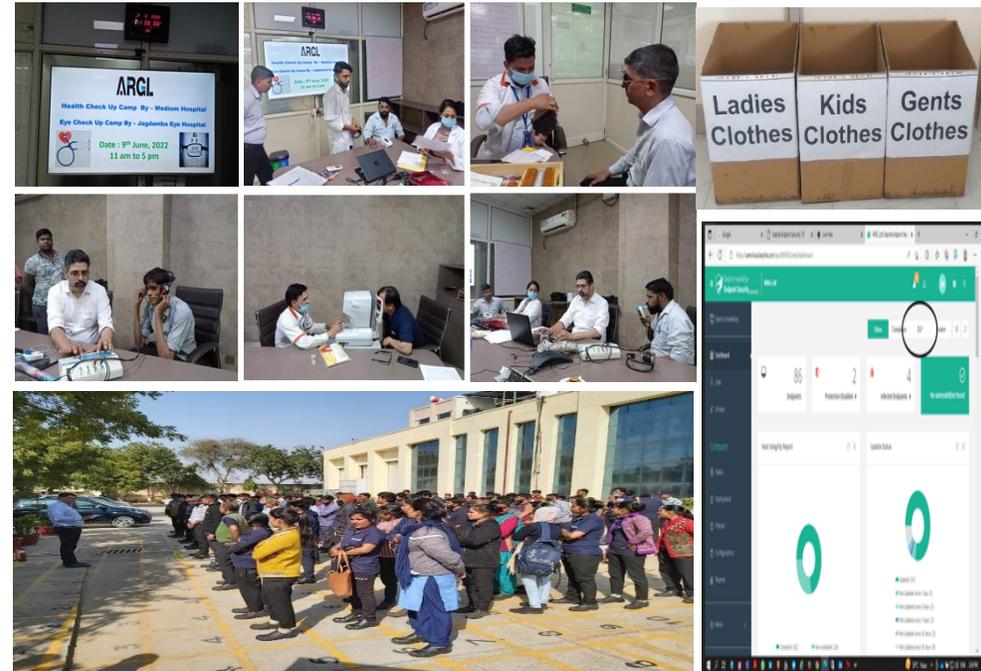
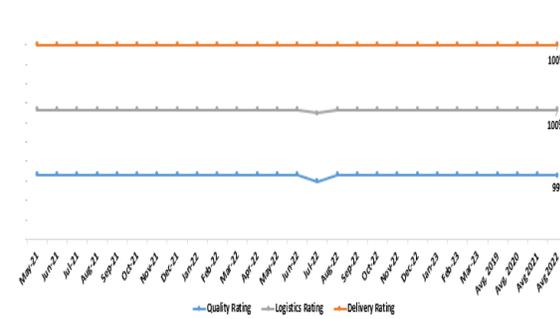
- Heavily committed to this cause: 51 female workers added across 3 manufacturing sites
- Plan to employ an additional another 50-75 female workers in FY 2024



- Best-in-class IT security systems installed to monitor and filter network traffic & to ensure that only authorized users are allowed to access or transfer data

Impacting Communities with Sustainability Initiatives

Quality Performance rating from major customer (UMG, Kawasaki, Kohler, Mahindra etc..)



Social | Key Highlights from FY 2023 (2/2)

Measures and Impact



Employee engagement

- Quality Circles / Kaizen / Improvements
- Organized poster competitions
- Celebrated local and national festivals
- Special focus on employee development by imparting external and internal trainings
- Organized open forums and communication meets
- Organized recreational activities



Labour Standards

- Policies designed in line with global standards and enforced by independent directors
- Policies include: (i) Human Rights Policy; (ii) Child Labour Policy; (iii) Policy & Procedure against employment of trafficked person; (iv) Policy & Procedure for wages and Benefits; and (v) Prevention of sexual harassment.



Community Relations

- ARGL engages with members of immediate community members to improve their quality of life through:
- Organising hygiene campaigns
 - Organising facility visits for Engineering Institutes and Industrial Institutes
 - Tree plantation drives outside the facilities
 - Distribution of books and stationery to economically weaker sections of society

Impacting Communities with Sustainability Initiatives



CFT Meeting



Kaizen



National Festival Celebrations



Trainings



Communication Meet



Poster Competition



Human Right Policy



Child Labour Policy



Trafficked Persons Policy



Wages and Benefits Policy



POSH Policy



Governance | Key Highlights from FY 2023

Measures and Impact



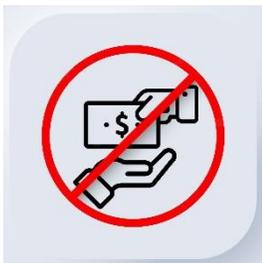
Board Composition

- Board of Directors consists of 3 independent directors, 1 nominee director and 1 management / executive director
- Independently governed company with best-in-class corporate governance and policy framework
- Board approved committees including Audit Committee and Remuneration Committee are chaired by independent directors



Audit committee structure

- Headed by an independent director
- Internal audit findings and findings of statutory audit independently reported to Audit Committee before being approved by Board of Directors



Policies

- Policies designed in line with global standards and enforced by independent directors
- Anti Bribery
 - Anti Corruption
 - Whistle Blower Policy
 - Code of Ethics

High Quality Board with Majority Independent Directors

Mr. VN Rai, Independent Director, is a technocrat, having served as CMD of Food Corporation of India, Fertilizers and Chemicals Travancore and India's 2nd largest urea manufacturer

Mr. Deepak Chawla, Independent Director, is a Banking expert, having served as Dy MD of State Bank of India

Mr. Kuriakose Varghese, Independent Director, is a legal expert and a practicing Supreme Court of India Lawyer

Mr. Nirav Shah, Non-Executive Director, is a shareholder representative

Mr. Rakesh Darbari, Whole time Director, is a Technocrat having worked in automotive sector for the last 39 years



Anti-Bribery
& Anti-Corruption (



Whistle-blowing
policy



Code of ethics

ESG Targets for FY 2024

ARGL ESG targets			
Environment	Carbon Emissions	To be validated as carbon neutral (scope 1,2 & 3)	
		Conversion of one more DG set to PNG	
		Replacement of old motors with energy efficient motors resulting in 359 MT CO2 saving	
	Energy Saving		Lux sensor fitment to save power
			Air leakage arrest work & air line modification
			Power factor to be improved unto 0.99 from current xx
			Boundary lights to be replaced with solar
			Improve compressor efficiency-VFD for varying demand patterns
			BLDC fans for ventilation and human comfort
			Smart Energy Monitoring System (Energy meter to be installed)
		Air line with aluminum pipes to be replaced for better optimization of compressor	
	Plan to install 250 Kwh Solar power for new shed		
Waste management		RO to be installed for recycling of rejected RO water	
		Energy recovery from canteen food waste	
		Advance ETP to be installed in Chopanki plant	
Bio diversity & Deforestation		Plantation target for current financial year of 1,200 trees	
Social	Customer Satisfaction	100% quality and delivery target to all customers	
	Social work	Organize health camps	
	Data Protection & Privacy	Maintaining firewalls, DLP, Antivirus	
	Gender Diversity	To increase female workers to improve gender diversity	
Gov	Bribery and corruption	Training sessions on anti-bribery and anti-corruption policy	



THANKS

Visit us at <https://www.argltd.com/>