



ENGINEERED FOR PERFECTION
MACHINED FOR PRECISION

ESG NEWSLETTER FY 2025



ABOUT US

ARGL Limited is a global leader in starter ring gear manufacturing, with a legacy that began in 1996 supplying ring gears for Maruti Suzuki. In January 2020, ARGL was acquired by Investment Opportunities IV Pte. Ltd., a Singapore entity managed by Ares, one of Asia-Pacific's largest alternative investment managers, strengthening the company's financial base and growth trajectory.

Today, ARGL operates three manufacturing facilities in India's National Capital Region, offering a combined capacity of 16 million ring gears per annum. The company is the largest ring gear manufacturer in India and among the largest globally, with the capability to produce DIN class 10 ring gears for advanced applications. ARGL has recently made foray into sustainable business initiatives to cater to electric mobility sector by entering new product categories.

ARGL serves leading OEMs across passenger vehicles, commercial vehicles, off-highway equipment, and engines, supported by warehouse facilities in Chicago and Toronto. Its customer base spans marquee global and domestic brands including Ford, GM, Toyota, Honda, Nissan, Suzuki, VW, Daimler, JCB, Kubota, John Deere, CNH, ZF, Schaeffler, Tata, TVS, Bajaj, Swaraj, and Mahindra, either as a Tier-1 or Tier-2 supplier, with sales across India, Japan, Malaysia, China, Europe, Africa, the U.S., Canada, and Mexico.



PURPOSE OF THE NEWSLETTER

ARGL's annual Sustainability Newsletter is more than a year-end summary; it is a deliberate mechanism for transparent, ongoing dialogue with everyone who has a stake in our business. The newsletter was conceived to consolidate the sustainability efforts completed during the year and set out the way forward.

By capturing how Environmental, Social and Governance (ESG) considerations are now woven into day-to-day strategy and decision-making, the publication shares the best practices we have adopted and the progress they have delivered. Just as importantly, it serves as an invitation for dialogue: we use it to deepen engagement with employees, customers, suppliers, investors and communities so we can understand—and meet—their evolving expectations.

In short, the newsletter is designed to celebrate milestones, acknowledge challenges, and chart the next stage of our journey toward responsible growth helping readers quickly grasp where we stand today and where we intend to go tomorrow.



SCOPE AND COVERAGE

This Sustainability Performance Newsletter focuses on FY 2025 (“FY25”), capturing all initiatives, data and outcomes achieved during the year across ARGL Limited’s Indian operations.

Organisational boundary: The report presents information from all 3 manufacturing facilities in the National Capital Region of Delhi.

Reporting themes: Performance is presented under the three ESG pillars:

- Environmental – initiatives and metrics that reduce the carbon footprint, conserve resources and expand renewable energy adoption across all operations.
- Social – workforce well-being, safety and community programmes, including gender ratio and CSR projects delivered during FY25.
- Governance – policies, risk controls and ethical standards that underpin transparent, accountable decision-making.

Performance boundary: The data cover GHG emissions, energy, water and waste indicators, as well as health-and-safety, diversity and stakeholder-engagement results, ensuring a holistic view of the company’s impact and progress.

By defining these boundaries, ARGL assures clients, investors and other stakeholders that the figures and narratives that follow present a faithful, company-wide picture of sustainability performance for FY 2025.

CEO'S MESSAGE

Dear Stakeholders,

This year, we advanced our sustainability agenda while strengthening what defines ARGL: precision manufacturing, reliability, and trust. We embedded ESG into everyday decisions, got TISEX Certified, accelerated energy-efficiency upgrades, expanded renewable electricity, and invested in water recycling and circularity. Our safety-first, ISO-certified systems protected our people, while learning programmes and inclusive hiring built skills and opportunity. Through CSR, we supported education, clean-energy access, greener neighbourhoods, and community wellbeing.

None of this is possible without our employees' dedication, our customers' and suppliers' partnership, our investors' confidence, and the support of our host communities. We will remain transparent, improve relentlessly, and pursue our long-term climate, resource, and inclusion goals with discipline. Thank you for walking with us as we build a resilient, responsible ARGL that creates enduring value for all.

Rakesh Darbari
CEO
ARGL Limited



“We will remain transparent, improve relentlessly, and pursue our long-term climate, resource, and inclusion goals with discipline.”

GOVERNANCE STRUCTURE

ARGL's sustainability journey is anchored in a strong governance framework that prizes transparency, ethics and rigorous oversight.

Board Oversight

The Company is led by a four-member Board comprising two Independent Directors, one non-executive shareholder director and one Whole-time Director. Current members are Rakesh Darbari (Whole-time Director), Vijay Narain Rai, Kuriakose Varghese (Independent) and Nirav Harshad Shah (Non-executive). Independent directors have formally affirmed compliance with the independence criteria under Section 149(6) of the Companies Act 2013 and applicable listing regulations.

Governance Philosophy & Compliance Culture

ARGL's governance philosophy goes beyond statutory requirements: "comply with the spirit, not just the letter of the law; disclose when in doubt; and separate personal convenience from corporate resources." Overall compliance rests with the Board and senior management, with department heads responsible for day-to-day implementation.



Rakesh Darbari
(Whole Time Director)



Vijay Narain Rai
(Independent Director)



Kuriakose Varghese
(Independent Director)



Nirav Harshad Shah
(Non Executive Director)

VISION FOR SUSTAINABILITY

ARGL's sustainability vision is rooted in the conviction that responsible business practices are essential both for long-term corporate success and for the wellbeing of the planet and its communities. Over recent years, the Company has woven Environmental, Social and Governance (ESG) considerations into strategy, operations and decision-making, aligning with global best practices and creating positive impact for stakeholders.

At the core of this vision is a commitment to minimise the environmental footprint of every product produced. ARGL's Climate Action Plan guides emissions-reduction initiatives and process optimisation, while the overarching ambition is to become a climate-action pioneer—expanding renewable energy use and driving continuous energy-efficiency gains.



VISION FOR SUSTAINABILITY

The vision translates into six priority pillars:

- **Climate Action** – decarbonise operations through renewables and efficiency
- **Health & Safety** – ensure that people and environment remain unharmed by production processes
- **Human Rights & Ethics** – uphold rights and transparency across the value chain
- **Water Stewardship** – conserve water and safeguard quality, especially in scarcity-prone regions
- **Circular Economy** – reduce material footprint and maximise second-life solutions
- **Diversity & Inclusion** – foster an equitable workplace that mirrors society’s diversity

These pillars are explicitly highlighted in ARGL’s ESG framework.

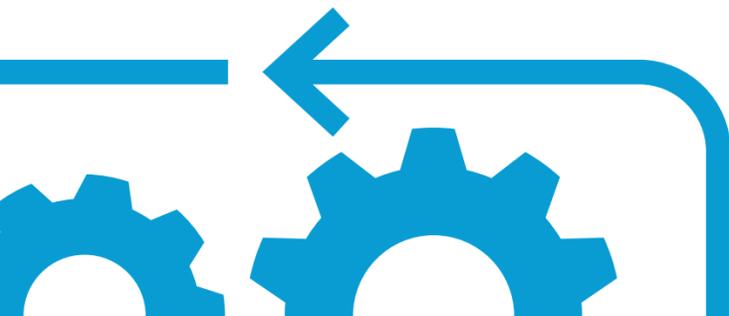


OUR TARGETS

To turn intent into measurable progress, ARGL has set long-term targets:

- **75 % reduction in carbon-emission intensity** (Scope 1 & 2) by FY 2030 from FY 2020 baseline.
- **Save 1 GWh of energy annually** through efficiency projects by FY 2030.
- **Supply ≈ 67 % of electricity from renewables** by FY 2030, with a 8 MW green-power PPA contracted by FY 2026.
- **20 % absolute water withdrawal reduction** at all sites by FY 2026, alongside **zero-liquid-discharge** waste water treatment.

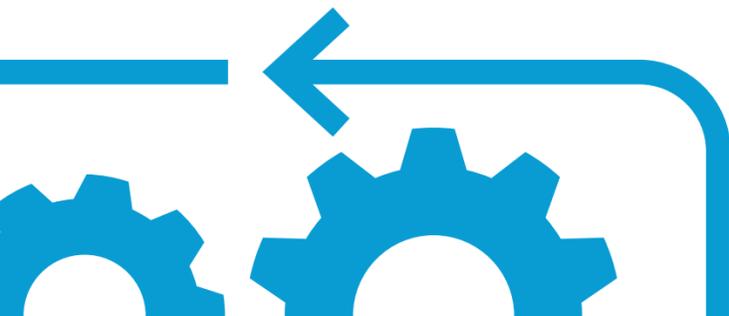
Through this balanced agenda—spanning climate, resource stewardship, people, and governance ARGL positions itself to deliver precision components that power mobility while advancing a low-carbon, inclusive future.



OUR APPROACH

ARGL embeds environmental, social and governance (ESG) thinking “end-to-end” – from product design to supply-chain selection and customer service. In practice this means ESG criteria guide every major decision, and our engagement model constantly loops in employees, suppliers, investors and local communities to refine priorities and share progress .

To keep the strategy outcome-focused, the Board has endorsed a set of bold, time-bound targets and requires quarterly performance tracking that is disclosed to stakeholders . The cornerstone is ARGL’s Climate Action Plan, built on three levers i.e. energy efficiency, on-site renewable generation and green-power procurement, which together aim to cut Scope 1 & 2 carbon-emission intensity by 75 % by FY 2030 (baseline FY 2020).

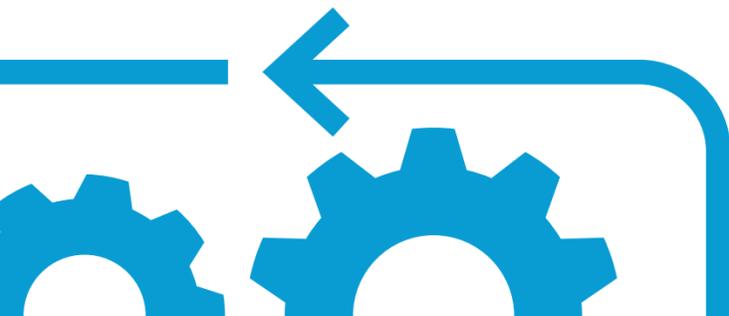


OUR APPROACH

Progress is already tangible. A 762 kW rooftop-solar plant avoided 579.80 t CO₂e in FY 2025, and a 8 MW renewable Power Purchase Agreement will start in FY 2026. Energy-efficiency projects have saved more than 1 GWh to date, eliminating over 1,000 t CO₂e. On water, absolute withdrawal is on track for a 20 % cut by FY 2026, supported by rain-water harvesting and a zero-liquid-discharge effluent-treatment system that recovers an additional 40 % of process water.

A disciplined management system underpins these efforts. All plants hold ISO 45001 certification, embedding risk-based thinking and a zero-incident safety culture . Oversight is further strengthened through quarterly ESG dashboards reviewed by the Board Sustainability Committee.

Together, these elements articulate how ARGL moves from intent to impact – creating durable value for clients and investors while accelerating the transition to a low-carbon, inclusive future.



OUR CERTIFICATIONS

ARGL's operations are governed by a fully integrated suite of internationally recognised management-system certifications that anchor our safety, environmental and quality performance.

- **ISO 45001:2018 – Occupational Health & Safety Management System:** All manufacturing units are certified, embedding proactive, risk-based thinking and senior-level accountability for a zero-incident culture.
- **ISO 14001:2015 – Environmental Management System:** Confirms that our environmental controls for energy, emissions, water and waste meet the rigorous ISO 14001 standard.
- **IATF 16949:2016 – Automotive Quality Management System:** Ensures precision engineering, traceability and continuous improvement across the value chain for every ring gear we ship to global OEMs.
- **TISAX (Trusted Information Security Assessment Exchange):** Validates that our information-security practices protect customer data and intellectual property across all digital touchpoints.

Collectively, these certifications create a robust governance framework that drives continual improvement, meets stakeholder expectations and reinforces ARGL's position as a trusted, world-class partner for critical automotive components.

AWARDS AND RECOGNITIONS

Our performance over the years have been affirmed by multiple external acknowledgements from customers, industry bodies, and public authorities.

- Quality & Delivery Excellence: Recognised for product quality and on-time delivery across high-volume programmes.
- Safety Leadership: Honoured for sustained focus on safe operations and a preventive safety culture.
- Supply-Chain Partnership: Appreciated for exceptional support to for materials-management strategy.
- Crisis Response & Resilience: Commended for rapid assistance and continuity support during a major European flood event in August 2023.

Together, these distinctions reflect the discipline of our teams and the trust of our partners—and motivate us to raise the bar each year.



AWARDS AND RECOGNITIONS



Awarded for Best Supplier from India Nippon Electricals Limited



State Safety Award from Government of Rajasthan



Certificate of Appreciation from Skoda



Awarded for outstanding support to Material Management India Strategy by ZF



Awarded as Certificate of Excellence for Star Performance in Quality and Delivery

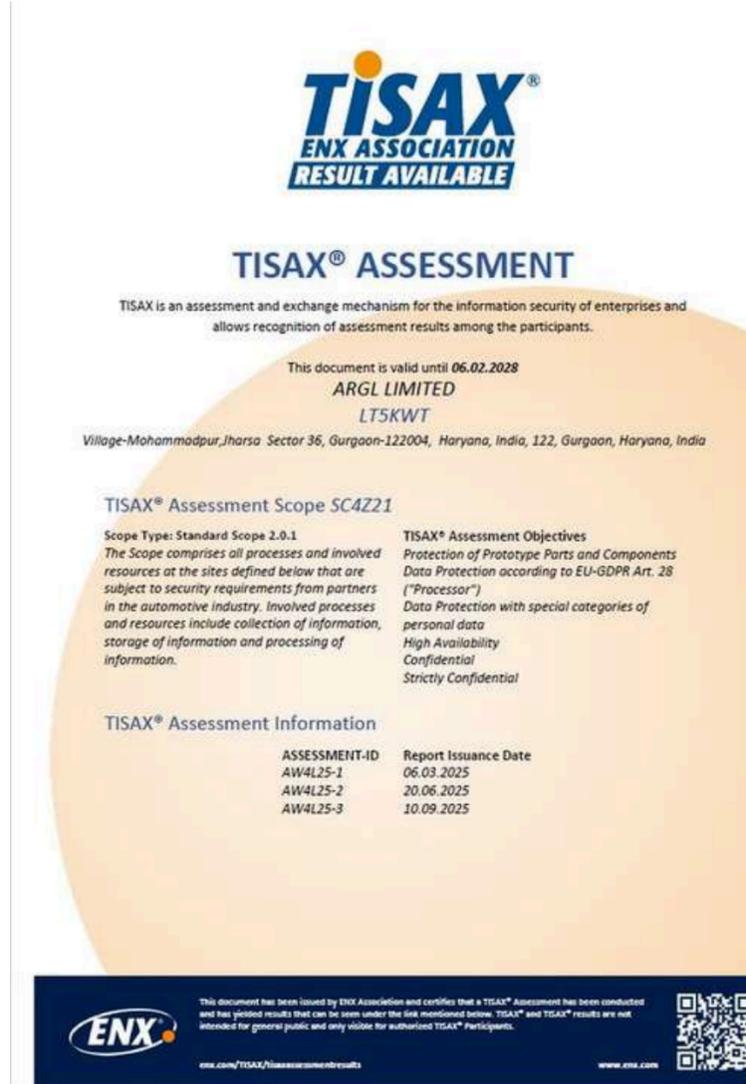
AWARDS AND RECOGNITIONS



Best Performance Award by Valeo



DUNS Evaluation Certificate



TISAX Certificate



Certificate of Participation from Valeo



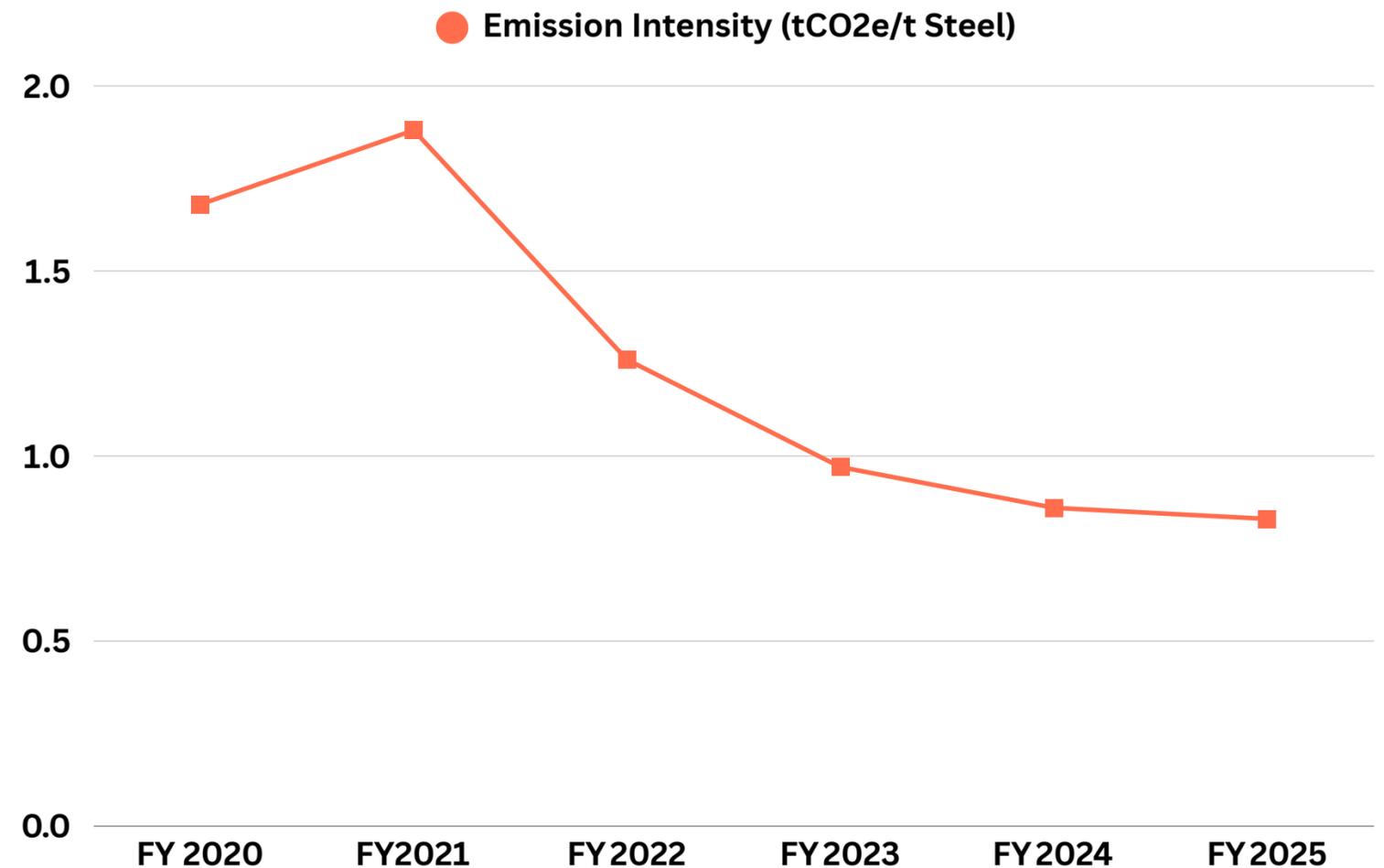
DUNS Certificate of Recognition

ENVIRONMENTAL STEWARDSHIP

ARGL's environmental strategy focuses on rapid decarbonisation, careful water management and a circular-economy mindset. Over the past three years we have converted these ambitions into measurable performance gains and, in FY2025, launched a fresh wave of improvement projects that build on this momentum.

Our climate-action pathway is delivering measurable results. The absolute greenhouse-gas emissions fell from 55,318.65 tCO₂e in FY2024 to 43,456.80 tCO₂e in FY2025.

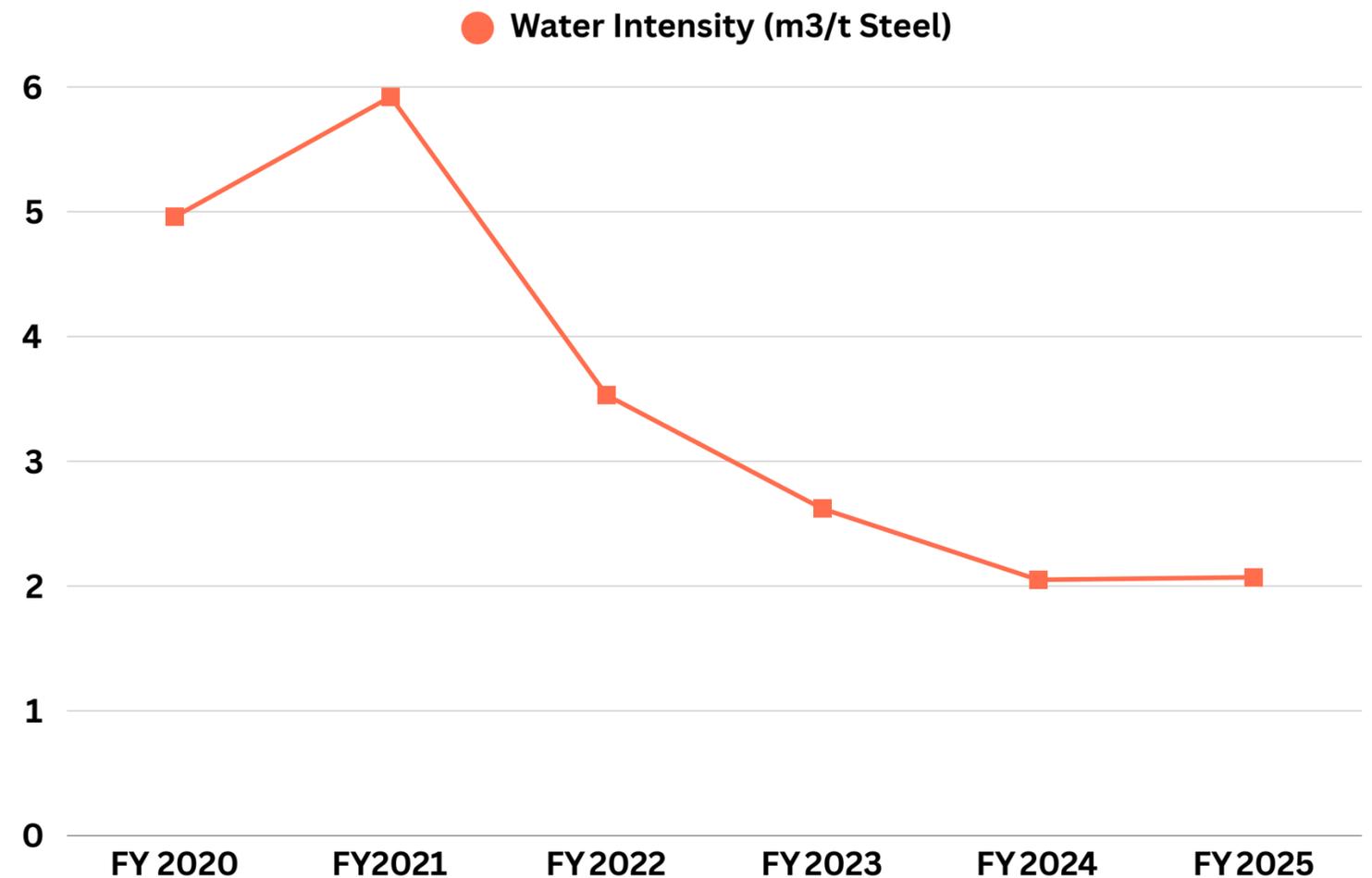
Likewise, the Scope 1+2 intensity fell to 0.83 tCO₂ per tonne of steel, a nearly 4% improvement from the previous year. Further, our 762 kW rooftop-solar array already powers 4.83% of total electricity needs which led us to avoid 579.80 tCO₂e in FY 2025.



ENVIRONMENTAL STEWARDSHIP

ARGL is on track to reduce absolute water withdrawal by 20% by FY2025; initiatives such as dual-stage RO systems and a zero-liquid-discharge ETP have already cut consumption intensity by 58% versus FY2020 and virtually eliminated industrial effluent discharge.

Guided by our circular-economy principle, we segregate scrap steel for closed-loop recycling, channel hazardous residues only through authorised handlers, and pursue near-zero landfilling of non-hazardous waste. In FY2025 ARGL generated 3717.95 t of waste, of which almost 60% was recycled or recovered which proves that process efficiency and responsible disposal go hand in hand with our broader sustainability goals.



ENVIRONMENTAL STEWARDSHIP

ARGL's environmental programme continues to blend decarbonisation, resource efficiency and nature-positive action. Below is a snapshot of the key projects delivered in FY2025 which helped us advance our strategy to have positive impact on the environment.

Energy-efficiency drive:

- Installed 11 high-volume, low-speed (HVLS) fans, which replaced 45 conventional man-coolers and saved roughly 25 kW from shop-floor demand.
- Upgraded additional machine drives to IE3-rated motors and swapped a 1.5 HP coolant pump for a 0.3 HP unit on the turning line—cutting process power further.

Cleaner fuel mix:

- Fitted dual-fuel kits on all our diesel generators, allowing natural-gas (PNG) co-firing and lowering direct CO₂ per kWh.

Renewable-power optimisation:

- Relocated segments of the rooftop-solar array to a better-oriented shed, boosting output from the existing 762 kW PV capacity.
- Preparing 8 MW green-power purchase agreement (PPA) for commissioning in FY2026.



Low-speed (HVLS) fans



Dual-fuel kits on DG Set

ENVIRONMENTAL STEWARDSHIP

Water-loop closure:

- Brought a two-stage RO plant online at Unit A-285 and commissioned 40 KLD and 20 KLD sewage-treatment plants at Units A-459 and A-285, respectively raising overall recycling capacity and supporting the 20% absolute-withdrawal target.

Biodiversity stewardship:

- Planted 1,000 trees on-site and in neighbouring communities, comfortably meeting our annual 1000-tree commitment and enhancing local green cover. We have planted over 3657 trees since 2022.

Transparency & governance:

- Completed our third consecutive CDP Climate Change disclosure, showcasing our commitment to climate leadership and transparency. We also renewed ISO 14001 certification, underscoring mature environmental-management systems and supply-chain engagement.



STP plant

OUR GREEN PERFORMANCE

| Parameters | FY 2020 | FY2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|--|---------|--------|---------|---------|---------|---------|
| Scope 1 + 2 intensity (t CO ₂ /t steel) | 1.68 | 1.88 | 1.26 | 0.97 | 0.86 | 0.83 |
| Green-power share (%) | 2.02% | 2.45% | 1.94% | 2.57% | 5.67% | 4.83% |
| Water Intensity (m ³ /t steel) | 4.96 | 5.92 | 3.53 | 2.62 | 2.05 | 2.07 |
| Waste Recycling Rate (%) | - | - | - | - | - | 99.54% |



Reliable data for waste recycling rate was not available for FY2020 to FY2024 reporting period.

PEOPLE AND COMMUNITIES

At ARGL, we view our people as catalysts of sustainable growth. During FY2025 we stepped-up programmes that keep our workforce safe, skilled, engaged and reflective of the communities we serve, while widening the impact of our social investments.

Building an Inclusive, Diverse Workforce

Progress on gender balance has been gradual yet steady. Recruitment outreach at local polytechnics, paired with mentoring circles and widespread POSH (Prevention of Sexual Harassment) training, has begun to shift the talent pipeline in favour of greater diversity.

Female representation in our organisation has increased from 13% in FY2024 to 16 % in FY2025. Looking ahead, the company remains committed to its 40 % female-representation target by FY2030.



PEOPLE AND COMMUNITIES

Continuous Learning & Talent Development

ARGL invests heavily in upskilling, believing that an agile workforce underpins operational excellence and customer trust. Training hours have surged over the last three successive years. This stems from the roll-out of “safety gyms”, VR-based hazard-recognition modules, and new leadership-development tracks. By coupling traditional classroom courses with immersive digital tools, ARGL ensures learning is practical, memorable and directly linked to day-to-day performance on the shop floor.

Health, Safety & Well-being

Safety remains non-negotiable at ARGL. With the ISO 45001-certified systems, daily “line-walks” and cross-functional safety committees, we drive a culture where every incident is deemed preventable. FY2025 enhancements included:

- State Safety Award from the Government of Rajasthan, recognising zero reportable injuries for the third year running.
- Installation of 11 HVLS fans, improving air circulation and thermal comfort for operators.
- Acquisition of a dedicated ambulance at the Gurgaon unit and continuation of bi-annual medical check-ups.



PEOPLE AND COMMUNITIES

Engagement & Culture

Festive gatherings, family days, birthday clubs and suggestion schemes keep morale high and encourage two-way dialogue. These touchpoints ensure that employees feel heard while management stays abreast of shop-floor insights.



PEOPLE AND COMMUNITIES

Strengthening Communities

Corporate Social Responsibility (CSR) initiatives align with national priorities on education, clean energy and environmental stewardship:

- **Education & empowerment:** Adoption of Bhiwadi Government Senior Secondary School, where 340 students now benefit from gender-sensitisation and self-defence workshops; improved sanitation facilities have boosted girls' attendance.
- **Clean-energy access:** A 4.5 kVA rooftop-solar plant installed at a rural middle school in Raebareli (U.P.) ensures continuous electricity for classrooms.
- **Green drives:** Swachh Bharat (cleanliness) campaigns and the planting of 1,000 saplings—double our annual pledge—enhance public spaces and carbon sinks.
- **Climate resilience:** Cooling-drink kiosks set up on extreme-heat days offer relief to local residents and underscore our commitment to community welfare.



RESPONSIBLE GOVERNANCE

Sound governance underpins every aspect of ARGL’s sustainability agenda. Our corporate-governance philosophy insists on “following the spirit, not just the letter of the law,” maintaining high levels of disclosure and ensuring that personal interest is never confused with corporate resources.

The four-member Board—two Independent Directors, one non-executive shareholder director and one Whole-time Director—provides active, diversified oversight, supported by a Nomination & Remuneration Committee that vets senior appointments and remuneration terms to keep leadership performance-linked and transparent.



RESPONSIBLE GOVERNANCE

Risk management & accountability

Robust risk-management practices and continuous monitoring safeguard stakeholder interests, reinforcing accountability at every organisational level.

- Enterprise-wide risk assessments and “rigorous compliance and monitoring mechanisms” safeguard stakeholder interests while promoting accountability at every level.
- Department heads are specifically charged with implementing governance standards in their functional areas, ensuring policy adherence from shop floor to boardroom.



RESPONSIBLE GOVERNANCE

Ethics & integrity policies

To embed integrity across every layer of the company and its supply chain, ARGL has codified expectations in a comprehensive Code of Conduct supported by the following policies:

- Anti-Corruption and Anti-Bribery Policy
- Prevention of Sexual Harassment (POSH) Policy
- Diversity & Inclusion
- Human Rights Policy
- Responsible Behaviour toward Stakeholders
- Information Security & Transparent Disclosure

Together with directives on respectful workplace behaviour and ethical use of company assets, these policies apply to all employees and third-party partners, ensuring uniform standards of conduct.



RESPONSIBLE GOVERNANCE

Continuous improvement & stakeholder confidence

Recognising that effective governance is a journey, not a destination, the Board drives a culture of transparency and learning through regular disclosure and structured feedback:

- Annual governance statements and Board-level ESG dashboards keep progress visible to investors, regulators and customers.
- The Company's "Governance Excellence" pledge underscores transparency, rigorous risk controls and integrity as cornerstones of long-term value creation.

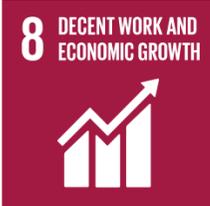
Through this integrated framework of clear oversight, stringent risk controls, and comprehensive ethics policies, ARGL ensures that responsible governance remains the bedrock of its growth strategy and sustainability performance.



CONTRIBUTION TO THE UN SDGS

ARGL's sustainability priorities are not abstract principles, they are anchored in day-to-day actions that align with the UN 2030 Agenda. By advancing clean energy, resource efficiency and inclusive growth across our three plants, we tangibly supports several SDGs most material to our business and stakeholders.

| SDG Impacted | Impact Activities |
|---|---|
|  | <p>Regular health camps, an on-site ambulance and company-wide medical check-ups strengthen employee wellness and emergency readiness.</p> |
|  | <p>Adoption of a local government secondary school introduces gender-sensitisation classes, self-defence workshops and improved sanitation facilities, while a rooftop-solar installation at a rural middle school ensures reliable electricity for learning.</p> |
|  | <p>Women now make up a larger share of the workforce, supported by robust POSH training and community-based gender-sensitisation initiatives.</p> |
|  | <p>Dual-stage reverse-osmosis, zero-liquid-discharge treatment and rain-water harvesting expand water reuse and curb freshwater withdrawals across all plants.</p> |

| | |
|---|--|
|  | <p>The rooftop-solar plant is fully operational, and a long-term green-power purchase agreement has been secured, significantly increasing the share of renewable electricity in production.</p> |
|  | <p>Expanded training opportunities and immersive “safety-gym” modules, backed by ISO-certified systems, foster a safer, more skilled workforce.</p> |
|  | <p>Community cleanliness drives, widespread tree planting and hydration kiosks during extreme heat enhance public spaces and support neighbourhood resilience around ARGL’s manufacturing hubs.</p> |
|  | <p>Continuous-improvement (kaizen) projects maximise material yield, and preparations are under way to switch to lower-carbon electric-arc-furnace steel.</p> |
|  | <p>Ongoing energy-efficiency projects—LED retrofits, high-efficiency motors and dual-fuel generator conversions—are cutting operational emissions, while the company pursues an ambitious goal to halve carbon-intensity within the next decade.</p> |
|  | <p>Tree-planting programmes consistently exceed annual commitments, enriching biodiversity around operating sites and neighbouring communities.</p> |

GOALS FOR TOMORROW

ARGL's forward-looking roadmap converts today's momentum into clear, time-bound objectives that will guide investment decisions and stretch performance through the end of this decade and beyond.

Climate & resource ambitions

- Cut Scope 1+2 carbon-emission intensity upto 75% by FY2030 (baseline FY2020), driven by efficiency projects, on-site renewables and green-power purchases.
- Source two-thirds of total electricity from renewable energy by FY2030, building on a 8 MW power-purchase agreement that comes online in FY2026 .
- Achieve a cumulative 1GWh annual energy-savings run-rate by FY2030 through continual equipment upgrades and smart controls.
- Reduce absolute water withdrawal 20 % by FY2026 while maintaining zero-liquid-discharge operations at all plants.
- Transition to electric-arc-furnace (EAF) steel feedstock by FY2026 to slash embedded upstream emissions.
- Continue the commitment to plant at least 1000 trees every year, strengthening local carbon sinks and biodiversity.



GOALS FOR TOMORROW

People & social priorities

- Raise female representation to 40 % by FY2030, supported by inclusive hiring, mentoring and continuous POSH training.
- Expand annual learning hours and immersive “safety-gym” programmes, sustaining our zero-incident safety culture and supporting long-term employability.

Circularity & supply chain

- Embed the circular-economy principle in all new product and process designs, aiming for near-zero material waste and preferential use of recycled inputs.

Governance & transparency

- Maintain ISO 14001, ISO 45001, IATF 16949 and TISAX certifications, while pursuing higher CDP scores and wider supplier-engagement coverage to enhance stakeholder trust.

Together, these “goals for tomorrow” ensures ARGL continues to deliver precision components that meet customer expectations and global sustainability standards in equal measure.

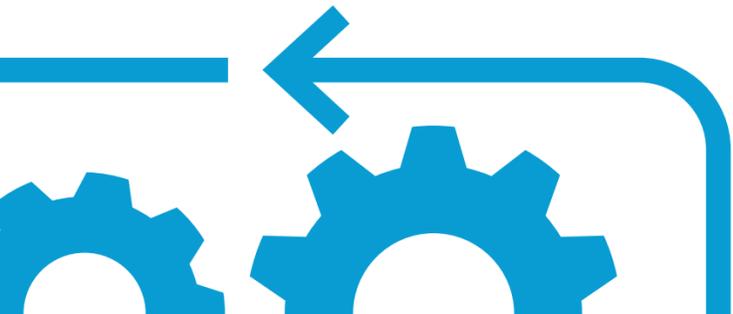


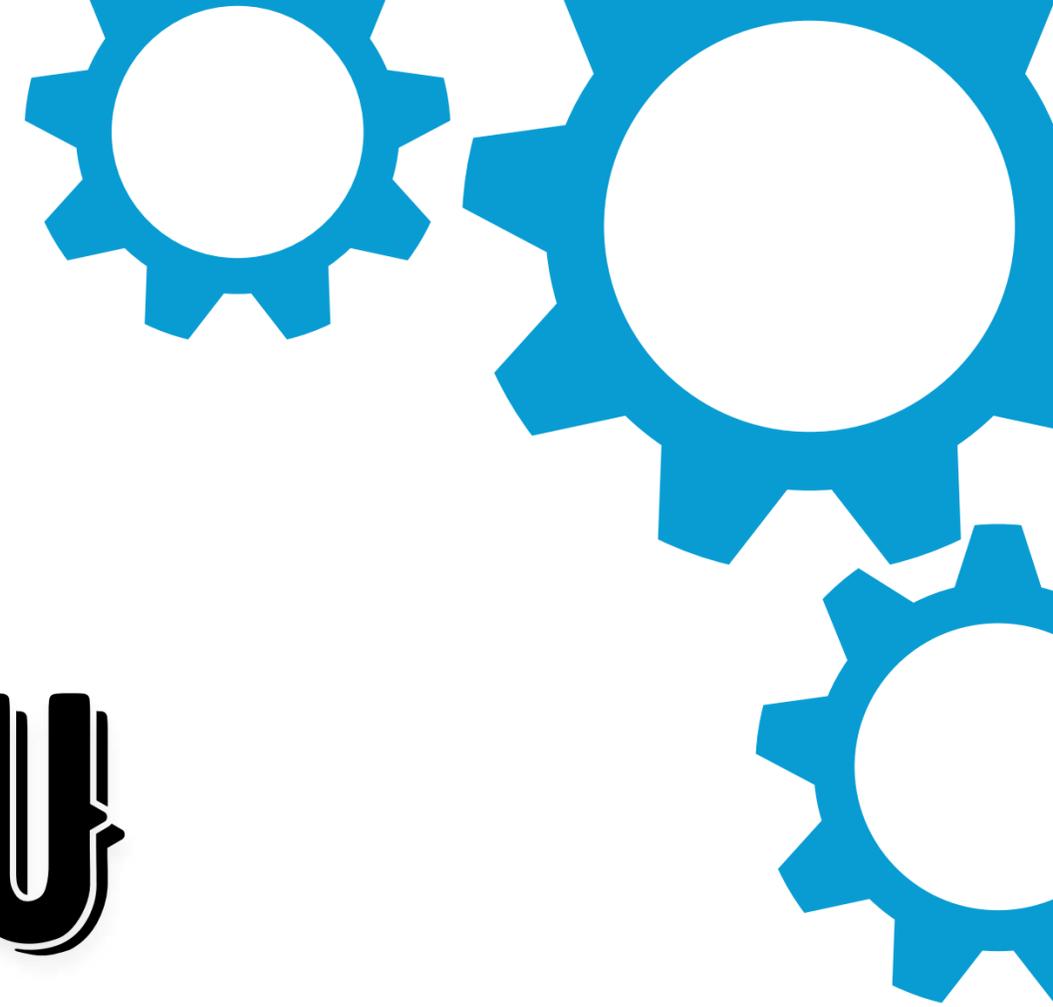
THANKS TO OUR STAKEHOLDERS

Our entire sustainability journey is powered by the people and partners who walk it with us. On behalf of the Board and leadership team, we extend heartfelt appreciation to employees, whose dedication and ingenuity drive every efficiency gain; to customers and suppliers, whose collaboration raises the bar for responsible manufacturing across our value chain; to investors, who back our long-term climate and social ambitions; and to the communities that host our facilities, whose trust inspires our CSR commitments.

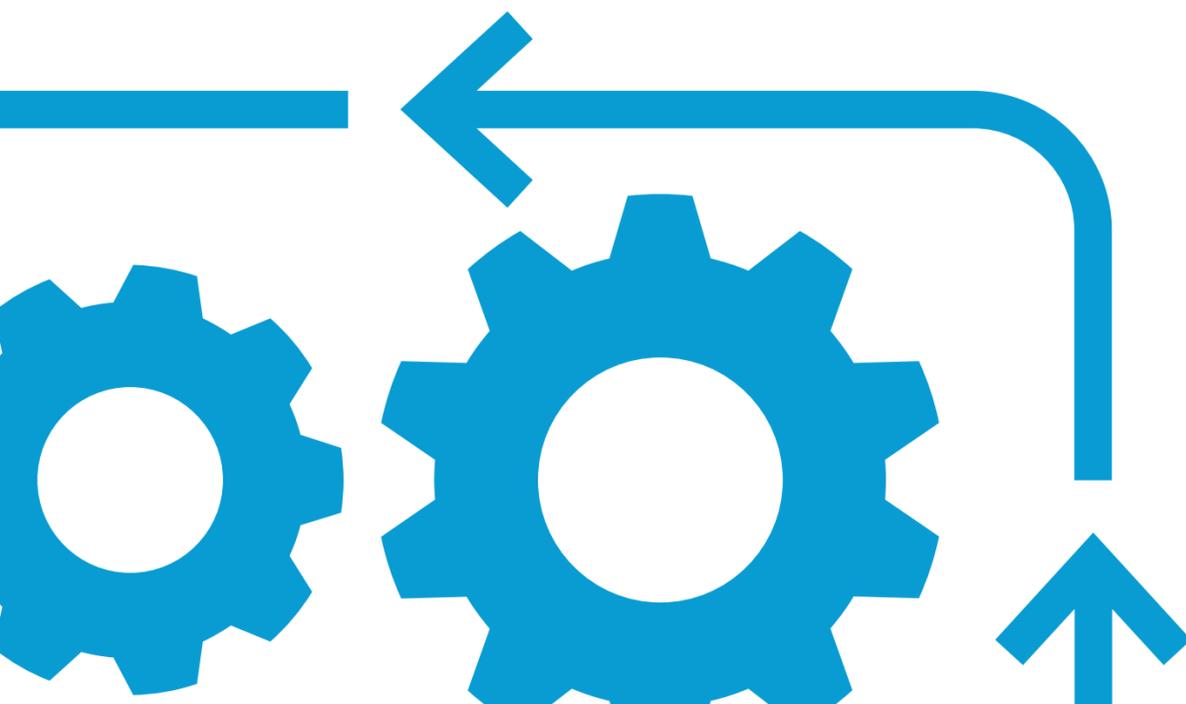
As our CEO notes, we are “sincerely grateful to each and every one” for the passion and support shown along this path, confident that—together—we will “build a brighter, more sustainable future for all.”

Thank you for continuing to believe in ARGL and for shaping a company where performance and purpose advance hand in hand.





THANK YOU



ARGL Limited
Old Manesar Road, Mohammadpur Jharsa,
Sector36, Gurgaon, Haryana (India)

www.arglltd.com
Email: info@arglltd.com
Phone: +91-9311026222