

# AUTOMOTIVE AXLES LIMITED

10<sup>th</sup> July 2023

**The BSE Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400 001  
Scrip Code: 505010

**National Stock Exchange of India Limited**

Exchange Plaza, Plot No. C/1, G- Block  
Bandra (E)  
Mumbai – 400 051  
Scrip Code: AUTOAXLES

**Attn: Listing Department**

Dear Sir/Madam,

**Sub: Business Responsibility and Sustainability Report for FY 2022-23.**

Please find enclosed herewith the Business Responsibility and Sustainability Report ('BRSR') of Automotive Axles Limited ('Company') for Financial Year 2022-23. The BRSR forms part of the Company's Annual Report for the Financial Year 2022-23.

The Business Responsibility and Sustainability Report ('BRSR') is available separately on the website of the Company at <https://www.autoaxle.com/Downloads/Sustainability/BRSR%20FY-2022-23.pdf>.

This is submitted pursuant to Regulation 34(2) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with applicable SEBI Circulars, if any.

This is for your information and records.

Thanking you,

Yours Truly,

**For Automotive Axles Limited**

**Debadas Panda**

**Company Secretary & Compliance Officer**



**Regd. Office & Mysuru Unit :**

Hootagalli Industrial Area, Off Hunsur Road, Mysuru – 570 018, Karnataka, India

Telephone : 91-821-719 7500, Fax : 91-821-2402451

Email : [sec@autoaxle.com](mailto:sec@autoaxle.com), Website : [www.autoaxle.com](http://www.autoaxle.com)

CIN : L51909KA1981PLC004198

ISO 9001:2015 / IATF 16949 : 2016, EMS : ISO : 14001:2015 & OHSAS : ISO : 45001 : 2018



# Business Responsibility & Sustainability Reporting (BRSR)

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L51909KA1981PLC004198
2. Name of the Listed Entity	Automotive Axles Limited
3. Year of incorporation	1981
4. Registered office address	Hootagalli Industrial Area, Off. Hunsur Road, Mysore, Karnataka - 570018
5. Corporate address	Hootagalli Industrial Area, Off. Hunsur Road, Mysore, Karnataka - 570018
6. E-mail	sec@autoaxle.com
7. Telephone	+91 821 - 7197500
8. Website	www.autoaxle.com
9. Financial year for which reporting is being done	2022-23
10. Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India (NSE) Limited and Bombay Stock Exchange (BSE) Limited
11. Paid-up Capital	₹ 151.12 million
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Nagaraja Sadsashiva Murthy Gargeshwari President & Wholetime Director +91 821 - 7197500 Email : Nagaraja.Gargeshwari@autoaxle.com
13. Reporting boundary Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis - The Company does not have any subsidiary or a joint venture company, the disclosures made in this report pertain only to Automotive Axles Limited.

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover):

Sl. No.	Description of main activity	Description of business activity	% of turnover of the entity (FY22)
1	Manufacturing	Manufacturer of Axles and Brakes	100%

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No.	Product/Service	NIC Code	% of total turnover contributed
1	Rear And Front Axles	29301	62.51
2	Brakes	29301	24.46
3	Others including Suspension	29301	6.54

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
<b>National</b>	4	1	5
<b>International</b>	-	-	-

**Plant Locations:** 1. Mysore, Karnataka, 2. Jamshedpur, Jharkhand, 3. Rudrapur, Uttarakhand, 4. Hosur, Tamilnadu



## 17. Markets served by the entity:

## a. Number of locations

Locations	Number
National (No. of States)	6
International (No. of Countries)	NA

## b. What is the contribution of exports as a percentage of the total turnover of the entity?

- Revenue - Outside India - Nil
- Exports a percentage of the total turnover - Nil

## c. A brief on types of customers

Automotive Axles Limited ("AAL") is a joint venture company incorporated in 1981, between Bharat Forge Limited, Pune, India and Meritor Heavy Vehicle Systems LLC, USA. With manufacturing facilities located at Mysuru (Karnataka), Rudrapur (Uttarakhand), Jamshedpur (Jharkhand) and Hosur (Tamil Nadu), the Company manufactures drive axles, non-drive axles, front steer axles, off-highway Axles, drum & disc brakes and suspension. It provides these products to the major domestic and global manufacturers of trucks & buses pertaining to segments such as light, medium & heavy commercial vehicles, military & off-highway vehicles and aftermarket.

## IV. Employees

## 18. Details as at the end of Financial Year:

## a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	375	346	92%	29	8%
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total employees (D + E)</b>	<b>375</b>	<b>346</b>	<b>92%</b>	<b>29</b>	<b>8%</b>
<b>WORKERS</b>						
4.	Permanent (F)	613	613	100%	0	0
5.	Other than Permanent (G)	1971	1967	99.8%	4	0.18%
6.	<b>Total workers (F + G)</b>	<b>2584</b>	<b>2580</b>	<b>99.8%</b>	<b>4</b>	<b>0.18%</b>

## b. Differently abled Employees and worker

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)					
2.	Other than Permanent (E)					
3.	<b>Total differently abled employees (D + E)</b>			Nil		
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	3	3	100%	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	<b>Total differently abled workers (F + G)</b>	<b>3</b>	<b>3</b>	<b>100%</b>	<b>0</b>	<b>0</b>

## 19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
<b>Board of Directors</b>	6	1	17%
<b>Key Management Personnel*</b>	3	3	0

\*KMP includes Whole Time Director (WTD)

## 20. Turnover rate for permanent employees and workers

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	9.86%	1.83%	12%	10.75%	1.94%	13%	6%	1%	7%
Permanent Workers	0.77%	0%	1%	2%	0%	2%	2%	0%	2%

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

## 21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Parola Renewables Private Limited	Associate	26	No

## VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

(ii) Turnover (in ₹) – 23,237.01 million

(iii) Net worth (in ₹) – 7,593.23 million

## VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No)	FY 2022-23 Current Financial Year			FY 2021-2022 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Investors (other than shareholders)	Yes	0	0	-	0	0	-
Shareholders	Yes	0	0	-	0	0	-
Employees and workers	Yes	0	0	-	0	0	-
Customers	Yes	0	0	-	0	0	-
Value Chain Partners	Yes	0	0	-	0	0	-

➤ Communities, Investors & Shareholders - [https://www.autoaxle.com/Grievance\\_handling.aspx](https://www.autoaxle.com/Grievance_handling.aspx)

For shareholders in addition to the above link they can send the grievances through email to [sec@autoaxle.com](mailto:sec@autoaxle.com) and through SEBI SCORE portal.

➤ Employees – Whistle Blower Policy.

➤ Customers: We get customer feedback directly or refer to customer portal on monthly basis and compile the “Voice of Customer report” to identify the areas of concern reported.

➤ Value Chain Partners -Through Supplier & vendor meets, Workshops & trainings.



**24. Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	New Technology Adoptions	Risk/ Opportunity	<ul style="list-style-type: none"> <li>• Risk: Risk of existing manufacturing /production solutions that do not meet new technological advancements or, upgradation of future market needs.</li> <li>• Opportunity: It is also an opportunity for the company to innovate new technologies to keep up with market pace &amp; customer requirements</li> </ul>	<ol style="list-style-type: none"> <li>1. Structured technology development projects</li> <li>2. New focus areas are identified to develop future capability needs</li> <li>3. Implementation of Industry 4.0, across all plants</li> </ol>	Negative/ Positive -Innovation in the industry may impact the business if not considered immediately, but also throws us an opportunity to innovate
2	Sustained performance & quality	Risk/ Opportunity	<ul style="list-style-type: none"> <li>• Risk of losing potential customer, during the course of business</li> <li>• Opportunity to maintain sustained performance by maintaining the quality of the products</li> </ul>	<ol style="list-style-type: none"> <li>1. Maintaining Quality enhances customer satisfaction</li> <li>2. Coefficient - alignment in strategies, partner of choice</li> <li>3. Providing end to end solutions, dual shore business model</li> </ol>	Negative/ Positive -Impacts the brand reputation in the industry
3	Training and education	Opportunity	<ul style="list-style-type: none"> <li>• Skilled employees and workers form an asset to the Company.</li> <li>• The highly trained employees and worker perform their tasks more efficiently</li> </ul>	<ol style="list-style-type: none"> <li>1. Providing a needs-based and innovative range of training courses, notably in forward thinking fields of expertise like digitalization</li> <li>2. Attracting and developing the right talent, ensuring professional development.</li> </ol>	Positive - Consistent efforts would lead to positive impact due to improvement in productivity, reduction in defects, etc.
4	Health, safety and environment	Risk	<ul style="list-style-type: none"> <li>• Non-compliance with safety measures by employees</li> <li>• Non-awareness of hazardous nature of chemicals may lead to potential hazards</li> </ul>	<ol style="list-style-type: none"> <li>1. Strict adherence to BBS (behaviour-based safety system)</li> <li>2. Focus on reducing the generation of effluent and arresting at the source</li> <li>3. Detailed SOP, employee training &amp; adherence followed strictly</li> <li>4. Providing intensified safety training that are specifically designed for roles which require upgraded skills.</li> </ol>	Negative- Incident's impact employee morale and business reputation leading to negative financial implication
5	Disaster recovery	Risk	<ul style="list-style-type: none"> <li>• Business interruption due to natural calamities like earthquakes, cyclones, floods, etc.</li> <li>• supply chain interruption,</li> <li>• Risk of inadequate data centre &amp; far sight Disaster Recovery</li> <li>• Business interruptions due to Pandemic</li> </ul>	<ol style="list-style-type: none"> <li>1. Adequate protection against calamities including appropriate insurance</li> <li>2. Introduced additional mitigation to overcome interruptions due to pandemic situations.</li> <li>3. Warehouse approximate to customer plant</li> <li>4. Vendor managed inventory</li> <li>5. Company has strong data backup recovery in place.</li> <li>6. Data Centre under Disaster Recovery Plan under process.</li> </ol>	Negative - Disruption to business operations lead to negative financial implication

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
c. Web Link of the Policies, if available <a href="https://www.autoaxle.com/Governance.aspx">https://www.autoaxle.com/Governance.aspx</a>									
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	N	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes AAL expects its suppliers & service providers to comply with all rules & regulations in force, and follow basic principles related to equal opportunity, Product safety, employee safety etc.								
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.	<p>The policies are in line with international standards and meet regulatory requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Also, guidelines as per NVGs on social, environment and economic responsibility of business have been considered for formulation of some policies.</p> <p>Certifications</p> <ul style="list-style-type: none"> <li>• Certified for Environmental Management System, ISO:14001:2015</li> <li>• Occupational Health and Safety Management System Migrated from OHSAS-18001 and certified with ISO 45001:2018.</li> <li>• Certified by Union of Japanese Scientists &amp; Engineers (JUSE) through Quality Circle Forum of India (QCFI) for continuous implementation of best 5S practices in December 2021</li> <li>• Quality Management System certified with IATF 16949:2016</li> <li>• Heat Treatment Process certified with CQI 9</li> <li>• Welding processes certified with CQI 15</li> </ul>								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<ul style="list-style-type: none"> <li>• Committed to provide the best and safest workplace with scientific workspace organization and ergonomically designed and ensuring high standards of employees' safety, health and work environment.</li> <li>• Focusing on increased diversity to achieve balanced Gender Ratio.</li> <li>• Sustainability initiative to reduce carbon footprint by enhanced renewable energy base, implementation of Solar, Hydel energy efficient appliances.</li> <li>• 80% of power consumption through renewable energy by 2028.</li> <li>• Committed towards 100% Recycle, Recovery and Reuse towards reduction of solid and liquid waste.</li> <li>• Under the Natural Resource Conservation, company striving to achieve water positive with rainwater harvesting and water saving with key initiatives. Also, energy consumption optimization through technological transformation.</li> <li>• Journey towards developing concept of paperless factory through digitalization of conventional operation and processes by 2026.</li> <li>• Implementation of scientific manufacturing tools, Total Productive Maintenance (TPM) by 2024-25, Total Quality Maintenance (TQM) to achieve maximum property, facility, equipment and total infrastructure life prospective.</li> <li>• Focused approach towards achieving sustainability related accreditations with external certifying body over next five years.</li> </ul>								



Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</b>	<p><b>Water Management:</b> Focusing on our vision towards sustainability, we introduced several environmental initiatives including water conservation, reusable packaging, carbon emission control, energy conservation and waste management.</p> <p>Within our Water Conservation initiative, we installed a rainwater harvesting facility with a capacity of 600 KL and a storm water harvesting facility with a capacity of 600 KL.</p> <p><b>Energy Management:</b> For energy conservation, we replaced induction motors with energy-efficient motors and Variable Frequency Drive (VFD) for significant energy use, saving 20% energy. We have initiated to contain carbon emissions by adopting solar energy.</p>								

**Governance, leadership and oversight**

**7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)**

Our Company is striving to create positive difference on the socio-economic development of key stakeholders by being a responsible business. Communities are a top priority and the company's CSR activities in the areas of Skill Development & Education, Health and Hygiene, Environment, are aimed at addressing concerns and challenges that affect the surrounding communities including underprivileged groups within the community.

The Company takes efforts towards enhancement of communities around its operations. Therefore, specific efforts are taken to partner with small and local producers. Our Company also invests in supplier development through measures such as supplier quality improvement contests, conferences and educating them on best practices that can lead to an improvement in operational and logistical efficiency. Furthermore, new suppliers are assessed on social and environmental criteria during the year under review.

Specific steps on environment include:

- Actively using renewable energy since 2018 and progressing towards our aspiration of achieving 100%.
- Substantial reduction in usage of wooden and plastic packaging materials which is replace with environment friendly materials.
- Working towards paperless office and reduction of usage of papers.

We continue to adopt various initiatives in line with emerging ESG regulatory norms.

<b>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies</b>	Mr. Nagaraja Sadashiva Murthy Gargeshwari President & Wholetime Director +91 821 - 7197500 Email : Nagaraja.Gargeshwari@autoaxle.com
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<b>9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</b>	The Executive Director as stated above oversees the decision making on sustainability related issues.
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**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The Board of Directors of the Company review the sustainability initiatives of the Company on an annual basis.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company has been compliant with the statutory requirements and there have been no instances of non-compliances of NGRBCs.																	

<b>11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.</b>	Yes. The Policies on Quality, Safety, Health, and Environment, 5S Standards and Total Productive Maintenance (TPM) are subject to internal and external audits as part of the ISO Systems certification process and ongoing periodic assessments. Other policies are periodically evaluated for their efficacy through Internal Audit mechanism. DQS India (Deutsch Quality Systems Private Limited) is the agency that carries out these assessments. Policies are also reviewed periodically by the respective departments and updated accordingly. Further, compliances with the policies are also reviewed internally by various departmental heads and business heads.
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## 12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 7
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	While the Corporation may share its expertise to help in the formulation of public policy, it does not directly engage in lobbying or advocacy activities and hence, does not have a specific policy for this purpose
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	
It is planned to be done in the next financial year (Yes/No)	
Any other reason (please specify)	

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.****Essential Indicators****1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Employee training and development mostly encompasses various employee learning practices.

The importance of training and development at AAL revolves around programs that enable our employees to learn precise skills or knowledge to improve their performances. Training and development programs involve a more expansive employee growth plan, for their future performances.

In line with this, we have conducted close to about **90 trainings in FY 22 with training hours of 24399**. It includes different trainings in terms of technical capability development trainings to develop employees to the emerging technologies & to acquire the required skill sets, awareness trainings & soft skill trainings which helps our employees to be more efficient & competitive.

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	The Company conducts familiarization program for Independent Directors to familiarize them with the Company, their roles & responsibilities, their rights, nature of industry in which the company operates, business model of the Company etc. through various initiatives.  During the Board meetings of the Company various presentations are made by business heads of the Company from time to time on different functions and areas to enable the Directors to better understand the Business and operations of the Company.  Presentations are made at the Board and Board Committee Meetings, on Business and performance updates of the Company, business strategy and risks involved, market share and other financial parameters, working capital management, litigations, compliances and fund flows.		
Key Managerial Personnel	1	Policy on Standard of Business Conduct & Whistle Blower	100% Total Hours of training - 2 Hours/Year





Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Employees other than BoD and KMPs	58	<p><b>Technical Trainings:</b> Lean Manufacturing, Hydraulics &amp; Pneumatics, Welding Technology, Industry 4.0, TPM, GST Provisions, Inventory Management, Effective NPD Process, Six Sigma Training, GD&amp;T, GST Certification, CNC &amp; Robot Training, Marketing &amp; Business Development &amp; Sales Overview etc.</p> <p><b>Awareness Trainings:</b> Corporate Wellness Training, Health Talk on Recent Medical Problems, Code of Conduct Training, QMS - IATF 16949 Awareness, Fire Fighting Skills, First Aid Training, POSH and Domestic Enquiry, Nutrition &amp; Fitness Knowledge Management etc.</p> <p><b>Soft Skill Trainings:</b> Management Development Program, Leadership Training, Supervisory Development Training, Business Writing Skills and Email Etiquette, Customer Relationship Management, etc.</p>	75% Total Hours of training – 10,863
Workers	32	<p>Technical Training: TPM, Jishu Hozen, Kaizen, Quality Improvement, Welding Technology, Hydraulics &amp; Pneumatics, VMC &amp; HMC basics, etc.</p> <p>Awareness Training: Health talk on Stroke.</p>	88% Total Hours of training – 13,536

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary				
NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine		Nil		
Settlement				
Compounding fee				
Non-Monetary				
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment		Nil		
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Nil

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, The Company has zero-tolerance approach to bribery and corruption, it has anti-corruption / anti-bribery policy, applicable to all individuals working at all levels and grades of Automotive Axles Limited.

Our Company is committed to setting up utmost standards for transparency and accountability in its affairs through behaving responsibly, equitably, and with integrity in all its business dealings and relationships wherever it operates. We operate with the highest moral and ethical standards and are committed to working with zero tolerance for bribery and corruption.

The head of the Human Resources Department of the region has primary day-to-day responsibility for implementing this policy. Management at all levels are responsible for ensuring that those reporting to them are made aware of and understand the procedure and, if necessary and appropriate, are given adequate and regular training on it.

Web Link: <https://www.autoaxle.com/Governance.aspx>

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.**

Stakeholder group from whom complaint is received	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. **Details of complaints with regard to conflict of interest:**

Stakeholder group from whom complaint is received	FY 2022-23 Current Financial Year		FY 2021-22 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties /action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

None

### Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	Business Ethics and Sustainability	55%

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.**

The Company has processes in place to avoid/manage conflict of interests involving members of the Board and it is as per the Terms of Appointment of Directors to Board. The Company's Code of Conduct states that the Board members and Senior Management of the Company are needed to abstain themselves from discussion, voting, or otherwise influencing a decision on any matter in which they have or may have a conflict of interest; restrict themselves from serving as a Director of any Company that is in direct competition with the Company or must take prior approval from the Company's Board of Directors before accepting such position.

The Company has also formulated the policy on related party transactions for providing guidelines in relation to identification of related parties.

### Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

#### Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Nil



**2. Does the entity have procedures in place for sustainable sourcing? (Yes/No) If yes, what percentage of inputs were sourced sustainably?**

The Company's vision has always been to source the materials through sustainable and quality procurement practices. In line with its commitment, the Company has developed Code of Conduct for Suppliers and Service Providers which is an extension of its values and is applicable to all its suppliers. The Company expects its suppliers and Service providers to comply with all rules and regulations in force and operate in accordance with the principles as outlined in the policy. The Company is continually engaged with its vendor base to build robust procedures and systems thereby ensuring sustainable sourcing from time to time.

AAL has developed intelligent and environmentally sustainable Logistics system.

- The wooden pallets used for packing of Finished Goods is replaced with metal-based reusable & returnable pallets.
- Rail transport-long chassis trucks & CNG powered vehicles are always given preference for transporting finished goods which is technically and economically feasible.
- Ensuring truck maximum capacity in all areas of supply chain management.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Not Applicable, Since the product is directly supplied to the Original Equipment Manufacturers (OEM's), the Company has limited scope for reclaiming it at the end of its life cycle.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).**

**If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

No, Extended Producer Responsibility is not applicable to the Company.

### Leadership Indicators

**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

No, the company has not conducted LCA for its products/services.

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Not Applicable

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Not Applicable

**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed of.**

Not Applicable

**5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Since the product is directly supplied to the Original Equipment Manufacturers (OEM's), the Company has limited scope for reclaiming it at the end of its life cycle.

### Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

#### Essential Indicators

##### 1. a. Details of measures for the well-being of employees.

We prioritise the health, safety and well-being of our employees through various healthcare and safety measures. As part of our COVID response, we facilitated vaccination and booster doses for our employees and their family members.

Qualified doctors, paramedical staff and emergency medical equipment are available in our Occupational Health Centre (OHC) to deal with industry specific health and safety issues among our people. Besides, the doctors undertake monthly health programmes for all our employees, to educate them on employment-related health hazards and work-life balance.

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>Permanent employees</b>											
Male	346	346	100%	346	100%	NA	NA	0	0	0	0
Female	29	29	100%	29	100%	29	100%	NA	NA	0	0
<b>Total</b>	<b>375</b>	<b>375</b>	<b>100%</b>	<b>375</b>	<b>100%</b>	<b>29</b>	<b>8%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other than Permanent employees</b>											
Male											
Female											Not applicable
<b>Total</b>											

##### b. Details of measures for the well-being of workers:

- 1) Ensuring employees adherence to Environmental, Occupational Health & Safety (EOHS) Policies & procedures .
- 2) Fully equipped Occupational Health Centre facility with Qualified medical officer & trained nurses is available within the premises and with multi-specialty equipment.
- 3) Pre-Medical examination & Annual medical examination as per standard guidelines is done for all the employees to ensure their well-being.
- 4) Workers are provided with Health & Accidental insurance.

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>Permanent workers</b>											
Male	613	613	100%	613	100%	0	0	0	0	0	0
Female	0	0	0	0	0%	0	0	0	0	0	0
<b>Total</b>	<b>613</b>	<b>613</b>	<b>100%</b>	<b>613</b>	<b>100%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other than Permanent employees</b>											
Male											
Female											Not applicable
<b>Total</b>											

**2. Details of retirement benefits.**

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	NA	100%	100%	NA
ESI	100%	100%	Yes	100%	100%	Yes
Labor Welfare Fund	Nil	100%	Yes	Nil	100%	Yes
Others - Welfare Benefits	100%	100%	NA	100%	100%	NA

**3. Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes – All premises/ offices are accessible to differently abled employees and workers. The Company is further deploying amenities for the differently abled employees at Plant and other work locations to improve accessibility.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

We are committed to equal opportunity and are intolerant of discrimination and harassment. In all aspects of employment, such as recruitment, compensation and benefits, training, promotion, transfer and termination, we will treat individuals justly and in a non-discriminatory manner, solely according to their abilities to meet the requirements and standards of their role. As an equal opportunities organisation, AAL believes in creating a level playing field for all employees irrespective of their caste, creed, gender or background.

Our policy of equal opportunity provides a conducive work environment which encourages every individual irrespective of any differences to discharge their duties basis their abilities and qualifications;

No person with disability will be denied any employment opportunity on grounds of disability and as such, all the vacancies will be filled based on individual's competence, ability, trainability and suitability in relation to the overall job requirements.

Web Link: <https://www.autoaxle.com/Governance/Human%20Rights%20Policy.pdf>

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

No maternity leave availed during the Financial Year

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0	0	0	0
Female	0	0	0	0
Total	0	0	0	0

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

	(If Yes, then give details of the mechanism in brief)
Permanent Workers	One-on-one interactions, Plant Discussions Investigating Committee Under Whistle Blower Policy /Recognized unions/POSH committees
Other than Permanent Workers	Management Review Committees
Permanent Employees	One-on-one interactions, Open house sessions Investigating Committee Under Whistle Blower Policy/ POSH committees
Other than Permanent Employees	Management Review Committee

## 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>	0	0	0	0	0	0
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
<b>Total Permanent Workers</b>	613	602	98%	618	609	99%
Male	613	602	98%	618	609	99%
Female	0	0	0	0	0	0

## 8. Details of training given to employees and workers:

We have been nurturing talent through exhaustive training and development program for various levels, including Supervisory Development, Managerial Development and Leadership Development.

Identifying key talent and nurturing people through training and development is conducted with the objective of managerial and leadership development, skill development and retention

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	346	346	100%	346	100%	343	343	100%	343	100%
Female	29	29	100%	29	100%	33	33	100%	33	100%
<b>Total</b>	<b>375</b>	<b>375</b>	<b>100%</b>	<b>375</b>	<b>100%</b>	<b>376</b>	<b>376</b>	<b>100%</b>	<b>376</b>	<b>100%</b>
<b>Workers</b>										
Male	613	613	100%	613	100%	618	618	100%	618	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%
<b>Total</b>	<b>613</b>	<b>613</b>	<b>100%</b>	<b>613</b>	<b>100%</b>	<b>618</b>	<b>618</b>	<b>100%</b>	<b>618</b>	<b>100%</b>

- As a part of Induction for New recruiters, Health & Safety related trainings are conducted as a mandatory program. Further, training such as Fire Fighting, First Aid training, ISO 14K & 45K standard trainings/refresher sessions are conducted annually. Also, specific process related safety aspects will also be covered along with EHS aspects viz., Welding Training, Painting Trainings etc.
- As a part of skill upgradation, all the employees are provided with the technical trainings with respect to their respective job profiles to enhance their knowledge/skills in their core areas such as IOT, Industry 4.0, GD&T, PFMEA, 7QC Tools, Hydraulics & Pneumatics, PLC, Metallurgy for Non-Metallurgists, GST Certification trainings, Labour Codes etc.

## 9. Details of performance and career development reviews of employees and worker:

Performance management is a continuous process essential to motivate and develop our workforce and to improve organizational results through the alignment of individual performance with organizational strategy and culture.

We are gratified to have a highly skillful, experienced and passionate team, for whom we ensure a friendly, conducive and inclusive work environment, along with continuous training and opportunities for growth and career progress. Our Company continuously engages with them through various initiatives including functional training, recognition programmes etc.



Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	346	299	86%	343	327	95%
Female	29	24	83%	33	31	93%
<b>Total</b>	<b>375</b>	<b>323</b>	<b>86%</b>	<b>376</b>	<b>358</b>	<b>95%</b>
<b>Workers</b>						
Male	613	61	10%	618	113	18%
Female	0	0	0	0	0	0
<b>Total</b>	<b>613</b>	<b>61</b>	<b>10%</b>	<b>618</b>	<b>113</b>	<b>18%</b>

#### 10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?

Yes. Automotive Axle Limited has implemented occupational health & safety management system.

We are certified with ISO-45001:2018 Occupational Health & Safety Management System.

To ensure a healthy and safe work environment for our employees, we strive to create 'Safety First Priority' across the organization at all levels through EOHS induction trainings, refresher safety sessions and customized safety workshops, we educate our employees on the prevention of any accidents.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

- HIRA (Hazard Identification & Risk Assessment) is carried out regularly under ISO-45001:2018 Occupational Health & Safety Management System.
- Theme based audits are conducted regularly to identify Unsafe Conditions (USC), implementing Corrective and Preventive Actions (CAPA).
- Under TPM Jishu Hozen (JH) Implementation to identify USC & implement corrective & preventive actions.
- Safety audits are conducted by external agency on material handling equipment's, electrical chain hoists, Electric overhead travelling (EOT) cranes, pressure vessels, chemicals storage bullets, electrical major installations etc.,
- Periodical inspection of Pressure vessels, Electric overhead travelling (EOT) Crane, lifting Tools and Tackles by competent authority.
- Process wise Job Safety Analysis is carried out to understand & identify hazards at all stages to make provision of control & preventive measures.
- In case of oil and coolant accidental spillage or leakage, a cotton based reusable sorbent was introduced to eliminate any potential fire hazard.
- Conductance of EOHS aspect/element/area/operation/process specific checklist based periodical audits.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Yes. We engage our employees in different safety training programs to create awareness of total safety standards and further encourage them to develop ideas to continuously improve safety standards and identify/eliminate work hazards through Kaizen Program. We organize various competitions to promote Safety first and 5S culture. The Central Safety Committee has been constituted with workers representatives & monthly meetings are conducted to develop policies, promote and guide on workplace safety.

- d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes. Automotive Axles Limited have a tie-up with external M/s Apollo & Kamakshi hospitals.

Qualified doctors, paramedical staff and emergency medical equipment's are available in our Occupational Health Centre (OHC) to deal with industry specific health and safety issues among our employees. The doctors undertake monthly health programs for all our employees, to educate them on employment-related health hazards and work-life balance. Based on the severity of the issues they are referred to these external non-occupational medical & healthcare services.

Every year, we organize regular annual and bi-annual medical check-ups (vision and color vision tests, audiometry, skin tests and ENT examination) for different personnel.

At regular intervals the external expert medical practitioners are invited to give a awareness lecture on good health practices to all the levels of employees.

#### 11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.57	0.73
Total recordable work-related injuries	Employees	0	0
	Workers	4	4
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

\*Employees (Staff)

Workers (Workman plus Flexi Labour)

#### 12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

##### Safety Management:

To ensure a healthy and safe work environment for our employees, we strive to create 'Safety First Priority' across the organization at all levels. We have been systematically training all our employees and contractors through our safety induction trainings, refresher safety sessions and workshops. To further safety, health and environmental standards, the Company has enhanced its environmental management system by adopting EMS ISO 14001 and OH & S ISO 45001.

We incorporated various visual displays on all the machinery on operational hazards and defined and displayed various safety protocols within the factory's premises to promote 'Safety'. Every year, we observe National Safety Day and Chemical Disaster Prevention Day to create awareness among employees on the importance of safety and safe chemical management.

Under the accident prevention program, the safety levels at source are improved through various hazard mitigation initiatives by conducting 4M analysis (Man, Machine, Method & Material). To reduce operator fatigue, we practice Rapid Upper Limb Assessment (RULA) and Rapid Entire Body Assessment (REBA) for studying employee posture at the workplace.

- 1) Regular awareness and training given to all the employees to follow safety precautions and use of PPEs at work.
- 2) Fire Hydrant Points & sprinklers provided at highly fire prone, sensitive & potential Hazard area/process. Fire Emergency Rescue Plan (FERP) Installed & Displayed across all the office block areas.
- 3) Early warning, gas & smoke detection, CO2 flooding system provision in High Tension/Low Tension Substation.
- 4) Lock Out and Tag Out (LOTO) provision for all kinds of major utility supply locking during major maintenance work.
- 5) Based on Zonal classification & safety sensitive area, checklist-based audit is conducted on regular basis.

##### Health Management:

We conduct several healthcare practices for employees at all levels to ensure good health. We organise several annual and bi-annual medical check-ups (vision & colour vision tests, audiometry, skin tests and ENT examination),

Onsite fully equipped Occupational Health Centre with qualified medical practitioners is made available for employees 24/7.





Periodical white washing, disinfectant, fumigation has been carried out and total plant hygiene audits are being conducted regularly.

**13. Number of complaints on the following made by employees and workers**

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

**14. Assessments for the year**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Internal Safety Audit – 100%
Working Conditions	

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

- 1) Secondary safety wire ropes provision for all electric chain hoists, movement runner, Longitudinal Beams both end, cross beams movement runner both sides. - Safety untoward incident prevention by eliminating Accidental fall of Hoists, Cross beams, Longitudinal beams & connected any other parts.
- 2) Front Cage guard, two hand operation, electric light curtain guard provision for machineries to prevent human body parts exposure to point of operation towards safety untoward incident prevention.
- 3) Anti-Skid Rubber Mat Provision for slippery Machines Working Platform to eliminate slip, Trip & Fall Hazard & horizontally deployed across the plant.
- 4) Elimination of Saw Dust which was used for oil & coolant spill recovery & leakage(Potential Fire hazard) by introducing Oil & Chemical reusable sorbent for spillage/leakage recovery.
- 5) All the welding machines are provided with Fume killer, dust extraction system for grinding & blasting machines and Oil mist collector for Gear cutting machines to ensure safe & healthy work environment.
- 6) Provision of Chemical Cabinet for storing petroleum products at operational area within the shop floor.
- 7) Scientifically designed ladders to access High raise Storage racks to prevent fall and slip hazard.

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Yes, Company has covered its employees, workmen and trainees under Group Personal Accident Policy for accidental death and Group Term Life policy for workmen to cover any kind of death.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

The Company takes great care to ensure that the statutory dues applicable are deducted and deposited by the value chain partners.

The details are outlined in the Automotive Axles Limited Supplier Code of Conduct. All supply chain partners must adhere to it in order to support business responsibility principles and ideals of transparency and accountability.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Employees				
Workers			Nil	

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety conditions	100% Health & Safety conditions are assessed in periodic audits conducted by the company for strategic suppliers.
Working conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

In compliance with Automotive Axles Supplier Code of Conduct, suppliers are periodically audited. The suppliers & service providers as expected to comply with relevant legal regulations for health and safety in the workplace.

No corrective action plan has been necessitated on the above-mentioned parameters.

## Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

### Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The company has mapped its internal and external stakeholders, its principal stakeholders are its employees, shareholders, suppliers, customers, vendors, JV partners, government and regulatory authorities, trade union, general public etc. These stakeholders are mapped in a structured manner through systematic communication platforms which helps us to understand the customer needs and the improvement opportunities for the Company in all prospects.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Conferences, workshops, online portals, employee surveys, One-on-one interactions	Periodically/ Annually	Inform about important advances in the Company. Help the employees expand their knowledge in the industry. Getting employee feedback and resolving their issues.
Investors	No	Annual report, press releases Investor Call & presentations Company website Quarterly & Annual results Company website	Annually/ Periodically/ Quarterly	Investors prefer to invest in the organizations that are transparent in their activities and performance. We inform the current performance of the Company and its future plans regularly to Investors



Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Personal visits & plant visits, communication through email Conducting training and field trials at customer site Online & face to face meeting and discussion	Periodically	To cater to needs of customers. Updating customers on new product launches.
Suppliers & Service Providers	No	Supplier & vendor meets Workshops & trainings, Audits Supplier risk assessments, Supplier Portal	Annually/ Periodically	Supply of material & services.
Regulatory Bodies	No	Official communication channels Regulatory audits/ inspections Environmental compliance Good governance	Periodically	They help and guide in terms of connecting with Govt. Schemes & effective governance.
Communities	Yes	Corporate Social Responsibility engagements, Meeting with community representative, Company website	Frequent and as need based	Please refer to the following link for information about the Company's community work: <a href="https://autoaxle.com/Corporate_Social_Responsibility.aspx">https://autoaxle.com/Corporate_Social_Responsibility.aspx</a>

### Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Management is responsible for keeping the board informed about various developments and seeking inputs from the Directors. Continuous stakeholder engagement, combined with an in-depth assessment by the management, aids the organisation in aligning its business with ESG, allowing it to better serve its stakeholders.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the company has always maintained a regular and proactive engagement with the Company's key stakeholders, allowing it to effectively work on its ESG strategies and be transparent about the outcomes. In response to current regulations and interactions with stakeholders, the Company performs periodic evaluations to update and reissue policies as needed.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Several initiatives have been taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders through our CSR initiatives like by partnering with various organisation like (a) Vanavasi Kalyana Karnataka for uplifting the tribal community of population who live in forest and hilly regions, (b) Pratham Education Foundation: To educate and upskill in the areas of Healthcare, Beauty, Automotive, construction, plumbing, electrical, hospitality and welding (c) PAN IIT Alumni Reach For India (PARFI) Foundation for training of underprivileged candidate in manufacturing skill and (d) Vishwakshema Trust for providing educational support to the underprivileged students (e) We also provide mid-day meals to the inmates of the nearby house for destitute and ensure their basic needs are met with.

## Principle 5: Businesses should respect and promote human rights

### Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

The Company has a Human Rights Policy. The Company is committed to respecting human rights and will avoid violations of human rights via the installation of due diligence procedures and appropriate grievance redressal systems for all stakeholders.

The Company strives to ensure a culture of mutual respect and respects individual rights and differences of others and thereby creating an environment free from any discrimination and biasness. The Company prohibits the use of all forms of forced labour, including bonded labour, modern forms of slavery and any form of human trafficking.

Link: <https://www.autoaxle.com/Governance/Human%20Rights%20Policy.pdf>

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	375	375	100%	376	376	100%
Other than permanent	0	0	0%	0	0	0%
<b>Total employees</b>	<b>375</b>	<b>375</b>	<b>100%</b>	<b>376</b>	<b>376</b>	<b>100%</b>
<b>Workers</b>						
Permanent	613	613	100%	618	618	100%
Other than permanent	1971	1971	100%	1283	1283	100%
<b>Total workers</b>	<b>2584</b>	<b>2584</b>	<b>100%</b>	<b>1901</b>	<b>1901</b>	<b>100%</b>

2. **Details of minimum wages paid to employees and workers, in the following format**

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	375	0	0%	375	100%	376	0	0%	376	100%
Male	346	0	0%	346	100%	343	0	0%	343	100%
Female	29	0	0%	29	100%	33	0	0%	33	100%
<b>Other than Permanent</b>	0	0%	0	0%	0	0%	0	0%	0	0%
Male	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0%	0	0%	0	0%	0	0%	0	0%
<b>Workers</b>										
<b>Permanent</b>	613	0	0%	613	100%	618	0	0%	618	100%
Male	613	0	0%	613	100%	618	0	0%	618	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%
<b>Other than Permanent</b>	1971	0	0%	1971	100%	1279	0	0%	1279	100%
Male	1967	0	0%	1967	100%	1279	0	0%	1279	100%
Female	4	0	0%	4	100%	4	0	0%	4	100%

**3. Details of remuneration/salary/wages, in the following format:****Employees other than BoD and KMP:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	5	-	1	-
Key Managerial Personnel	3	98,78,918	0	-
Employees other than BoD and KMP	367	7,05,994	29	6,03,612
Workers	613	6,15,803	0	0

Note:

- 1) Directors exclude Whole Time Director (WTD) and they receive only sitting fee. KMP include Whole Time Director (WTD)
- 2) Sitting fee is the only pay to Board of Director, hence median is not calculated.

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

The Company has formulated a Human Rights Policy which states that the employees can address their complaints or grievances to the Human Resource department or to the Senior Management as per the process mentioned in the Policy of Standards of Business Conduct. No reprisal or retaliatory action will be taken against any employee/ affiliate for raising concerns under this policy. The Investigation Committee formed under Whistle Blower Policy, investigates the reported violations.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The mechanism works by following the instructions outlined below:

1. The employees/ affiliates address their complaints or grievances or report instances to the Human Resource department/ Senior Management as per the process mentioned in the Policy of Standards of Business Conduct.
2. Investigation Committee formed under Whistle Blower Policy, shall investigate the reported violations. The Committee shall evaluate the violations reported and ensure that the same is addressed and resolved. The Committee may also, in consultation with the Senior Management, provide a suitable remedy.
3. The Company periodically undertakes human rights due diligence process for management and oversight/ monitoring of the policy and identify any shortcomings.

**6. Number of Complaints on the following made by employees and workers:**

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending Resolution at the end of year	Remarks	Filed during the year	Pending Resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

While dealing with the complaints as a part of grievance redressal mechanism the Company takes every care to conduct the enquiry in a peaceful manner for avoiding any stressful conditions and in a highly confidential manner. The Company has Grievance Redressal Policy (Whistle Blower Policy, Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace, Human Rights Policy) which states that all members of the Grievance Committee and those entrusted to record keeping, as well as any staff member questioned about an issue, are bound by a duty of confidentiality at all times and must keep all paperwork and information exchanged in the process confidential as per the policy. Harsh or insulting behaviour of anyone participating in or conducting grievance proceedings is not at all tolerated. Any such behaviour will be viewed as misconduct under the Organization's disciplinary policies and strict actions will be taken against such unethical behaviour.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, human rights requirements form part of company's Code of Conduct for Suppliers and Service Providers. Suppliers are urged to respect internationally recognized human rights standards and to work towards them in all business activities within their own sphere of influence. Any forced or compulsory labour is prohibited.

**9. Assessments of the year**

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labour	Internal Assessment 100%
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

None

**Leadership Indicators****1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

None

**2. Details of the scope and coverage of any Human rights due diligence conducted**

Exclusive Human rights due diligence is yet to be conducted. We are planning to take it up in the coming years.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes

**4. Details on assessment of value chain partners\***

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual harassment	70% of Strategic Suppliers
Discrimination at workplace	
Child labour	
Forced/involuntary labour	
Wages	
Others – please specify	

\*Health & Safety conditions are assessed in periodic audit conducted at supplier's place



5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

In compliance with Company's Code of Conduct for Suppliers and Service Providers, suppliers are audited and monitored on a variety of sustainability topics. Health and safety topics are given high priority in this operation. The Company has offered its assistance/advise in developing such policies for suppliers who do not have them.

## Principle 6: Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	101932924 MJ	83462216 MJ
Total fuel consumption (B)	95001617 MJ	67125325 MJ
Energy consumption through other sources (C)	1123934 MJ	664337 MJ
<b>Total energy consumption (A+B+C)</b>	<b>198058475 MJ</b>	<b>151251878 MJ</b>
<b>Energy intensity per Crore of turnover</b> (Total energy consumption (Mega Joules) / turnover in crore rupees)	<b>85234</b>	<b>101469</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
i) Surface water (Concrete floor & Roof rainwater)	18,122	6,543
ii) Ground water (Borewell)	30,202	74,698
iii) Third party water (AAL Mysore - KIADB)	4,121	2,585
iv) Seawater / desalinated water	0	0
v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>52,445</b>	<b>83,826</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>92,759</b>	<b>1,24,998</b>
<b>Water intensity per crore of turnover *</b> (KL / turnover in crore rupees)	<b>22.57</b>	<b>56.23</b>

\* Calculated only for freshwater consumed/turnover in crores

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

Yes,

- Ganesh Consultancy & Analytical Services (Ministry of Ecology & Forest Recognised, FSSAI Notified)
- Every three months, KSPCB regional office collects the STP & ETP treated samples for laboratory analysis & confirm.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	ppm	2,269	3,067
SOx	ppm	538	659
Particulate matter (PM10)	mg/Nm3	2,682	3,123
Persistent organic pollutants (POP)	-	0	0
Volatile organic compounds (VOC)	mg/Nm3	70	55
Hazardous air pollutants (HAP)	-	0	0
Others – please specify (Phosphating - Acid mist)	mg/Nm3	7	19

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No, Only monitoring & analysis is done for the air emissions. i.e. flue gas.

AAL Mysore - Ganesh Consultancy & Analytical Services (MoEF Recognised, FSSAI Notified).

AAL Jamshedpur - Jharkhand State Pollution Control Board, Adityapur & Environmental Laboratory & Engineering Services Pvt Ltd.

AAL Pantnagar - No air pollution sources.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tons of CO2 equivalent	*CO2 emissions- 5,133 MT	CO2 emissions- 3,585 MT
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tons of CO2 equivalent	**CO2 emissions- 17,982 MT	CO2 emissions- 9,491 MT
<b>Total Scope 1 and Scope 2 emissions per Crore of turnover</b>		10	9

\* Scope 1 CO2 emissions from LPG, Diesel consumption

\*\* Scope 2 CO2 emissions from Power

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, [Sustainability Key Initiatives](#) to contribute towards reducing carbon footprint and ensuring incorporation of sustainability across all operations, the Company focuses on various initiatives - using Solar Power, modern regenerative combustion technology for all furnaces, recycled water usage for gardening, reduced hazardous waste generation with recycle & recovery & adoption of ecofriendly waste disposal, implementation of scientific tree plantation to reduce atmospheric pollution etc. in its manufacturing operations.

1. Conventional method for CO2 Emission reduction through Renewable energy usage-Sources of Energy (Solar, Hydel, Wind)
2. 30 Kwh solar panel installed in brakes plant roof top.
3. 100% Elimination of LPG operated forklift by battery operated forklift to reduce GHG emissions.
4. Partial introduction of CNG trucks for transport of our finished goods, for reduction in carbon footprint.





5. Installation of Roof Top wind driven Turbo Ventilators across the plant to ensure adequate general ventilation under the renewal energy use initiative.
6. Reduction of LPG consumption in Heat Treatment process from 0.32kg/ Kg Material to 0.22Kg /kg of Material Input to furnaces.
7. Year on year trees plantation internally & externally towards greenery enhancement.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Waste generated (in metric tons)</b>		
Plastic waste <b>(A)*</b>	334	271
E-waste <b>(B)</b>	5	2
Bio-medical waste <b>(C)</b>	0.02	0.03
Construction and demolition waste <b>(D)</b>	0	0
Battery waste <b>(E)</b>	0	0
Radioactive waste <b>(F)</b>	0	0
Other Hazardous waste. Haz. Waste from process + Haz. Waste from pollution control equipment's, + Filter bed sand+ Filter bags etc. <b>(G)</b>	Grinding muck, ETP sludge, Paint waste, Phosphating sludge: 205 Used Oil: 0.02 Oily Cotton – 6	Grinding muck, ETP sludge, Paint waste, Phosphating sludge: 216 Used Oil: 0.03 Oily Cotton – 10
Other Non-hazardous waste generated <b>(H)</b> . MS Scrap + Aluminum scrap (Break-up by composition i.e. by materials relevant to the sector)	Liner grinding dust – 225 Cardboard waste - 288 Paper waste - 99 Wood pallets/wood waste- 897 Scrap Metal – 15,052	Liner grinding dust - 142 Cardboard waste-233 Paper waste -73 Wood pallets/wood waste- 670 Scrap Metal – 9,053
<b>Total (A+B + C + D + E + F + G + H)</b>	17,112	10,672
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)</b>		
<b>Category of waste</b>		
(i) Recycled**	18,699	11,692
(ii) Re-used**	1,969	1,386
(iii) Other recovery operations**	2,363	1,663
<b>Total</b>	<b>23,031</b>	<b>14,741</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)</b>		
<b>Category of waste<sup>^</sup></b>		
(i) Incineration	211	276
(ii) Landfilling	0	0
(iii) Other disposal operations	225	120
<b>Total</b>	<b>436</b>	<b>396</b>

\* Cumulative data provided Generation per month

\*\*Recycled- Coolant & Neat Cutting oil (Inhouse reuse), Cardboard, paper, Wood pallets & Scrap Metal (Disposed to external authorized recyclers)

Reused – Coolant & Neat Cutting Oil (Inhouse reused)

Other recovery – Coolant & Neat Cutting Oil (Inhouse recovery)

<sup>^</sup>100% of hazardous waste sent to Pollution Control Board authorized recyclers/agencies.

• Hazardous Wastes (ETP sludge, Phosphate sludge, paint sludge & grinding muck) - Incinerated

• Other Waste (Special waste/Liner dust)- Co-processing

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

- Educating & creating Awareness on understanding the standard procedures on transport, storage & disposal of waste.
- Scientific Segregation & collection of waste at generation source with color coded bins.
- Separate storage compartments provision made for different types of hazardous waste generated.
- Hazardous waste is stored in leak proof area as per the standard guidelines and disposed to Pollution Control Board authorized recyclers/agencies.
- All types of other waste is segregated and stored in concreted scrap yard which is disposed to Pollution Control Board authorized recyclers as per the standard guidelines.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not applicable

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

The Company complies with all applicable environmental laws

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Nil				

### Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A)	44838000 MJ	30042007 MJ
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>44838000 MJ</b>	<b>30042007 MJ</b>



Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (D)	57094924 MJ	53420209 MJ
Total fuel consumption (E)	95001617 MJ	67125325 MJ
Energy consumption through other sources (F)	1123934 MJ	664337 MJ
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>153220475 MJ</b>	<b>121209871 MJ</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilo liters)</b>		
(i) To Surface water	0	0
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater	0	0
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater	0	0
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties	0	0
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	40,314	41,172
- No treatment		
With treatment – Secondary treatment	After treated water confirming to quality norms, the treated water is used for inhouse gardening (Primary & Secondary ETP & STP)	After treated water confirming to quality norms, the treated water is used for inhouse gardening (Primary & Secondary ETP & STP)
<b>Total water discharged (in kilo liters)</b>	<b>40,314</b>	<b>41,172</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

3. Water withdrawal, consumption and discharge in areas of water stress (in kilo liters):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Not Applicable, The Company's plants do not fall under "Critical" or "Over-exploited" areas as per the Central Groundwater Board classification.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	*4,480	*2,313
Total Scope 3 emissions per Crore of turnover		2	1.5

\* Scope 3 CO<sub>2</sub> emissions from Supply Chain & Employee vehicles

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Nil

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Scientifically designed Coolant Recovery plant	Used coolant is recycled in coolant recovery system (CRS) & reused for maximum life, Systematic separation of hazardous waste (tramp oil) for disposal.	Minimizing the disposal of waste coolant
2.	Finished Goods packaging – wood packaging eliminated with reusable metal based stillages & pallets	Returnable, Reusable & rigid asset Safe & scientific handling of materials & around 80% of wood consumption reduction for export dispatch	<ul style="list-style-type: none"> <li>Natural Resource consumption reduction &amp; solid waste generation reduction.</li> <li>70% elimination of Wooden Pallets Packaging and also improving the transportation quality</li> </ul>
3.	STP treated water	Extended aeration type STP facility with clariflocolator for efficient treatment of wastewater	100% Reuse of STP Treated water for gardening
4.	Rain water harvesting, collection, filtering & reuse & Ground water recharging	Roof rain water is being harvested & collected in central pond, the harvested water is being used for domestic & Industrial requirement & also for ground water recharging.	Fresh raw water consumption reduction & Natural resource conservation

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes

As a part of Business Continuity:

- We have warehouse at key customers location to maintain continuous supply and onsite VMI warehouse established for key suppliers/critical components.
- Multiple supplier bases have been established for all critical components.

As a part of Disaster Management:

- Well defined & documented Onsite Emergency Response Plan & Preparedness considering the related major disasters.
- 24/7 CCTV Surveillance systems; Manual Fire Call points provision & an emergency control room to respond immediately to any unforeseen adversities.



- Periodical Onsite Emergency Mock drill & weekly Fire drill conducted with different emergency scenarios to check & ensure our readiness to combat any emergency situation.
- Early warning, gas & smoke detection, CO2 flooding system provision made in fire sensitive/fire prone areas.
- Part of Onsite emergency plan & preparedness, Mini fire tender with technology of Compressed Air-Foam System-CAFs is available.

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

The Supplier is expected to implement its binding Supplier code of conduct and make reasonable efforts to promote the Code's principles and establish environmental management systems (ISO 14001) and continuously improve environmental performance.

During the current fiscal year, the Company screened its critical suppliers (80 numbers) using social and environmental criteria and found no negative social or environmental impacts on its value chain.

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

80%

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

**1. a. Number of affiliations with trade and industry chambers/ associations.**

The Company is a member of 5 trade and industry chambers/ associations.

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.**

S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Automotive Component Manufacturers Association of India (ACMA)	National
2	Confederation of Indian Industry (CII)	National
3	TPM Club of India - CII	National
4	National Safety Council-NSC	National
5	Quality Forum Of India-QCFI	National

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Nil

**Leadership Indicators**

**1. Details of public policy positions advocated by the entity:**

S. No	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web-link if available
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The Company directly or through trade bodies and other associations puts forth several suggestions with respect to the industry in general and its activities in particular.

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development****Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Nil						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company continuously interacts with the concerned communities in the areas of its operation through various means and have the mechanism to redress the grievances in timely manner.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	32%	30%
Sourced directly from within the district and neighboring districts	14%	13%

**Leadership Indicators**

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

The Company has not taken any Social Impact Assessment as it is not applicable to it.

Details of negative social impact identified	Corrective action taken
Nil	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

None

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No, the Company does not have any preferential procurement policy focusing on suppliers from marginalised/vulnerable groups. It follows a standardized Code of Conduct for Suppliers and Service Providers.

- (b) From which marginalized /vulnerable groups do you procure?

Not Applicable

- (c) What percentage of total procurement (by value) does it constitute?

Not Applicable



4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
			Nil	

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
		Not Applicable

6. Details of beneficiaries of CSR Projects:

During the year under review, we have been successful in reaching the individuals of different communities who are underprivileged or disadvantaged backgrounds who may not have access to quality education or training.

We partnered with various organisation and ensured execution of the projects by contributing adequately to the projects brought up by

- Vanavasi Kalyana Karnataka: For the upliftment of population who live in forest and hilly regions
- Sri Ramakrishna Ashrama (Swami Vivekananda Cultural Youth Centre) : To provide training to teachers/trainers for imparting coaching to the youth towards developing their personality and to help them to have a fully functioning personality.
- Pratham Education Foundation: To educate and upskill in the areas of Healthcare, Beauty, Automotive, construction, plumbing, electrical, hospitality and welding.
- Our associations were also with other skill development institutions i.e., Kalisu Foudation, PAN IIT Alumni Reach For India (PARFI) Foundation, JSS Mahavidyapeetha, Vishwakshema Trust which believes that education is the only way for a better India.

We are working towards reduction of greenhouse gas emissions to create a more sustainable future for generations to come. For achieving the same, we are planting trees as much as possible in and around Mysuru city and protecting the saplings by using tree guards.

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Health Care/disaster management projects		100 % of the Projects serve the beneficiaries who are from the under privileged, marginalised, vulnerable and backward community of the society.
2	Education & Skill Development programme	Not ascertained	
3	Sustainability initiatives/Carbon sequestration		
4	Promoting Culture		

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We are getting customer feedback directly or referring to customer portal on monthly basis and compile the "Voice of Customer report" to identify the areas of concern reported.

Accordingly, corrective measures have been planned and implemented. Customer satisfaction trends are compiled, monitored and reviewed by top management at defined intervals for getting the directives for improvement.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy						
Advertising						
Cyber-security						
Delivery of essential services			Nil			
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		Nil

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Company has a Cyber Security/Data Protection Policy to safeguard all critical information and information processing assets to ensure legal compliance and fulfilling statutory due diligence requirements.

Critical information is protected from unauthorized access, use, disclosure, modification, and disposal, whether intentional or unintentional.

Awareness programs on Legal requirements and Information Security are available to all Employees and wherever applicable to third party viz. Subcontractors, Consultants, Vendors etc ; regular training imparted to them as required. Any security incidents and infringement of the Policy, actual or suspected, are reported, investigated by the designated Information Security Officer and proper documentation is maintained as evidence for legal purposes.

The policy will be reviewed at periodic intervals to check for its effectiveness, changes in technology, legal and contractual requirements and business efficiency.

Web Link: <https://www.autoaxle.com/Governance.aspx>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable

### Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

[https://www.autoaxle.com/Drive\\_axle.aspx](https://www.autoaxle.com/Drive_axle.aspx)

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Yes, Service level agreements (SLA) Service and operating manuals are sent to the customers (OEM's)





**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Not applicable

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**

Yes, The Company's products are Original equipment manufacturer (OEM) specific, the Company displays product requirements on packaging consistent with applicable laws and as per OEM requirements. Typical information displayed on product includes details of manufacturer, heat code, process no., dispatch no., part no. etc.

Guidelines to customers about eco-friendly re-cycle methods for axle waste handling. Instructions includes the oil contents from end-of-life axles, Metals, Rubber, Plastics and other non-biodegradable parts and to be recycled without environmental pollution.

**5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, Customer response and customer satisfaction feedback are one of the most important factors. The Company engages with its customers at various platforms to understand their expectations and take their feedback for improvement.

**6. Provide the following information relating to data breaches:**

**a. Number of instances of data breaches along-with impact**

Nil, The Company did not encounter any instances of data breaches during the year.

**b. Percentage of data breaches involving personally identifiable information of customers**

Nil