



SUSTAINABILITY REPORT

2022-2023

APRIL-MARCH



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MANAGING DIRECTOR'S MESSAGE

Dear Stakeholder's,

As the Managing Director of Peekay Steel Castings (P) Ltd., I would like to express my gratitude to all our stakeholders for their continued support and interest in our company. At Peekay, our core values prioritize the wellbeing of People and Planet. We understand the importance of our role in fostering sustainable growth and addressing global challenges such as Climate Change and Supply Chain Stability.

In order to achieve prosperity through sustainable growth, it is essential for all stakeholders to work together. In today's interconnected world, everyone is both a customer and a supplier in one way or another. Therefore, it is essential that we embrace 100% transparency and strictly adhere to code of conduct and ethics at all levels of our business.

To ensure transparency and ethics in our upstream supply chain, we have introduced the supplier code of conduct, which was signed by the top management in February 2023 which will serve as a guideline for maintaining the transparency and ethical practice throughout our supply chain.

Our planet is currently facing one of the greatest challenges in human history – CLIMATE CHANGE caused by human enhanced global warming. At Peekay, we have identified the sources of emissions, calculated our carbon footprint, and had it verified as per international standards by an authorized agency. We have set an immediate and net zero operations target. The time for calculations and assessments is over. It is now time for action, and the only thing that matters is the result.

I want to assure all Peekay Stakeholders that we have taken all practically possible measure to reduce emissions. We are transitioning to renewable energy sources, focusing on innovation, improving energy efficiency and optimizing resource consumption. Sustainability is at the core of all our new investments. For instance, our newly established additive manufacturing facility in Bangalore, India is 100% solar powered. These actions have already started yielding results, as we have surpassed our emission reduction target for 2026 in 2023.

I would like to express my gratitude to all readers for their interest in reading our sustainability report. This report provides comprehensive information about our operations including aspects and impacts, risks and opportunities and the challenges and successes we have experienced in improving our sustainability performance.

Once again, I extend my heartfelt thanks to all our stake holders for their support and commitment to Peekay's sustainable growth journey.

K.E. Moidu
Managing Director



K.E. MOIDU
MANAGING DIRECTOR

CEO'S MESSAGE

Dear stake holders,

The main purpose of this report is to highlight the significance of sustainable processes and supply chain management in the face of global political uncertainties and the negative impacts of climate Change. Peekay is committed to spearheading advances in crucial areas such as New Product Development, Quality, Productivity, Cost, Resource and Energy Optimization, Waste utilization and operate at minimal Carbon Footprint. Enhanced Quality and Productivity are key solutions to the changes faced by manufacturing businesses. By enhancing quality, rejections and rework can be reduced, leading to improve yield and optimize cost, resource, and energy consumption. Higher productivity also contributes to reducing specific labour and energy consumption. Addressing Carbon Footprint reduction is an integral part of Peekay's day to day activities. Enhanced quality and productivity directly contribute to reducing energy and resource consumption, which in turns leads to a decrease in Green House Gas (GHG) emissions. As a manufacturing company with an energy intensive foundry process, Peekay aims to replace LPG with PNG, as it has previously replaced diesel with LPG. However, carbon-neutral replacement for fossil fuel, such as green hydrogen is preferred (or) most awaited at a reasonable rate in the market.

Scope 1 & 2 Emission Reduction: Peekay recognizes that reducing Scope 1 emission requires improvements in Quality and Productivity. Using Additive Manufacturing technology and advanced accounting and methoding software can contribute to reducing these emissions. On the other hand, Scope 2 emissions can be addressed through direct and indirect investments in Renewable Energy Sources (RES). Peekay plans to invest in a 160KWp Solar Roof Top plant and a 4MW Solar Power Park, in addition to its existing 2MW windmill and Multiple Power Purchase Agreements (PPAs). In FY23, the company consumed 4000KWh of renewable electricity.

Waste Reduction and Water Conservation: Optimizing consumption, recycling and reusing play a crucial role in tackling the challenges of Climate Change. Peekay has recently signed an MOU with CSIR-NIIST, Trivandrum, India to acquire a technology that enables manufacturing of bricks from spent moulding sand. Additionally, water conservation is achieved through wastewater recycling, reuse and rainwater harvesting.

Sustainable Investments and Commitments: Peekay ensures that all new investments consider the sustainable aspects of both People and Planet. The company has committed to achieve Net-Zero operations by 2045. Considering the rising concerns of Carbon Border Adjustment Mechanism (CBAM) and other carbon taxes, Peekay remain dedicated to sustainable practices and protect interests of its customers.

In conclusion, Peekay recognizes the importance of sustainable processes and proper supply chain management in maintaining stability amidst global political uncertainties and climate change impacts. By prioritizing quality, productivity, carbon footprint reduction, waste reduction and sustainable investment, Peekay is actively working towards a more Sustainable Future.

Shanavas K E
CEO

BOARD OF DIRECTOR'S MESSAGE



SHANAVAS K E
CEO

Who We Are

Peekay Steel Castings(P) Ltd is the flag ship company of the Peekay group. The Peekay Group was established in the year 1942 by Haji P.K. Moidu, a legend of his own time for his uncommon vision. The strong foundation laid down by his extraordinary business acumen and uncompromising integrity has given the group a strong set of values and fundamentals. After the blazing success of the past 80 years, the group has held those values closer than ever and has focused more on its business objectives, surpassing conventional paradigms and setting new benchmarks.

Today, under the leadership of Mr.P.K.Ahammed, the group has become one of the most respected Indian family business houses with an annual turnover exceeding 150 million US dollars. The group's strong vision has given it the right direction and an ever increasing urge to grow. The Peekay group plays a vital role in the industrial development of the state and its activities include steel, flour mills, real estate, construction, plantations, education, health care, charitable institutions, etc.

Peekay Steel Castings Pvt. Ltd. is a fast-growing, technologically advanced company that manufactures and supplies steel castings to all major global OEMs in the Oil, Gas, Power, Transportation, Earth-moving, and Engineering sectors.

We are capable of producing castings up to an 15-ton single piece cast weight. We produce fully machined, ready-to-assembly components in different sizes and weights according to customer requirements. We currently serve many countries, including Germany, France, the United States, the United Kingdom, Austria, Italy, Belgium, Netherlands, Czech Republic, Singapore, Japan, South Korea, and Malaysia.

We have diversified our market share into different industrial segments such as Oil and Gas, Earth Moving Equipment, Mining Equipment, Hydro Power, Gas/Steam Power Boilers/Turbines, Locomotives, and other engineering sectors

Our foundries in Calicut and Coimbatore can make 15,000+ MT of steel castings each year. At different stages, they use cutting-edge technology like the AOD/Metal Refining Converter, Automatic Moulding Loop Line, Continuous Casting Machine, Leco Gas Analyzer, and others to make sure that the steel castings are of the highest quality.

We are an approved supplier of castings for nuclear power plants. We have the distinction of being the only foundry in India holding all major global certifications and accolades under one umbrella. Our foundries are committed to our quality policy and objectives. We consistently and diligently manufacture products that exceed the expectations of our customers, to remain a leader in the casting market by excellence in total quality performance. The foundries have formulated a quality systems and assurance programme to bring about improvements in all areas of operation, including.

- 1.Continuous effort to improve product quality
- 2.Training and motivation of employees
- 3.improve professionalism and competence
- 4.Reduce rejections, rework, and wastage and conserve energy

2022-23 Sales
₹ 6080
Million

Considering current market conditions and the future outlook for steel casting demand, we are aggressively going ahead with its futuristic plan to be a One- Stop Supplier for all global OEMS with ready-to-assemble casting, forging, and rolling products. We have stepped into smart manufacturing by embracing Industry 4.0 principles.

Automation and digitization in manufacturing and quality control have enabled us to increase productivity, minimize energy losses, go paperless and ramp up our green credentials. In fact, technology is always getting better, which helps us to make big improvements and give our customers more value.

In FY 2022–23, we produced 15,155.04 tones of steel. Our castings are made with a system of sand moulds by a staff of about 1500 people who put their decades of experience to work for our customers every day.

We deliver a unique combination of stability and innovation, knowledge and collaboration, and the understanding that our clients and workers depend on us to uphold higher standards. We are very proud of our technical skills and process control. Because we have a lot of experience and use technology consistently throughout our value chain, we are able to make unique castings for our customers.

We have been on a road toward sustainability for almost a decade. Not only are we committed to being the lowest-cost producer, but also to doing so in the most environmentally friendly manner. To reach our goal, we've built a comprehensive sustainability framework, made sure our processes meet global standards, hired top-of-the-line technology, and are always looking for ways to get better

This year, we focused on highlighting our responsible operations towards the environment, our communities, our employees, and our business partners—a report of our efforts toward a sustainable future. Our company is working on incorporating a broader ESG perspective into its core business processes.





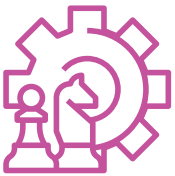
Purpose

Peekay Steel aim to develop as a self-sustainable organization which creates value to all its stakeholders including customers, suppliers, shareholders and the society at a large. The company believes in creating a unique way of life touching the lives of people



Vision

Peekay Steel is fueled by a grand vision to be an engineering and manufacturing conglomerate that will become the one-stop solutions provider to its customers in terms of machined castings, forgings, additive manufacturing, fabrications, assemblies, and testing



Strategy

To enhance productivity from the current baseline on a continuous basis, Peekay Steel invests to upgrade technologies and meet customer expectations. The company has embraced modern manufacturing concepts like Industry 4.0, IoT, TPM, and Lean Manufacturing. In other words, Peekay has a decidedly future-oriented strategy



Core Values - Voices

Vision
Innovation
Communication
Efficiency
Ownership



Bengaluru



Hindupur



Calicut



Coimbatore



Total sales
INR 60,00,000,000 +



Total production
15,100 + MT



Total Number of Plants
4




Number of Employees
1500 +



International Market Research Company Technavio rated Peekay Steel Castings Private Limited as one of the 6 prime foundries in the world. Also, rated as one among 5 prime foundries in Asia Pacific & 4 prime supplier to Europe.

Historical Milestones

- 
- 1942:** Late Haji P.K. Moidu started a trading company in Calicut, marking the establishment of the Peekay Group.
- 1971:** Mr. P.K. Ahammed, the present Chairman of Peekay Group, assumed the stewardship of the group when his father, Haji P.K. Moidu, expired.
- 1972:** Mr. P.K. Ahammed became a Director of Janatha Steel Mills Pvt. Ltd.,
- 1982:** Ahammed Roller Flour Mills (P) Ltd was established in Kozhikode. It was the first roller flour mill to be established in Kerala after the License Raj Regime.
- 1984:** Pondy Roller Flour Mills (P) was established in Mahe, in the Union Territory of Pondicherry.
- 1986:** Janatha Steel Mills Pvt Ltd., was taken over by Peekay Group marking the entry of Peekay Group in Steel Industry. Janatha Steel Mills Pvt Ltd., which was at that time struggling for existence, was manufacturing bars & rods and flats. Steel Sector was almost non-existent in Kerala in those days.
- 1988:** Peekay Roller Flour Mills was established in Kozhikode.
- 1991:** Taking advantage of the industrial policy announcement made in 1991 by the Kerala Government, Peekay Steel Castings(P) Ltd was established for the manufacture of steel billets.
- 1992:** Peekay Steel Castings started commercial production.
- 1995:** Peekay Rolling Mills Pvt. Ltd. commenced commercial production of steel bars and rods. It was the first rolling mill in Kerala to produce 8mm CTD bars.
- 1996:** Peekay Rolling Mills (P) Ltd completed backward integration for the production of M.S. Billets and commenced production in December 1996.
- 1998-1999:** Peekay Group diversified the production of steel castings for export.
- 1999-2000:** Peekay Steel Castings (P) Ltd., commenced manufacture and export of steel castings.
- 2011-2012:** Peekay Rolling Mills (P) Ltd installed a continuous casting machine, as part of technology upgradation, to produce M.S. billets.
- 2013-2014:** Machine Shop upgraded with imported CNC machines.
- 2015-2016:** Peekay Steel Castings was further modernized by installing a Thermal Sand Reclamation Plant imported from the U.K., thus ensuring almost 100% sand reclamation at a lower cost with high safety and lower emissions, ensuring clean air leaving the furnace.
- 2016-2017:** Meitra Hospital was soft launched in December 2016 by the Chairman, marking Peekay's entry into the healthcare sector. (18/06/2016) (Joint Venture of KEF Group, Peekay Group, and Doctor's Group).

HINDUPUR FACILITY 2017



2017-18: Peekay Steel Castings(P) Ltd., established its third manufacturing facility (Machine Shop Facility) at Hindupur, Anandapur District, AndhraPradesh.

HINDUPUR FACILITY CURRENT



2020-21: The first Cameron 8" Class 300 Valve was assembled at our Hindupur Plant in Anandapur District, Andhra Pradesh (marking our entry into the Valve Assembly Business).

2021-22: The ground breaking ceremony of the Peekay Additive Manufacturing & Engineering Centre.

2022-23: The expansion of Hindpur plant from machine shop and assembly unit to Foundry has started.

Our Locations

We employ a staff of more than 1500. Our plant employs locally and delivers globally, serving a wide range of market sectors worldwide. We operate foundries in Calicut, and Coimbatore. We are rated among the world's top five foundries catering to the oil and gas sector. The highly ambitious Hindupur project holds tremendous scope for achieving highly advanced production capabilities. The upgradation of hindupur facility from machine shop and assembly unit to full scale foundry, machine shop and assembly unit has started in FY 2022-23. It is instrumental in realising Peekay's mission of expansion, modernization, and diversification. Our Calicut foundry has a 1,80,0000 litre water quenching facility and a covered pattern warehouse with a storage area of 250,000 sq. ft. for patterns or tools.



Sand Castings

Production Range: 1000 to 15000 kg/Piece

Casting Capacity: 1200MT per month

Markets served: Oil & Gas, power, mining, chemicals, transportation, and other engineering sectors

Shell Moulding Castings

Production Range: 1 to 40 kg

Casting Capacity: 35 MT per month

PLANT 1

Calicut, KL

800 + Employees

The foundry produces high-integrity steel castings to various national and international standards and specifications. The product line also includes nickel-based alloys, duplex and super duplex stainless steel alloys for industries such as oil and gas, power generation, and mining. The foundry is housed in a built-up area of 32,500 square metres on land of 24 acres at Kozhikode. We have also established another work (Peekay Steel Castings (P) Ltd – Works II) at Kallai, Kozhikode, which includes different post-pouring activities like cutting, heat treatment, NDT, welding, fettling and final inspection activities. Calicut Works II is operated under the same management system for the same products as Calicut Works I.



Sand Castings

Production Range: 40 to 1000 kg/Piece

Casting Capacity: 650MT per month

Markets served: Oil & Gas, power, mining, chemicals, transportation, and other engineering sectors.

PLANT 2

Coimbatore, TN
350 + Employees



Finish Machining, Painting, Coating, Sub-Assembly in contract manufacturing route, and Fabrication

Machining Range: 1000 to 15,000 kg/Piece

Markets served: Oil & Gas, power, mining, chemicals, transportation, and other engineering sectors.

PLANT 3

Hindupur, AP
150 + Employees

We have also established our third unit (Peekay Steel Castings (P) Ltd – Unit 3) at Hindupur, Andhra Pradesh as a part of greenfield expansion in line with the vision of the Peekay Group of Companies. The first phase includes a fully equipped state-of-the-art machine shop, including a hydro testing facility to cater to the various stringent requirements of the customers. The construction of Heat treatment, fettling and NDT shops is going on. It will commission in 2nd quarter of FY 23-24. Further phases of expansion activities are planned, including additional machining facilities, steel castings and forgings manufacturing as an integrated manufacturing plant.



India's Largest Additive Manufacturing and Engineering Centre Machine Name: VX4000
Manufacturer: Voxeljet Germany
Technology: Binder Jetting
Print Head: VPM-XVI, 200 dpi
Size: 4,000mm x 2,000mm

PLANT 4
Bangalore, KA
15 + Employees

This new facility will enable Peekay to manufacture any intricate design with ease and efficiency using 3D sand printing. It also underscores Peekay's unique position as a global manufacturer of industrial components for all OEMs globally. Peekay employs the most modern technologies and uses state-of-the-art equipment in all our plants to improve productivity and quality. We have also implemented industry4.0 principles in our plants in Hindupur and Bengaluru.

The Bengaluru3D printing facility enables Peekay to collaborate and co-engineer with customers in the early stages of design; develop intricate parts; and deliver products quickly for aftermarket/MRO (Maintenance, Repair, and Overhaul) business. The new technological developments at Peekay Steel are a proof of its commitment towards superior quality, cost effectiveness, productivity, and customer satisfaction.

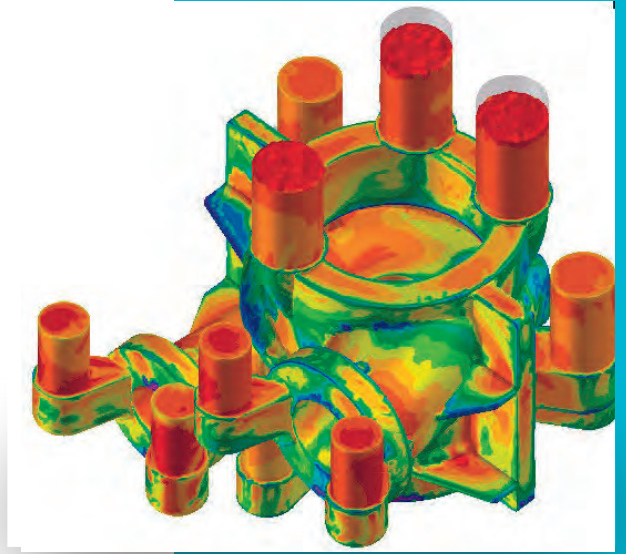
Our Process and Technology

Our foundries utilize simulation software like Magma soft, Pro-Cast to simulate the mould filling and solidification processes in order to optimize the product quality and cost. Our engineering team has the experience and tools to support an integrated product development approach, from design-to-manufacturing to final component. This gives us great advantage in reducing lead times, simplifying production of highly engineered products and exploring new design possibilities.

Our process begins with a blend of raw materials composed of a customised mix of metals, selected ferro- alloys, and recycled scrap steel. The mixture varies based upon the needs of our customers and the type of casting that is produced. The manufacturing facility includes induction melting furnaces and AOD (Argon Oxygen Decarburization) metal refining for the production of high quality steel castings, including special grades like Martensitic steel, Duplex and Super Duplex stainless steel castings, and Nickel based alloys. The material range includes a wide variety of carbon steels, alloy steels, stainless steels and Inconel grades. The melting and pouring temperatures vary from 1450 °C to 1620 °C.

The moulding process carried out is a no-bake process (Alkaline Phenolic No Bake/Alphaset) equipped with a continuous sand mixing and reclamation tower. For mould making, the raw materials used are silica sand and chromite sand. About 80 percent of the reclaimed sand is recycled for reuse by mixing it with fresh sand. The castings poured in sand moulds are taken out at specific temperatures decided for each casting. The extra parts like runners and risers are removed by using gas cutting either soon after knockout or after heat treatment, based on the material and specifications. The castings are subjected to heat treatment in LPG gas fired furnaces. The temperature and time of heat treatment vary based on the material and casting design. Furthermore, the castings will be ground to finish for NDT tests to find the defects, and the defects will be excavated by gouging and repaired by arc welding processes.

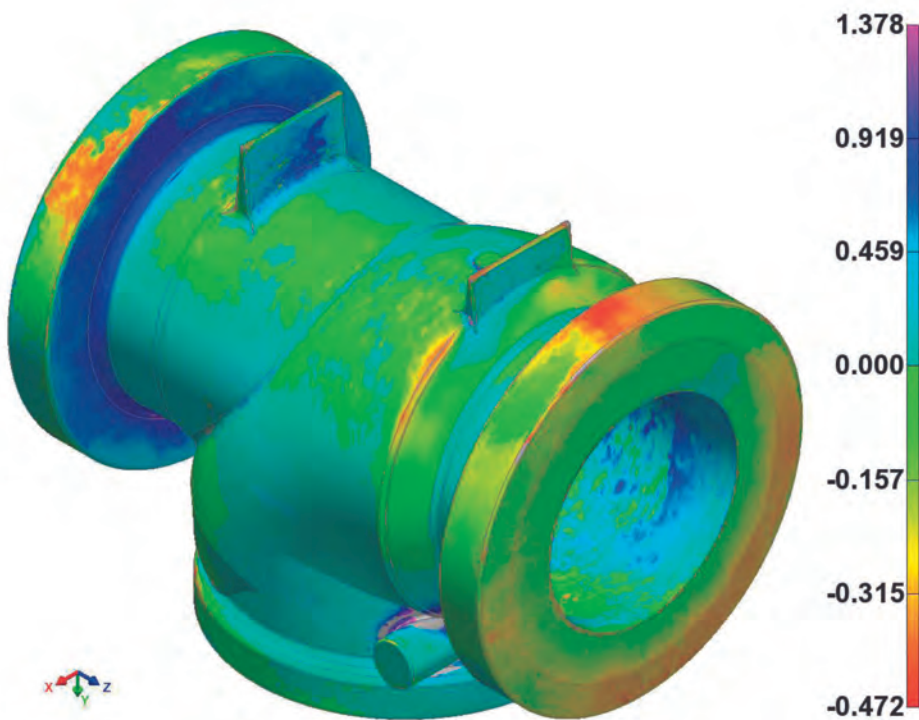
When it comes to quality testing of castings, we strictly adhere to global standards. The foundries have acquired the latest automated testing equipment like the Leco Gas Analyzer, spectrometers, metallurgical microscopes, and mechanical testing equipment. Our engineers and technicians routinely perform testing for radio activity, residual magnetism, and corrosion. After we integrated customer requirements early-on in our foundry engineering and quality management system, our ISO 9712 level II and III inspectors will cover all levels of surface inspection (visual, magnetoscopic and liquid penetrant testing) as well as volume inspection (ultrasonic and radiographic testing).



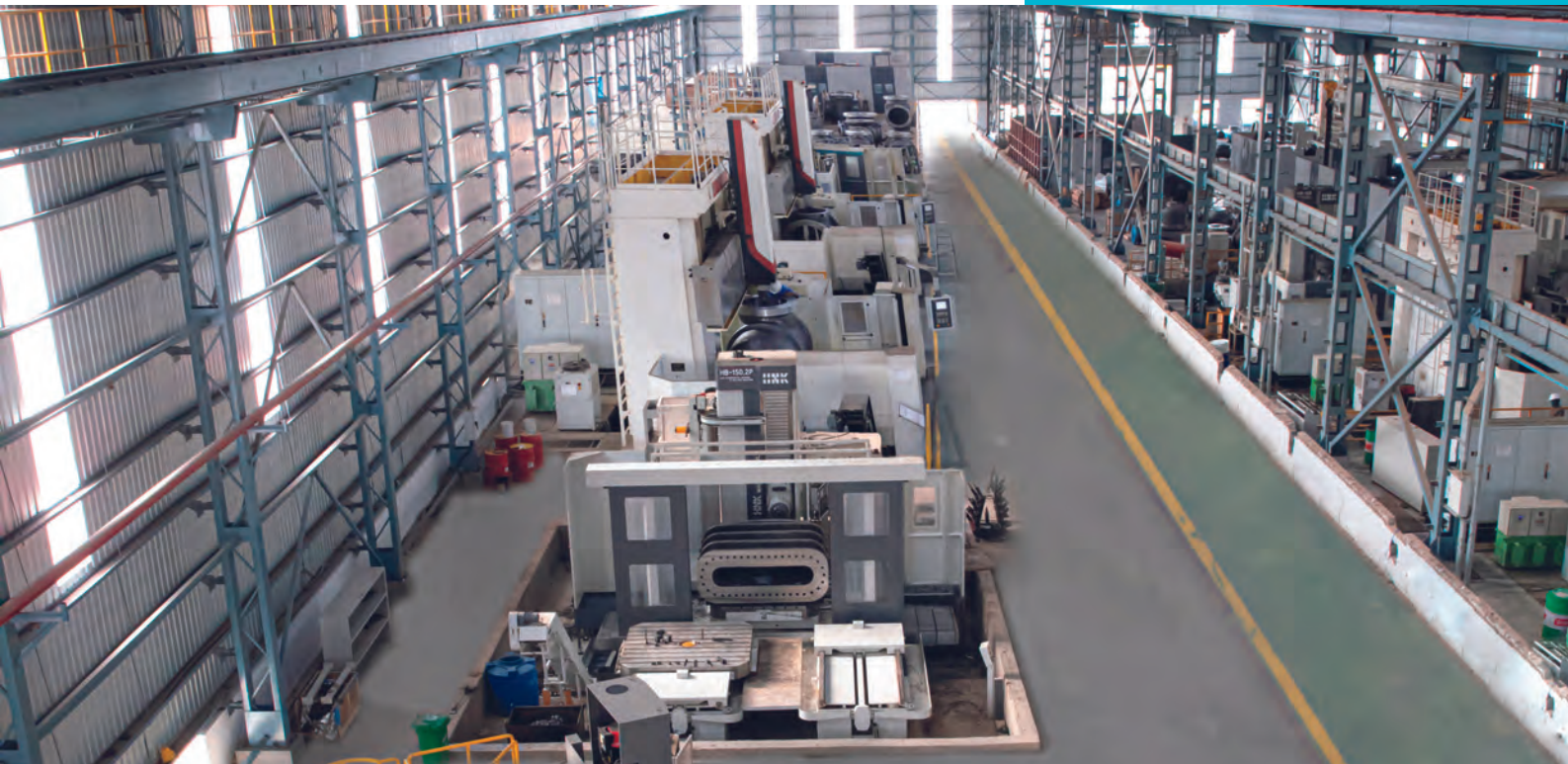
Radiography



3D Scan image



Fully Equipped machine shop at Kozhikode and Hindupur is capable of meeting various requirements of proof & final machining of castings. At present, our factories at Hindupur, Calicut and Coimbatore have the capacity to machine 1000 MT, 250 MT and 250 MT of products per month respectively.



We are equipped with various CNC machines and other sophisticated equipment - (1) Vertical turning Centre with Live Spindle and ATC, (2) T Type Horizontal Boring Machine with ATC, (3) Vertical Turning Lathe, (4) T Type Twin pallet Horizontal Boring Machine with ATC, (5) Trevisan DS 600 and have 3 Dimensional Inspection Capability.

CNC HBM Dual Pallet



CNC VTC Machine



Trevisan DS 600



Governance Structure

Peekay's governance framework ensures accountability, fairness, and transparency in our relationship with our stakeholders. The sustainability programme is over seen by a board-level sustainability committee consisting of 3 director board members, the COOs of each plant, and the head of the sustainability drive (Assistant Manager EHS). There are business unit-level Sustainability Committees to manage the programme at each location. The committee sits once every quarter and reports regularly to the board of directors, the Peekay group. The sustainability strategy and reports will be submitted to the Board of Directors by the Sustainability Committee during the business overview meetings. The head of the sustainability drive will assess and identify the risks and opportunities and develop strategies accordingly. The CEO of the company will work with the head of the sustainability drive to develop a group-level action plan and manage the sustainability drive. Respective plant COOs will be responsible for the implementation of the action plan.



“
Climate change is a reality and there is no going back. Collective sustainable efforts required at all levels of supply chain to tackle the adverse effects of human enhanced global warming”

*-Thoufeeq Moidu
Executive Director*

Supplier code of conduct

This Supplier Code of Conduct is applicable to all 'Suppliers'. 'Supplier' here refers to suppliers/ service providers/traders / agents/ consultants/ contractors/ joint venture partners/ third parties including their employees, agents, and other representatives, who have a business relationship with and provide, sell, seek to sell, any kinds of goods or services to Peekay Steel Castings (P) Ltd. This Code sets forth the basic requirements that we ask our Suppliers to respect and adhere to when conducting business with Peekay. This Code embodies our commitment to internationally recognized standards, including the Core Conventions of the International Labor Organization, United Nations' Universal Declaration of Human Rights as well as prevalent industry standards, and all other relevant and applicable statutory requirements concerning Environment Protection, Minimum Wages, Child Labor, Health and Safety, Sustainability, Anti-Bribery, Anti-Corruption, whichever requirements impose the highest standards of conduct.

The code is approved by management and put in force in February 2023. The major aspects covered under this code are:

- ▶ **LABOUR & HUMAN RIGHTS**
- ▶ **HEALTH, SAFETY & ENVIRONMENTAL SUSTAINABILITY**
- ▶ **BUSINESS INTEGRITY**
- ▶ **REPORTING OF UNETHICAL PRACTICES AND GRIEVANCE ADDRESSAL MECHANISM**
- ▶ **INTELLECTUAL PROPERTY**
- ▶ **THIRD PARTY REPRESENTATION**

Suppliers must ensure that this Code is adopted and cascaded into their supply chain. Suppliers must ensure that their agents, contractors, and suppliers are also made aware of this Code, its implications and adopt the same. Suppliers must ensure to have sustainable procurement practices in place for their own suppliers.

Peekay expects the Supplier to adhere to all applicable laws and regulations and comply with this Code in letter and spirit. It is the Supplier's responsibility to read and understand the contents of this Code. As a condition of doing business with Peekay, the Supplier must comply with this Code and agree to uphold such values during its business association with Peekay. By accepting this code of conduct, it is implied that the suppliers will ensure compliance of this 'Code' with their suppliers.

The Supplier shall maintain adequate documentation to demonstrate compliance with the principles of this Code and allow access to Peekay to check compliance upon request with reasonable notice.

The Supplier shall notify Peekay regarding any known or suspected improper behavior by the Supplier relating to its dealings with Peekay, or any known or suspected improper behavior by Peekay employees.

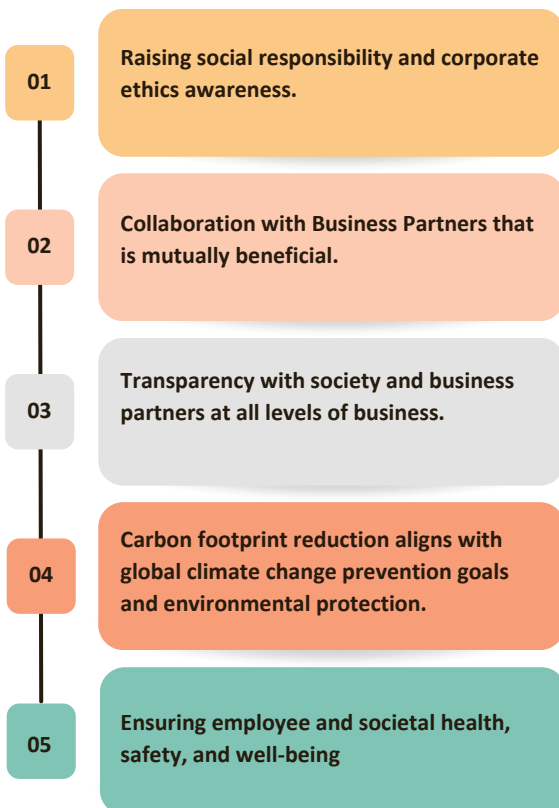
OUR COMMITMENT TO SUSTAINABILITY

Sustainability

Sustainability is one of the visions of the Peekay group. We are working as one of the key recyclers of a major solid waste stream that is steel scrap. The foundry recycles various forms of steel scrap and manufactures new value-added engineering goods. It reduces the environmental impact of making new castings as it eliminates the processes required for manufacturing fresh metals and alloys. The foundry operation requires large quantities of energy, especially for the melting of metals, alloys, and scrap. Water is another major requirement. The dust generated during foundry operations can impact the atmosphere's air quality. Some of the operations are noisy, and the quantity of waste generated in the moulding process will be very high.

But, Peekay Steel Casting's policy is to address these impacts by incorporating globally accepted best practices into our process, innovation, and optimized consumption of resources and energy as explained in the coming sections of the report. To manage such efforts, Peekay has formed a board-level sustainability committee in 2021.

The Sustainability Committee has a well-defined governance structure and it manages the sustainability programme to identify risks and opportunities for the business, identify key stakeholders, and develop objectives and goals to achieve the sustainability vision.



Materiality Assessment

The Sustainability Committee conducted a materiality assessment to identify the risks and opportunities for Peekay and its stakeholders. We evaluated all of the aspects using the six evaluation criteria given below and scored the aspects by their average weighted materiality score.

- ▶ **Financial Implications**
- ▶ **Legal/Regulatory/Policy Implications**
- ▶ **Established Industry Norms**
- ▶ **Relevance to Stakeholders**
- ▶ **Forward-Looking Adjustment for Future Risk/Opportunity**

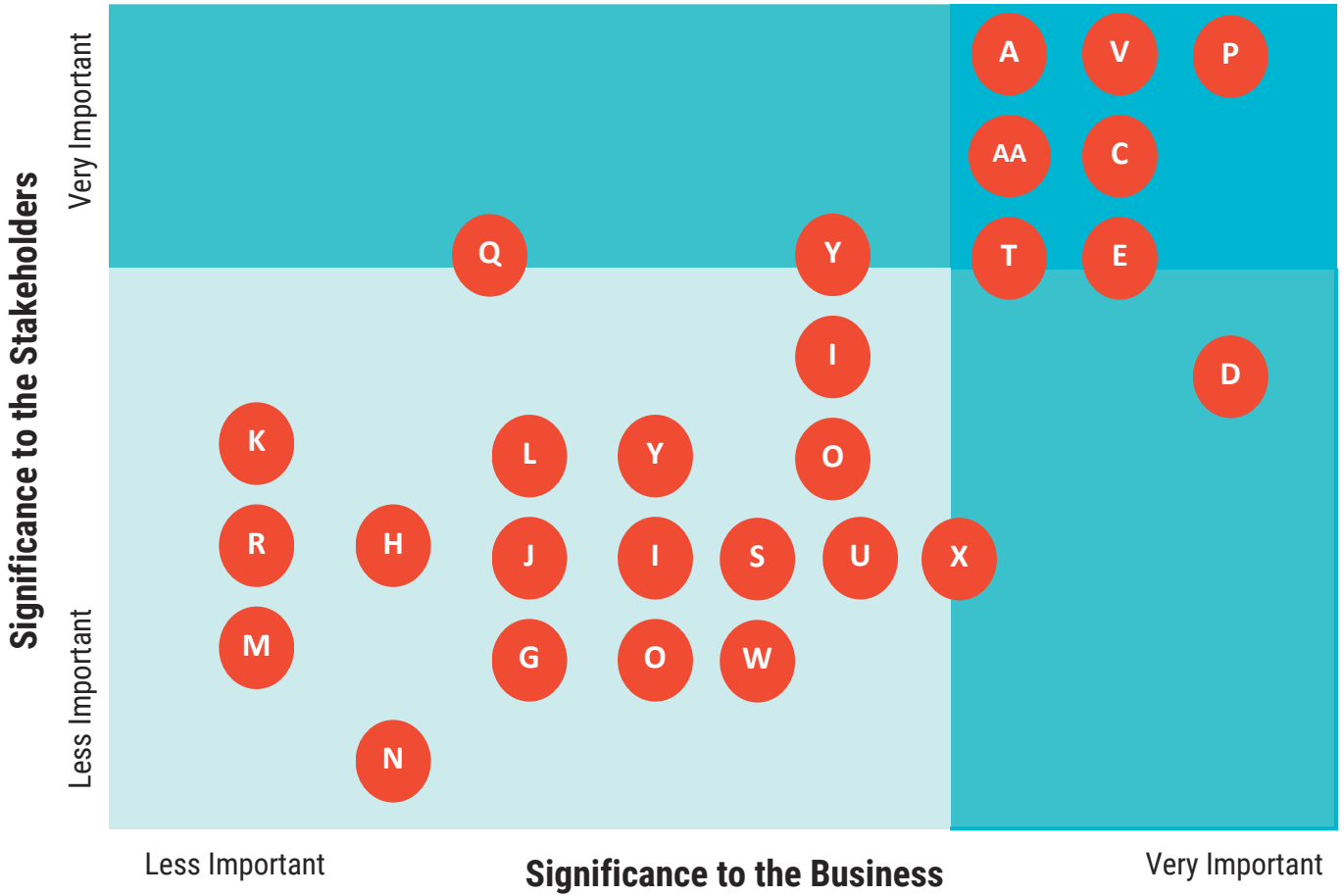
The score will be used to evaluate targets for disclosure and performance improvements. Evaluation criteria for the material aspects are according to the Sustainability Accounting Standards Board's (SASB) materiality assessment criteria (www.sasb.org). The assessment process provides an opportunity to periodically evaluate areas and helps to identify key areas which are of greatest concern to stakeholders and have the greatest impact on business.

What is materiality assessment?

A materiality assessment is an exercise designed to gather insight on the relative importance of specific economic, environmental, social, and governance issues within the organization's boundary for a given time period. An organization should report sustainability issues that cause the most impact within these areas, as well as those considered most important by its internal and external stakeholders. The materiality assessment is the process of determining these material issues and their impact on internal and external stakeholders.



Materiality Assessment



Material Aspects	
GHG Emissions	A
Air Quality	B
Energy Management	C
Wastewater Management	D
Water Management	E
Waste & Hazardous Materials Management	F
Ecological Impacts	G
Human Rights & Community Relations	H
Customer Privacy	I

Data Security	J
Access & Affordability	K
Product Quality & Safety	L
Customer Welfare	M
Selling Practices & Product Labeling	N
Labor Practices	O
Employee Health & Safety	P
Employee Engagement, Diversity & Inclusion	Q
Product Design & Lifecycle Management	R
Business Model Resilience	S

Supply Chain Management	T
Materials Sourcing & Efficiency	U
Physical Impacts of Climate Change	V
Business Ethics	W
Competitive Behavior	X
Management of the Legal & Regulatory Environment	Y
Critical Incident Risk Management	Z
Systemic Risk Management	AA

Based on our materiality assessment, we identified the following material aspects for our business, which form the basis for our report content and performance metrics:

Environment

- ▶ GHG Emissions
- ▶ Air Quality
- ▶ Energy Management
- ▶ Water & Wastewater Management
- ▶ Waste & Hazardous Materials Management
- ▶ Ecological Impacts

Social

- ▶ Customer Welfare
- ▶ Customer Privacy
- ▶ Data Security
- ▶ Labor Practices
- ▶ Human Rights & Community Relations
- ▶ Product Quality & Safety
- ▶ Selling Practices & Product Labeling
- ▶ Employee Engagement, Diversity & Inclusion

Economical

- ▶ Business Ethics
- ▶ Business Model Resilience
- ▶ Supply Chain Management
- ▶ Materials Sourcing & Efficiency
- ▶ Competitive Behavior
- ▶ Physical Impacts of Climate Change
- ▶ Product Design & Lifecycle Management
- ▶ Critical Incident Risk Management
- ▶ Management of the Legal & Regulatory Environment
- ▶ Systemic Risk Management



Stakeholder Engagement

The Sustainability Committee followed a systematic process to enlist and prioritize stakeholders, and evaluate the significance of aspects against criteria that supported the business mission and objectives. Evaluation Criteria for mapping and assessing stakeholder prioritization were:

- 1 Influence on the decision making
- 2 Credibility
- 3 Willingness to contribute
- 4 Proximity and Duration of Relationships
- 5 Contribution Value

Our stakeholder evaluation included benchmarking of key customers and competitors to better understand issues of importance and industry norms. Our participation in industry trade groups such as the Institute of Indian Foundrymen (IIF), Confederation of Indian Industries (CII), National Safety Council of India (NSCI) and Quality Circle Forum of India (QCFI) allows us to promote the discussion and advancement of environmental topics including energy use and carbon-related emissions. For example, Peekay Steel Castings participated in the presentations and competitions for green foundry awards and the carbon emission awareness seminar organized by Emerson. We are also involved in the efforts of our customers like Metso and Baker Hughes, to explore ideas on how foundries can operate in a more sustainable manner in the future. We recognize additional opportunities in stakeholder engagement and will continue our efforts to better understand and incorporate our stakeholders' views into our sustainability initiatives and reporting.

The Sustainability Committee identified opportunities with employees and their families, customers, and our suppliers as primary areas of focus, and we continue our engagement strategies to solicit views from these stakeholder groups, as shown in the following table.



Stakeholder groups	Engagement strategies
Current Employees	<ul style="list-style-type: none"> • Employee engagement surveys • Key group and lead group meetings • Monthly review meeting • E portal • Employee wellness program • Kaizen program • Behavior-based safety, including safety suggestions and near-miss reporting • Festival celebrations
Employees' Families and Dependents, and Retirees	<ul style="list-style-type: none"> • Company functions (sports, festivals, etc.) • Student awards for educational excellence • Internship programs • Hiring back retirees on contract
Prospective Employees	<ul style="list-style-type: none"> • Job fairs • Institute-industry interaction projects • Plant tours and visits from educational institutions • Investment in local industry training institutes
Customers	<ul style="list-style-type: none"> • Voice-of-the-Customer surveys • Interacting in special functions • In-house visits • Value analysis/Value engineering and other collaborations • Trade show participation • Code of conduct and compliance policies published
Suppliers	<ul style="list-style-type: none"> • Code of conduct and compliance policies published • Supplier assessments • Supplier training on code of conduct of Peekay

Using our materiality assessment and our stakeholder mapping results, our committee established comprehensive performance improvement objectives and targets for our company. Our management approach and performance indicators for 2022-23 are outlined in the following sections of this report.

	Objectives	Targets
Indirect Economic Impacts	To make a positive impact on the standard of living of the place which we operate.	<ul style="list-style-type: none"> We are already providing support to educational opportunities to local citizens, including direct funding to schools. Students from local industrial training institute are being offered internships. Further the company is thinking to offer scholarships and employment opportunities for the students. Provide competitive compensation, which supports the employees' families and in turn other community businesses (as compared to available external compensation reports).
Materials	Develop and promote the reduction in the use of (formerly) non-recyclable raw materials and reducing use of fuels with higher GHG emissions.	<ul style="list-style-type: none"> To attain good quality sand by thermal reclamation system and improve the reclamation efficiency of sand system. Also to determine the reduction opportunities for new clay and sand via reclamation system technologies. Optimising the ferro-alloy consumption by better scrap usage and chemistry optimization by keeping the requirements in view. Technologies to replace land filling of waste moulding sand such as manufacturing of construction bricks.
Energy	Reduce the energy consumption	<ul style="list-style-type: none"> Improve energy intensity figure, GJ (LHV) per MT of crude steel production to 2.5 GJ/MT by 2030. In FY 2021-22, it was 7.87. It is reduced to 3.91 in FY 2022-23.
Emissions	Promote alternative processes for pollution control, material optimization and low emission fuels for pollution control.	<ul style="list-style-type: none"> Reducing intensity figure of scope 1 and scope 2 emissions by 40% by FY 2030-31 with respect to 2019 baseline. It was 3 in 2019. The target is to reduce to 1.8. In FY 2022-23, it is 2.02.

Effluents and Waste	Reduce the waste from sand, slag and other consumables.	<ul style="list-style-type: none"> Increasing the moulding sand saving by using thermal reclamation plant from 150 tons per month to 175 tons per month
Water	Facilitate reduction in water use and waste water disposal.	<ul style="list-style-type: none"> 100% waste water is being recycled. Reuse of recycled water to be increased to 75%. It is at 51% as on FY2022-23.
Environmental Compliance	Identify and maintain compliance to legal and other requirements to which the organization subscribes and that are applicable to the environmental aspects of its activities, products, and services.	<ul style="list-style-type: none"> Maintain the organizational commitment to ongoing compliance with no receipt of violations, fines, or sanctions.
Supplier Environmental Assessment	Educate the major suppliers on environmental compliance and promote environmental sustainability throughout the supply chain.	<ul style="list-style-type: none"> Communicating to the significant suppliers to educate them and encouraging them to make environmental policies.
Training and Education	Create and support career development opportunities for employees' personal growth.	<ul style="list-style-type: none"> Achieve and maintain leadership training to 60 percent of the employees in leadership positions by 2025. Maintains a 50 percent or greater total promotion rate for management level positions from internal employees.

Economic Performance

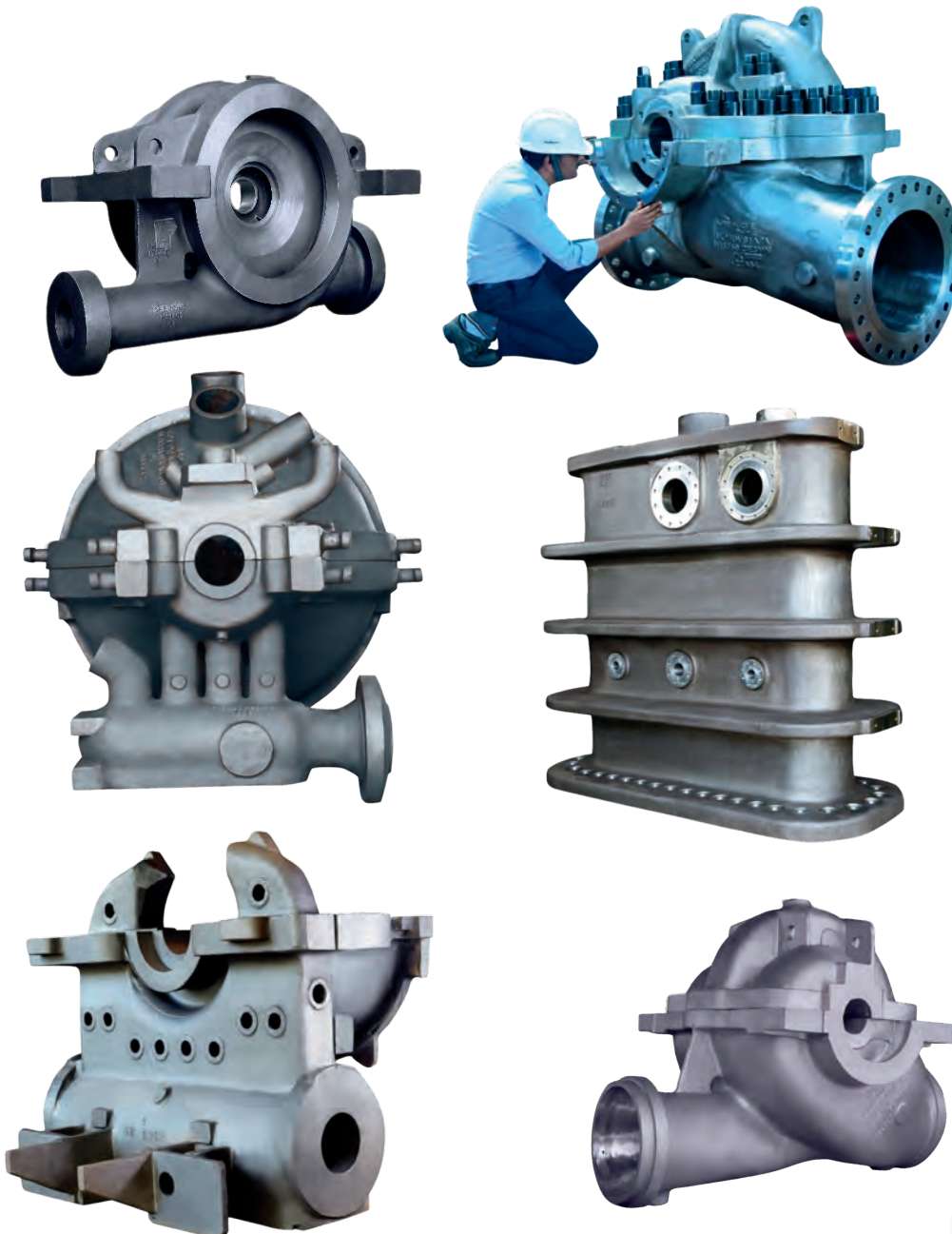
Peekay steel castings aims to create a positive economic impact on the communities in which we operate. We do this by providing and supporting the healthcare for the society around us, special care activities for differently abled and by supporting the educational opportunities to local citizens through direct funding of schools, internships, student employment opportunities, trainings, scholarships, and other means.



As a responsible employers in the societies in which we operate, we provide competitive compensation, which supports the families of employees as well as local community businesses. The substantial amount of purchase made from local suppliers, the amount paid by the organization for local accommodation and merchandises etc. are strong contributors to the local economy. Apart from the purchases and paid services from the local market the large number of employment force of approximately 1500+ living near the company provide a major positive effect to the local economy.

Products and Markets Served

Since its inception in the late 1990s, Peekay Steel has built a reputation as a dependable steelmaker with customers in the United States, Europe, the Middle East, and the Far East. Peekay Steel has the ability to co-engineer and manufacture steel castings from 1 kg to 15,000kg, from the early design phase to the finished component. We supply critical components to Oil & Gas, Power Generation, Mining, Logistics, and Earth Moving projects, not only in overseas nations but also in India, Peekay's home country. Of late, the company is in overdrive mode and is entering into the manufacturing of a wide spectrum of engineering products that require precise manufacturing processes. We are highly diversified, producing more than 80,000 pieces annually. Our products include ball valves, gate valves, globe valves, swing check valves, butterfly valves, safety relief valves, knife gate valves, angular valves, twin seals, multiport, flanges, flywheels, BOPs, elbows, steam turbines, gas turbines, hydro turbine blades, compressor casings, single volute pumps, double volute pumps, barrels, frame structures, L.S. & H.S. carriers, dipper lips, wheel hubs, crusher main frames, aggregate bowls, aggregate head, to name a few. The highly advanced factory at Hindupur manufactures ready-to-assembly machined castings, forgings, and fabrications of steel or special alloys. In the near future, Peekay will step into the manufacturing of sophisticated products made of various metals like iron, aluminium, and titanium too.



EEPC India Quality Award



Peekay Steel Castings Pvt. Ltd. was recognized with the most prestigious Platinum Quality Award for the year 2022 under the large enterprise category from EEPC (Engineering Exports Promotion Council) India in a glittering ceremony held at Trade centre, Chennai, India on 16th of March 2023. This award was a recognition for our exceptional quality and on-time delivery results ensuring safety and environmental compliance as well as excellent Supplier Development progress with multiple Business Lines across the globe through Peekay's Advanced Industry 4.0 Manufacturing Capabilities and adoption of 3D printing technology to reduce product development lead time. K.E. Moidu (Managing Director) and Muthu. G (General Manager Quality) received the Award from T.M. Ambarasan, Minister of MSME, Tamilnadu.

IIF Foundry of the Year Award



We have recognized with the prestigious LAKSHMAN RAO KIRLOSKAR Foundry of the year award from IIF (Institute of Indian Foundrymen) India in a glittering ceremony held at 71st IFC at India Expo Mart, Greater Noida on 9th of February 2023. This award was a recognition for our exceptional achievements in the fields of Quality management, productivity, innovation, digitalization and ESG. K.E. Shanavas (CEO), Thoufeeque Moidu (ED), Sabeeh M (COO), Rajesh S (COO) and Muthu. G (General Manager Quality) received the Award from T.M. Ambarasan, Minister of MSME, Tamilnadu.

Commitment to Quality

Peekay Steel Castings Pvt Ltd shall consistently and diligently manufacture products exceeding the expectations of our customers, to remain a leader in the casting market by excellence in total quality performance. The foundry is committed to its quality policy and objectives. To achieve this, the foundry has formulated a quality systems and assurance programme to bring about improvements in all areas of operation, including continuous effort to improve product quality; training and motivation of employees; improvement in professionalism and competence; reductions in rejections, rework and wastage; and energy conservation.



NABL Accredited LAB

We ensure that customer requirements and expectations are clearly defined, understood, and achievable at all levels of the organization. We maintain ISO 9001, ISO 14001, ISO 45001, ISO 14064-1, PED 2014/68/EU, AD 2000 - Merkblatt W0, IBR 1950, well-known foundry, Lloyds Register Asia certifications, Foundry approval by BV marine, Approval of manufacturer by DNV, Transportation and Power generation (TPG) accreditation by the Performance Review Institute (PRI), NORSOK M 650 Qualification for Type 22Cr Duplex SS (CD3MN), Type 25Cr Duplex SS (CE3MN, CD3MWCuN), ABS, etc.

We are committed to achieving customer satisfaction consistently and will accomplish this by understanding and mitigating risks and opportunities that may affect the conformity of products and services and to ensure statutory and regulatory requirements are identified and achieved according to the applicable clauses of the QMS Manual and Quality System procedures.

Quality Objectives have been established at all corresponding levels and processes throughout the organization to implement the quality policy, meet and exceed requirements for product and processes, and to improve the QMS and its performance.

The objectives include the following aspects,

- ✓ **Turnover & profitability,**
- ✓ **Sales targets & production efficiency targets**
- ✓ **Rejection and rework & cost of quality targets, iv. Staffing breakdown (Manpower output).**
- ✓ **Process optimization Energy Efficiency,**
- ✓ **Improve Yield%,**
- ✓ **Reduce Rejection (Internal & Customer Rejection),**
- ✓ **Reduce Rework,**
- ✓ **Improve On Time Delivery,**
- ✓ **To reduce customer complaints on continual basis,**
- ✓ **To Enhance Customer satisfaction,**
- ✓ **To reduce breakdown Maintenance on continual basis by improved preventive maintenance,**
- ✓ **Improve Employee Productivity,**
- ✓ **Inventory reduction,**
- ✓ **Performance of External Provider.**

The above objectives have been made Specific and measurable for respective processes at the management review meeting. Data analysis for the objectives reviewed and target is fixed in the Management Review Meeting as well as individual department wise goals review meeting.

Objectives are managed as Organizational Goals and Departmental Goals and updated and reviewed periodically to take any actions to meet the same. Peekay ensures that we have the ability to meet the requirements for products and services to be offered to customers. Management conducts a contract/ product review prior to committing to supply products and services to a customer. The review process at a minimum includes,

- 1 Requirements specified by the customer, including the requirements for delivery and post-delivery activities.
- 2 Requirements not stated by the customer, but necessary for the intended use, when known.
- 3 Requirements specified by the organization;
- 4 Statutory and regulatory requirements applicable to the products and services;
- 5 Contract or order requirements differing from those previously expressed
- 6 Contract review shall be recorded and if the organization cannot meet any of the product requirements same shall be notified to customer before sending quotations. A similar review shall be performed on receipt of order to ensure that the requirements are as agreed.
- 7 All the requirements and products specifications within the capability of the company shall be incorporated in the works order which forms basic document for manufacture of product along with quality plan as required.
- 8 The quality plan shall include verification, validation, monitoring, measurement, inspection and testing activities specific to the products and the criteria for acceptance of product.
- 9 When customer modifies any requirements the same shall be reviewed by the company and incorporated in the works order by way of order amendment.
- 10 The organization shall retain documented information, as applicable on the results of the review and any new requirements for the products and services.

Peekay Steel strictly adheres to the highest internal and global standards. The foundries laboratory is NABL accredited (ISC/IEC 17025) and it's equipped with calibrated Leco Gas Analyzer, Mass Spectrometers, Metallurgical Microscopes and mechanical testing equipment.

PK engaging qualified SNT TC 1A and ISO 9712 level II & III inspectors will cover all aspects of surface inspection (visual, magnetoscopic and liquid penetrant testing), dimensional as well as volume inspection (ultrasonic and radio graphic testing).

Peekay does not carry out any design activity for its products. Castings are manufactured as per the design, drawings, 3D models provided by the customers. Hence this is excluded (not applicable), This exclusion will not affect the company's ability or responsibility to provide products that meet customer and applicable regulatory requirements.



Ultrasonic Testing

Additive Manufacturing & Engineering Centre

Peekay Steel Castings Pvt Ltd has unveiled its all new 3D printing facility at Airport Road, Bengaluru. This new facility will enable Peekay to manufacture any intricate design with ease and efficiency using 3D sand printing. It also underscores Peekay's unique position as a global manufacturer of industrial components to all the OEMs globally. Our engineering team has the experience and the tools to support an integrated product development approach, from design-to-manufacturing to final component. This gives us great advantage in reducing lead times, simplifying production of highly engineered products and exploring new design possibilities.



India's Largest Additive Manufacturing and Engineering Centre

Machine Name: VX4000

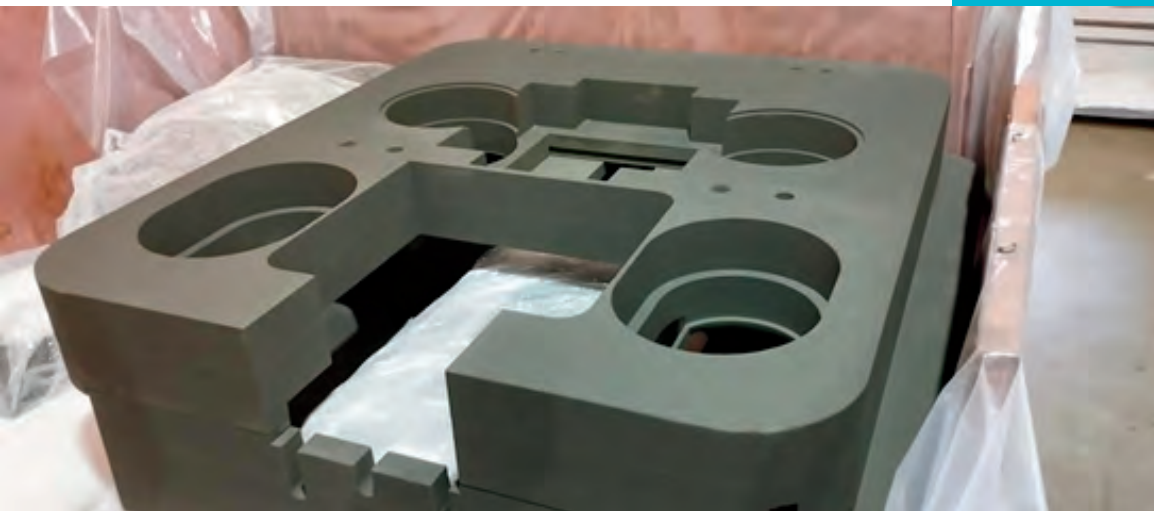
Manufacturer: Voxeljet Germany

Technology: Binder Jetting

Print Head: VPM-XVI, 200 dpi

Size: 4,000mm x 2,000mm

The 3D printing facility at Bengaluru will enable us to collaborate with customers and co-engineer with them in early stages of design, develop intricate parts, deliver products quickly for after market /MRO (Maintenance, Repair, and Overhaul) business. The new technological developments at Peekay Steel are a proof of our commitment towards sustainability, superior quality, cost effectiveness, productivity and customer satisfaction.



A critical product developed by Peekay – 3D printed moulds and cores at Additive manufacturing facility of Peekay at Bangalore for a large turbine casing.

A critical product developed by Peekay – 3D printed moulds and cores at Additive manufacturing facility of Peekay at Bangalore for a large turbine casing.

Investing In Our Communities

Peekay Steel in its commitment to the welfare of the society, has always been in the fore front in undertaking many laudable Community Development initiatives benefitting the society in which it operates. Before Corporate Social Responsibility (CSR) found a place in corporate lexicon, it was already woven into the Company's value systems. The Company's Community Development initiatives in Health Care, Education, Sports & Games and Social development of the Society are spread beyond the borders of the place in which it operates. We continue to support the communities in which we do business in a variety of ways. Peekay Steel always places People Before Business.

5.8 million INR
Promotion of
Health Care

2.6 million INR
Promotion of
Education

0.9 million INR
Disaster
Management



Peekay Steel funded medical center in collaboration with CICS and MEITRA Hospital



The audiology centre of CICS buds special school. Peekay has donated a new audiometry testing machine to this school recently



Roads renovated at Hindpur district of Andhra Pradesh as part of disaster management initiatives under CSR program of Peekay



A most modern physics block has been built by Peekay Steel and handed over to Farook College. Farook College is a government-aided, autonomous arts and science college located in Feroke, near Calicut, Kerala.

ENVIRONMENTAL STEWARDSHIP

Environmental, Health, and Safety (EHS) is the responsibility of everyone at Peekay. Continual improvement in EHS performance is an integral part of our culture. We are certified to ISO 45001:2018, ISO14064-1 Verified and ISO 14001:2015. Peekay has been awarded with Asia Pacific Foundry Best Sustainable Development 2023 Award from Emerson Flow Controls.



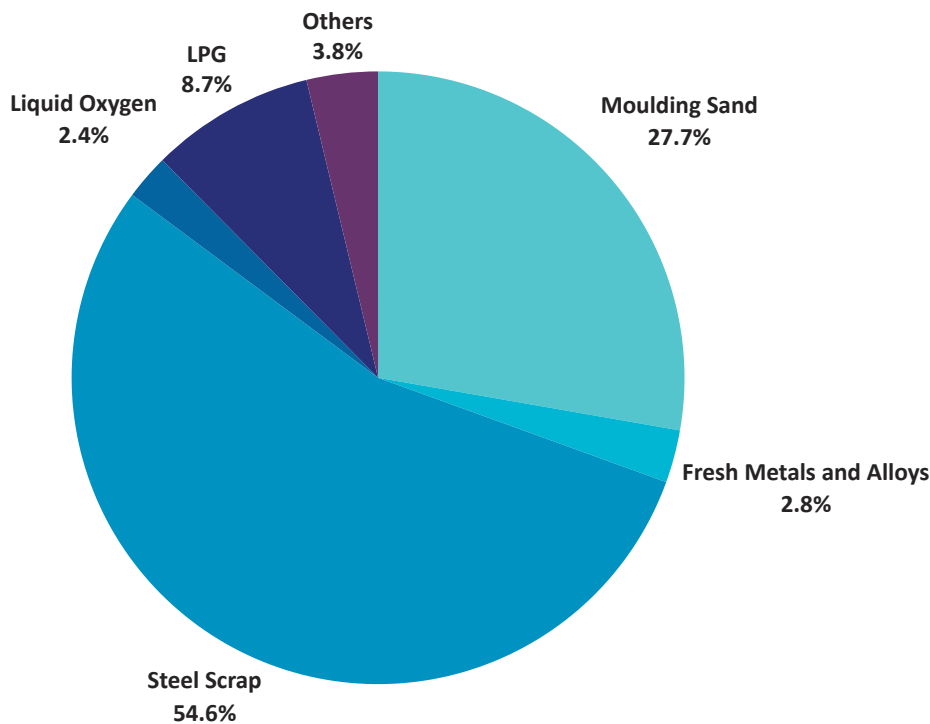
Material Usage & Production Material Efficiency

22300 Tons of material melted in financial year 2022-23. 95.52 percent of the materials used in melting process came from recycled materials such as scrap and foundry returns. The foundry return is the removed runner, riser, and machined chips of castings. One of our major goals is to optimize the melt system consumption by improving the yield, increasing the foundry return consumption and reducing costly virgin materials such as Pure Nickel consumption to reduce the money spent on raw materials while also reducing energy consumption and associated greenhouse gas emissions. We continuously look for opportunities to incorporate recycled materials mainly various types of scrap into our melting system so that landfilling of solid waste across the globe can be reduced.

The average emission per ton of fresh metal and alloys used is 4.92 T CO₂e, while it is 0.0038 T CO₂e for scrap. During the reporting period, Peekay has consumed 21300 tons of scrap and 1000 tons of fresh metals and alloys. It has avoided 104336 T CO₂e during the reporting period.

To support the implementation of Nickel consumption reduction the achieved mechanical properties and Ni levels used from the past were reviewed. Based on the review scraps closer to the Ni level required was purchased and pure Ni addition was optimized. In case of Ni equivalent requirements and PREN requirements Nitrogen content was increased by 0.04 to reduce the molybdenum and Ni content addition. The yield improvements in the casting was also made possible by methoding optimization with the effective use of Magma software. The initiative reduced 71 tons of CO₂e during the last financial year.

The sand used to make the molds is another significant material consumption in foundries. Peekay is recycling the waste molding sand generated and reusing it again. The waste sand is reclaimed by two methods: mechanical reclamation and thermal reclamation. In mechanical reclamation, the waste sand will be collected completely and will be stored. It shall be used as packing sand as we don't need fresh sand away from the mould cavity. In thermal reclamation, the waste sand shall be treated to its old properties. In FY 22-23, the total sand consumed was 94674 tons. 78973 tons was reclaimed sand. Only 16% was the fresh sand consumed. The average emission per ton of fresh sand used is 0.045 T CO₂e. It avoided an emission of 3553 T CO₂e during the reporting period.

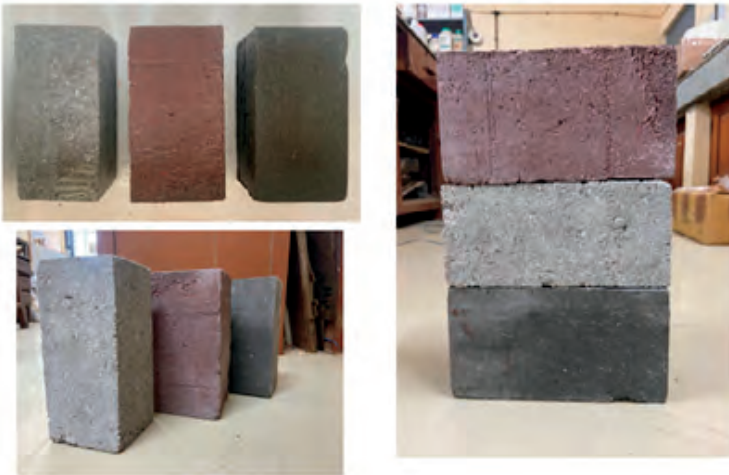


Key input materials used in FY 2022-23

The moulding sand will become a waste after number of thermal and mechanical reclamations. It must be disposed after its life. Generally, the spent moulding sand will be used for land filling at construction sites and for road works. It will leave a significant carbon footprint behind. Peekay has joined with the National Institute for Interdisciplinary Science and Technology (NIIST) of Council of Scientific and Industrial Research (CSIR) to convert the spent moulding sand to a useful product. The R and D team developed a technology to convert the waste moulding sand to construction bricks and pavement tiles. Peekay is going to start a factory in Coimbatore near to its foundry to convert the spent sand to bricks which will be an eco-friendly immediate replacement for conventional bricks. The project will eliminate 1500 tons of CO₂e annually.



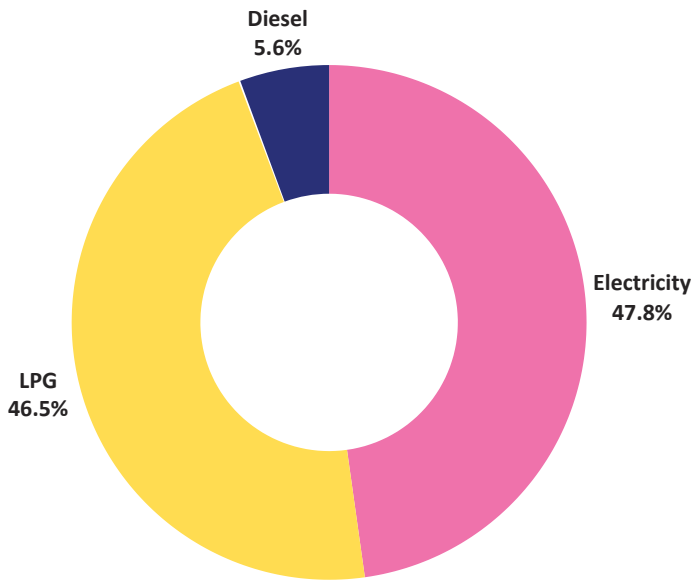
MoU signing between Peekay steel castings pvt ltd and CSIR NIIST for technology transfer



Bricks made from waste moulding sand

Energy Use

A foundry is an energy-intensive business. It will be the primary impact on the environment of our business. It takes a large amount of energy to melt metals and run the operations, including LPG, electricity, and diesel, and we are committed to manage energy usage efficiently. The energy and carbon policy of Peekay is showing our commitment to improve energy efficiency through innovation and process optimization. In FY 2022-23, we consumed 72800 MWh of energy in total. Energy savings have a direct effect on our bottom line, and we have set a target of improving energy intensity figure, GJ (LHV) per MT of crude steel production to 2.5GJ/MT by 2030 from 7.87 in FY 2021-22. It is reduced to 3.91 in FY 2022-23.



Energy Consumption by type, FY 2022-23

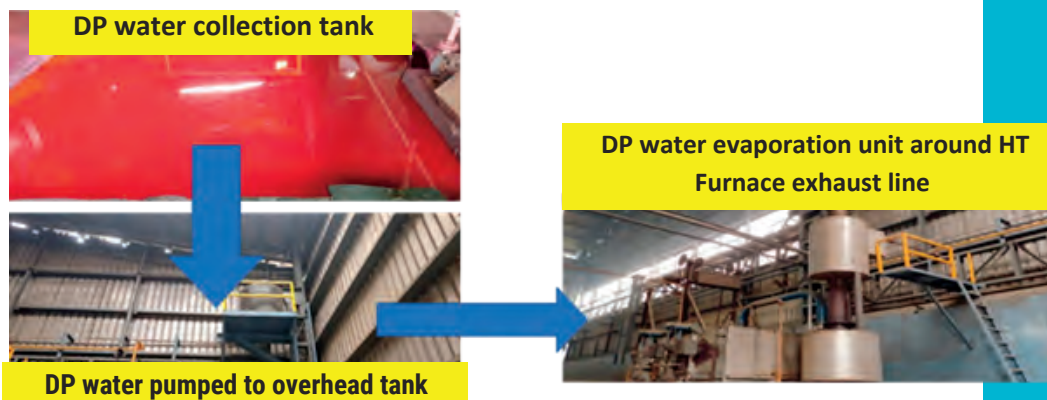
Some of the major initiatives implemented to reduce energy consumption and improve energy efficiency as part of GHG emission reduction initiatives are given below:

Filament lights to led lights: In Peekay filament lights are being changed with LED lights. The overall Lux level is improved without increasing number of lights. This has helped in the reduction of power requirement, but overall illumination (lux) level improved. Energy requirement for lighting reduced by 56%. 209.01 tons of CO₂e saved annually.

Dye penetrant waste water treatment facility: The disposal of wastewater from Dye Penetrant testing is a major concern of environment Pollution. Kerala is experiencing a monsoon of 6 months. The solar evaporation is not practically possible and using a power heater will significantly increase the amount of electricity, which will leave extra carbon footprint.

We manufactured internally, a facility to use the heat treatment exhaust and to treat the wastewater generated during dye penetrant application. The heat wasted from the exhaust of heat treatment furnaces is used for the conversion of the water into steam by providing a tank around the exhaust line of furnaces, and which is filled with DP water.

Heat in the exhaust will be absorbed by water and it will be converted to vapor leaving a relatively low quantity of solid waste of DP behind. Advantages: Recovery of waste heat (saves 960 kWh/day). 273 tons of CO₂e saved annually.



Pipeline supply of LPG instead of cylinder for casting pre-heating: Instead of using 19Kg cylinders, LPG will be supplied to booths via pipeline from a centralized storage. The cylinders will not deliver at required pressure after consumption of 80% of cylinder volume. But centralized storage of multiple cylinders and supplying the LPG to booths by pipeline will eliminate the loss of LPG as one cylinder will compensate the pressure reduction in another cylinder. 450Kg cylinders are used in storage facilities which will reduce cylinder handling as well. Loss of LPG/19 Kg Cylinder (Average) is 3.8kg. Emission/Kg for LPG is 2.9Kg CO₂e. No of cylinders used at fettling/year is 4800. Total Savings/Year is 53 Tons CO₂e.



Upgradation of Gouging Machines: Coil wound gouging machines converted to Inverter based gouging machines. It saved 278MWh annually and avoided 225 tons of CO₂e annually as the power requirement for same operation has reduced.

Upgradation of ceiling cooling fan: Conventional ceiling cooling fans replaced with BLDC type ceiling fans. It saved 50MWh annually and avoided 40 tons of CO₂e annually. Stress relieving furnace switching changed from contact logic to inverter logic. It saved 250MWh annually and avoided 200 tons of CO₂e annually.

Emissions

Air Emissions

Foundry operations generate dust, sand and other particles resulting from the moulding process, if not handled scientifically, could cause atmospheric pollution. Air filtration systems and advanced bag house technologies are used with sufficient dust collection devices to achieve effective air pollution prevention systems. The system is developed according to requirements of State Pollution Control Boards (SPCBs). The emission is periodically tested according to SPCB requirements through approved lab and the result is submitted to SPCBs periodically.



DUST COLLECTORS WITH FILTER BAG

A dedicated fume extraction system is available at melting platform to treat the fumes generated during melting of scraps in induction furnaces. The system is driven by 75 HP motor which creates a negative draft to pull all the fumes into the system. The system consists of a strong filtration (Bag filters) system, which removes hazardous particles and dust from air. The foundry is using high quality scraps only, which will generate very low amount of fumes generally. But the strong bag filtration system will treat the fume properly and will leave quality air to atmosphere.



FUME EXTRACTION SYSTEM

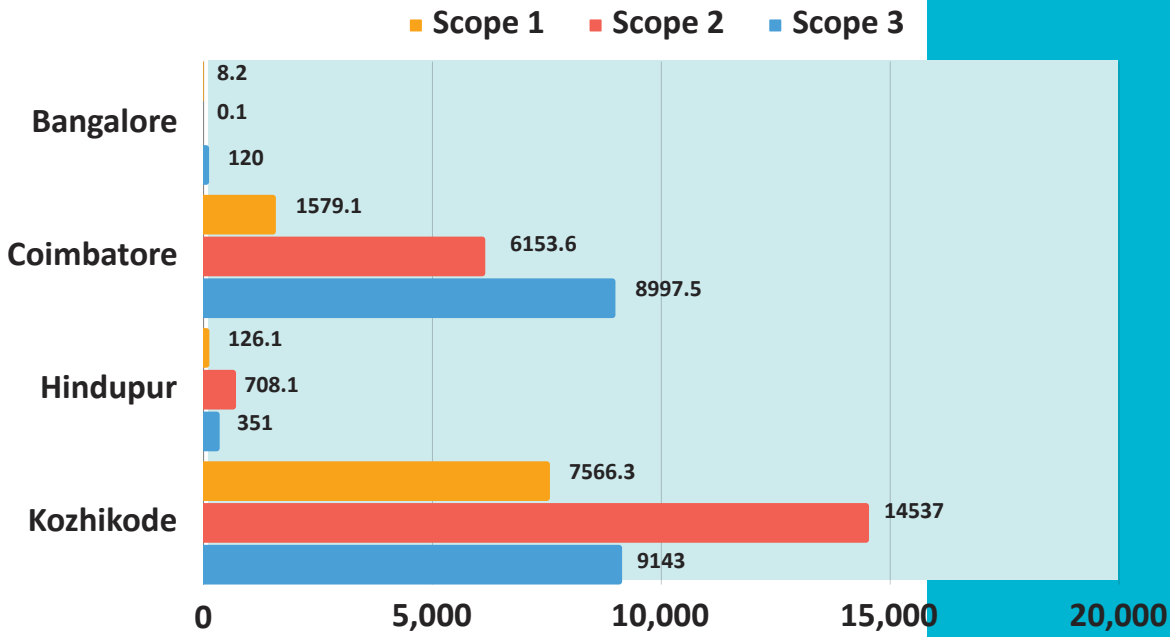
The dust generated at moulding department is very high due to handling of sand. Similarly dust at shake out area and thermal reclamation plant also will be high. Dedicated dust collectors are provided in these areas to reduce the exposure. 125 HP motor driven dust collectors are provided. The outlet of the collectors are having sets of filter bags which will remove dust from air. The air will go outside through the chimney connected to it and the dust will be collected at the bottom collection container. It will be removed from the container according to procedure.

GHG Emissions

GHG emissions are divided into three categories:

- Scope 1 Emissions are those which produced directly by the activities of the business by its own facilities, such as the combustion of natural gas for heating, or emissions arising directly from manufacturing and/or production processes, as well as fuels used to power company vehicles.
- Scope 2 emissions are associated with the business use of electricity, which was generated elsewhere from the burning of fossil fuels (e.g. coal, naturalgas);
- Scope 3 emissions are the emissions incurred by third parties (not electricity) involved in servicing the business needs, such as waste, business travel and accommodation, paper and water use. Scope3 emissions also include the carbon emissions arising from processes associated with the broader 'life cycle' of the production chain, both up stream activities and downstream.

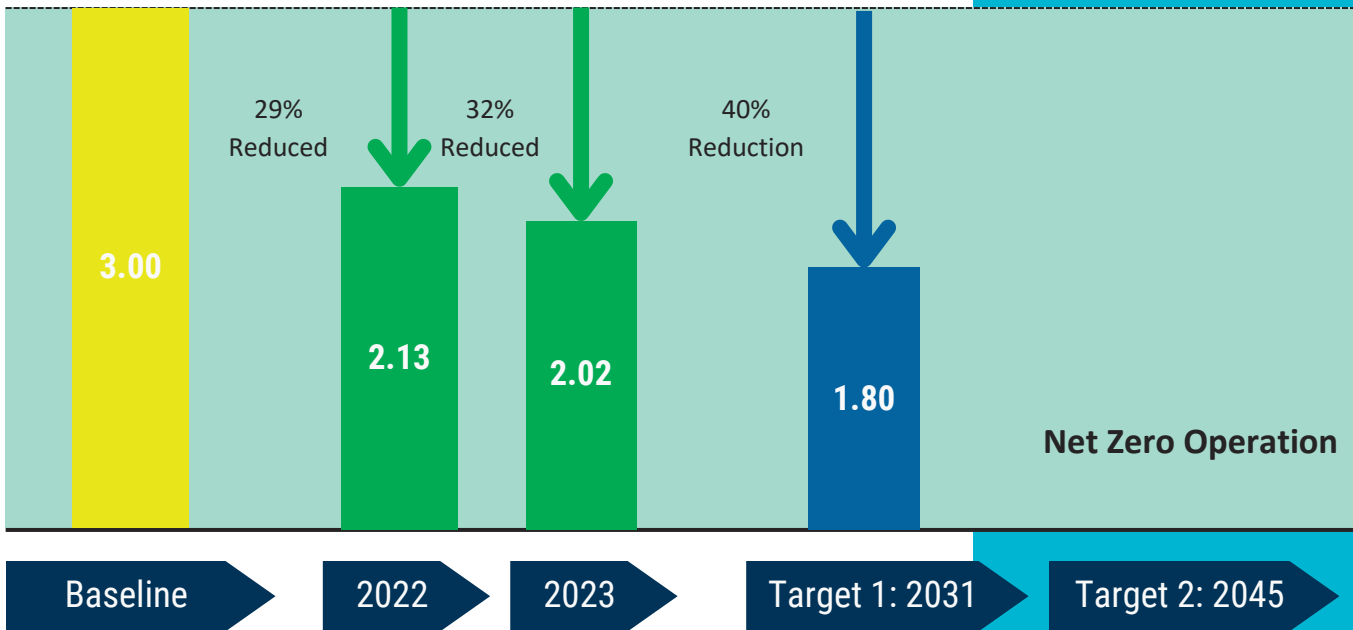
Absolute GHG Emissions



Currently we are tracking Scope 1 and Scope 2 emissions completely and scope 3 partially. Scope 1 emissions include use of LPG, diesel, petrol, CNG, CO2 for welding and refrigerant consumption at our locations. Scope 2 emissions are the result of purchased non-renewable energy utilized in our plants. In FY 2022- 23, our total GHG emission (Scope 1 and 2) was 30678.5 tons of carbon dioxide equivalent (CO2e).

In FY 2022-23, our total scope 3 GHG emission was 18611.5 tons of carbon dioxide equivalent (CO2e). The Total GHG Emissions graph shows the breakdown of our emissions by facility is given below. The majority of our Scope 1 emissions come from the use of LPG for fettling and heat treatment applications. In addition to our absolute GHG emissions, we also track our GHG emissions intensity figure based on tons of product shipped to customer. The intensity figure for FY 2022-23 is 2.02 tons of scope 1 and 2 emissions in CO2e per ton of castings shipped to customer.

EMISSION REDUCTION TARGET



Intensity Figure of Scope 1 and 2

Peekay has set short term and long-term targets to achieve net zero operations. The parameter used to track greenhouse gas (GHG) emission reduction is the intensity figure of scope 1 and 2. Intensity figure of scope 1 and 2 is the ratio of total GHG emissions under scope 1 and 2 per ton of castings dispatched to customer. It is reduced to 2.02 in 2023 from 3 in 2019.

We have registered in SBTi, and the target was submitted for verification. Since more than 50% of the revenue of the company was from oil and gas industries, SBTi has replied to us that currently they don't have a methodology to verify the target for such companies. Peekay has started responding to CDP in 2021. In 2022 Peekay has received a CDP score of D. It has improved to C in 2022.

Some of the major projects implemented in order to reduce carbon footprint emission is given below:



The Energy source for food preparation at canteen was LPG. It has been replaced with electric powered machineries.

LPG consumption reduction by the initiative is 53723 Kg/Year. Cooking oil consumption reduction is 5346 Kg/Year. Increase in Electricity consumption is 115 MWh/year. The related GHG emission avoided is 85.30 TCO₂e



Solar water heater installed at canteen for hot water requirement. Earlier electric water heaters were used for the same purpose. Water heated per year is 1460KL. Reduction in Electricity consumption is 126MWh. The related GHG emission avoided is 100 TCO₂e.

Renewable Electricity

Peekay has purchased 198 MWh of renewable power via IEX and Its power purchase agreement with Solar power park of Bangalore international airport (BIAL) in FY 2022-23. It has avoided 161 tons of CO₂e.



Peekay has two windmills of total capacity 2.1MW. It has generated 4318 MWh in FY 2022-23. It has avoided 3498 tons of CO₂e.

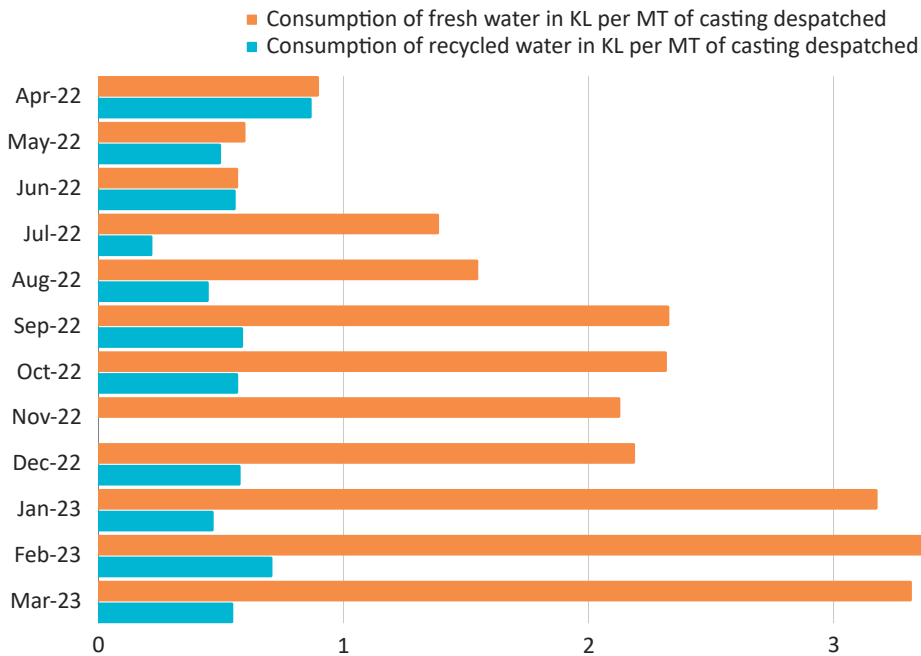


Total Water Use

Basically, Foundry consumed large amounts of water including non-contact cooling water used to cool running machinery and induction melting process. Peekay is following a closed loop system for induction furnace colling which reduced water consumption significantly. The wastewater generated will be collected at sewage treatment plant and it will be treated. A percentage of treated or recycled water will be reused inside the plant for production and domestic purposes. The total and specific fresh water and recycled water consumption details are given below:

FY 2022-23 WATER CONSUMPTION RECORD	
Fresh water from Kerala Water Authority consumed	60450 KL
Percentage of recycled wastewater consumed	51%
Percentage of recycled water out of total consumption	33%

Specific Water Consumption





Rainwater harvesting facility at Peekay Calicut which is having a capacity of 1183 M3

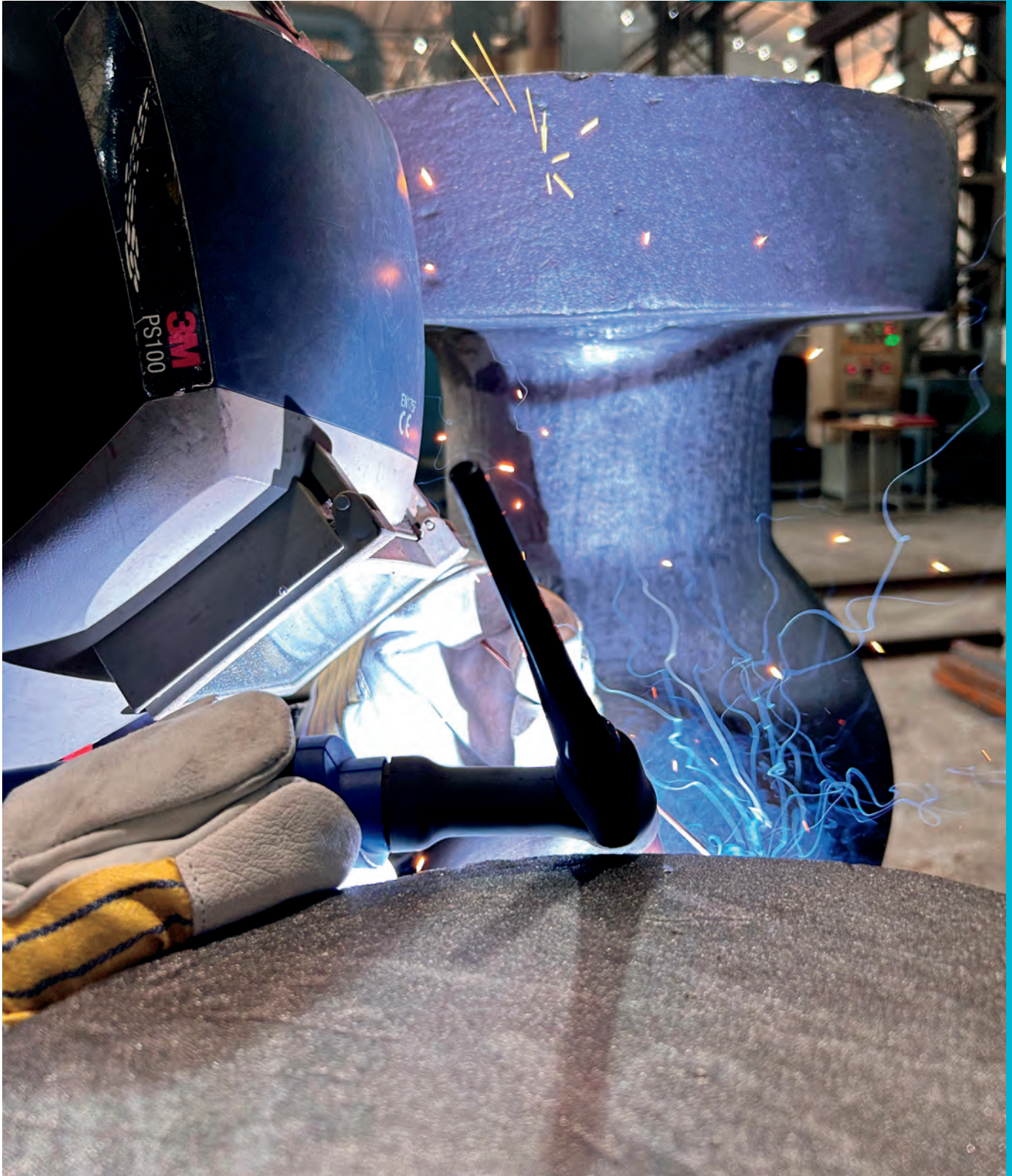
Environmental Compliance

Peekay has committed to identify and maintain compliance to legal and other requirements to which our organization subscribes and that are applicable to the environmental aspects of our activities, products, and services. Our commitment is reflected in our EHS Policy and incorporated into our sustainability targets and objectives. FY2022-23 resulted in no fines or sanctions associated with environmental noncompliance events.



The Sewage Treatment Plant (STP) of Peekay Calicut unit. Recently, the capacity of this STP has upgraded from 150KLD to 300KLD to improve the quality of outlet water. So that, consumption of recycled water for production activities can be increased and freshwater consumption can be reduced.

A WORLD-CLASS WORKFORCE



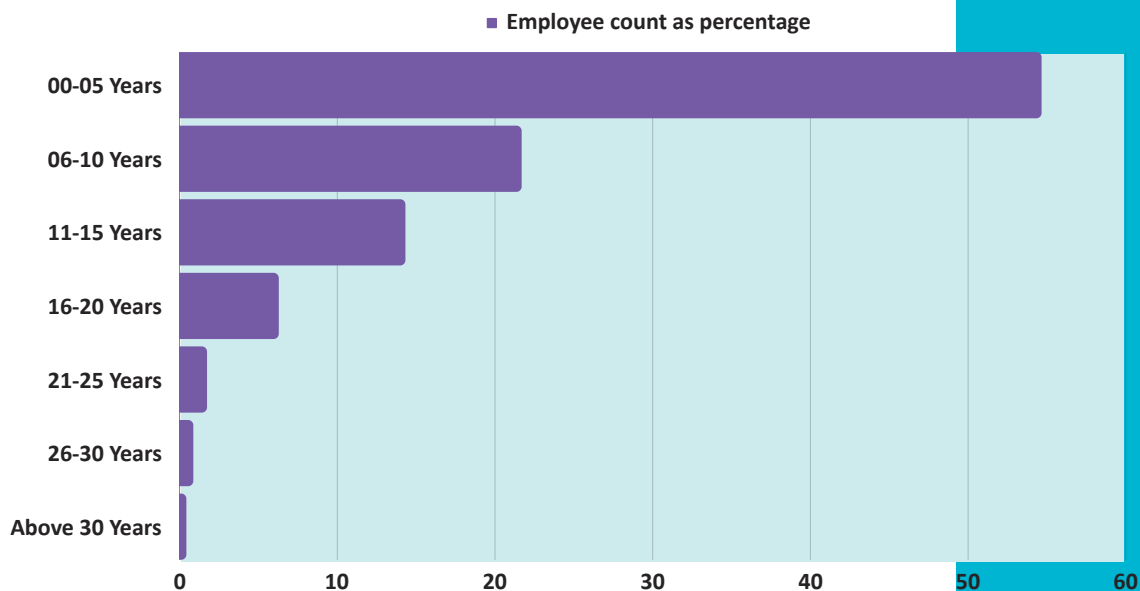
A Tenured Workforce

Employees at Peekay Steel Foundry have long been given the opportunity to reach their full potential. This gives us a skilled workforce so we can produce innovative, best-in-class products while also advancing our sustainability programme with the same kind of innovation.

We are happy to be an employer of choice, and we believe in taking care of our employees and providing possibilities for personal growth. Consequently, consumers have access to the industry's most competent production crew. From operations to administration, we are committed to providing chances for progress for all of our workers. Many of our team members began in basic foundry jobs and have now developed into a range of vocations.

More than half of Peekay Foundry employees have been with the company longer than five years, which is largely due to the opportunity for professional and personal growth. The skilled workforce and the apparent direct employee/management relationship at the manufacturing facilities are two factors that greatly contribute to the success of the organization. The following graphs illustrate the typical length of service for employees who have been with Peekay steel.

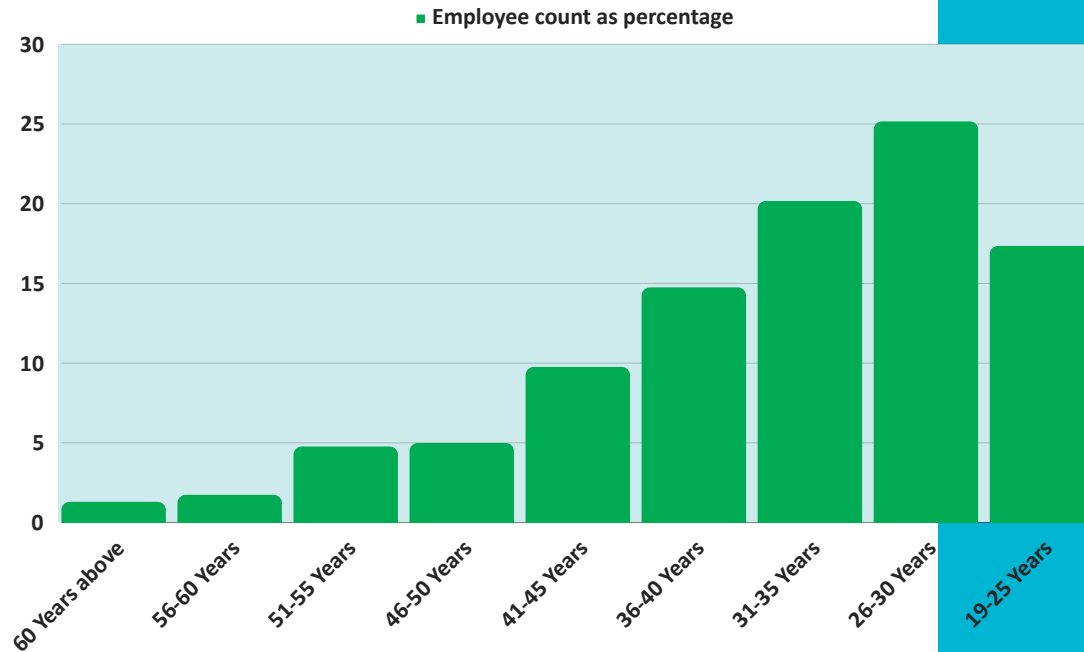
Tenure of Workforce



Age Group and Count Summary

- ▶ 19-25 Years: Comprising 17.35%, indicates a significant presence of young adults.
- ▶ 26-30 Years : With 25.61%, this age group highlights a continued concentration of individuals within this age range
- ▶ 31-35 Years: 20.17% indicates a relatively stable representation of young employees
- ▶ 36-40 years: The 14.75% indicates a decrease in numbers compared to the previous age groups, marking a potential transitional phase.
- ▶ 41-45 Years : A further decline in numbers to 9.76% indicates a gradual decrease in the population within this age group.
- ▶ 46-50 Years: The 4.99% signifies a significant reduction, indicating a smaller representation in this age range.
- ▶ 51-55 Years : The decrease continues with 4.77%, reflecting a trend in the employees in the mid-fifties age range.
- ▶ 56- 60 Years : The count drops to 1.74%, pointing towards a notable decrease in the population aged 56 to 60.
- ▶ 60 Years Above: The smallest count of 1.30% hired on a fixed-term basis post-retirement

A young work force: Employee Age Trends






Skill Development

Peekay is committed to the development and growth of our stakeholders. As a growing professional organization, by religiously upholding inherited family values, we have developed bespoke learning and development philosophy and methodology for all levels of employees.

We strongly believe well trained work force is the key element to take Peekay to the world favorite partner in casting & Foundry. This training manual focuses on Training systems, structure, a simple yet data driven reporting structure, corporate training programs, additional responsibility for Sr. Specialist- L & D, departmental training coordinators, trainers, and department heads towards achieving quality and standardization - all non-negotiables which we require our commitment on.

Learning, unlearning and re learning are the responsibility of all the employees. The training team will continue to support the organization to achieve a higher level of knowledge, skill and attitude of our people at all our divisions. Our key role in the company is to create performers, by identifying potential in our employees and guiding them to develop their potential. We recognize the importance of ensuring that the skills and competencies of our employees are continually upgraded and stay relevant to the needs and requirements of the business and changing business scenarios.

For this purpose, PEEKAY shall design and implement such training systems that encompass the following:

- 
Identification of individual training needs through a system of detailed skill and competency profiling for each job that shall be carried out against the ideal levels of skills and competencies required for the job.
- 
Design of training modules to address the skill and competencies gap determined on the basis of skills profiling to enhance the individual as well as the organization's performance to the desired level of excellence.
- 
Mechanisms that shall continuously seek feedback from trainers and participants in enhancing the quality and assessing the effectiveness of training provided to our employees and take corrective actions accordingly.

The overall aim and spirit of this policy is to continuously work towards enhancing the effectiveness of our training function so that it serves to support and complement all mainstream business processes.

Employee training and development programs are essential to the success of businesses worldwide. Not only do these programs offer opportunities for staff to improve their skills, but also for employers to enhance employee productivity and improve organization culture. It's no surprise that employees who get regular opportunities to learn, develop, and advance are more likely to stay with a company. Employee development is the continuous effort to strengthen work performance through approaches like coaching, training sessions, and leadership mentoring.

Technical / Functional Trainings

These are the operational skill trainings conducted by the department trainers to improve or refresh the operational knowledge of the employees. These trainings are department /skill specific. Participants of these trainings are decided by the department trainers / HOD's depending on various factors. Technical Trainings are further categorized to Process and Product Trainings.

Behavioral / Skill Trainings

These are trainings designed aiming at the holistic development of individuals. Subjects related to Attitude, Communication etc. are handled. These trainings are external/internal.

On the job trainings

The On-the-Job Training is a technique wherein the workers, i.e., operative staff or technical students, is given the direct instructions to perform their jobs on the actual work floor.

Induction Trainings

The Induction Training is also called as an orientation program, wherein the new employees are introduced to the rules and regulation of an organization with the objective of making them accustomed to the working environment, where they will be working.

The new hires are generally provided with the following information about the organization:



General information about the daily work routine.



Foundation, history, objectives, mission, vision, products, services, etc. of the organization.

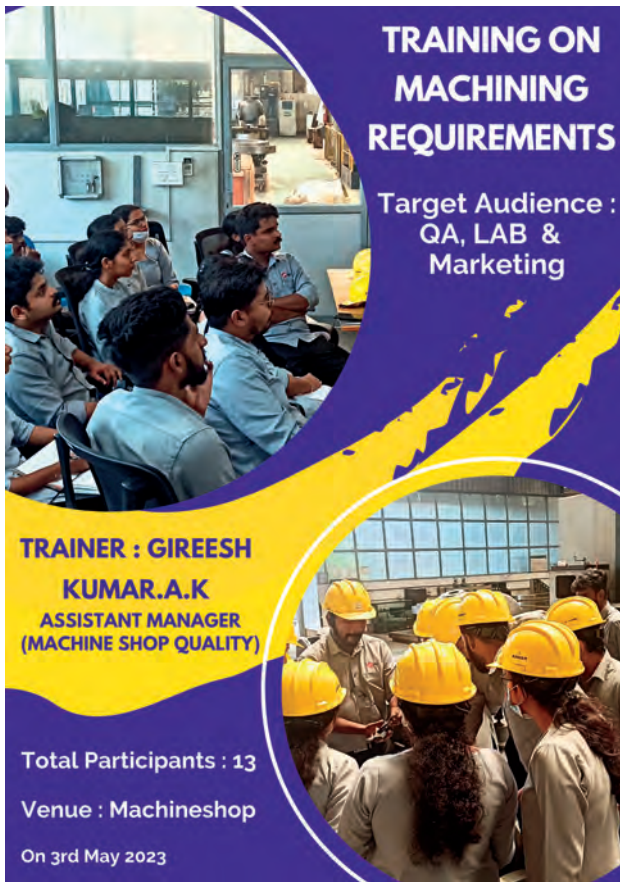


How workers are required to perform their jobs that will contribute to the organization's objectives.



Detailed presentation of company's policies, work rules and employee benefits

FY 2022-23 TRAINING DETAILS	
Total Annual Training Manhours	82419
Total Annual Training Man-days	10302
Total Employees covered	461
Average Training Manhours Per Employee	22.34



TRAINING ON MACHINING REQUIREMENTS

Target Audience :
QA, LAB & Marketing

TRAINER : GIRESH KUMAR.A.K
ASSISTANT MANAGER
(MACHINE SHOP QUALITY)

Total Participants : 13
Venue : Machinshop
On 3rd May 2023



ISO
9001:2015

**TRAINING ON
"ISO 9001 - 2015"
INTERNAL AUDITOR**

Conducted on 5th and 6th of June 2023

Trainer : Mr. S K Baskaran (TUV)
Duration : 2 Days
Venue : Main Conference Hall




PEEKAY STEEL

MAGNETIC PARTICLE TEST LEVEL II TRAINING CERTIFICATION COURSE

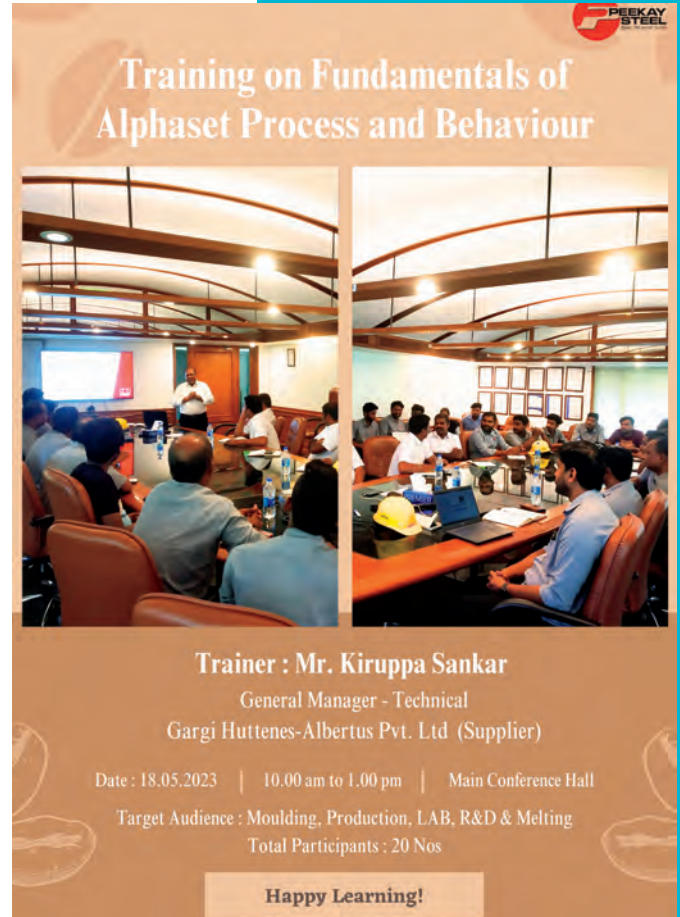
EXAMINATION

TRAINER
Mr. Shafad PP
Dy. Manager QC - NDT Level III

PRACTICAL TEST

Total Participants : 6 nos

Training conducted on 21st June 2023 - 23rd June 2023



PEEKAY STEEL

Training on Fundamentals of Alphasheet Process and Behaviour

Trainer : Mr. Kiruppa Sankar
General Manager - Technical
Gargi Huttenes-Albertus Pvt. Ltd (Supplier)

Date : 18.05.2023 | 10.00 am to 1.00 pm | Main Conference Hall
Target Audience : Moulding, Production, LAB, R&D & Melting
Total Participants : 20 Nos

Happy Learning!

Gender Diversity: A Strong Women Workforce

Group and business-wise goals, plans and progress reviews ensure the needle shifts towards including women in the workforce across all levels. Diversity & inclusion are essentially linked to the fundamental human right to equality and non-discrimination. It is about recognizing, respecting and valuing people's differences. Few of the women leaders of Peekay are given below:



ELIZABATH T CHEERAN
Senior Manager Costing
Completed 17 years



SHILNA DANIEL P
Assistant Manager Laboratory
Completed 14 years



ATHULYA AISWAR.K
Senior Engineer Maintenance
Completed 6 years



SHWETA UDAYISING PATIL
Design Engineer
Completed 1 year

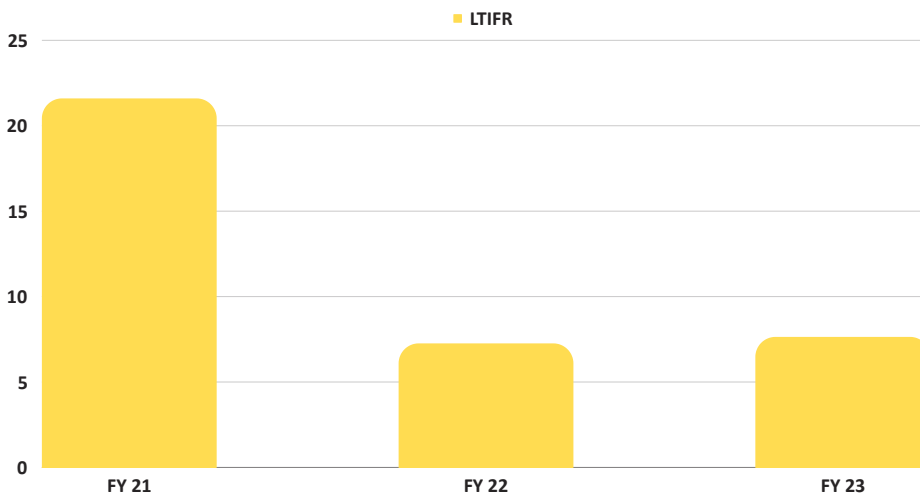
Occupational Health & Safety

Providing a preventive health and safety policy in the workplace is fundamental responsibilities of management. Our safety management system relies on risk identification and mitigation, supervisor accountability, employee safety teams, workplace hazard assessments, equipment maintenance, and ongoing training to create a safe workplace for our employees and visitors.

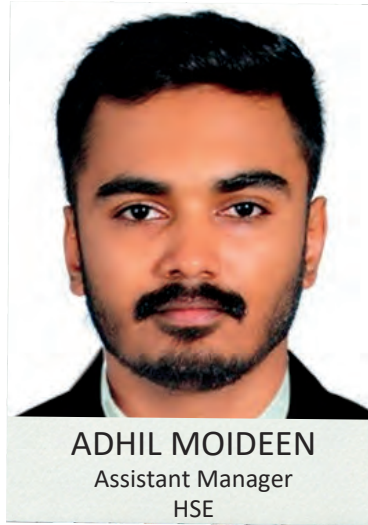
Peekay is committed to all persons working under its control, including its contractors, having a high level of safety awareness. We achieve this through a variety of mechanisms, including onsite and classroom training for our employees, review of work instructions and training specific to those instructions (i.e., lock out/tag out, work at height, and material handling), bulletin boards, signage, and near-miss reporting. We also recognize the importance in active employee engagement in the safety program. The safety committee has been formed with equal participation from employees, contractors, and management. The committee meets monthly. Employees participate in reporting safety suggestions and near misses, our behavior-based safety (BBS) program, and in several safety groups that include safe maintenance, incident review, EOT safety, ergonomics, and emergency response.

We know that leading metrics are critical to monitor for improved safety performance. We have updated our suggestion/near-miss reporting database into a combined form to encourage continued reporting and better track the information and solutions to closure. We also continue company-wide serious incident review, including “near-miss” situations to reduce the risk of potential serious incidents.

We also track lagging indicator metric to evaluate our safety performance: Lost time injury frequency rate (LTIFR), which describes the number of recordable injuries and illnesses resulting in days away from work, restricted work activity, and/or job transfer experienced during the year. We have maintained our goal to reduce our LTIFR to 2.0 or less, and also have ensured zero fatalities during FY 2022-23.



Team Behind



REPORT PARAMETERS AND GRI INDEX

Report Parameters

This report describes our activities during our 2022-23 fiscal year, covering the time period from April 1, 2022 through March 31, 2023. We intend to report on an annual basis with our fiscal year calendar. The evaluation of topics to report to stakeholders in this Sustainability Report is focused on material aspects that align with the company's business objectives and our stakeholder needs and interests. We are reporting in accordance with the Core requirements of the Global Reporting Initiative (GRI) G4 reporting framework (www.globalreporting.org). See also our GRI Content Index. We have chosen not to externally assure this report but may elect to do so in future years. This report covers all of Peekay Steel Castings Private Limited's manufacturing facilities. We encourage comments and feedback on our report.

GRI Content Index

Topic	Metric	Code	Location in the report
General Disclosures: Organization And Its Reporting	Organizational details	GRI 2-1	About us, page 5
	Entities included in the organization's sustainability reporting	GRI 2-2	About us, page 5 Report Parameters, page 55
	Reporting period, frequency, and contact point	GRI 2-3	About us, page 5 Report Parameters, page 55
	External Assurance	GRI 2-5	The report is not externally assured.
General Disclosures: Activities And Workers	Activities, value chain, and other business relationships	GRI 2-6	About us, page 5
	Employees	GRI 2-7	About us, page 5
General Disclosures: Governance	Governance structure and composition	GRI 2-9	About us: Governance structure, page 18
	Role of the highest governance body in sustainability reporting	GRI 2-14	About us: Governance structure, page 18
General Disclosures: Strategy, Policies And Practices	Statement on sustainable development strategy	GRI 2-22	Managing Director's Message, page 3 CEO's Message, page 4
	Policy commitments	GRI 2-23	Supplier code of conduct, page 19 Sustainability, page 20
	Embedding policy commitments	GRI 2-24	Our Commitment to Sustainability, page 20 Investing In Our Communities, page 35
	Compliance with laws and regulations	GRI 2-27	Supplier code of conduct, page 19 Environmental Stewardship, page 37

General Disclosures: Stakeholder Engagement Energy Management	Approach to stakeholder engagement	GRI 2-29	Stakeholder Engagement, page 24
	Total energy consumed (GJ)	GRI 302-1	Energy use, page 39
Emissions	Direct (Scope 1) GHG emissions	GRI 305-1	Emissions, page 41
	Energy indirect (Scope 2) GHG emissions	GRI 305-2	Emissions, page 41
	Indirect (Scope 3) GHG emissions	GRI 305-3	Emissions, page 41
Employment	New employee hires and employee turnover	GRI 401-1	A Tenured Workforce, page 48
Employee Health And Safety	Occupational health and safety management system	GRI 403-1 GRI 403-2 GRI 403-5 GRI 403-6 GRI 403-9 GRI 403-10	Occupational Health & Safety, page 53 Skill development, page 49
Diversity And Equal Opportunity	Diversity of governance bodies and employees	GRI 405-1	A Tenured Workforce, page 48
	Gender diversity	GRI 405-1	Gender diversity, page 52
Local Communities	Operations with local community engagement, impact assessments, and development programs	GRI 413-1	Investing In Our Communities, page 35
Anti-Corruption	Communication and training about anti-corruption policies and procedures	GRI 205-2	Supplier code of conduct, page 19
Anti-Competitive Behaviour	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	GRI 206-1	Supplier code of conduct, page 19



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