

# Independent Assurance Statement

## Introduction and Engagement

Peekay Steel Castings (P) Ltd.(hereafter 'PSCPL') commissioned TUV India Private Limited (TUVI) to conduct the independent assurance of PSCPL's Greenhouse Gases (GHG) emission, which includes limited level of assurance of direct and indirect GHG emission. This assurance engagement has been conducted against the methodology and standards of ISO 14064-1:2018, GHG protocol and ISAE 3410. The verification was conducted in the month of May and June 2023. The GHG spreadsheets covers 'Peekay Steel' GHG emission information from 01<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

## Management's Responsibility

The 'PSCPL' management is responsible for the accurate preparation of all information/data disclosures in GHG spreadsheets in accordance with the criteria stated in above standards. This responsibility includes identifying relevant GHG inventory, monitoring, quality control (QA/ QC) measures for the accuracy of data, data aggregation, calculation, and data disclosure. 'PSCPL' is responsible for designing, implementing and maintaining systems and processes relevant for the preparation of the GHG spreadsheets in such a way that it is free of intended or unintended - material misstatements. TUVI undertook the assurance engagement of the GHG data in accordance with terms of the contract.

## Scope and Boundary

In particular, the assurance engagement included the following:

- a) Verification of the GHG spreadsheet content, and principles as mentioned in applied standards
- b) Verification of quality of GHG information presented in the spreadsheets over the reporting period.

The 'PSCPL' applies the "operational control" approach for consolidation of GHG emissions. Following plants of 'PSCPL' are considered as a part of boundary for GHG verification.

1. Kozhikode: PSCPL Castings (P) Ltd, Opposite KSEB Substation, Nallalam, Kozhikode, Kerala.
2. Coimbatore: PSCPL, Chinnamathampalayam, Bilichi P.O., Coimbatore.
3. Hindupur: PSCPL, Plot No: 40, IP Gollapuram, Hindupur - 515211, Andhra Pradesh .
4. Bangalore: PSCPL, Survey No. Part of 55 and 58, Bangalore Intl Airport Road, Devanahalli Taluk, Bengaluru, Karnataka – 560300.

Our engagement did not include an assessment of the adequacy or effectiveness of 'PSCPL' strategy or management of GHG-related issues. During the assurance process, TUVI did not come across limitations to the scope of the agreed assurance engagement. No external stakeholders were interviewed as a part of this engagement.

## Limitations

The results are limited to the reported emission categories. Other GHG emission sources are not part of Assurance. The GHG emission from the below categories are not considered and not verified under this assurance engagement. Exclusions List is as below

### Category 4: Indirect GHG emissions from services used by Organization

*Indirect GHG emissions from services used by the organization occur from sources located outside the organizational boundaries. Those emissions might cover a very wide range of services and associated process. Emissions should be calculated in a "cradle to supplier output gate" approach.*

### Category 5: Indirect GHG emissions associated with the use of products from the organization

*GHG emissions or removals associated with the use of products from the organization result from products sold by the organization during life stages occurring after the organization's production process.*

### Category 6: Indirect GHG emissions from other sources

*The emission of any organization - specific emission that cannot be reported in any other category. In consequence, it is the organization's responsibility to define the content of this particular category is not considered.*

## Verification Methodology

During the assurance engagement, TUVI adopted a risk-based approach, concentrating on verification efforts on the source of GHG emissions (direct and indirect). TUVI has verified the GHG data presented in the spread sheet and assessed the robustness of the underlying data management system, information flow, and controls. In doing so TUVI adopted below methodology:

- i. Agreement on the assurance level, objectives, criteria, organizational scope, relevance, and materiality thresholds;
- ii. TUVI verified the GHG emission reported in GHG spreadsheets, assessed the robustness of the data management system, information flow, and controls;
- iii. TUVI examined and reviewed the documents, data, as well as other information made available by 'PSCPL' for direct and indirect GHG emissions;
- iv. TUVI conducted interviews with key representatives including data owners and decision- makers of 'PSCPL';
- v. TUVI verified sample-based checks of the processes for generating, gathering and managing the quantitative data and qualitative information included in the spreadsheets for the reporting period
- vi. Evaluation of the internal quality assurance procedures and results.

The scope of verification comprised of the assessment of reported data, spreadsheets, SAP output and processes along with exhaustive interviews with members of management, 'PSCPL' team including (persons responsible for data collection, processing and calculations). Data and documents have been provided via the dedicated worksheets and supported by online recorded output sheet / snapshots which was verified and found consistent with the PSCPL's GHG spreadsheet 2022-2023. Below table shows the sources of emission factor.

Fuel	Emission Factor	Reference
LPG	2.94 kg CO <sub>2</sub> /kg of LPG	DEFRA 2022
Diesel	2.56 kg CO <sub>2</sub> /lit of HSD	
CO <sub>2</sub>	1 kg CO <sub>2</sub> /kg of CO <sub>2</sub>	
Petrol	2.16 kg CO <sub>2</sub> /lit of petrol	
R32	675 kg CO <sub>2</sub> /kg of R32	
R22	1810 kg CO <sub>2</sub> /kg of R22	
Grid Electricity	0.81 kg CO <sub>2</sub> /kWh	Central Electricity Authority (CEA) V.18
Indirect GHG emissions from products used by an organization	Ranging from 0.1 to 44 kg CO <sub>2</sub> /kg of product	2006 IPCC Guidelines for National Greenhouse Gas Inventories
		UK Government GHG Conversion Factors for Company Reporting
		Life Cycle Inventory (LCI) Database, KEITI
		Other open sources

## Opportunities for Improvement

The following are the opportunities for improvement reported during verification

1. As per principles of "completeness and consistency" stipulated under ISO 14064, 'PSCPL' may undertake assessment of emission sources weightages (under operational control approach) to derive the materiality of each emission disclosure.
2. 'PSCPL' can formally document the reasoning of exclusion of the "indirect GHG emissions" for some applicable category under ISO 14064-1

## Conclusions

The given assertion statement shall be read in conjunction with specific selected GHG source and does not represent all emission categories applicable under indirect GHG emissions. During the verification we have performed, nothing has come to our attention (except explicitly stated "Limitations") that causes us to believe that the information subject to the assurance engagement is not prepared, w.r.t. GHG emission (direct and indirect), in accordance with the ISO 14064-1, ISAE 3410 and GHG Protocol.

**GHG Emission:** 'PSCPL' has reported the following GHG emission\* for the reporting period

Emission Category	Bangalore	Coimbatore	Hindupur	Kozhikode	Total (tCO <sub>2</sub> eq)
	GHG emissions (tCO <sub>2</sub> eq)	GHG emissions (tCO <sub>2</sub> eq)	GHG emissions (tCO <sub>2</sub> eq)	GHG emissions (tCO <sub>2</sub> eq)	
Direct GHG Emissions and removals (Scope-1)	8.2	1579.1	126.1	7566.3	9279.7
Indirect GHG Emissions and removals (Scope-2)	0.1	6153.6	708.1	14537.0	21398.8
Indirect GHG emissions from products used by an organization (Scope 3 Category-4) **	83.1	6347.3	344.1	7711.8	14486.3
Indirect GHG emissions from transportation (Upstream, downstream, employee commuting) (Scope 3 Category-3)	36.9	2650.2	6.9	1431.2	4125.2
<b>Total Emissions (tCO<sub>2</sub>eq)</b>	<b>128.3</b>	<b>16730.2</b>	<b>1185.1</b>	<b>31246.3</b>	<b>49290.0</b>

\* The above results are limited to the reported emission categories. Other emission sources are not part of Assurance

\*\*includes emissions due to embodied carbon of raw materials – electrodes, gauging rod, Oxygen gas, liquid oxygen, liquid Nitrogen, Nitrogen Cylinders : Nitrogen gas, packing wood, argon, Stretch Film, Resin, Hardner, polythene, MS nuts and Bolts, Ethanol, Bubble Sheet, Foam, paper, Ferro molybdenum, Ferro niobium, Ferro silica calcium manganese, Ferro silicon, Ferro titanium, Ferro vanadium, Ferro silicon calcium, Ferro silicon zirconium, HC Ferro manganese, LC Ferro chrome, Ferro chrome(H.C) Low Phos, Ferro manganese l.c, Ferro silicon calcium wire, Ferro boron, graphite granules, fluorspar briquettes, manganese metal flakes, mish metal, moly metal(pure Moly), nickel niobium, pure copper(electrolytic), copper beryllium, Ferro silicon manganese, Ferro chrome, pure silicon, pure iron cathodes, selenium metal granules, Nitrogen Ferro chrome, pure aluminum, pure chrome, grinding wheel, foam sheet, cast iron, pure copper, manganese, pure molybdenum, pure nickel, pure iron cathodes, Molding sand, mould coat, coolant and oil, phosphate misch metal, chemicals, rubber, graphite, plastic material, chromium, aluminum ingot, aluminum shots, steel scrap, fluorspar briquettes, machine shops inserts, moly metal, tungsten, Egg, Chicken, Milk, tomato, Rice, Cooking Oil, Fish, Fish Boneless, NTD Chemicals-(acid Pickling, Penetrant, Developer, Cleaner), Valve Assembly components-(Steel, graphite, rubber, cast iron), Coconut shell coke, STP recycled water, R32, R22, Solid waste, waste sand generated for land filling, aluminum ingot(pure(alu 250g), aluminum ingot(pure(alu 6-7kgs AOD), Aluminum Shots(pure Alum), Ferro silicon, Ferro titanium, Ferro vanadium, Ferro silicon calcium, Ferro silicon zirconium ,ex.LC Ferro chrome 0.03%, nickel-pure nickel cathodes(4'x4'), selenium metal granules, Tungsten metal. .

This assurance statement has been prepared in accordance with the terms of our engagement. In the context of reporting, the following has been observed:

**Inclusivity:** 'PSCPL' included the GHG sources under direct and indirect. All concern data owners were engaged through corporate communications. 'PSCPL' engaged with their plants encouraging them to disclose GHG emissions. GHG spreadsheets describes the chosen approach for GHG emission accounting in a structured and transparent manner in line with the GHG protocol and ISO 14064-1.

**Materiality:** The principle of materiality has been considered by including all relevant GHG emission sources. GHG spreadsheet is updated annually to reflect the GHG emission value and material issue. In accordance with the requirements of its key stakeholders, 'PSCPL' has identified its significant emission sources within the chosen scope, however please refer OFI.

**Responsiveness:** Responsiveness is integrated into the stakeholder engagement process demonstrated by the fact that annual carbon footprint results will be available to all concerned stakeholders.

**Impact:** 'PSCPL' is monitoring and measuring the environment KPIs through their GHG spreadsheet.

TUVI did not perform any assurance of procedures on the prospective information, such as targets, expectations, and ambitions. Consequently, TUVI draws no conclusion on the prospective information. TUVI expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement. The intended users of this assurance statement are the management of 'PSCPL'. TUVI's responsibility regarding this verification is in accordance with the agreed scope of work which includes GHG emission (direct and indirect) disclosed by 'PSCPL' in the GHG Spreadsheet. This assurance engagement is based on the assumption that the data and the information provided to TUVI are complete and true.

### **TUV's Competence and Independence**

TUVI is an independent, neutral, third-party providing carbon services, with qualified environmental and GHG verifier. TUVI states its independence and impartiality with regard to this assurance engagement. In the reporting year, TUVI did not work with 'PSCPL' on any engagement that could compromise the independence or impartiality of our findings, conclusions. TUVI was not involved in the preparation of any statements or data included in the spreadsheet, with the exception of this Assurance Statement. TUVI maintains complete impartiality towards any people interviewed during the assurance engagement. The sole responsibility for the preparation and content of the report lies with 'PSCPL'. TUVI did not interact with 'PSCPL' or its stakeholders in any prior engagements which could impair the impartiality of the results and recommendations made in this statement.

**For and on behalf of TUV India Private Limited**



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