

# Independent Assurance Statement

## Introduction and Engagement

Peekay Steel Castings (P) Ltd.(hereafter 'Peekay Steel') commissioned TUV India Private Limited (TUVI) to conduct the independent assurance of Peekay Steel's Green house 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, GHG protocol, ISAE 3000 (revised) and ISAE 3410. The verification was conducted in the month of May and June 2022. Physical visit (at Hindupur and Coimbatore) and remote audit (at Kozhikode) were performed with plant team and representatives. The GHG spreadsheets covers 'Peekay Steel' GHG emission information from 01<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022.

## Management's Responsibility

The 'Peekay Steel' management is responsible for the accurate preparation of all information/data disclosures in GHG spreadsheets in accordance with the criteria stated in the ISO 14064-1, ISAE 3410, ISAE 3000 (revised) and GHG Protocol. This responsibility includes identifying relevant GHG inventory, monitoring, quality control (QA/ QC) measures for the accuracy of data, data aggregation, calculation and data disclosure. 'Peekay Steel' 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

The scope of the assurance includes the verification of the direct and indirect GHG emissions. In particular, the assurance engagement included the following:

- Verification of the GHG spreadsheet content, and principles as mentioned in ISO 14064-1, ISAE 3410, ISAE 3000 (revised) and GHG protocol,
- Verification of quality of GHG information presented in the spreadsheets over the reporting period.

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

- Kozhikode: Peekay Steel Castings (P) Ltd, Opposite KSEB Substation, Nallalam, Kozhikode, Kerala.
- Coimbatore: Peekay Steel Castings (P) Ltd, Chinnamaddam Palayam, Bilichi P.O., Coimbatore, Tamil Nadu.
- Hindupur: Peekay Steel Castings (P) Ltd, Plot No: 40, IP Gollapuram, Hindupur - 515211, A.P.

Our engagement did not include an assessment of the adequacy or effectiveness of 'Peekay Steel' 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 GHG emissions from employee commuting, business travel, well to tank, downstream transportation and upstream transportation of materials and fugitive emission are not reported as 'Peekay Steel' as same were not monitored.

## 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 statements and claims made in the Report and assessed the robustness of the underlying data management system, information flow and controls. In doing so:

- Agreement on the assurance level, objectives, criteria, organizational scope, relevance and materiality thresholds;

- TUVI verified the GHG emission reported in GHG spreadsheets, assessed the robustness of the data management system, information flow and controls;
- TUVI examined and reviewed the documents, data as well as other information made available by 'Peekay Steel' for direct and indirect GHG emissions;
- TUVI conducted interviews with key representatives including data owners and decision-makers of 'Peekay Steel';
- 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
- Evaluation of the internal quality assurance procedures and results

Evaluation of the internal quality assurance procedures and results. The scope of verification comprised of the assessment of reported data, excel spreadsheets, Podium output and processes along with exhaustive interviews with members of management, 'Peekay Steel' 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 Peekay Steel's GHG spreadsheet 2021-2022. Below table shows the sources of GHG emission factor.

Fuel	Emission Factor	Reference
LPG	2.94 kg CO <sub>2</sub> /kg of LPG	DEFRA 2021
Diesel	2.71 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	2.34 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	0.79 kg CO <sub>2</sub> /kWh	Central Electricity Authority (CEA) V.17
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

- Presently 'Peekay Steel' is applying the embodied emission factors of raw materials from open web-based sources, 'Peekay Steel' can reassess the embodied carbon factors of its raw material in the subsequent verification and make the disclosures more accurate.
- As per principles of "completeness and consistency" stipulated under ISO 14064-1, 'Peekay Steel' may undertake assessment of emission sources weightages (under operational control approach) to derive the materiality of each emission disclosure.
- 'Peekay Steel' 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, ISAE 3000 (revised) and GHG Protocol.

**GHG Emission:** 'Peekay Steel' has reported the following GHG emission for the reporting period

Emission Category	Activity	Coimbatore	Hindupur	Kozhikode	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)	LPG is used in heat treatment furnaces, gas cutting and canteen	131.34	25.81	4911.38	6,830.06
	HSD Consumption in diesel generator, cleaning and heat treatment furnace	760.44	189.47	394.13	
	HSD consumption in company owned vehicle	25.84	50.01	234.33	
	CO <sub>2</sub> Purchased	1.53	0.03	58.73	
	Petrol consumption in company owned vehicle	0.30	-	14.77	

	R22	-	-	27.98	
	R32	-	-	3.98	
Indirect GHG emissions from imported energy (Scope-2)	Electricity usage	4372.07	696	13417.76	18,486.03
Indirect GHG emissions from products used by an organization (Scope 3 Category-4)	Received material emission at source**	42352.53	613.70	35667.80	78,634.03

\* 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, liquid oxygen, liquid nitrogen, packing wood, argon, 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 silicon calcium wire, ferro boron, copper beryllium, ferro silicon manganese, graphite granules, 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, 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.

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. 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:** 'Peekay Steel' included the GHG sources under direct and indirect. All concern data owners were engaged through corporate communications. 'Peekay Steel' 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, 'Peekay Steel' 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:** 'Peekay Steel' is monitoring and measuring the environment KPIs through their GHG spreadsheet. 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 'Peekay Steel'. The Management of the 'Peekay Steel' is responsible for the information provided in the GHG spreadsheet as well as the process of collecting; analyzing and reporting the information as presented in the worksheet and online web-based data, including website maintenance and its integrity. TUVI's responsibility regarding this verification is in accordance with the agreed scope of work which includes GHG emission (direct and indirect) disclosed by 'Peekay Steel' 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 Green House Gas (GHG) verifier. TUVI states its independence and impartiality with regard to this assurance engagement. In the reporting year, TUVI did not work with 'Peekay Steel' 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 'Peekay Steel'. TUVI did not interact with 'Peekay Steel' 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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