



TOWARDS A SUSTAINABLE FUTURE

Environment, Social, Governance (ESG) Initiatives

REPORT
**2021
2022**



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INTRODUCTION



About Aequs Pvt. Ltd.

ENGAGES

4,000+

PEOPLE

Aequs is a diversified contract manufacturing company providing vertically integrated manufacturing solutions across the Aerospace, Toys and Consumer Durable Goods sectors. By leveraging its manufacturing ecosystems, Aequs

reliably delivers supply chain efficiencies to its global customer base. Aequs currently engages over 4,000 people at its Belagavi Aerospace Cluster (BAC). Its manufacturing footprint spreads across India, France, and the United States of America.

AEROSPACE

- Operations began in **2009**
- **India's 1st Precision Manufacturing SEZ** at Belgaum
- State-of-the-art technologies
- Global footprint: India, US, & France
- 2 Multinational joint ventures



TOYS

- Operations began in **2016**
- **India's 1st Toy Manufacturing Cluster** under construction at Koppal
- Integrated product design & manufacturing
- Injection molding, painting, & assemblies
- Tooling design & manufacturing



CONSUMER DURABLES

- Operations began in **2020**
- **India's 1st Consumer Durable Goods Mfg. Cluster** under construction at Hubballi
- An emerging global sourcing hub for consumer durable goods
- Integrated design to product realization
- Agile industrialization & value creation





Message from the Chairman & CEO

We are excited to share the first edition of the Aequus Sustainability Report. This is our attempt to compile in one place all our ESG initiatives, and efforts to achieve them.

It puts together what we have always believed we should be doing and have done – that is to strive for a cleaner, greener and viable business.

It is my firm conviction that as a responsible business we are accountable to our stakeholders – employees, partners, investors, customers, and communities around us.

This intent is enshrined in the Aequus **Vision, Mission, Values** statement that functions as our guiding light in all our actions.

To that extent, what you will find in this report is nothing alien to Aequus (our employees), who imbibe these values ab initio.

The first and foremost Mission for us is to deliver increasing value to all our stakeholders by operating innovative and efficient ecosystems. The very basis for this is predicated on running a sustainable business

operation that is in the interest of all.

This approach is further built on top of a value system of Transparency, Trust and Respect to all, something that is once again linked inexorably to sustainability.

You will see in this report Aequus' efforts to support the United Nations Sustainable Goals (SDGs). You will also find our Environmental, Social and Governance (ESG) efforts mapped to the Global Reporting Initiative (GRI), and several other globally accepted frameworks.

This Report also highlights how Aequus is engaging with communities around our Ecosystems to give back to those most in need.

While we are proud of what we have achieved to date, we know there is more to be done across the three verticals that Aequus currently operates in.

We will keep on travelling on this journey, steadfastly.

Warm regards
Aravind Melligeri
 Chairman & CEO, Aequus

What does Sustainability mean for Aequs?

Aequs is in the business of deploying its unique manufacturing platform for significant advantages to customers and the community while creating manufactured products. It seeks to do so through economically sound processes that minimize negative environmental impacts while conserving energy and natural resources.

We recognize that **environmental responsibility is not only good for business but is also essential to our coexistence with the community and other stakeholders. Therefore, we consider sustainability integral to all levels of the life cycle of the products that we make.**

As such, we adopt practices that influence product and process design, and operational principles by that are in



consonance with the environment and sustainable business and product practices.





Impact Story 2021-22

Clean Energy

All our machining units have daylight systems and roof ventilators installed. Aequs started installing LED lights in place of CFL bulbs apart from solar lights and solar powered fencing some time back. This has reduced in consumption by nearly **40,000 units** and savings of over **₹3 lakhs** on a yearly basis.

We are currently erecting solar rooftop panels with an installed capacity of **2000 KW** covering **20,255 Sq meters** rooftop area with plans of further expansion.

Waste Management

Since April 2021, we have recycled nearly **330 metric tonnes** of waste generated out of titanium and aluminum. In our canteen, we have installed a Biogas digester, providing capacity of **300 kg** per day that degrades canteen waste into usable Biogas that is used for cooking food in the Canteen.

Plastic material of **less than 50 microns** is not used in line with the Plastic Waste Management Rules India.

CSR

Aequs Foundation has touched the lives of **12,842** people with exposures in **Education (5,32,413)**, **Health & Hygiene (23,284)**, and **Safety (1,506)** across **2 districts, 69 villages, and 83 schools**.

Employee Wellness

Aequs organizes several **health screening camps** and specific medical screening for employees (On Roll & Contract) who work on specific requirements and need special attention like conducting specialised tests like Audiometry (Ear Function Test) & Spirometry (Lung Function Test).

Certifications

Aequs is compliant with the below mentioned certifications:

ISO 14000 – Environmental

ISO 45001 - Health and Safety

ISO 27001 - Information Security Management

Water Management

Our surface treatment unit is a **zero liquid discharge** unit. We have installed Mechanical Vapour Recompression (MVR) technology that helps in reducing water consumption by **~70-80%**. At present, an average of **140 cubic meters** of domestic wastewater is being treated out of which **10 cubic meters** is being used as flush water. The same is targeted to be increased to **75%** by the end of 2022.

Supporting Communities

Aequs Foundation donated **High Flow Nasal Oxygen (HNFC) machines** to medical colleges in Belagavi, Hubballi, and Koppal districts in 2020.

It has also supported various government institutions from time-to-time. It has contributed **₹50 lakh** to CM Relief Fund during the flood in North Karnataka in 2019.

COVID-19 Care

Aequs deployed pre-emptive and proactive measures for employee safety while ensuring business continuity. Our workplace Prevention Protection Protocol focuses on the pillars of sanitization, protection, social distancing, awareness, and mitigation.

OUR JOURNEY TO SUSTAINABLE MANUFACTURING





Responding to COVID-19

At the onset of the pandemic, we deployed pre-emptive and proactive measures for employee safety while ensuring business continuity. Our workplace Prevention Protection Protocol focuses on the pillars of sanitization, protection, social distancing, awareness, and mitigation. The protocols are accompanied by a Contingency Plan, laid down if a case is detected within the organization.

These actions are consistent with ESG oriented policies that the Company has instituted including the Code of Conduct, Guidelines for Workplace Safety, Guidelines for Company Transportation – Rules & Regulations, Guidelines for Road Safety & Regulations, COVID Policy, Corona Kawach Insurance Policy.

Listed below are the initiatives to ensure employee safety.

- a. We developed a meticulous safety guidelines handbook on COVID-19 for employees and third-party occupants on the Campus. All units follow these guidelines, and the guidebook is updated on a periodic basis.
- b. All company transport is sanitized before pickup. Private and goods vehicles are sanitized at the main gate before entry into the Campus as well.
- c. All facilities/units on the Campus are fumigated and sanitized at periodic intervals to maintain hygiene. Our surveillance team ensures that social distancing, masking, and effective sanitization are maintained at all times.
- d. Every individual undergoes a thermal scan before entering the premises and at regular intervals throughout the day while being on the premises.
- e. Random and frequent COVID testing is being undertaken on campus since 2020.
- f. We have formed dining clusters and have introduced new protocols for inter-unit movement for employees. This

helps trace the potential victims if there is a COVID-19 case on the premises.

- g. We have constituted an emergency team to monitor strict adherence to the guidelines. Our team is well-equipped to handle any emergency.
- h. Employees and their families are supported through a 24-hour, seven-day-a-week Aequus Helpline to address any issues related to COVID-19. Structured COVID-related information is also disseminated using messaging apps, emailers, and regular communications from the Management. Our Human Resources team also proactively connects with employees individually to counsel and support them during difficult times. The facilities team and onsite medical team have aided employees with doctor appointments, prescription supplies, among others.
- i. COVID buddy, a specific program that assigns a dedicated SPOC for each patient with COVID positivity, is another intervention designed to assist managers in establishing conversations with their team members during times of crisis.
- j. Q&A sessions with senior doctors are conducted periodically to address the evolving situation around COVID
- k. We put into effect a COVID policy that covers work-from-home and insurance benefits across the organization.
- l. We conducted a vaccination drive on campus where all employees were provided with the vaccine.

We are committed to continued diligence in this entire process of ensuring everyone's safety.

Beyond our interventions related to COVID-19, we also executed a series of activities to maintain employee morale



and encourage engagement. This is implemented through the launch of a case study competition for employees, which tested their deductive acumen and analytical ability. We also

engaged the families of our employees through various initiatives such as Unlock Talent, a painting competition for employees' kids.

COVID Care

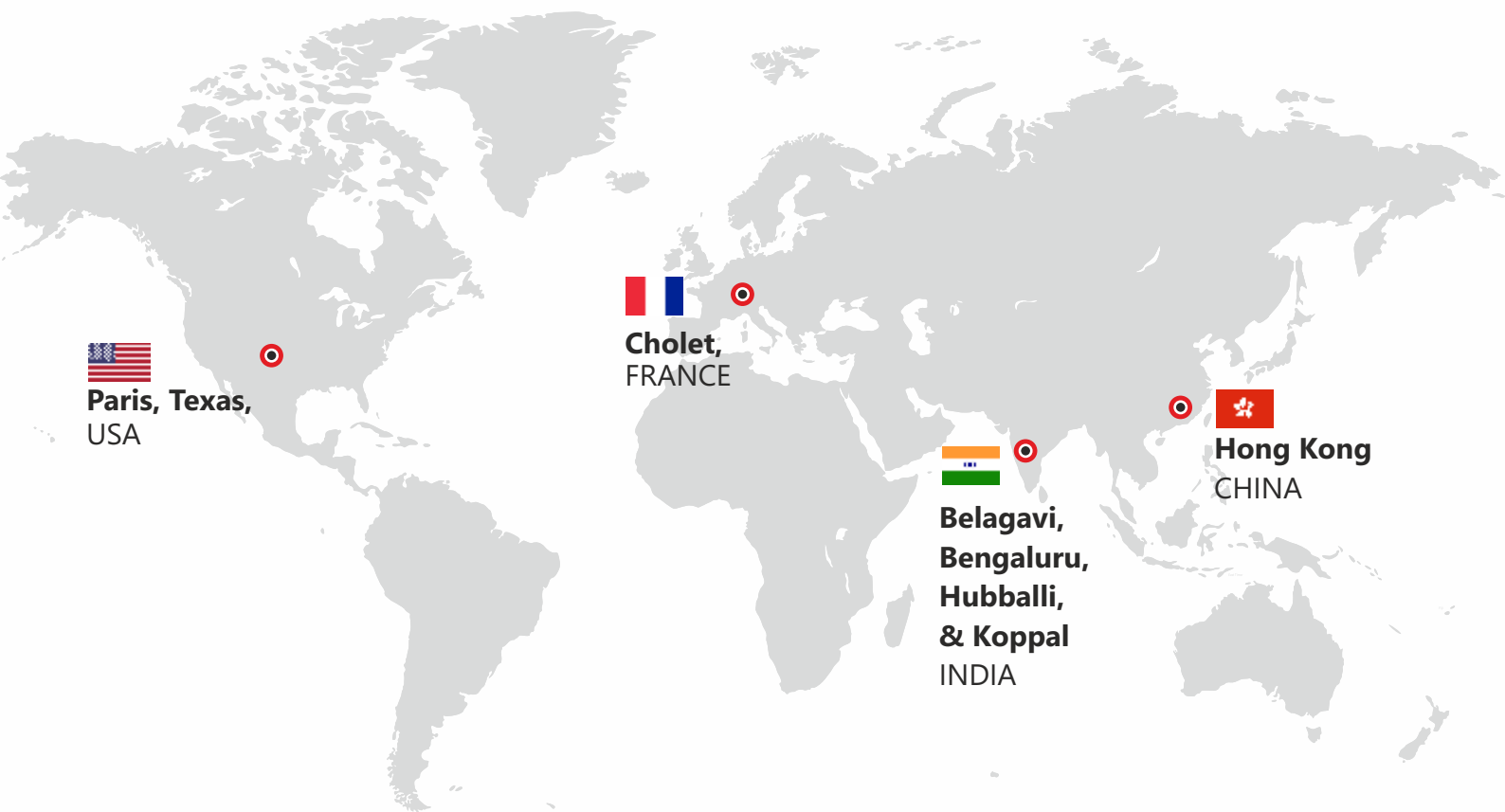


- ▶ COVID policy:
WFH, Insurance benefit
- ▶ Ecosystem readiness: SOPs for
shopfloor & workplace
- ▶ COVID-19 Helpline
- ▶ Testing of all employees
in all waves
- ▶ Hospitalization Support
- ▶ Vaccination Drive



Operational Footprint

March 31, 2022



Materiality & UN SDGs

INDUSTRY	ENVIRONMENT	SOCIAL	GOVERNANCE
Aerospace	 Product Innovation & Eco-design ★		
Toys	 Chemical Management  Plastics	 Responsible Marketing to Children  Supply Chain Management ★	
Aerospace, Toys & Appliance Industry	 Climate Management  Energy and Emission Management ★  Sustainable Sourcing & Efficiency ★  Waste Management & Recycling ★	  Human Resource Development      Customer and other Stakeholder responsibility   Health and Safety in the Workplace  Product Quality, Safety and Labelling ★  Diversity, Equity & Inclusion  Brand Management    Human Rights  Product Design & Lifecycle Management ★	 Business Ethics & Corporate Governance  Anti-corruption  Data & Intellectual Property Protection



Awards on Sustainability and People



Employer Recognition Awards:

Aequs has been a trendsetter, setting new benchmarks through its fully integrated manufacturing facilities. As an acknowledgement of the extraordinary work being done by our teams, we have been consistently recognized and acknowledged by partners, peers, the industry, and the media. Employee initiatives are the cornerstone of Aequs' Employee Value Proposition (EVP). We strive to utilize everyone's potential in a dependable, safe, inclusive, and balanced Aequs ecosystem to create greater business impact and employee engagement. We promote and follow global Human Resource Management best practices that allow our team to realize their true potential and strive for excellence in everything they do.

Great Place to Work



Great Place to Work® is the global authority on workplace culture. Since 1992, they have surveyed more than 100 million employees worldwide and used those deep insights to define what makes a great workplace: trust. Their employee survey platform empowers leaders with the feedback, real-time reporting and insights they need to make data-driven people decisions. Everything they do is driven by the mission to build a better world by helping every organization become a great place to work For All™.

SHRM HR Excellence Awards



Aequs was felicitated by SHRM HR Excellence Awards 2020, with a Special Recognition in the category of 'Developing Leaders for Tomorrow.' This recognition is a testament to our focus on leadership development strategies that aim to create a strong leadership pipeline for the future.

NIPM Awards



Aequs was awarded the silver trophy (second position) in the National Institute of Personnel Management (NIPM) HR Excellence Awards 2020.

Social Awards:

In recognition of our commitment to society and ecosystem, we have received the following awards.

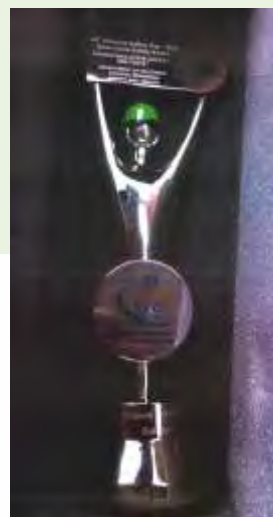


Aequs Foundation has received Crystal Recognition award from Rotary Foundation from Rotary International in 2019



Aequs Foundation awarded for Best Overall Excellence in CSR from World CSR Day.

Best Safe Industry Award:



Stakeholder Engagement Matrix

TARGET	EXPECTATIONS	MODES OF ENGAGEMENT
Clients	Business Value & Innovation	<ul style="list-style-type: none"> • Client Visits & Meetings • Satisfaction Surveys • Periodic Customer Meets • Newsletters • Social Media • Mailers • Brochures • Periodic Business Reviews
People	Careers, Health, Safety & Wellbeing, People Development	<ul style="list-style-type: none"> • Pulse Surveys • Intranet • Ecosphere • Social Media • Employee Engagement Platforms - <i>Elevate</i> - <i>Health Pulse</i> - <i>Aqosports</i> • CSR engagements
Investors	Profitable Growth, Sustainability	<ul style="list-style-type: none"> • Quarterly Calls • Company Website • Annual Board Meeting • Print and Digital Media • Social Media • Annual Report • Email Communications
Suppliers & Alliance Partners	Long-Term Partnership	<ul style="list-style-type: none"> • Financial Reports • Social Media • E-mailers
Community	Increased Community Connect / Increased STEAM Focus	<ul style="list-style-type: none"> • Site Visits • Partnerships with NGOs • Participation in forums • Local Community Meetings • Volunteering Initiatives
Government, Regulatory & Industry Bodies	Good Governance and Compliance	<ul style="list-style-type: none"> • Representations on government committees, policy groups • Interactions with statutory bodies like Labour Authorities, CPCB, etc. • Policy Advocacy • Interactions with govt. through industry associations like CII, FICCI, ASSOCHAM, ETC.



ENVIRONMENT

As the world turns increasingly environmentally aware, success in economic activity will belong to those who follow sustainable business models and manufacturing practices. Sustainable manufacturing is one of the pillars of our organization, and we have executed a multitude of initiatives towards this. It is ingrained into the ethos of every employee who implements them in their day-to-day work. With strong environmental policies and improved environmental management systems, we have achieved ISO 14001:2015 certification for all units. Aequus has instituted various sustainability initiatives, including water conservation, energy conservation, sewage treatment, waste segregation and management, maintaining a green cover, and promoting eco-friendly practices within the campus to preserve the delicate balance between nature and manufacturing. Regular audits using the 'Aspect & Impact' tool are conducted to better understand the effectiveness and overall impact of these initiatives. The audit findings are taken into account for bettering the efficiency of the initiatives.

We are determined to ensure efficient utilization of resources and are committed to upholding our environmental performance by adhering to regulatory compliances.





Biodiversity

Spread on 250 plus acres, the Aequs Belagavi SEZ campus is an environmental success story. Totally barren and devoid of any vegetation about 12 years ago when the SEZ was set up, today it is a spread of salubrious greenery. To date the management has planted over 30,000+ trees across the campus. The company believes protecting and nurturing environment is a collective action. On every World Environment Day, employees plant saplings to add to the greenery, and every time customers visit the campus, they are asked to do likewise adding to the biodiversity in the region. Honouring

Biodiversity is given on top priority and it is the commitment from all the employees.

The campus has maintained four natural ponds of different capacities that are also used as rain harvesting repositories. The roof tops of all units are connected to Storm Water drains that are in turn connected to these ponds within the SEZ.

As a result, over the years, this has added tremendously to the green cover at the campus' leading to various kinds of flora and fauna making it their home.



Aequs has maintained several natural ponds at the Belagavi Aerospace Cluster (BAC) that also double up as rain water harvesting repositories and sustain several aquatic beings like fish, ducks, turtles etc.



Clean Energy

We adhere to all applicable legal requirements and are committed to use of energy efficient equipment and technology.

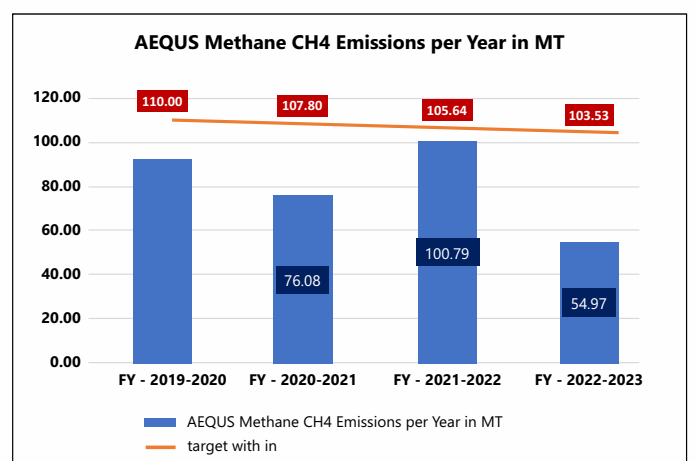
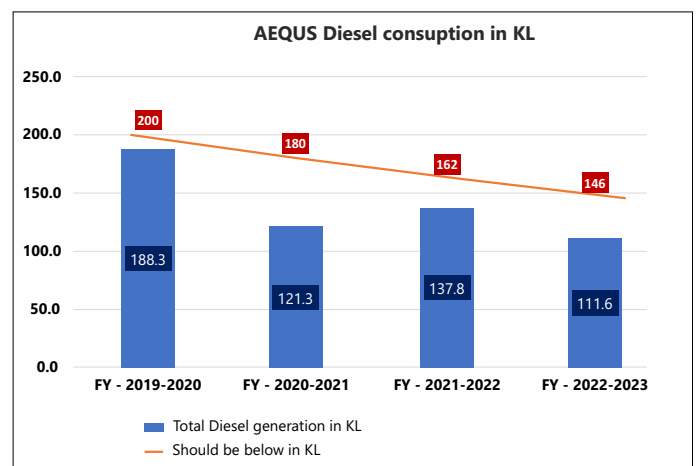
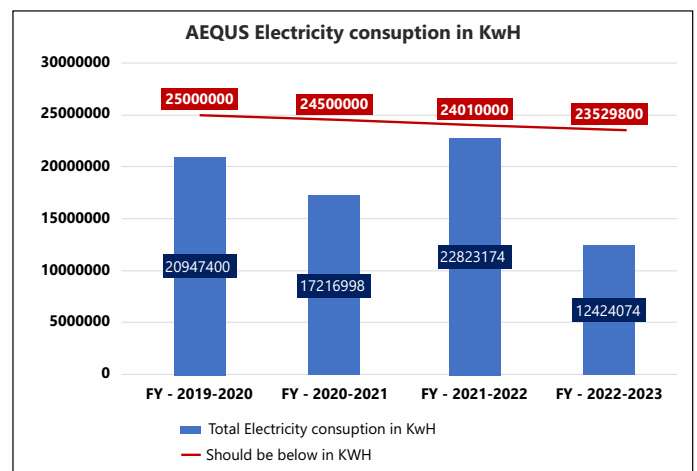
All our machining units have daylight systems and roof ventilators installed. These have greatly enabled energy savings. Aequs started installing LED lights in place of CFL bulbs apart from solar lights and solar-powered fencing some time back. This has reduced in consumption of nearly 40,000 units and savings of over 3 lakhs rupees on a yearly basis. Many of the facilities have also installed "Variable Frequency Drives (VFD) for AHU units thereby cutting down on energy consumption considerably. (BY HOW MUCH) It has been decided that all Aequs units will install such equipment.

Meeting Compliance:

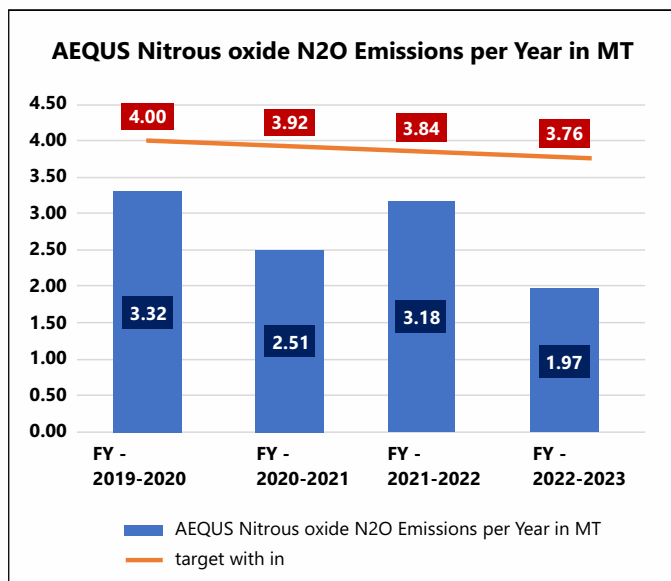
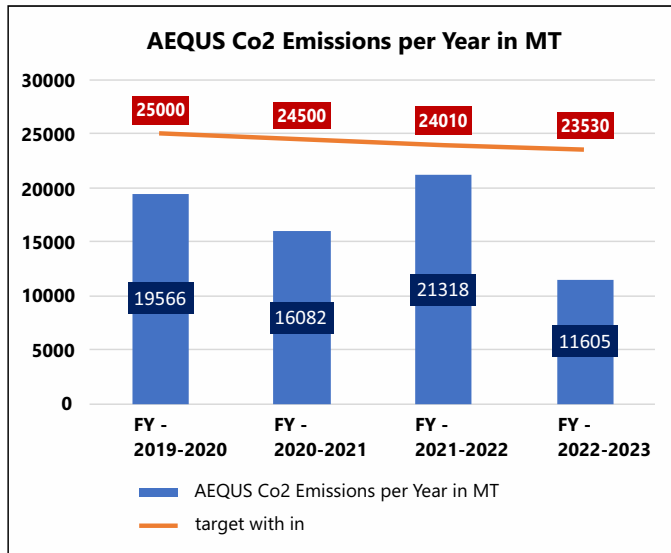
We adhere to all applicable legal requirements and are committed to the use of energy efficient equipment and technology

Investing in Renewable Energy:

We are committed to reduce our dependence on non-renewable energy resources



We also track GHG Emission for our manufacturing units in Belagavi Aerospace Cluster (BAC). Here is the matrix:



Further, we are installing solar power generation units on our factory rooftops to increase the use of zero-emission, renewable energy sources. We shall commission solar rooftop panels with an installed capacity of 2000 KW covering 20,255 Sq meters rooftop area with plans for further expansion.

Building on our green initiatives, we are also planning the following measures for implementation by the end of 2022:

- Optimization of compressed air through measures such as intelligent flow controller and additional compressor to manage low-pressure load etc.
- Installation of zero air-loss moisture removal traps for compressed air system.

- Replacement of Motors of AHUs units, compressors, motors, with higher efficiency ones.
- We are committed to reducing our dependence on non-renewable energy resources.





Product Stewardship

Purpose-led Stewardship

Aequus takes Product Stewardship seriously. At every step, we take responsibility for minimizing the environmental impact of our production processes throughout the production cycle.

We strive to create safer and brighter lives for everyone. We ensure this by taking every care within our control at every step of the production process across the verticals we operate in. As a purpose-led company we conduct our activities in a manner that is acceptable to the community and in consonance with, and at times even beyond, the laws of the land.

Aequus' Vision On Product Stewardship

As a producer of products that touch lives on a daily basis, Aequus it uses the best-in-class manufacturing practices that are globally accepted and observed. Given its record of catering to the best of global OEMs across the verticals it operates in, believes in a collaborative approach to product stewardship.

Aequus partners with its stakeholders be it customers, suppliers, community and other players in the ecosystem to ensure its manufacturing practices and processes are in consonance with the interests of the respective groups. Our manufacturing processes are audited and certified by global agencies to ensure conformity to global stewardship practices.

We consider it our prime responsibility to gather information on the safe production processes, materials and substances, and their disposal during and after their use in a manner that is not detrimental to any stakeholder.

Creating Value

Product stewardship contributes to the value proposition of our business in a world with increasing interest in the health of people, animals, and the planet. It supports the business to be safe, sustainable, and mitigate liabilities. We do our utmost to stay ahead of increasing regulatory requirements and external expectations. We inform our customers, the public and our employees on safety, health and environmental aspects of our production practices.

Aequus Product Stewardship Policy

AEQUS SEZ & AEQUS GROUP OF COMPANIES recognise that effective Product Stewardship is key to minimizing the Health, Safety and Environmental impacts of our products.

We are committed to going beyond legislative obligations: from technology selection, classification and labelling, communication, handling, and safe disposal of our products.

AEQUS SEZ & AEQUS GROUP OF COMPANIES shall endeavour to:

- Maintain legal compliance to all applicable regulations and the AEQUS Sustainability Framework.
- Implement quality assurance and control systems according to international standards, always ensure product and process integrity.
- Identify substances and processes of high risk to Health and Environment and adhere to the substitution principle, to find safer alternatives.
- Implement product testing to enable viable responsible communication in the supply chain and enhance transparency to all stakeholders.
- Ensure product stewardship is engaged across the life cycle of our products: sourcing, development, commercialization, and discontinuation of products.
- Promote the Safe use of our products through awareness and training programs for our employees, contractors, and customers.
- Actively communicate and make available in local languages all information on the safe handling of substances marketed and refrain from advising uses that are deemed to be unsuitable or unsafe to the public or to the environment.
- Adhere to a process of measuring continuous improvement as a means to track the progress of implementing this policy; and
- Develop a product stewardship assurance programme to monitor the implementation of this policy.

Waste Management

We are committed to continually improve our Waste management practices at our manufacturing facilities. We dispose of waste as per the regulatory requirements and manage waste as mentioned on the next page:

Biogas Generation

24-25

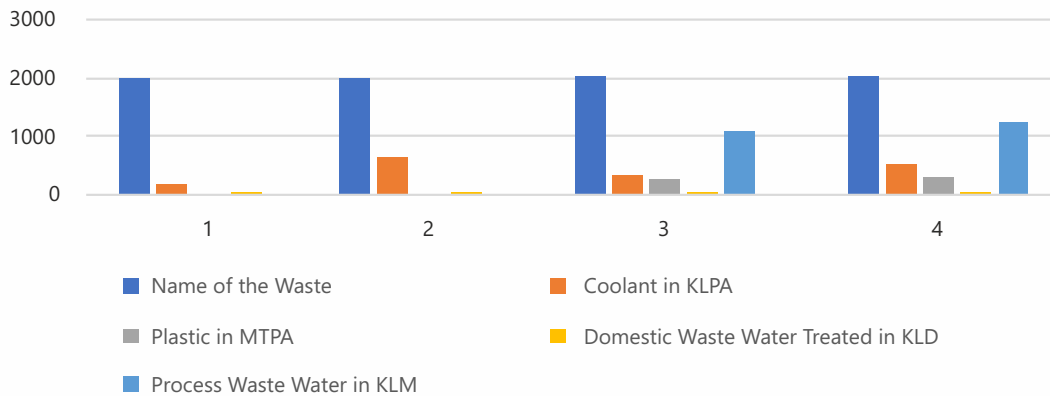
cubic meters per day.

Recycled

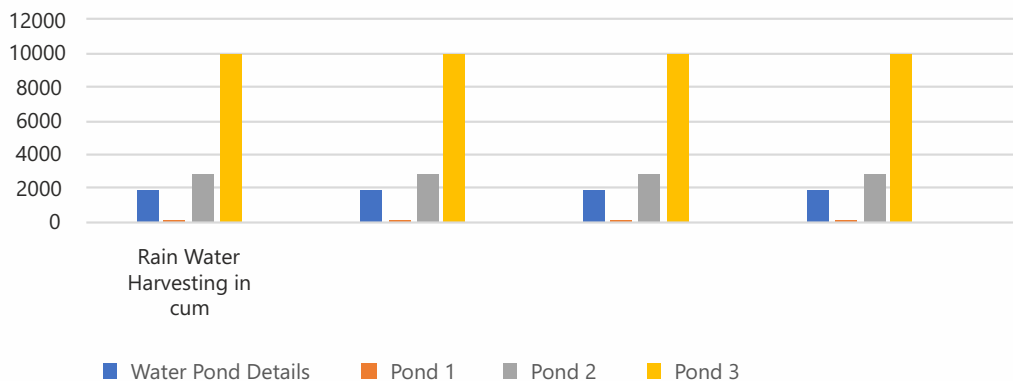
330

metric tonnes of waste

SEZ Waste Management 2019 to 2022 YTD



Aequs SEZ Rain Water Harvesting in cum



Recycling of waste:

- We recycle all Aluminium and Titanium scrap which is sent to recycling units for recovery. Since April 2021, we have recycled nearly **330 metric tonnes of waste** generated out of titanium and aluminum.
- In our canteen, we have installed a Biogas digester, providing capacity of 300 kg per day that degrades canteen waste into usable Biogas that is used for cooking food in the Canteen. This helps us save around considerable LPG usage per year. On an average, the per day food wastage is 70-80 kgs, which converts to biogas generation of **24-to 25 cubic meters** per day.
- Water based coolants are being used and the remnants are recycled at an outsourced facility. Therefore, the water pollution load has been reduced considerably.



Eco-friendly waste disposal:

- Plastic material of less than 50 microns is not used in line with the Plastic Waste Management Rules India.
- The medical waste generated at the OHC is disposed using special procedures and different disposal methods for each type of medical waste
- We use bio-degradable garbage bags for waste disposal.

Eco-friendly waste disposal

We have also recently instituted a process of Waste reduction process using 5 R Technology (Refuse, Reduce, Reuse, Repurpose, and Recycle).



Water Management

Zero

Liquid Discharge

Rainwater

Harvesting

Water Sensors

and push buttons

Mechanical Vapour Recompression (MVR) technology has reduced water consumption by ~ 70-80%.

Earlier we were using raw water for flushing and gardening. This has been reduced to the extent of 59% because of water recycling.

Guided by our Environment Policy, we aim to reduce our impact on water consumption and continuously attempt to improve our efficiencies. We have introduced several projects utilizing various technologies towards this objective:

- i. Our surface treatment unit is a zero liquid discharge unit. In our effluent plat, we have deployed Mechanical Vapour Recompression (MVR) technology that helps in reducing water consumption by ~ 70-80%.
- ii. Water Sensors and Push Buttons across all Aequs units.
- iii. Recycling of wastewater for use in flushing and landscaping/ gardening. Earlier we were using raw water for these activities which has been reduced to the extent of 59% because of water recycling. At present, an average of 140 cubic meters of domestic wastewater is being treated out of which 10 cubic meters is being used as flush water. The same is targeted to be increased to 75% by the end of 2022.



- iv. Our surface treatment unit is a zero liquid discharge unit. In our effluent plant, we have deployed Mechanical Vapour Recompression (MVR) technology that helps in reducing water consumption by ~ 70-80%.
- v. Rain Water Harvesting

Capacity of the Reservoir	Pond 1 – 2939 cum
	Pond 2 – 228 cum
	Pond 3 – 9990 cum
Catchments area	100 acres
Average rain fall	668.12 mm
Estimated quantity of the Rainwater per year	270379 cum
Present holding capacity	Total of 3 ponds 13157 cum
Action plan for complete utilization	For ground water recharge and gardening across campus.

We remain committed to discharge wastewater as per the State Pollution Control Board norms which are monitored regularly. We also have a system of reporting and surfacing environment concerns before they escalate.



Certifications & Audits

ISO 14001-Environmental Management System and ISO 45001-Occupational Health and Safety Management System.

We continue to focus on the sustenance of the EMS System, to achieve Defined objectives and Targets.

Our EMS Team has been established to monitor the EMS System and data updation. All the defined Goals and Objectives are discussed through Leadership review meetings every six months.

These help us to:

- Improve resource efficiency
- Reduce waste
- Drive down costs
- Provide assurance that environmental impact is being measured
- Gain competitive advantage in supply chain design
- Increase new business opportunities
- Meet legal obligations
- Increase stakeholder and customer trust



ISO 27001 - Information Security Management

Aequs conceived and embarked on a Compliance & Security Programme that would lead to internationally recognized and accepted compliance certification for information security data protection and establish business continuity. It zeroed in on the ISO 27001 system, an industry benchmark that induces best practices that reinforce trust and confidence with existing and potential customers. The exercise included establishing a

Governance, Risk, and Compliance Management Framework through enhancements on technology and processes across its group entities. The overarching objective was to leverage this framework to improve operational efficiency with internal stakeholders and establish a higher degree of confidence with external stakeholders.

It implemented a rigorous audit process and system improvements through this period to adopt mature practices on information management, cyber resilience, and business continuity.

As a result, Aequs is now successfully certified for ISO 27001:2013 standard across all its business verticals – Aerospace, Toys, Consumer Durable Goods, including joint ventures located at its India SEZ. The scope of the certification includes information security management in manufacturing and supply of Aerospace Components, Electronic Toys, Industrial Engineering and Distribution of high precision components, and administration of supporting utilities, infrastructure, and SEZ operations.



ISO 45001 - Health and Safety

In line with the updated international standard for occupational health & safety, Aequs has adopted the ISO 45001:2018 standard to establish, document, implement and maintain an Occupational Health & safety management system.

All units under Aequs SEZ are ISO 45001:2018 Standard certified (OHSAS Certified). At Aequs, we are committed to protecting the environment, employee health, and safety of all employees and visitors. We comply with international and local benchmarks & regulations and have integrated EH&S into all our operations. We have defined and documented Environmental Health & Safety Policy, which is implemented, maintained, and updated for continual improvement. The scope of our EHS policy aims at ensuring:

- Prevention of work-related injury or ill health for employees by adopting safe and healthy work practices, which includes a commitment to eliminate hazards specific to OH&S risks and opportunities
- A proper framework for the establishment of EOHS objectives.
- Compliance at all levels, with applicable environmental, occupational health & safety legislation, and other requirements
- Building joint ownership of the occupational health & safety mandate through the participation of workers and workers' representatives in sustaining the Environmental, Health & Safety management system.

- Building and Enhancing awareness on Environment, Occupational Health, and Safety among all employees working for and on behalf of the company.



SOCIAL / PEOPLE





Social

Meaningful social engagement has been at the heart of our corporate social responsibility efforts. Aequs Foundation's mission is to bring about positive changes in our society that are measurable and sustainable

Over the last few years, Aequs Foundation has been instrumental in driving grassroots change in children's attitudes and thought processes towards Science and Technology. It has helped improve the quality of children's lives, educating them in Safety, Health & Hygiene, and STEAM through an experiential learning approach.

To achieve maximum impact and social value, we focus on specific following areas of interventions:

- STEAM education to students
- Quality education and supporting infrastructure for schools
- Vocational training focusing on employable skills
- Sustainable environment and preservation of natural resources
- Neighbourhood projects as per the local needs identified in the operational ecosystem
- Providing health and hygiene facilities to government schools
- Imparting health and hygiene education
- Improving health indicators of students
- Various interventions on preventive health care measures



Supporting Communities

At Aequs, we have always been committed to the wellbeing of our community, and we stepped in to address the acute shortage of respiratory ventilators by developing and manufacturing a medical-grade, low-cost, mass-produced mechanical resuscitator - AQovent™. Inspired by a licensed resuscitator design sourced from the University of Illinois, USA, AQovent™ was manufactured by leveraging the prowess of our Aerospace and Consumer divisions' collective expertise and capabilities.

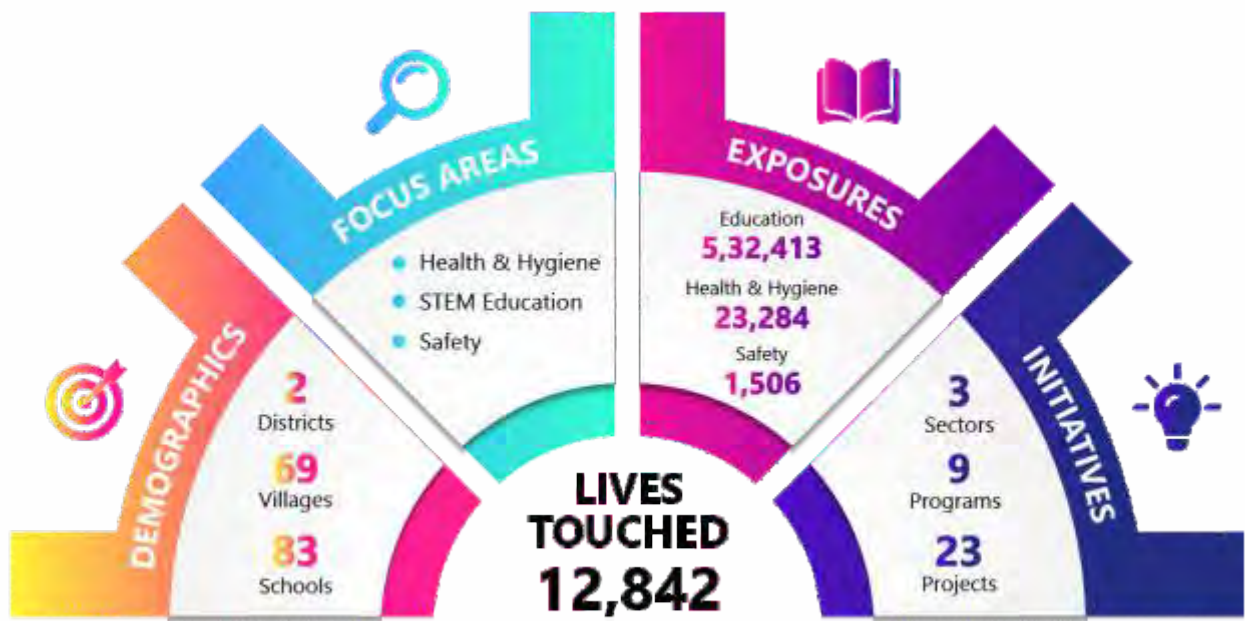
Furthermore, Aequs Foundation supported a campaign to address the challenges public health infrastructure faced due to shortages in medical oxygen by donating High Flow Nasal Oxygen (HNFC) machines to medical colleges in Belagavi, Hubballi, and Koppal districts in 2020.

Aequs Foundation has also supported various government institutions from time to time on need basis.





CSR Matrix





Employee Engagement

People form the backbone of an organization and its success hinges upon assembling the right talent for various roles. However, just mapping talent to the roles is not enough. A happy workforce is as important. Employee engagement initiatives thus become critical in unearthing the true potential of a workforce. Over the years, Aequs has emphasized on creating a workspace that is inclusive and engaging for its employees. However, given the current scenario, additional emphasis has been placed on employee initiatives some of which have not only been reinforced but also reinvented.



Elevate - Even though the world feels as though it has come to a grinding halt, the mind and learning pursuits must never cease. 'Elevate' is a meticulously curated series of webinars and panel discussions on an array of insightful and enriching themes by both internal and external experts. Through Elevate, our employees engage in thought-provoking and compelling discussions which also provides them with an opportunity to learn from their peers' experience – in essence, an Aequal to Aequal learning platform. Elevate, provides an opportunity to all employees across the entire organisation to participate, gives them a chance to share stories, challenges, and 'behind the scenes' work that goes into every project, success, and milestone achieved.



'Health Pulse' is another platform for webinars and panel discussions which focus on health and overall well-being. Expert

doctors and other medical professionals conduct these sessions to educate our employees on different aspects of physical and emotional health. The topics of the sessions will provide a more well-rounded purview into health matters, including subjects like nutrition, exercise, and lifestyle, among others.



Aqosports - The love of sports runs deep among all Aequals. 'AQosport' is an initiative with a motto "for the love of sports" promoting physical fitness while simultaneously encouraging a spirit of healthy competition and teamwork among our employees. In line with this, we have developed Aequs Sports Arena, at our SEZ campus- a multi-sports complex equipped with a host of sports amenities, that offers a mixed bag of indoor and outdoor activities. AQosport is a competitive championship series which will be conducted in seasons in this sports arena. Under this, our employees are engaged in an interesting mix of indoor and outdoor sporting activities such as Table Tennis, Carrom, Football, Basketball, Badminton, and many more.



Additionally, through Coffee Talk & Manager meeting programs, employees get the opportunity to meet with senior leaders from across the organization. In these sessions, the current ongoing/achievement of goals and points of pride for the organization and employee recognition are taken care of.



Employee engagement makes a strong comeback with Coffee Talks

As a regular quarterly practice, all units across Aequs organize Coffee Talks sessions with respective employees.

Beginning with updates on business performance and achievements, these sessions which are attended by senior leadership, also provide information on new initiatives.

Significantly, the platform is also used to recognize high-

performing employees and encourage others to increase their contributions.

Long Service Awards, Pat on the Back Recognitions, Platinum Awards and Team-A Awards are given at these sessions.

Beginning with updates on business performance and achievements, the sessions, attended by senior leadership, provide information on new initiatives.

Recognitions



Employee Development

Learning and development is a key priority at Aequs. We continuously invest in the upskilling of our employees, in sync with changing business dynamics. We have three broad categories of learning programs to prepare the workforce to seamlessly absorb and become conversant with any new technology or process. These programs are essentially driven by manager nominations.

a. The first area of focus is technical, which is primarily through classroom-based, instructor-led programs. These programs are aimed at addressing the skill gaps in the workforce. Skill assessment is a quarterly occurrence at Aequs, which subsequently translates into a technical training calendar. Over the past few years, our focus has been on 'on the job learning'. We follow a 70:20:10 model where 70% of the training takes place on the job, 20% through peer interactions, and 10% in a classroom setting. Some of our well attended technical learning programs include Advanced GD&T, Project Management, Inventory Management, Port Operations & Handling Crisis for Import and Export, etc.

- b. The second is behavioural training, wherein programs have been launched in a combination of classroom and online learning. For instance, the First Time Manager-Planning and Prioritization Program was divided into a few live modules, followed by e-learning.
- c. The third is training for leadership development which primarily focuses on MDPs and external training.

Additionally, Aequs proprietary Industrial Knowledge Centre (IKC) is a functional skilling ecosystem that bridges the knowledge gap and ensures sustainable business growth and continuity while building a global workforce that can thrive in the progressively competitive world. IKC trains and hires fresh college graduates and equips them with the necessary skill sets required for a career in aerospace manufacturing, which is one of the world's most niche industries zero-error' policy. In addition, on-the-job Training is also imparted for CNC Programming, CMM, and Chemical Treatment. Furthermore, critical non-aerospace skills are imparted to the workforce engaged in toy and durable goods manufacturing.



Employee Wellness

Health

We are committed to providing a healthy working environment for all our employees. A company-wide occupational health and safety policy exists to ensure increased vigilance and awareness on health and safety. As a part of the policy, we conduct pre-employment health screening for all new employees and mandatory periodic health check-ups for our team. We organize several health screenings camps and specific medical screening for employees (On Roll & Contractual) who work on specific

requirements like Special Tests like Audiometry (Ear Function Test) & Spirometry (Lung Function Test).

At our campus in Belagavi, the Occupational Health Centre has a qualified Doctor (Chief Medical Officer) and Staff including Male and Female Nursing staff. OHC team organizes many Medical Screening camps by inviting Expert Doctors from Different Hospitals in addition to the routine Medical Examination. These include:

S.N.	Name of the Camp
01	Diabetic & Thyroid Screening Camp
02	Osteoporosis (Bone Density)
03	Spine Camp
04	Skin, Hair & Nail Camp
05	Eye Camp
06	Voluntary Blood Donation Camp
07	Women Health & Hygiene Camp
08	Dental Camp
09	Stress Management Sessions
10	Voluntary Blood Donation Camp
11	Cardiac Camp
12	Gastroenterology (Liver Check Up) Camp
13	Ent (Ear Nose & Throat) Camp
14	Respiratory Camp
15	General Medicine Camp

Additionally, we have developed an internal online platform "Health Pulse" that focuses on the health and overall well-being of our team members, through webinars and panel discussions. Doctors and other medical professionals conduct these sessions to educate our employees on different aspects of physical and emotional health. The topics of these sessions include nutrition, exercise, lifestyle, and recurring sessions about evolving COVID-19 situations and safety measures.



Safety

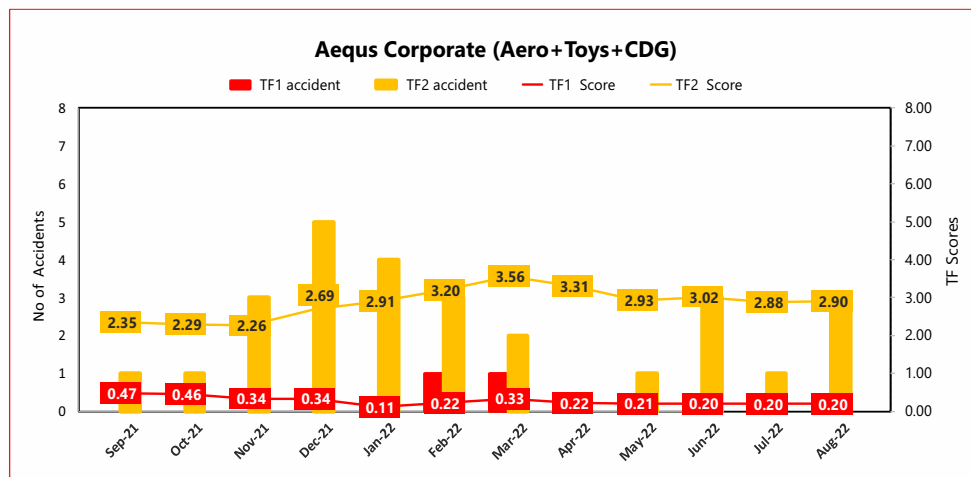
Safety is more than just policies and procedures; It is an ongoing conscious effort by all of us to use and promote safe work practices across manufacturing facilities. Simply put, safety is an integral part of our business. Aequs' approach for a safe working environment for its employees is centred around achieving zero injury/fatality/accident at the manufacturing site by implementing following practices:

- Safety Training and Emergency Preparedness Drills are conducted at regular intervals in compliance with internal/regulatory requirements.
- On site emergency response procedures have all possible emergency scenarios viz. Fire, Natural calamities etc. and important telephone contacts along with list of emergency response team members. Roles and responsibilities are communicated to respective ERT; mock drills are conducted periodically to ascertain preparedness of the workplace.
- We conduct weekly and monthly plant safety inspections to ensure the workplace remains according to the defined standards.
- We have implemented reporting process of TF1 and TF2 accidents and the senior management reviews it on a regular basis. Outcome of the review meeting is circulated to all the Business Unit Head and to EHS Team for necessary actions.
- We observe National Safety Day on March 4th across all units to:
 - Ensure that safety and health are integrated into work culture and lifestyle
 - Renew the commitment of the employees towards safety and health at the workplace
 - Achieve greater participation of the employees in Occupational Safety & Health activities



Aequs' forging unit SQuAD achieved a milestone of 1 million safe working hours without a single mishap continuously for four years.

We also believe that employees play an important role in building a safe work environment and therefore, we value any suggestions from our workforce in terms of strategic or implementation aspects of health and safety.



GOVERNANCE



5

At Aequus we foster a culture of inclusiveness and openness through our values of **Transparency, Trust, and Respect**. These guide us in our decisions, resolve issues and make them part and parcel of our work culture. They act as a framework to define the scope of how we do our business.

Our robust internal control processes and policies in different domains ensure compliance to various

regulatory requirements. Our governance hierarchy comprises the Board of Directors. As of February 8, 2022, Aequus Board of Directors consisted of five members, including Chairman & CEO, Managing Director & COO and three independent Directors. Of the five members on the Board, one is a woman.

Work Culture:

We believe our people are our biggest strength, and we nurture a diverse and inclusive work environment. We are an equal-opportunity employer, providing opportunities for our team members to thrive. Employee initiatives are the cornerstone of our Employee Value Proposition (EVP). We promote and follow global Human Resource Management best practices that allow our team to realize their true

potential and strive for excellence in everything they do.

We strive to grow as a preferred global partner in every market we serve. Our mission is to deliver increasing value to our stakeholders – employees, customers, suppliers, shareholders and community – through innovative, efficient, global ecosystems.



LEADING BY **VALUES**
GEARED BY **OPPORTUNITIES**



Board of Directors

COMPOSITION OF
THE BOARD

05

Members

01

Woman



Aravind Melligeri
Chairman & CEO



Dr. Ajay Prabhu
Board Member



Rajeev Kaul
COO & MD



Dr. Shubhada M Rao
Board Member



Dr. Klaus Richter
Board Member

Code of Conduct

Our employee handbook policy lays out the company's principles, standards, and the moral and ethical expectations that employees and third parties are held to as they interact with the organization.



Whistle Blower Policy (Vigil Mechanism Policy)

Aequus has instituted a Whistle Blower Policy (Vigil Mechanism Policy). To date, there have been zero reporting of such incidents.



APPENDICES



6

ESG Profile and Independent Assessment Link

Aequs has kick started the process for mapping its ESG initiatives to global sustainability reporting standards.

While just the initial exercise in sustainability framework reporting, the exercise makes available publicly, data across 139 ESG sub-factors.

In its approach of transparency, this data is available through the ESG World portal providing information through 61 document links and 19 fact sheets that are put up through the portal.

While, the exercise has been limited to mapping to GRI standards, the portal allows one to sample a mapping of the same data to all other frameworks.

In addition, as evident from this document, Aequs has aligned its ESG initiatives to the United Nations, Sustainable Development Goals (SDG)s as a good measure and presented the same here.



SCAN TO
READ MORE

