



SAC Engine Components Pvt. Ltd.

SUSTAINABILITY POLICY



Driven by Innovation.
Committed to Excellence.



**SAC Engine
Components Pvt. Ltd.**
Driven by Innovation. Committed to Excellence.

Safety Today
Success Tomorrow



E

ENVIRONMENT

We are committed to protecting the environment and building a sustainable future.



S

SOCIAL

We value people, promote diversity and inclusion, and support the communities where we operate.



G

GOVERNANCE

We uphold the highest standards of integrity, transparency, and accountability.

2025-26



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•Introduction

SAC Engine Components Private Limited (formerly Southern Auto Castings) has established a strong presence since its inception in 1986, specializing in the manufacture and supply of valve train IC engine components for a wide range of industries, including automotive, truck, tractor, marine, aerospace, construction machinery, power generation, industrial and agricultural machinery. For over three decades, SAC has upheld its distinctive position in the industry, earning a reputable brand name through its commitment to meeting Environmental, Social, and Governance (ESG) requirements

SAC has garnered significant attention in recent years meeting Environmental, Social and Governance (ESG) criteria has become a growing pressure for corporations to adopt more sustainable business practices. Customers are increasingly relying on ESG standards to assess companies they choose to engage with. The ESG screening process helps identify organizations that have integrated strong environmental practices, social responsibility principles and ethical governance into their corporate policies and daily operations. These ESG frameworks focus on non-financial performance metrics that reflect a company's commitment to responsible investment, sustainability, societal and environmental impact and other key ethical & governance factors.

Ia.Objectives of this Policy

The objective of this policy is to integrate Environmental, Social, and Governance (ESG) considerations into the Company's operations and business practices, mitigate associated risks and impacts and serve as a guiding framework for the Company's ESG initiatives and activities. The approach to ESG integration encompasses the development of a strong governance structure, an effective implementation framework, robust risk management systems, and the incorporation of environmental and social factors into the Company's standard operating procedures. Additionally, it ensures transparent communication and disclosure of the Company's ESG performance.

Ib.ESG Vision:

Our vision is to be a globally preferred and most trusted source for ferrous and machined components in the manufacturing sector by driving sustainable growth through a commitment to environmental stewardship, social responsibility, and ethical governance. We strive to minimize our environmental footprint, promote diversity and inclusivity within our workforce and uphold the highest standards of integrity and transparency in all our operations. By embedding ESG principles into every facet of our business, we aim to deliver long-term value to our stakeholders while fostering a positive impact on society and the planet.



SAC Engine Components Pvt. Ltd.

Driving Progress. Sustaining Tomorrow.



VISION

Our vision is to be a globally preferred and most trusted source for ferrous and machined components in manufacturing sector by driving sustainable growth through a commitment to environmental stewardship, social responsibility, and ethical governance.



MISSION

We focus on creating a Positive Impact by inclusively engaging our stakeholders to thrive their potentials.



ENVIRONMENT

We are committed to protecting the environment and building a sustainable future.



SOCIAL

We value people, promote diversity and inclusion, and support the communities where we operate.



GOVERNANCE

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ENVIRONMENT



SOCIAL



GOVERNANCE

STRONGER TOGETHER.

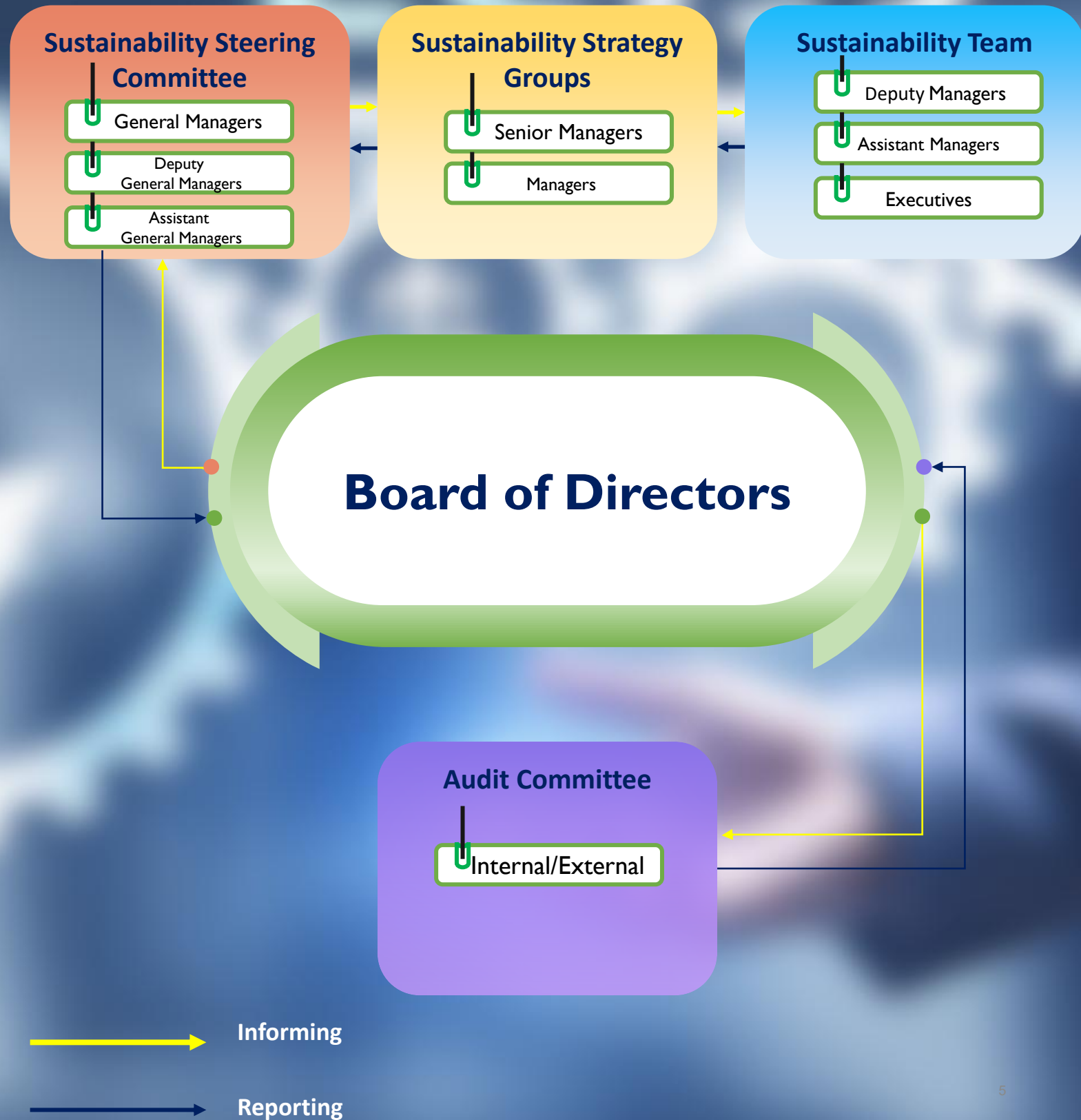


FOR A BETTER TOMORROW.





ESG FRAMEWORK



Our Sustainability Goal....

Climate



Reduce absolute operational GHG Emissions 25%(Scope 1) by 2026 from a 2024 baseline

Reduce absolute operational GHG Emissions 0%(Scope 2) by 2028 from a 2024 baseline

60MW Green Energy by 2026

Nature



Achieve 60% of water recycle by 2028 from a baseline 2024

Reduce oil consumption 15% by 2028 from a baseline 2024

Achieve 100% returnable packing for domestic customer by 2028 from a baseline 2024

Achieve a 30% increase in greenery development by FY28 from a 2025 baseline

Livelihood



100 + Rural Rest Rooms by 2027 from a baseline 2024

Desilting 7 nos of Community Pond by 2028 from a baseline 2026

Financing 2 millions (INR)2325 (USD)for Rural Schools education development by 2027 from a baseline 2025

Blood Donation Camp being organized annually- 1000 units blood aimed by 2028

SAC Committed to achieving 9 Sustainable Development Goals (SDG's Goal)

13 CLIMATE ACTION	NET ZERO Achieve Net Zero by 2040	13 CLIMATE ACTION	CARBON NEUTRAL Achieve Carbon Neutral by 2028	7 AFFORDABLE AND CLEAN ENERGY	Energy Management RE100 by 2028
5 GENDER EQUALITY	Gender Equality Improving Gender Equality	6 CLEAN WATER AND SANITATION	Water Stewardship Attain 60% recycled water by 2028	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Resource Efficiency Zero Waste to Land fill by 2027
3 GOOD HEALTH AND WELL-BEING	Health & Safety Ensuring Zero Harm of SAC' Family	8 DECENT WORK AND ECONOMIC GROWTH	Governance Practice Ethical Business conduct	11 SUSTAINABLE CITIES AND COMMUNITIES	Community Development Improving Coverage of Green Area, Built Toilet, School, Pond Cleaning

Applicability of policy :-

The ESG Policy applies to all employees within our organization and extends to encourage key stakeholders, including vendors, suppliers, customers and partners across the value chain, to adopt its relevant principles. Additionally, we will provide training for our employees on the policy, ensuring that the requirements are effectively communicated to stakeholders throughout the value chain

This policy will address the following key areas :

- **ECO & Environmental Strategy**
- **Compliance**
- **Product Stewardship**
- **Labor Practice**
- **Health & Safety**
- **Stake Holder's Engagement**
- **Ethics and Corporate Governance**
- **Climate Change**
- **Risk Management**

Eco/Environment Strategy :-

- ❖ Identify climate change-related risks and formulate strategies for mitigation and adaptation to address these risks throughout the value chain.
- ❖ Track and assess key environmental metrics, ensuring they align with our ESG objectives
- ❖ Adopt industry-leading practices in resource management, energy efficiency, emission reduction, waste management and water conservation.
- ❖ Align systems with relevant national and international standards to effectively measure and monitor our environmental performance..

Compliance :

Adhere to all relevant statutory requirements while striving to exceed compliance in our actions and disclosures

Product Stewardship :-

Mitigate the environmental impact of our processes and products, ensuring that product quality remains uncompromised.

Customer Collaboration



We work together proactively and create a better products to escalate their business

New Product Development



As a strength we take shortest lead time to develop a new product and ensuring the first time right

Production Phase



Lean Manufacturing, real time monitoring and skilled workers ensure high-quality products

Quality Assurance



Rigorous testing and built in Quality gates guarantees only top-quality products

Delivery Phase



Products undergo dock audits inspections, ensuring to meet all quality and safety standards before delivery

Labour Practices :-

- Cultivate a culture of continuous learning and professional growth within the organization.
- Adhere to legally recognized human rights standards and actively promote the protection of human rights.
- Develop future leaders through effective talent management and professional development initiatives.
- Strengthen employee engagement efforts by establishing a feedback and grievance forum for employees.
- Foster and sustain a safe, healthy and inclusive work environment that promotes diversity, eliminates bias and supports equitable career advancement for all employees.

We view our workforce as our greatest asset.

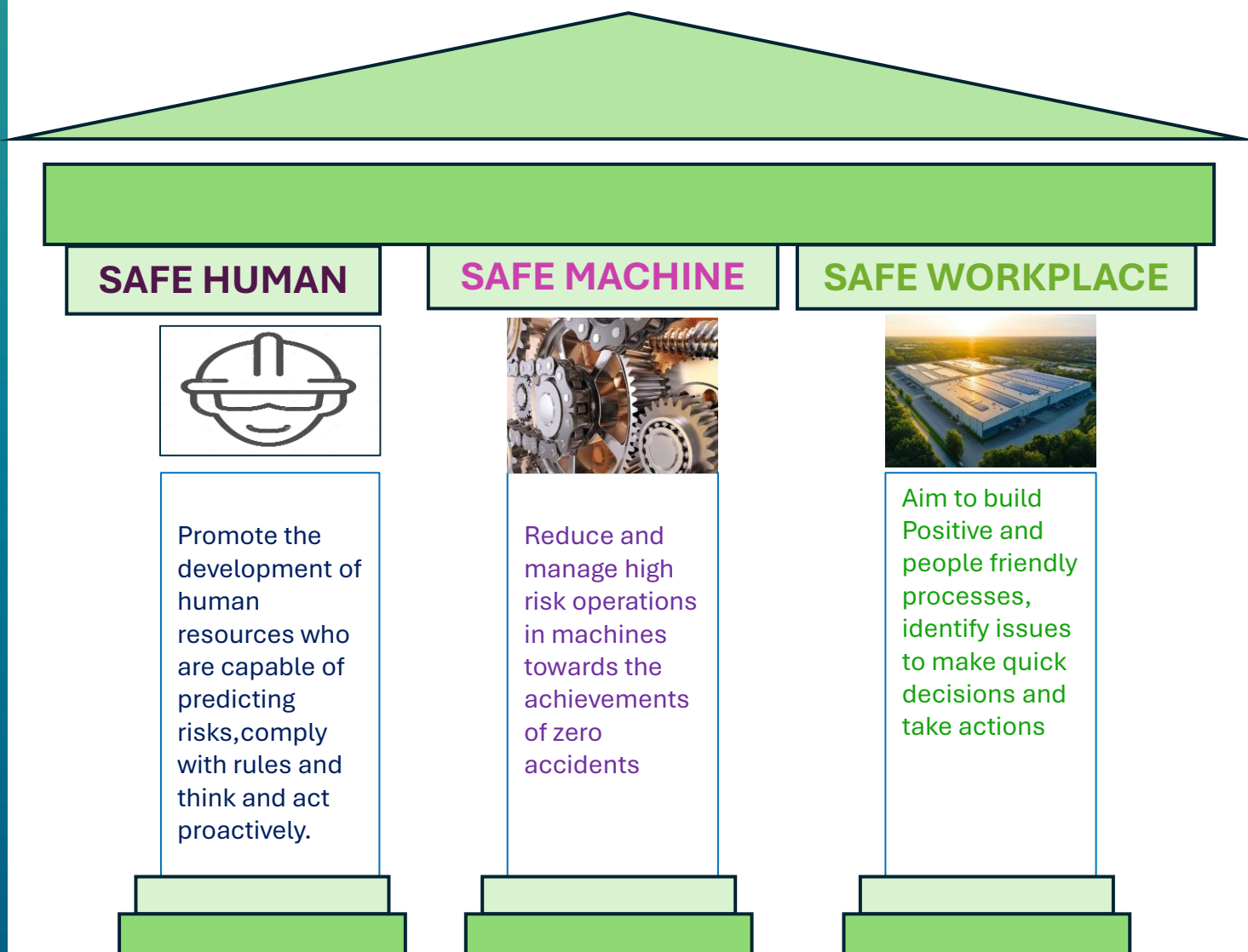
Constantly investing in their growth through structured training, kaizen mindset with a focus on leadership.



Health and Safety :-

- Provide training and awareness programs to employees on emergency preparedness.
- Strive to minimize incidents and injuries, taking prompt corrective actions as needed.
- Promote adherence to relevant health and safety regulations while actively working to reduce work-related health and safety concerns at all offices and locations.
- Ensure the consistent implementation of safety measures across all operations.

Safe Work is Reliable Work



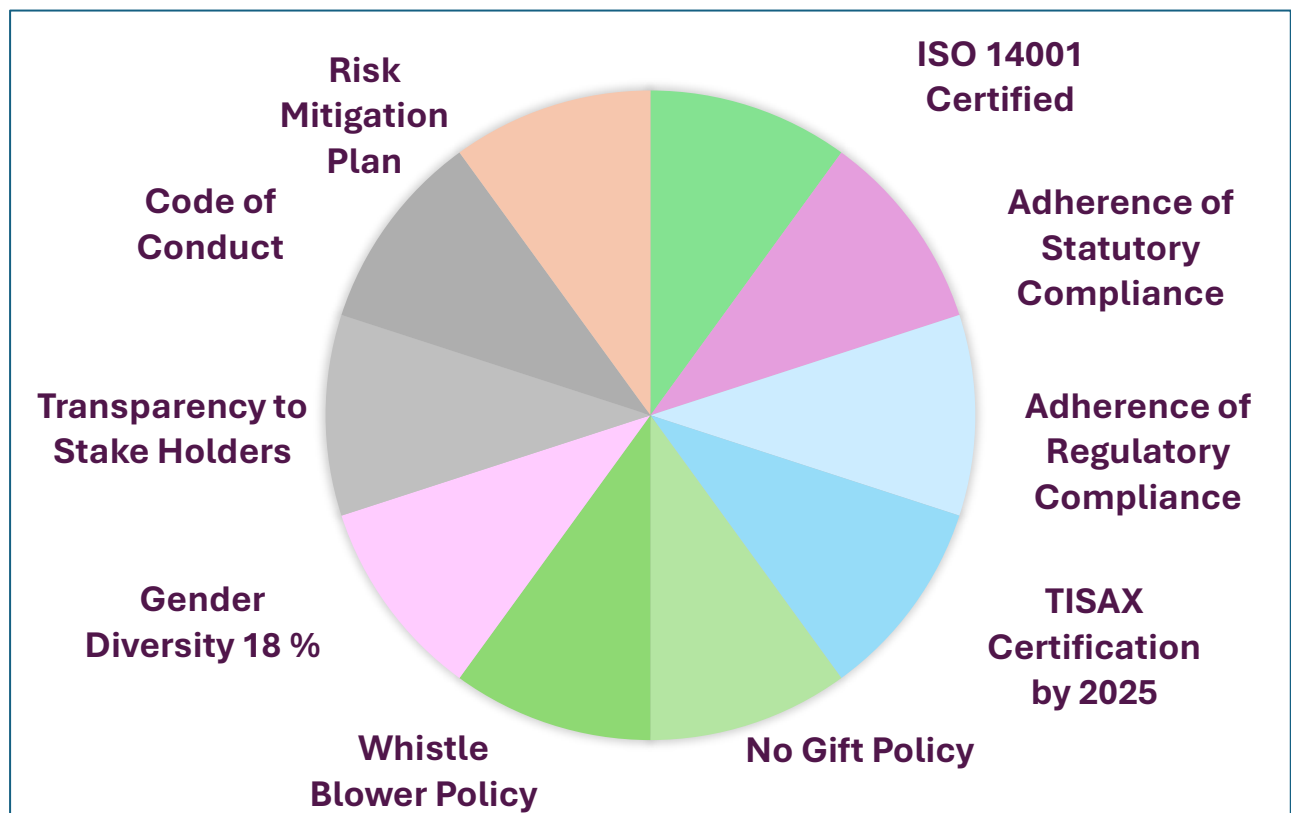
Stakeholder's Engagement :-

- Address the needs of shareholders while continuously improving customer satisfaction.
- Foster ethical and transparent relationships with suppliers, ensuring they adhere to responsible practices outlined in the suppliers/vendors Code of Conduct during onboarding.
- Empower communities through targeted investments in key focus areas such as community development, education, entrepreneurship, financial literacy, healthcare, sanitation, relief and rehabilitation, sports, and environmental initiatives.
- Provide accessible feedback channels for all key stakeholders and integrate valuable suggestions to strengthen the brand's image and reputation.



Ethics and Corporate Governance :-

- Foster and cultivate a culture of transparency and accountability across SAC.
- Adhere to all relevant laws, standards, and regulations.
- Promote ethical business practices, supported by robust monitoring mechanisms.
- Prioritize board diversity in all its forms, encompassing skills, experience, gender, ethnicity and race.
- Ensure transparency and accountability in interactions with key stakeholders and in all disclosures.
- Establish clear responsibility and accountability for SAC's ESG performance



Cyber Security and Information Security :-

SAC has established a strong and comprehensive framework to ensure optimal data protection.

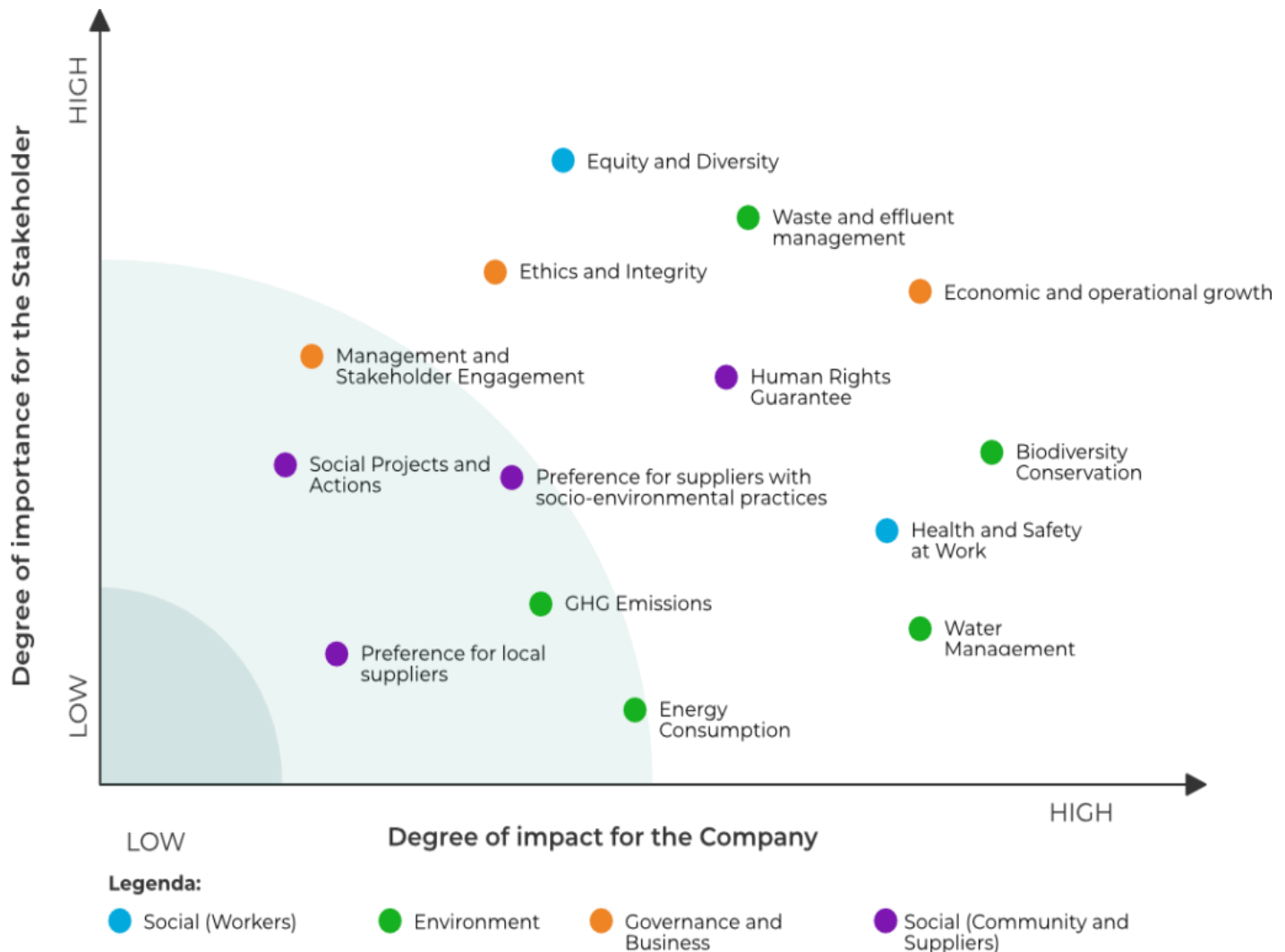
In line with its Information Security Policy, SAC is dedicated to maintaining the principles of Confidentiality, Integrity and Availability (CIA) in all aspects of information security.

The Director has appointed the Information Technology (IT) Team, which oversees the implementation and management of the cyber security framework and policies.



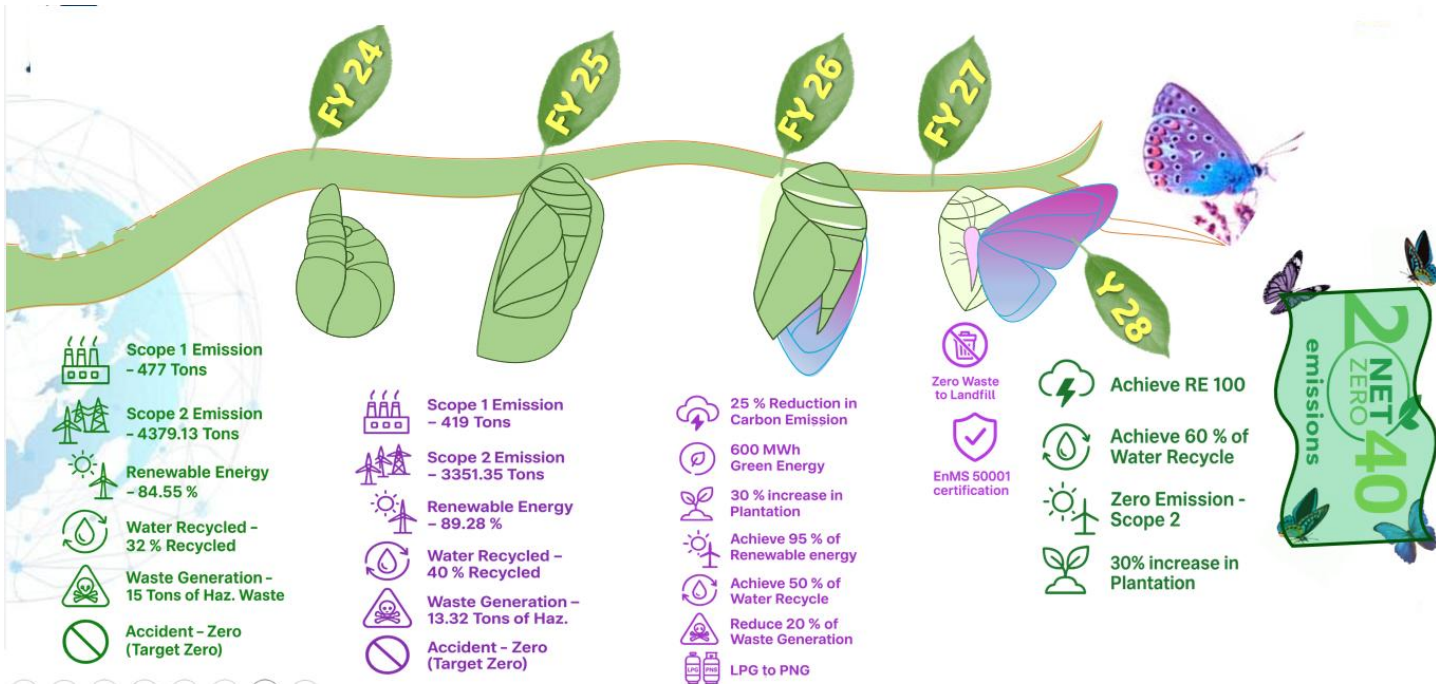
Risk Management :-

- Establish a strong risk management framework to identify, evaluate, and mitigate key risks.
- Evaluate ESG risks and impacts, including climate-related risks, within our operations and implement appropriate mitigation and adaptation strategy



Climate change :-

SAC acknowledges that climate change is one of the most pressing challenges of our time and we are committed to integrating climate considerations into our business, operations, and risk management processes. our overarching goal of achieving carbon neutrality by 2028 from the base line 2024



Effective Date :- 15th May-2025

Review of the ESG Policy :

The ESG Policy of the Company shall be effective from 15th May- 2025. (Rev.01) and approved by Director

ESG Policy will be updated on an annual basis or sooner if there are material changes to ensure alignment with the most current regulations, guidelines or directives issued by SEBI or any relevant statutory/regulatory body.

Registered & Corporate Office

SAC Engine Components Pvt Ltd....

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