

Sustainability Report

The Steel that shapes tomorrow

FY 2024-25



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About The Report

ARS Steels has always placed sustainability at the heart of its operations. With the growing need for transparency and accountability, we now present our stand-alone Sustainability Report. This report highlights our progress towards ARS Green Steel and explains how we integrate environmental, social, and governance practices into our business.

ARS Steels, a trusted manufacturer of long steel products for India's construction industry, has always placed sustainability at the core of its operations and decision-making. Our sustainability performance has historically been part of broader business disclosures, but with the growing need for transparency and accountability, we now present this stand-alone Sustainability Report. It reflects our ongoing journey towards ARS Green Steel and reaffirms our commitment to keeping stakeholders informed about the progress we are making towards a low-carbon and responsible future.

This report communicates environmental, social, and governance (ESG) performance to stakeholders, including customers, investors, regulators, employees, and the community. It demonstrates how we align our operations with national and global sustainability goals, including carbon neutrality targets and circular economy principles.

This report provides a transparent account of how we manage our economic, environmental, and social responsibilities by reducing greenhouse gas emissions, improving energy and water efficiency, minimising waste through recycling and reuse, and adopting technological innovations and process improvements that contribute to lower carbon intensity in steel production.

This report covers workplace health and safety, diversity and inclusion, and community engagement, demonstrating our dedication to social responsibility in addition to environmental initiatives. By presenting both progress and challenges, we aim to maintain accountability, strengthen stakeholder trust, and demonstrate responsible business practices.

Finally, this report also serves as a roadmap for continuous improvement. In a sector where regulatory and market expectations are evolving rapidly, it functions as both a compliance document and a strategic communication tool that highlights

Report Timeline

This report covers the period from 1st April 2024 to 31st March 2025 and will be published annually.

Reporting Boundary and Scope

The disclosures in this report cover our operations at our plant in Gummidipoondi, Tiruvallur district, Tamil Nadu, India.

Reporting standards/frameworks

The report has been prepared in accordance with SEBI BRSR core metric reporting. We have also used selected GRI indices to frame our report. We are committed to the principles of transparency in all our disclosures. Our third-party partner has assisted & reviewed data collection related to different sustainability measures. Importantly, they have performed a carbon footprint verification for steelmaking operations, assessing Scopes 1, 2, and 3 emissions, and evaluating the methodologies used for data collection.

“

From our humble beginnings over 30 years ago, ARS Steels has grown into one of South India's most respected steelmakers. Today, we are proud to be recognized for producing steel TMT rebars with one of the lowest verified CO₂ footprints in India. Our vision is to be a lighthouse for sustainable steelmaking, setting benchmarks not just in India but globally. With our commitment towards renewable energy and circular economy, we aim to accelerate the transition towards low-carbon construction.



**Mr. Ashwani Kumar Bhatia,
Managing Director**

Message From Management

At ARS Steels, our journey has always been guided by trust, responsibility, and a relentless focus on progress. From humble beginnings to becoming a recognized pioneer of green steel in India, we have continuously challenged ourselves to go beyond business as usual, building a legacy that combines strength with sustainability.

For more than three decades, we have placed sustainability at the heart of our operations. By utilizing premium-quality recycled steel and adopting renewable energy and zero fossil fuel usage, we have ensured that our steel carries one of the lowest carbon footprints in the industry. This report reflects not just our achievements but also our determination to be transparent about the challenges and opportunities ahead.

Our commitment to reducing emissions, innovating responsibly, and strengthening communities is anchored in one simple promise: to create steel that enables growth while protecting the future.

The trust of our stakeholders—employees, customers, partners, regulators, and communities is what makes this journey possible. We remain deeply grateful for this support, and we reaffirm our pledge to uphold the values of quality, integrity, and sustainability in every decision we make. Together, we can ensure that the steel we build today continues to serve generations to come, without leaving a heavy footprint on the planet.



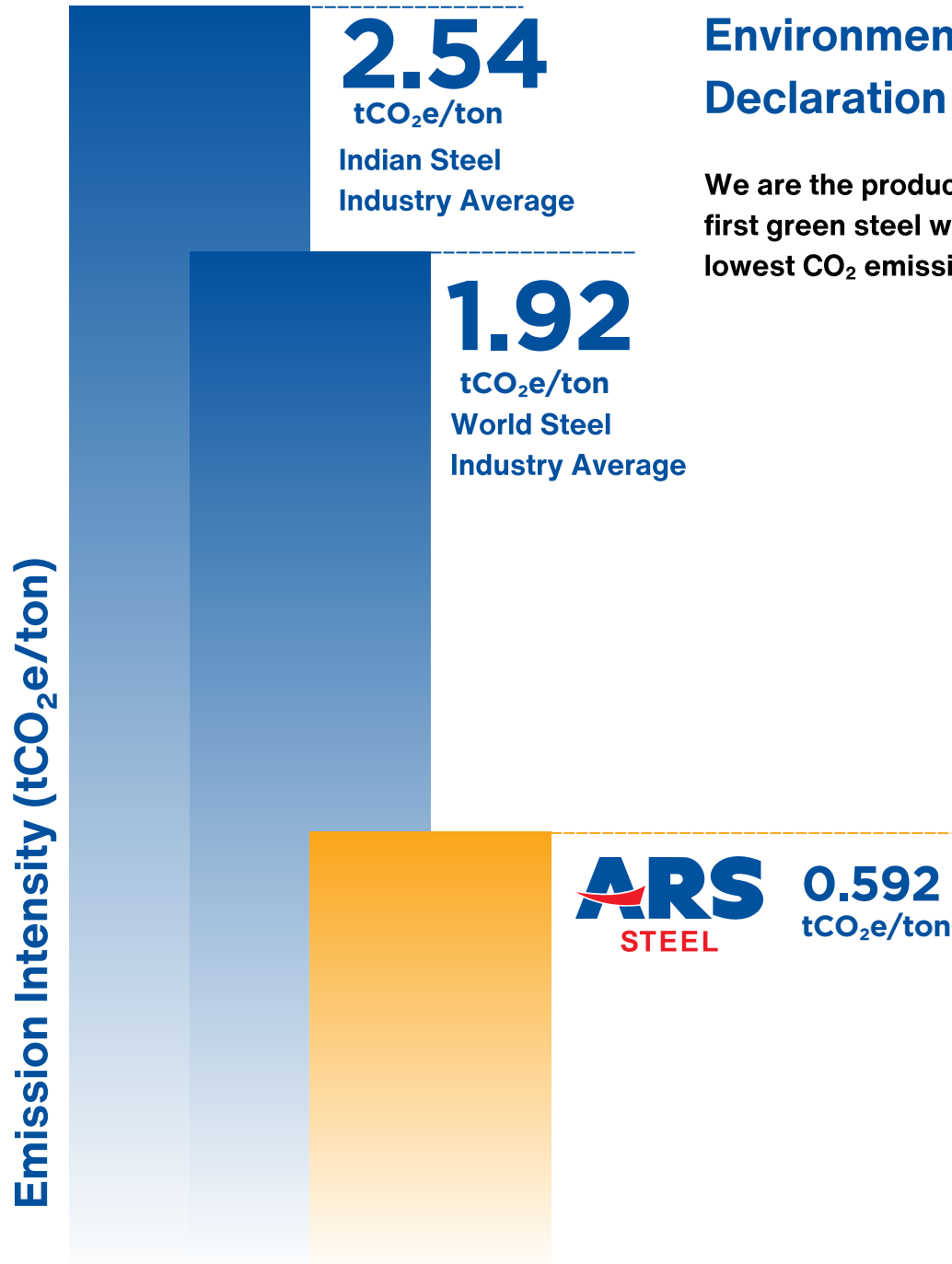
With gratitude and commitment.

Highlights Of Sustainability Performance

Our sustainability journey is built on measurable progress across environmental, social, and governance dimensions. The following highlights showcase the key achievements that reflect our commitment to low-carbon steelmaking, responsible operations, and stakeholder value creation.

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Environmental



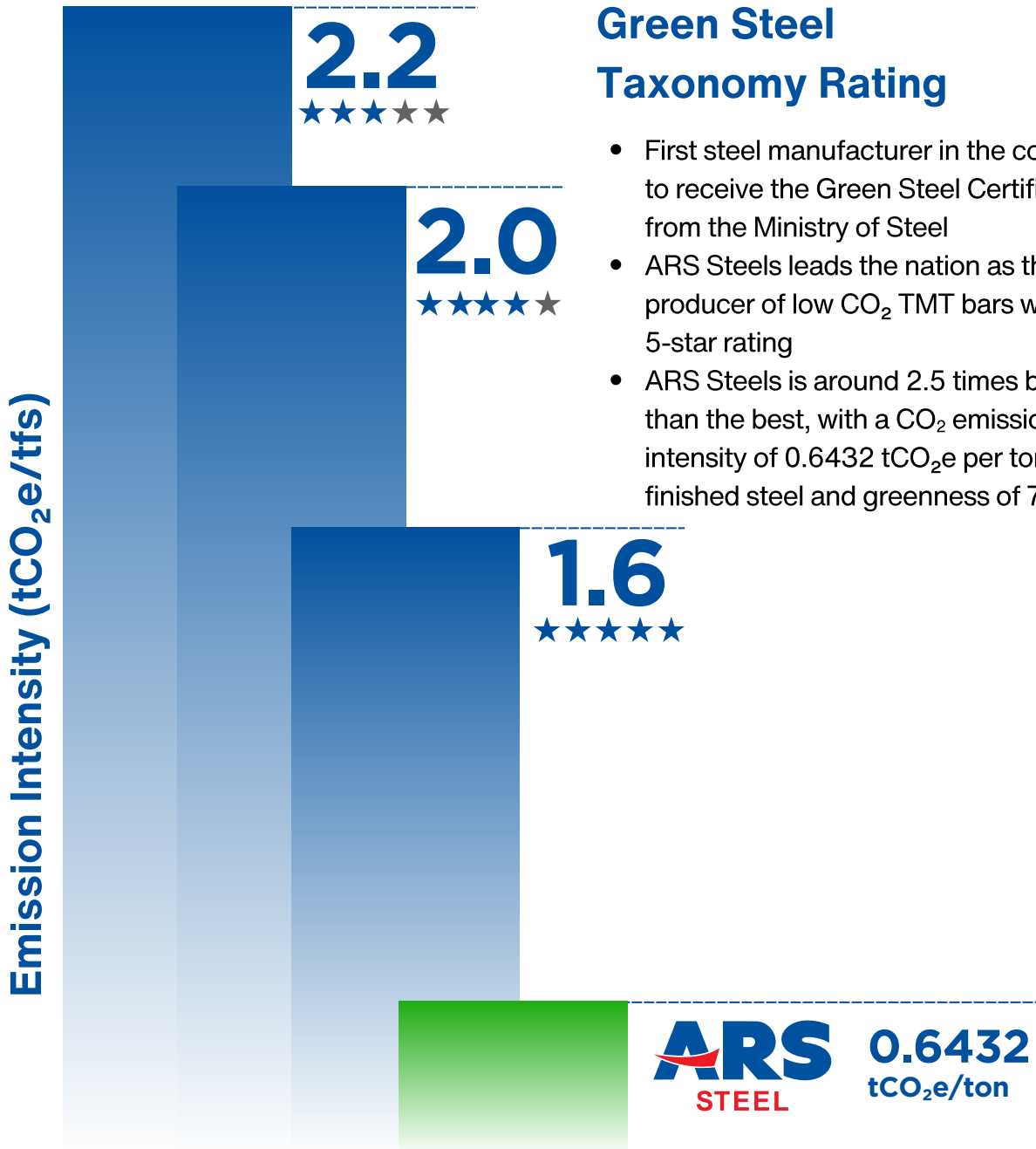
Environmental Product Declaration (EPD)

We are the producers of India's first green steel with one of the lowest CO₂ emission intensities.

The period of analysis is from January 2024 to December 2024.

*An Environmental Product Declaration (EPD) is a type III environmental declaration that provides objective, comparable, and third-party verified data about a product's environmental performance. It is based on the ISO 14025 standard and is created through a comprehensive life cycle assessment (LCA), which evaluates the environmental impact of a product from raw material extraction to production, use, and disposal.

Environmental



Green Steel Taxonomy Rating

- First steel manufacturer in the country to receive the Green Steel Certificate from the Ministry of Steel
- ARS Steels leads the nation as the No.1 producer of low CO₂ TMT bars with a 5-star rating
- ARS Steels is around 2.5 times better than the best, with a CO₂ emission intensity of 0.6432 tCO₂e per ton of finished steel and greenness of 70.8%.

*The Green Steel Taxonomy is a framework established by the Indian Ministry of Steel to promote the adoption of environmentally friendly technologies in steel production. It aims to transform the steel industry into a more sustainable and low-carbon sector by providing clear guidelines for what constitutes "green steel". The taxonomy employs a star rating system to classify steel based on its emission intensity in tons CO₂ emitted per ton of finished steel(tfs), namely 5-star (<1.6 tCO₂e/tfs), 4-star (>1.6 and <2.0 tCO₂e/tfs), and 3-star (>2.0 and <2.2 tCO₂e/tfs). Companies having emission intensities > 2.2 tCO₂e/tfs are not eligible for a green steel rating.

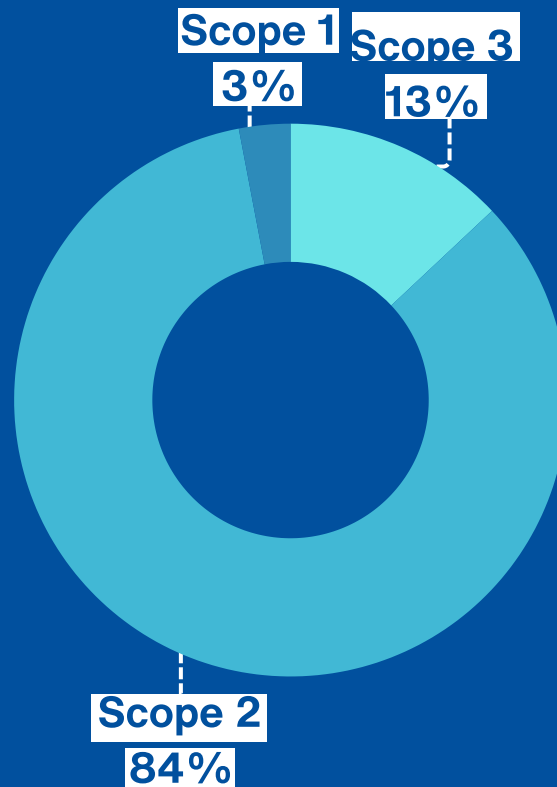
Environmental

GHG Protocol



0.51
tCO₂e/ton

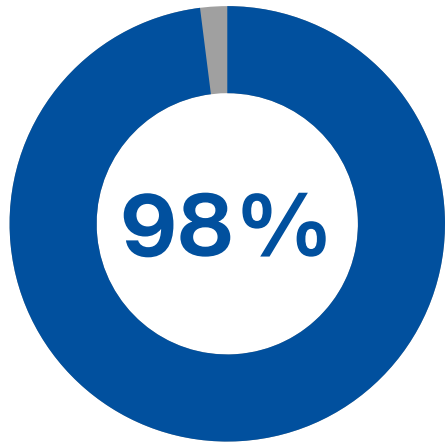
Emission Intensity achieved for the financial year under the purview of the report



The Greenhouse Gas Protocol (GHG Protocol) is a globally acknowledged standard for measuring and managing greenhouse gas emissions/carbon footprint. It categorizes different types of emissions as:

- Scope 1: Direct emissions from any process or fuel combustion within a company.
- Scope 2: Indirect emissions from the generation of purchased electricity, steam, heating, and cooling consumed by a company.
- Scope 3: All other indirect emissions that occur in a company's value chain, including both upstream and downstream emissions.

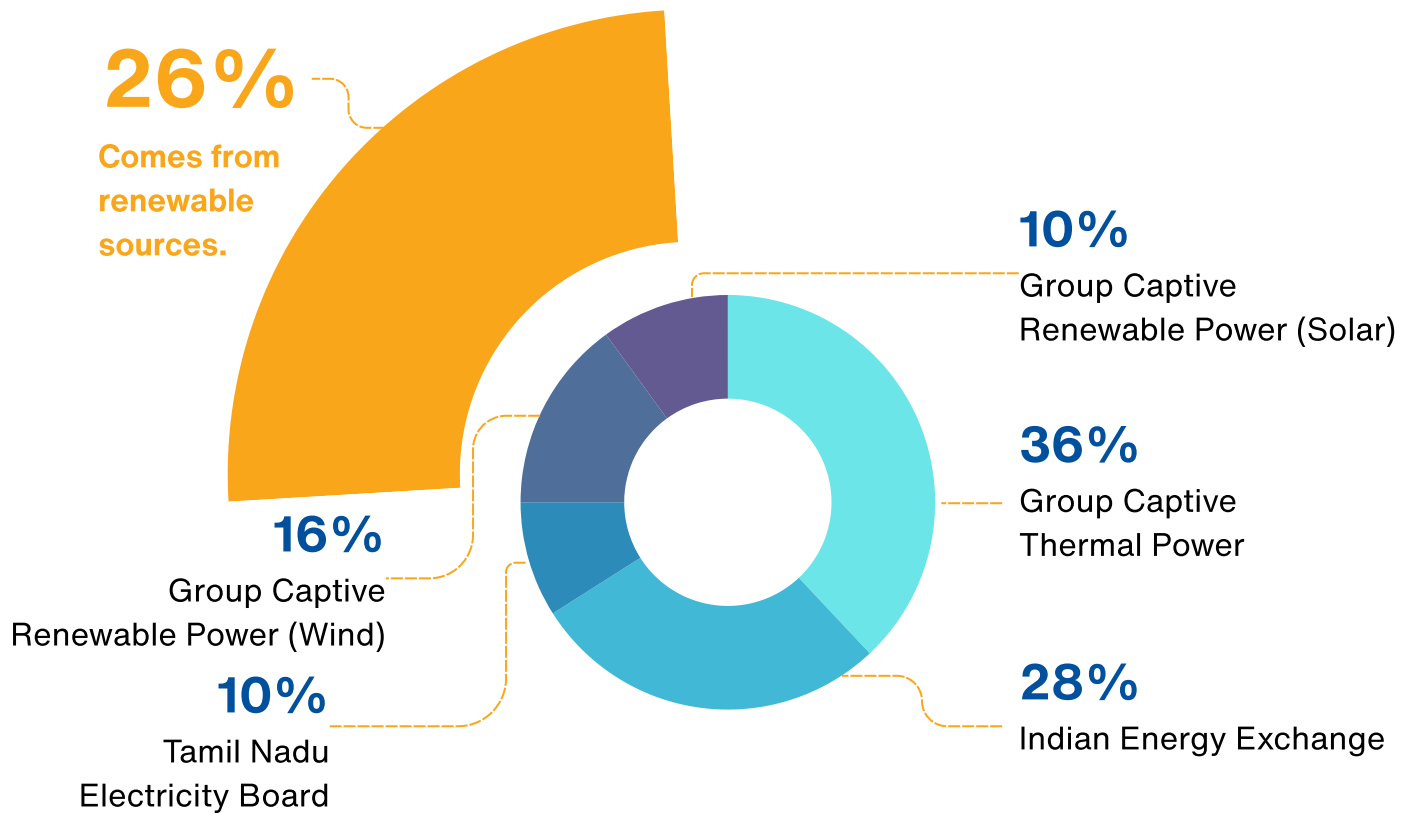
Environmental



Circularity

Premium quality recycled steel usage in production.

Electricity Usage



Environmental

ARS Green Steel products are eligible for all India's top Green certifications.



ARS Green Steel TMT rebar is India's first and only product registered on the prestigious GRIHA Product Catalogue under Life Cycle Assessment (LCA) and Innovation.



ARS Steels are eligible for all LEED certified projects. We are also fully compliant for LEED v5 embodied carbon.



ARS Steels leads the way with IGBC-backed GreenPro certification.

GRIHA: GRIHA (Green Rating for Integrated Habitat Assessment) is a rating tool that helps people assess the performance of their building against certain nationally acceptable benchmarks. It evaluates the environmental performance of a building holistically over its entire life cycle, thereby providing a definitive standard for what constitutes a 'green building.'

LEED: LEED (Leadership in Energy and Environmental Design) certification is a rating system developed by the U.S. Green Building Council (USGBC) that provides a framework for healthy, efficient, and cost-effective green buildings.

GreenPro: GreenPro is a Type-1 Ecolabel, which enables the end users in the building sector and manufacturing industries to choose the right products, materials, and technologies for reducing the environmental impacts during the construction, operation, and maintenance of their buildings and factories.

Environmental

ARS Steels has the honor of successfully delivering India's first green TMT rebars to EPIC Group, a Hong Kong based global apparel manufacturer for Uniqlo and Walmart, for their project in Odisha.

INDIA'S FIRST GREEN STEEL - ARS STEEL, EPIC GROUP, SENTRA.WORLD UNVEIL NATION'S FIRST ECO-FRIENDLY TMT BARS FOR SUSTAINABLE MANUFACTURING

Chennai: ARS Steel has successfully delivered India's first green TMT bar to Trimetro Group for the construction of Epic Group's state-of-the-art manufacturing facility in Bhubaneswar, Odisha. This marks a major milestone in India's construction sector and its commitment to net-zero goals, incorporating eco-friendly building practices and cutting-edge technology.

Epic Group, a global leader in sustainable fashion headquartered in Hong Kong, is investing INR 377 crore to establish a green manufacturing facility in India. The facility, designed to be Net Zero in energy and water usage, aims to set a new standard for industrial sustainability in the country. A key component of this green initiative is the use of ARS Steel's ultra-low emission TMT bars, supported by sentra.world, a technology-driven startup dedicated to decarbonizing industrial manufacturing.

India's unique leadership in defining "green steel" is highlighted in this project.



According to national standards, steel with an emission intensity below 1.6 tCO₂/tfs qualifies as 5-star rated. With a national average emission intensity around 2.5 tCO₂/tcs, ARS Steel has set an industry benchmark by achieving an emission intensity of 0.59 tCO₂/tfs. This makes ARS Steel's TMT bars four times greener than the national average and positions them among the lowest-emission steel producers in the country. By opting for ARS Steel's green steel, Epic Group has reduced the embodied carbon emissions of their building by approximately 20%, transitioning from the traditional blast furnace method to the cleaner, electric

route of steel production. This collaboration marks a significant contribution to India's sustainable industrial landscape, where reducing carbon footprints is a growing priority.

Ashwani Kumar Bhatia, Managing Director of ARS Steel, shared, "This partnership with Epic Group and sentra.world is a significant step towards a greener future. Our steel not only strengthens buildings but also reduces environmental impact, setting new standards for net-zero construction."

Ranjan Mahtani, Founder & Chairman of Epic Group, emphasized, "Sustainability is central to our operations at Epic. By collaborating with ARS Steel and leveraging the expertise of sentra.world, we've significantly reduced our carbon footprint without compromising on quality."

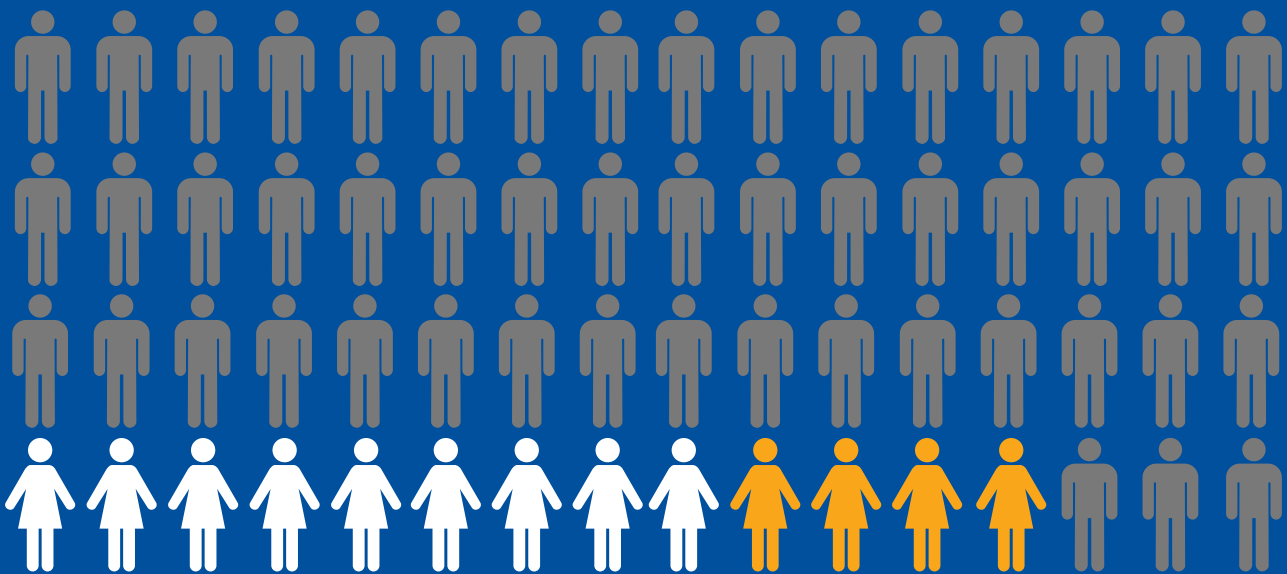
This initiative sets new benchmarks for eco-friendly construction in India, not just for the fashion sector, but for global sustainability efforts."

- Epic Group is establishing a manufacturing facility in India designed to be net zero in energy and water usage.
- Choosing ARS green steel TMT rebars over traditional rebars produced from the blast furnace route reduces building embodied emissions by 20%.

Social

Women's empowerment

Paving the way towards women's empowerment and improving gender inclusivity by achieving a significant figure



Typical range for major steel players in India (2-7%)

8%

Our percentage of total gross wages paid to women employees, higher than the typical range

Total spend on CSR activities is upwards of 0.4 Cr INR, higher than the stipulated figure of 2% of the company's profit.

Governance

73% of the recycled steel being sourced from India, majorly within Tamil Nadu.

Transparency in performance reporting: Real-time CO₂ emissions tracking via a 3rd party AI cloud solution (sentra.world)



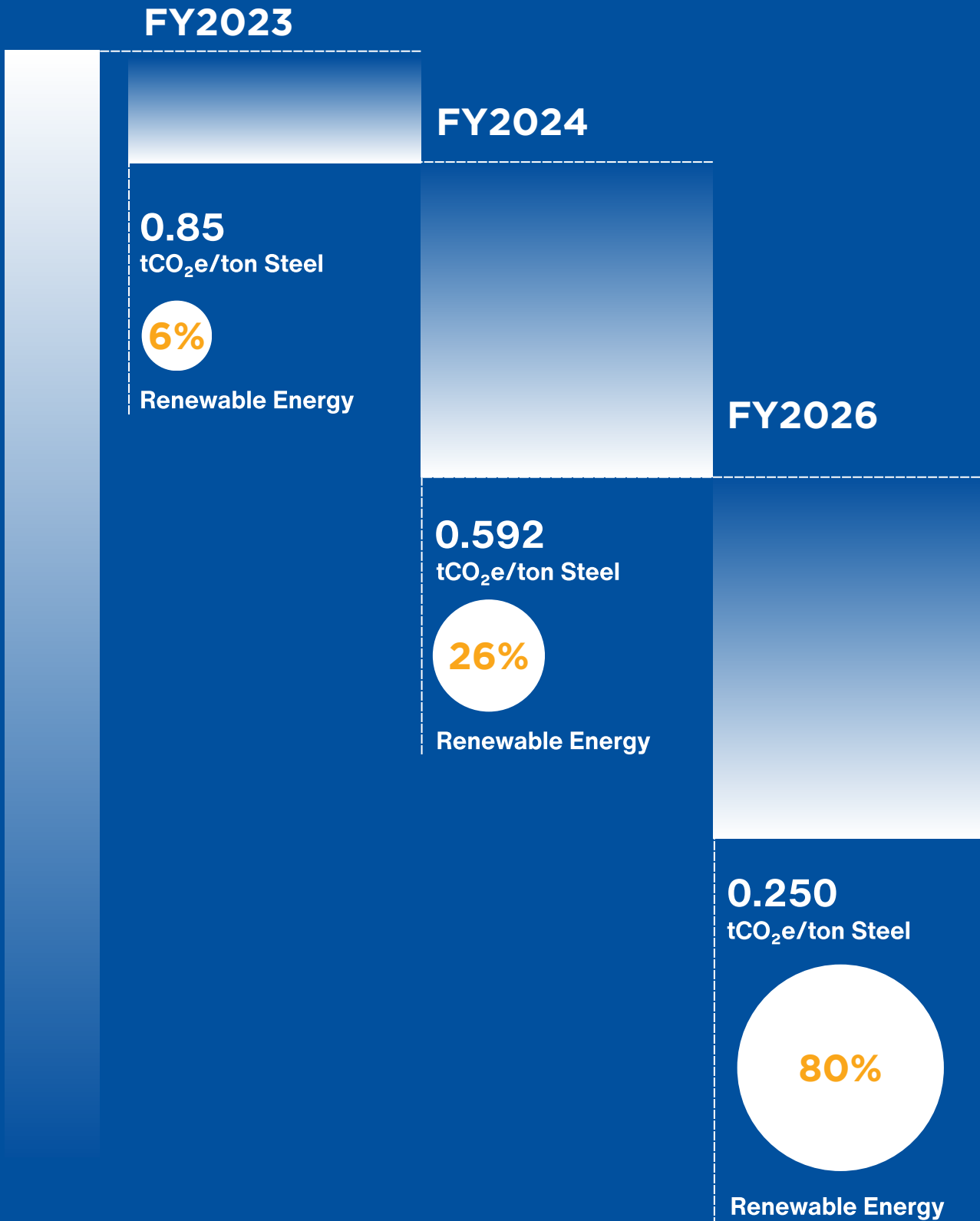
Green TMT products now tagged by QR code stickers that, upon scanning, show actual batch quality data and carbon footprint

On-site batch-wise real-time physical and chemical properties testing and certification of green TMT rebars by World's No.1 SGS



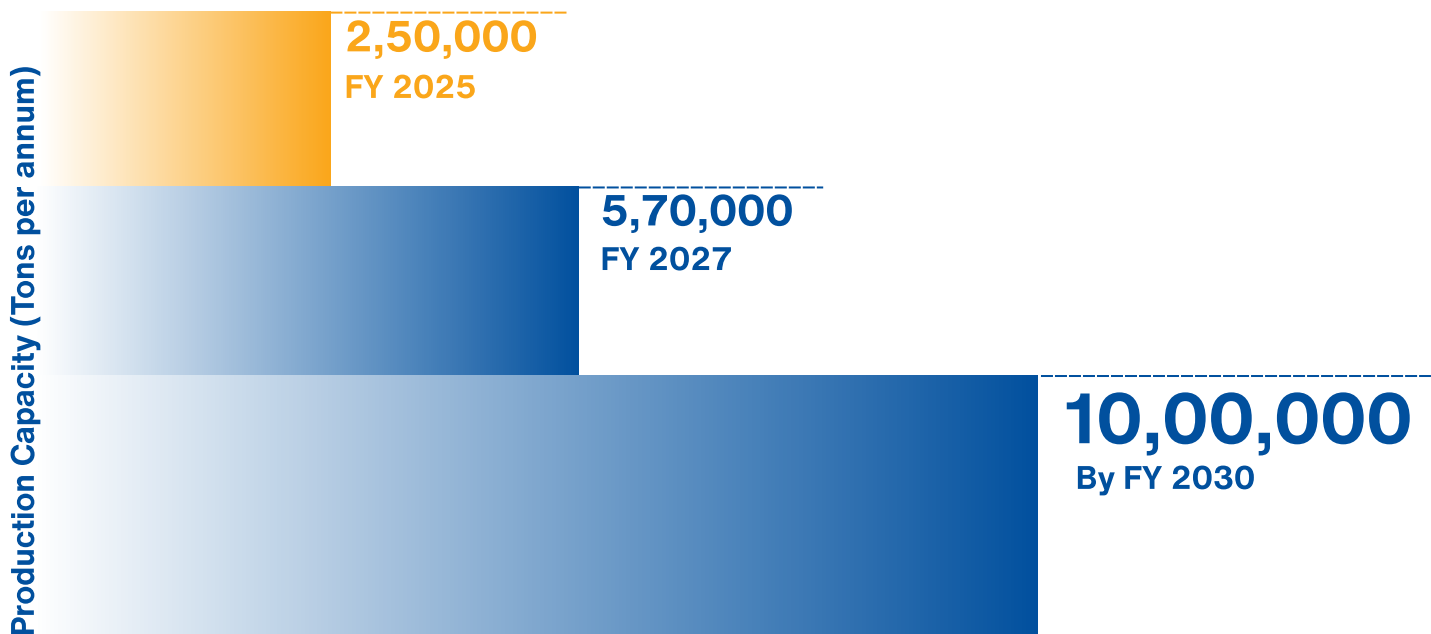
Focus on new product development in collaboration with IIT Madras (Fe 650D grade which offers better strength and earthquake resistance)

Our Decarbonization Journey



Vision for the future

ARS targets the production of 10,00,000 tons per annum of green steel rebars by 2030, reinforcing our commitment to sustainability and low-carbon manufacturing.



ARS will expand its product portfolio with high-strength steel bars, with two new products to meet evolving structural demands.

Fe 600D_{CRS}
Fe 650D_{CRS}

Our Green Journey

1990

Date of Incorporation of ARS Metals Private Limited.

1994

Installed a second 3-ton furnace.

2004

Converted the second 3-ton to 8-ton induction furnace

2010

Installed 25-ton induction furnace with billet caster

2018

First manufacturer to introduce 550D Grade TMT bars

2025

First steel manufacturer to receive green steel certificate from Ministry of Steel

1992

Started with a 3-ton furnace.

2003

Converted the first 3-ton to 8-ton induction furnace

2005

Started rolling mill division to manufacture TMT bars

2015

Started manufacturing 500D Grade

2024

First manufacturer in India to produce TMT rebars with 3-in-1 combination of DCG (Ductility, Corrosion Resistance & Green Steel)

Installed another 25 MT induction furnace and enhanced rolling mill capacity

Company Overview

About The Company

ARS Steels and Alloy International is an integrated long steel product manufacturer with a strong presence in the construction industry. Our two flagship products, ARS Fe 550D® and ARS Fe 550D CRS®, are widely recognized in the market and complemented by the production of high-quality M.S. billets. We primarily cater to the construction industry, where our steel is used extensively in buildings, bridges, flyovers, and roads.

Founded on September 19th, 1990, we are a leading name in the steel manufacturing industry, with a major integrated steel plant located in Gummidipoondi, Tiruvallur district, Tamil Nadu, India.

Over the years, we have established ourselves as a prominent Steel Rebar (TMT) brand in South India, known for our commitment to quality, sustainability, and innovation. We pride ourselves on our advanced manufacturing infrastructure, designed to deliver superior quality and efficiency. Our facility is equipped with 2 nos. state-of-the-art 25-ton induction furnaces, supplied by Inductotherm, the

world's leading manufacturer of induction furnace technology, ensuring precise and consistent steel production. Additionally, we utilize a 6/11 2-Strand Continuous Casting Machine (CCM) from Concast India, allowing us to produce high-quality billets with exceptional metallurgical properties.

Our manufacturing process is further streamlined by an integrated steel rebar (TMT) rolling mill, where hot billets from the continuous casting machine are directly fed into the rolling mill. This direct hot charging process enhances energy efficiency, reduces material wastage, and ensures superior product quality, allowing us to produce steel rebars with exceptional strength and durability.

Our current installed capacity is 288,000 metric tonnes per annum for mild steel billets and 250,000 metric tonnes per annum for steel rebars, making us a key player in the steel industry in the region. Our commitment to quality, innovation, and

customer satisfaction has enabled us to build lasting relationships with clients and partners alike. ARS steels rebars are the No. 1 choice for Chennai city.

ARS are pioneers of 100% "D" quality steel TMT rebars, ensuring superior ductility, strength and long-term durability. D Stands for "Ductility" resulting from low sulphur (< 0.04 wt. %), low phosphorus (< 0.04 wt. %) and a combined sulphur + phosphorus value of less than 0.075 wt. %. ARS Fe 550D TMT rebars are crucial in earthquake-prone areas, where the flexibility of these bars helps structures absorb and dissipate seismic energy, reducing the risk of catastrophic failure. ARS Fe 550D CRS (corrosion resistance steel) TMT rebars are produced by adding and maintaining copper, chromium, nickel and molybdenum, ensuring the longevity and durability of structures thereby extending their life span of buildings.

Our state-of-the-art manufacturing facility is certified with **ISO 9001 and ISO 14001** standards, which reinforces our focus on quality and environmental management. To ensure our top quality, we have partnered with **SGS, a Swiss-based multinational leader in inspection, verification, testing, and certification**, for on-site verification of every batch and consignment.

With **green steel** at the core of India's Net Zero 2070 vision, we are committed to

manufacturing steel of the highest quality with the lowest carbon footprint. Through this commitment, we are contributing to the development of the sustainable construction industry and to the nation's transition towards a low-carbon future.

Corporate Vision

ARS Steels to become the most trusted and reliable brand, committed to sustainability, carbon neutrality, and enduring stakeholders' delight.

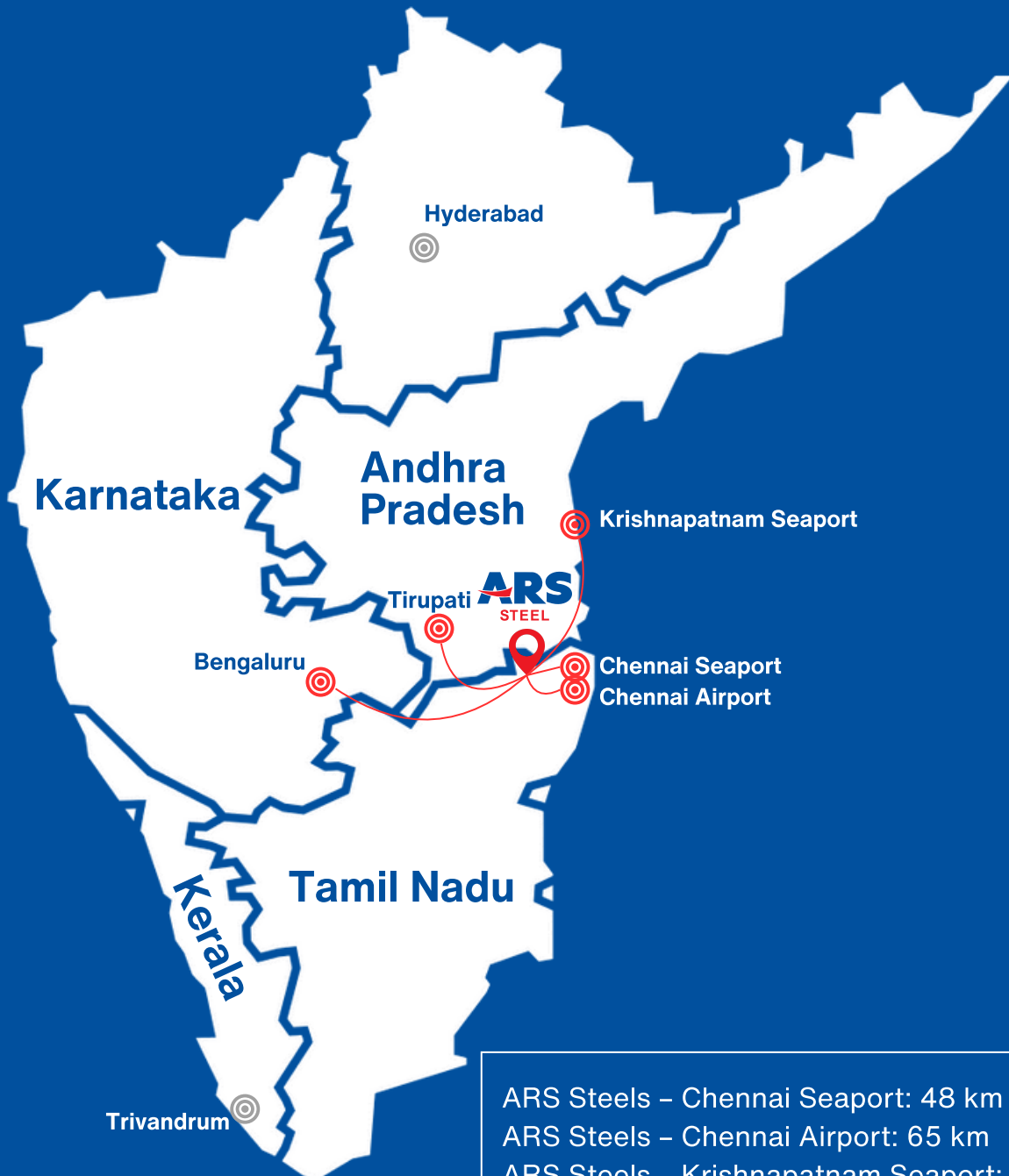
Mission

To build and execute new business models, adopt the latest technologies to achieve excellence, and continuously source, develop, and retain the best talent.

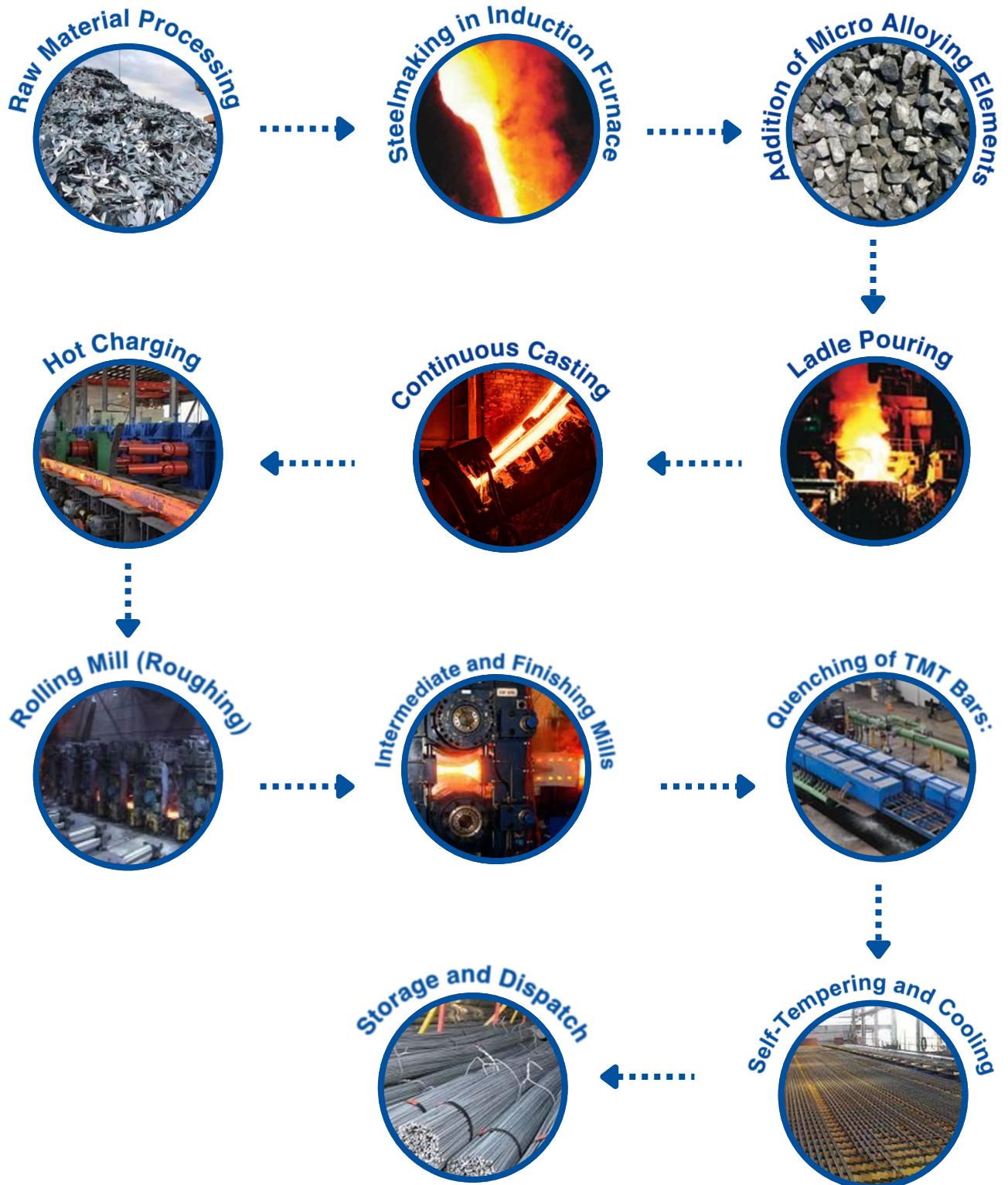
We are committed to maintaining the highest standards of quality services in steel production while offering them at competitive prices.

Above all, we strive to meet and exceed the expectations of our customers and channel partners, fostering long-term relationships built on trust, reliability and performance.

Geographic Presence



Steelmaking Process



Steelmaking Process

Raw Material Processing: Different types of recycled steel that are chemically compliant are brought inside the company premises by trucks. They are dumped and initially stored at specified points in the recycled steelyard. Depending on the type of recycled steel, segregation is performed on heterogeneous mixtures. Accordingly, they are either shredded, sheared, or bundled before utilisation in steelmaking.

Steelmaking in Induction Furnace: Different types of recycled steel are added sequentially in the induction furnace in known amounts to produce the melt using electrical energy. Once the materials have melted, the furnace is tilted to remove slag and other impurities that have risen to the surface of the molten metal. Samples of the melt are taken at specific steps of material addition and tested to keep the chemistry in check.

Addition of Micro Alloying Elements: The molten metal is fully killed and refined through the controlled addition of ferro alloys to ensure optimal mechanical properties and long-term durability. For example, silico-manganese (SiMn) is added to enhance strength and deoxidation, while aluminium acts as a key deoxidiser, removing oxygen from the molten metal and improving grain refinement. Melt samples are systematically collected and chemically analysed.

Ladle Pouring: Upon achieving the desired chemical composition, molten metal is poured into the ladle. To achieve homogenous chemistry and temperature throughout the ladle and avoid thermal stratification, nitrogen gas purging is done. Purging is conducted by generating bath turbulence to retain thermal homogeneity. This process also helps in removing excessive non-metallic inclusions.

Continuous Casting: After purging, liquid steel from the ladle is continuously poured into the copper mold to replenish the withdrawn steel at an equal rate. The copper mould is covered with water-cooling jackets that reduce the temperature and ensure the billet takes the proper shape. The withdrawal rate depends on the cross-sectional grade and quality of steel being produced. Casting time is typically 45–60 minutes per heat to avoid excessive ladle heat losses.

Hot Charging: After casting, the hot billets are cut into lengths as per rolling requirements. They are then directly transferred to the roughing mill using automated conveyors, ensuring minimal heat loss. Induction heating is performed for billet reheating, which offers several advantages – including precise and uniform heating, the elimination of surface oxidation and decarburization, and the preservation of the metallurgical quality of the billet.

Rolling Mill (Roughing): The hot billet will first enter the roughing mill. The first stand of this mill consists of 3 rolls, which are located at the top, middle, and bottom. In these rolls, 5 passes with different shapes are provided. The hot billet is passed through these passes, and the size of the billet is reduced by 80%. Again, it is transferred to another four roughing stand passes, from which the size is reduced further.

Intermediate and Finishing Mills: After the roughing process, the mill is separated into two lines, as main and bypass lines. In these stands, odd mill stand output will be oval-shaped, and even mill stand output will be round in size. In the intermediate mill, the billet size is reduced to around 10-20%. The material then moves to the finishing mill, where the final required size of the TMT bar is obtained.

Quenching of TMT Bars: The hot rebars are rapidly cooled to obtain the required mechanical properties by using a special water spray system (high-pressure RO water) and compressed air in the quenching box. Quenching of the rolled bar is imparted in the Thermex process through a proprietary system, which results in a hardened periphery of the TMT bar. After that, the bars are cut into the required sizes by the high-speed continuous/rotary shear.

Self-Tempering and Cooling: At the cooling bed, the TMT bars are cooled further at atmospheric temperature. Quenching as well as self-tempering leads to a typical microstructure of TMT bars. The TMT samples are collected, and quality testing is done in the lab in the presence of professionals from SGS (an international testing agency). Here, TMT bar mechanical property tests like yield stress, tensile strength, Martensite ring test, elongation, bend test, etc., are performed.

Storage and Dispatch: Once the bars are cooled and packed into bundles, they are stored in a covered indoor shed according to their sizes, lot numbers, bundles, straight bars, and other distinguishing factors. Separate identification tags are provided for Fe 550D and Fe 550D CRS bundles and straight bars to ensure clear traceability, proper segregation, and accurate identification during storage and dispatch. They are then loaded on trucks and dispatched to their respective destinations.

Certifications

A. Green Steel Certificate

B. Environmental Product Declaration Certificate

C. GRIHA Certificate

D. IGBC GreenPro Certificate

E. ISO 45001 Certificate

F. ISO 9001 Certificate

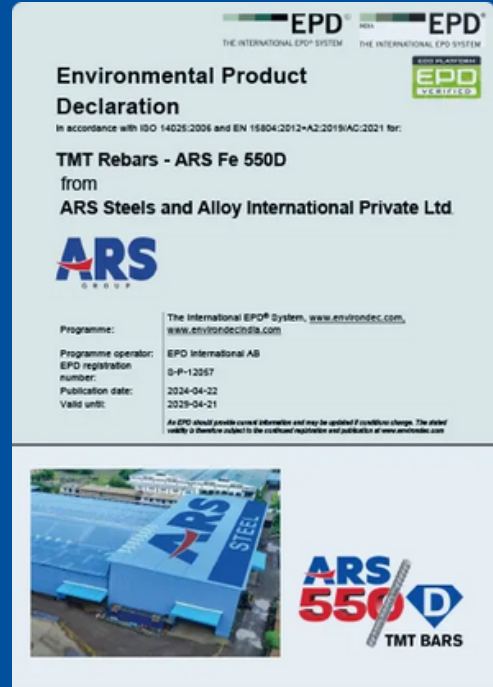
G. ISO 14001 Certificate

H. Certificate from Chennai Metro Rail Ltd. (CMRL)

Certifications



Green Steel Certificate - Ministry of Steel



Environmental Product Declaration Certificate



GRIHA Certificate



IGBC GreenPro Certificate

Certifications



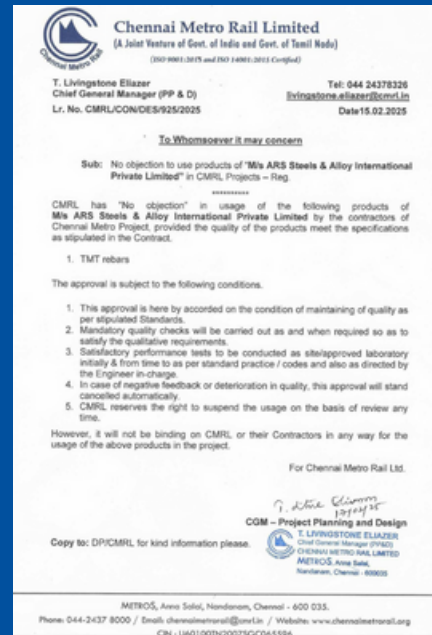
ISO 45001 Certificate



ISO 9001 Certificate



ISO 14001 Certificate



Certificate from Chennai Metro Rail Ltd. (CMRL)

Awards



Excellence in Green Product Initiative (ABP India Infrastructure 2024), awarded by Shri Nitin Gadkari, Hon' Minister of Roads and National Highways, Government of India



ISPAT Udyog Ratan Award for Green Initiative Leadership (2024), awarded by Shri H. D. Kumaraswamy, Hon' Minister of Steel, Government of India



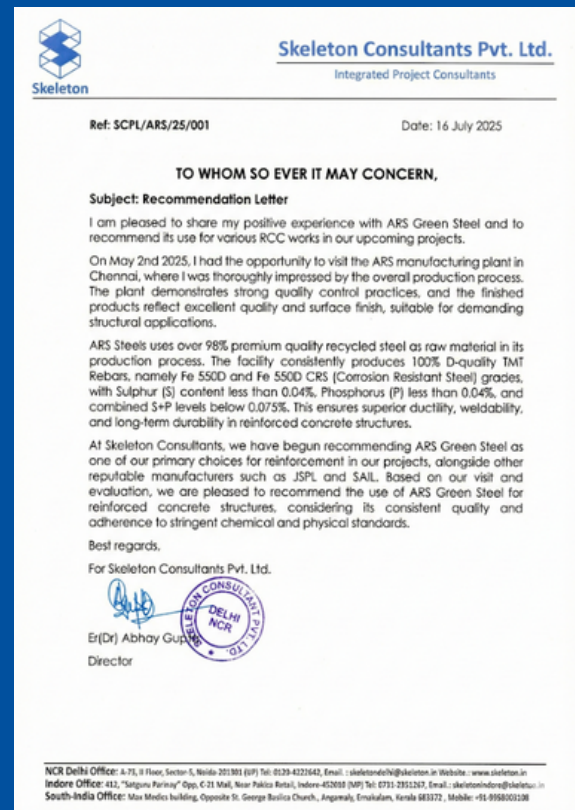
First recipient in India of the Green Steel Certificate by the Ministry of Steel, received from Shri H. D. Kumaraswamy, Hon' Minister of Steel, Government of India

Endorsement Letters



**Mr. B.V. Nagesh, Principal Consultant,
Nagesh Consultants**

One of the leading Indian consultants in the field of structural engineering, specializing in detailed designing of large structures like highways, bridges, flyovers, multi-storey buildings, hotels, industrial structures, treatment plants, and more.



**Dr. Abhay Gupta, Director, Skeleton
Consultants**

One of the leading Indian consultants in the field of structural engineering for buildings and structures, both in RCC and steel. They provide consultancy services for two major divisions: one being the building sector and the other being the industrial sector.

Our Esteemed Clients



FOXCONN[®]



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BAASHYAAM

CASAGRAN^D



ARR THULASI
வாய்க்கிட்டு, கையெழுத்து...

QUALITY
SHELTERS



Tamil Nadu State Government Projects

Sathyamoorthy & Co. - Chennai Housing Board.

M arc constructions - Madurai Housing Board.

Venkatachalapathy construction - Thiruvallur, water supply

Central GOVT project: National Highway

KCP engineers - NH project Coimbatore NH 45

N S Nayak - NH project Bagalkot, Karnataka

SECTOR IMPORTANCE

India's total crude steel production stands at 141 MTPA, accounting for about 7.4% of the world's total steel production and being behind only China. India's steel demand is expected to grow about 4x by 2050 and 7x by 2070. Additionally, India strives to be net zero by 2070. Given that the steel industry contributes significantly to overall emissions produced in the country (10–12%), green steel will play a major role in decarbonizing the manufacturing sector. Different steel companies have fixed step-by-step targets for their road towards net zero and are also taking major steps towards decarbonizing their operations. Today, the average intensity of emissions from the Indian steel industry stands at around 2.54 tCO₂e per ton of finished steel. This number is significantly higher than the world average figure of 1.92 tCO₂e per ton of finished steel.

Primary steel production involves two major steps. First, iron ore is reduced to iron, known as ironmaking, and finally, iron is converted to steel, i.e.,

steelmaking. Iron ore is either agglomerated into sinter or pellets from fine ore or used as lump ore, depending on the ironmaking process. In India, there are primarily three routes to iron production: Blast furnaces (BF) that produce hot metal, which is molten iron, and two direct reduced iron (DRI) production methods, namely gas-based DRI, which reduces iron ore in shaft furnaces using natural gas or syngas or other industrial off-gases as fuel, and coal-based DRI, which employs rotary kiln furnaces using coal as fuel. Steelmaking is done in three ways. Typically, the hot metal from blast furnaces is converted into steel through the basic oxygen furnace (BOF) route, while DRI is converted to steel in an electric arc furnace (EAF) or an induction furnace (IF). Additionally, recycled steel can also be converted to crude steel using an EAF or IF, thus eliminating the need for ironmaking steps. Larger integrated steel plants (ISPs) typically use the BF-BOF pathways, with a few players also going with the gas-based DRI-EAF pathway.

whereas smaller plants use the coal-based DRI-IF pathway. The crude steel is converted into finished steel in rolling mills.

The high emission numbers from the iron and steel industry are primarily attributed to the use of carbon as a fuel for these operations, most of which are used in the ironmaking processes. In a blast furnace, coke produced from coking coal is used as a reducing agent, whereas pulverized coal is used to meet the energy requirements of the process. Similarly, in a rotary kiln used for DRI production, feed coal (thermal) is used as a reducing agent, while fuel coal (thermal) is used to meet the energy requirements of the process. In addition, carbon is also used to drive the sintering process, produce power in captive power plants, and meet other

auxiliary energy needs. Carbon sourced from coal results in high emissions. Replacing it with natural gas significantly reduces emissions by almost half. Further, transitioning from carbon to hydrogen, which can also serve the same function, theoretically reduces the emissions to near zero. However, hydrogen today is largely grey hydrogen, having a significant carbon footprint of its own. Additionally, part of the energy requirement is met through electric power, with a higher percentage in the EAF and IF and a lower percentage in the BOF. Sourcing this energy from renewables rather than coal also leads to emission reduction. Further, switching from primary production of steel through iron ore to recycled steel-based production significantly reduces the use of carbon and thus, emissions.

The emission numbers for different steelmaking routes are given in the table below.

Process Route	CO ₂ emission intensity range (tCO ₂ e/tcs)
Coal-based DRI – IF	2.50 – 2.90
BF – BOF	2.20 – 2.60
Gas-based DRI – EAF	1.40 – 1.60
Scrap - EAF/IF	0.55 – 0.65

Data taken from Report on Greening the Steel Sector in India, Steel Ministry, Government of India, September 2024.

Green Steel Is Essential for Indian's Net Zero Goals

India's sustainability goals for Viksit Bharat are in place

2030

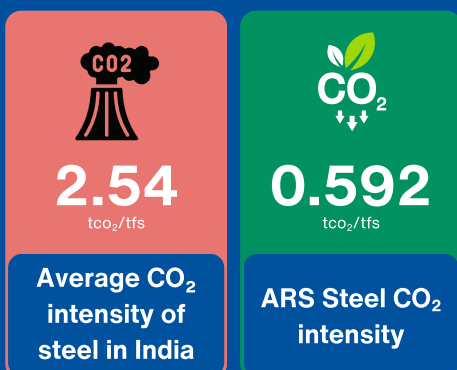
Panchamrit goal: 45% emissions reduction per GDP

2070

Net zero goal



The impact of this choice is enormous



Steel is central to India's growth trajectory

70%

India's future infrastructure is yet to be built.

8-10 billion

sq ft high-value real estate space in the next 5 years

40 MTPA

Rebar currently being produced

India has a choice: Green Steel or not

₹62000 Cr.

Savings in carbon offsets & tax*

78 million

tonnes of CO₂e

32 million

acres Plantation required to offset this amount of CO₂ emissions, almost equal to the size of Tamil Nadu**.



*Assumes EU ETS carbon price of EUR 80/tCO₂e

**Assumed 2.5 tCO₂e/acre offset potential

Green Steel will generate positive value for real estate players

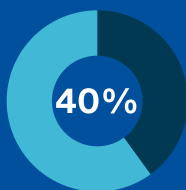
Embodied emissions crucial to sustainability in buildings

In the context of buildings, carbon emissions are of two types. One are the operational carbon emissions that arise from running lights, fans, air-conditioning, and other systems over the building's life. The other, and often overlooked, are embodied carbon emissions, which is the total carbon footprint locked into a building before use. It comes from the extraction of raw materials, manufacturing, transport, and the construction process itself.

Before Construction



All of these contribute to embodied carbon



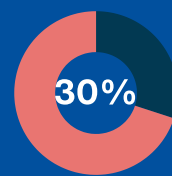
Share of buildings in India's total emissions



After Construction



All of these contribute to operational carbon



Share of steel in total embodied emissions



Share of embodied emissions in buildings i.e., from raw materials like steel, cement, etc.

Green Steel can help drive down CO₂ intensity

700 kg CO₂e/m²

Average embodied emissions of new buildings

▼ 125 kg CO₂e/m²

Reduction potential of Green Steel on the total embodied emissions of buildings

77% Lower emissions of ARS steel vs the India average

Low Carbon Steel: Net Zero Advantage with ARS

Sustainability with ARS Steels goes beyond the planet — it builds a legacy for future generations.



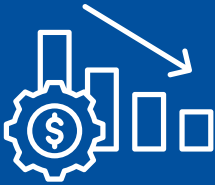
**PAN India No.1
Leader**



**Market
Differentiation**



Faster Approvals



**Lower Cost of
Capital**



**Premium Brand
Leadership**



Premium Rentals



**Higher Occupancy
Ratio**



Premium Price



**More Capital
Subsidy**

ESG PERFORMANCE

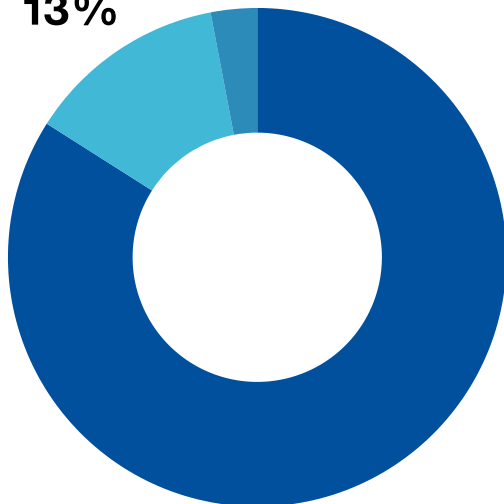
Our ESG performance reflects ARS Steels commitment to integrating sustainability into every aspect of operations. We focus on reducing our environmental footprint, fostering social responsibility, and upholding strong governance practices. Together, these efforts demonstrate how we are aligning business growth with long-term value creation for all stakeholders.

E.	Environmental	36-45
S.	Social	46-52
G.	Governance	53-55

GHG emissions

ARS has been steadfast in its resolve to produce high-quality green steel. For FY25, the GHG footprint is 0.51 tCO₂e per ton of finished steel. As given in the figure below, which shows the breakup of GHG emissions, among all types of emissions, scope 2 is the highest. This is because the majority of the energy requirement is for melting the input recycled mix in the induction furnace. Scope 2 emissions contribute to 84% of the total GHG emissions, followed by scope 3 (13%) and scope 1 (3%). With plans to employ about 80% of energy requirements for steelmaking from renewable sources, the emission figures will go down significantly and reach around 0.2 tCO₂e per ton of finished steel. The major contributors to scope 3 emissions are goods and services used as input, along with recycled steel in the IF, and fuels used for transportation of materials. Scope 1 emissions are mainly through carbon coming in different types of recycled steel. ARS has reduced its emission intensity by 23% from FY24.

Scope 3
13%

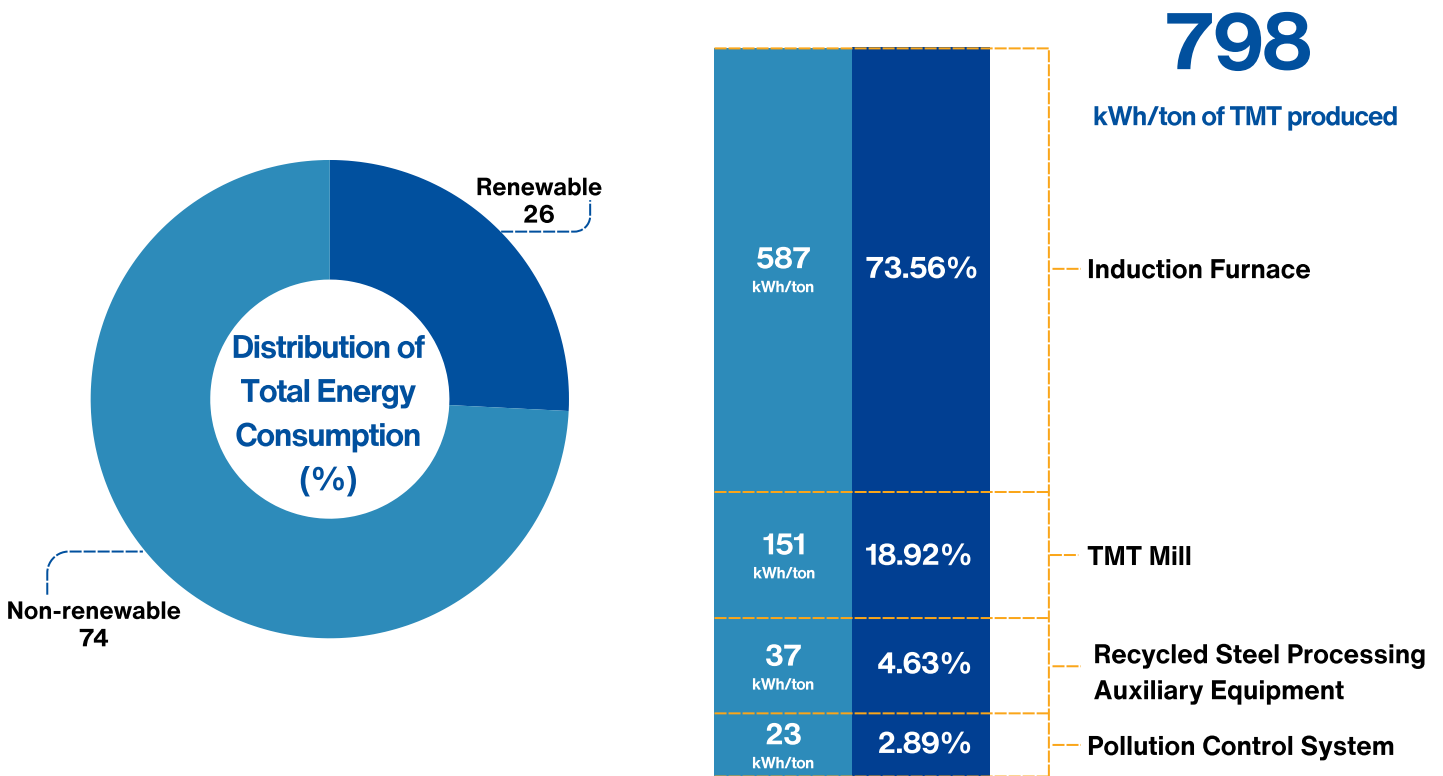


Scope 2
84%

GHG Emissions breakup for FY 25, where footprint is 0.51 tCO₂e/tfs (renewable electricity constitutes 26% of the energy mix)

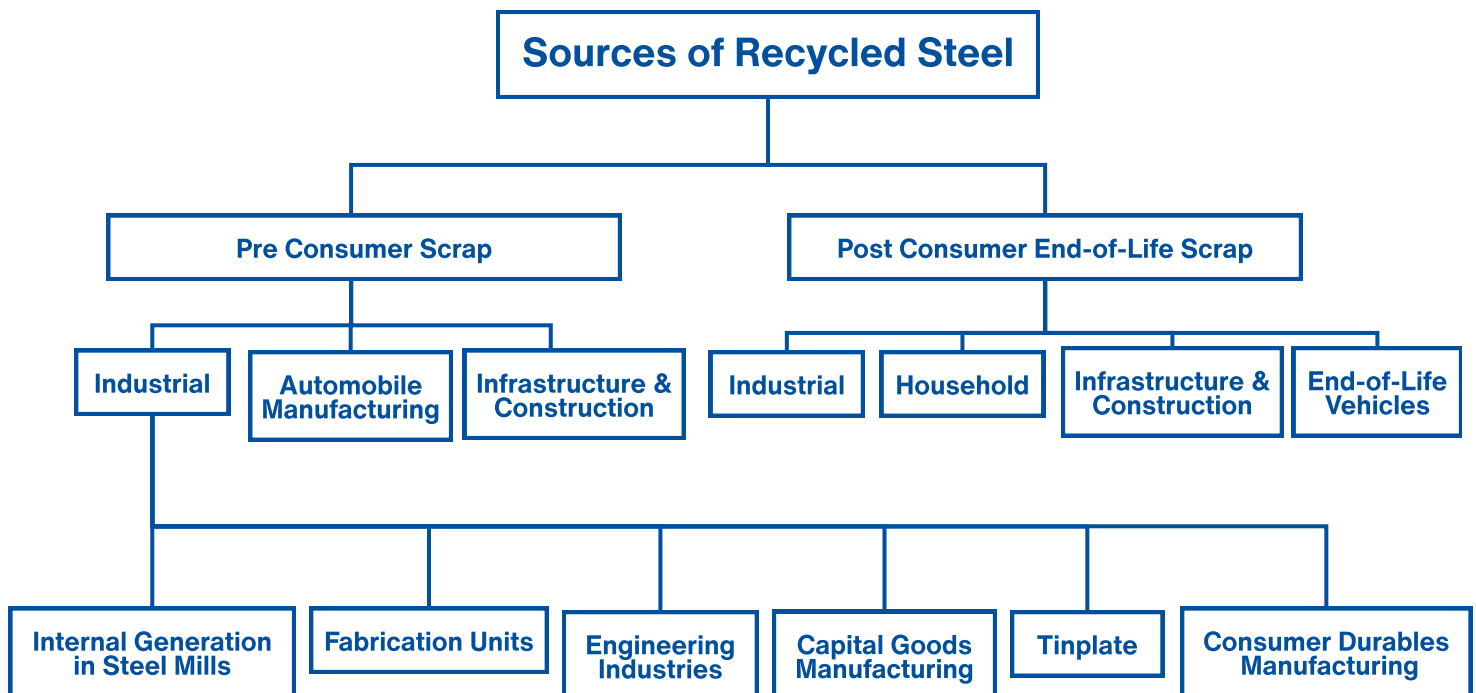
Renewable electricity

Shifting electricity production from thermal power plants to more sustainable alternatives like wind, geothermal, tidal, solar, etc., will enable the complete electrification of the steel industry and reduce demand on fossil fuels for energy. ARS already employs 26% energy from renewable sources, thus making its steel greener than others. It is planned to move this number to 80%, enabling further decarbonization of finished steel. Replacing nonrenewable fuels with greener ones can aid it further. The energy consumption details are provided in the figure below. At ARS Steels, we have best in class electricity consumption of 798 kWh/ton of TMT produced, out of which 738 kWh/ton is consumed in induction furnace and TMT mills while the remaining 60 kWh/ton is consumed in other auxiliary equipment, reflecting complete data transparency.



Circular Economy

At ARS Steels, 98% of the raw material that goes into making the products is premium-quality recycled steel of different grades. This enables continuous recycling of steel without loss of properties, extends the lifecycle of steel by converting end-of-life products back into high-quality raw material and reduces dependence on virgin raw materials, ensuring resource efficiency and cost competitiveness. This recycled steel, also referred to as mild steel (MS) scrap, is made of low-carbon steel, generally containing 0.05–0.25% carbon, which is well known for its ductility and malleability. While the word “scrap” may give the impression of a waste product, it is in fact a highly valuable raw material. Its inherent magnetism, which makes it very easy to separate and recycle, combined with its ability to be melted and reused without any loss of quality, has made it the most recycled material in the world. The recycled steel can be broadly classified into two types:



Pre Consumer Scrap

Generated during the manufacture and fabrication of steel products. Further classification is as follows:



Internal Generation in Steel Mills: Waste generated during production which is recycled internally. This is fresh prime steel in another form, with the same chemistry as the main product (more details in “waste” section)



Fabrication Units: During the fabrication of prime steel products such as plates, coils, HR sheets, beams, and channels, scrap is generated in the form of cuttings, punch-outs, trimmings, and off-cuts.



Engineering Industries: In CNC, lathe machining, and drilling operations, steel components are machined to precision sizes, producing turnings, borings, and chips as by-products.



Capital Goods Manufacturing: During the manufacturing stage of capital goods like cranes, machine frames, wagons, heavy equipment, tools, and engineering machinery, scrap is generated in the form of cuttings, punch-outs, stampings, and off-cuts.



Tinplate: During tinplate production and subsequent container and package manufacturing, off-cuts, misprints, and trimmings are generated as new tinplate scrap.



Consumer Durables Manufacturing: During the manufacturing of appliances like air conditioners, refrigerators, washing machines, and microwaves, companies use large quantities of cold-rolled coil (CRC) steel sheets, generating sheet cuttings, trimmings, and punchings as by-products.



Automobile Manufacturing: During car body production (doors, roofs, panels, bonnets), using CRC steel sheets, stamping and pressing operations generate scrap.



Infrastructure and Construction: Fabrication of beams, rebars, channels, and plates at infrastructure and construction sites generates waste in the form of cuttings, off-cuts, and leftovers.

Post Consumer End-of-Life Scrap

Steel that has reached the end of its useful life. These can be further classified as



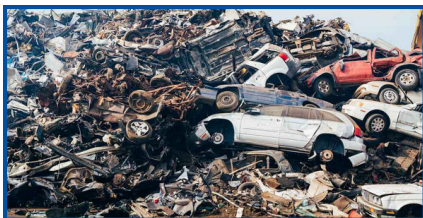
Industrial: When capital goods such as cranes, wagons, industrial machines, and industrial sheds etc. reach the end of their useful life, they are dismantled into smaller components.



Household: Everyday household items like steel chairs, tables, racks, almirahs, cots, cupboards, steel buckets, drums, utensils, storage containers, steel grills, iron doors, window frames, railings, gates, washing machines, refrigerators, ACs, microwaves, etc.



Infrastructure and Construction: When old buildings, bridges, factories, and industrial structures are demolished, reinforcement bars, beams, columns, and structural members are recovered as scrap.



End-of-life Vehicle: Structural parts (frames, axles, wheels, suspension parts) and body parts (doors, hoods, fenders) of vehicles like cars, buses, and trucks.

In addition to these, specialty raw materials like ferro alloys, sponge iron, etc., are added in very low quantities, primarily for quality control of the liquid steel melt.

PREMIUM INPUT GIVES PREMIUM OUTPUT!!

At ARS Steels, we use premium quality recycled steel inputs, e.g. CRC sheets and MS strips. The chemical composition of these materials is such that carbon, phosphorus, and sulphur in them are significantly lower than the prescribed IS 1786 limits for the same (shown below the TMT figure). Premium quality green steel TMT rebars manufactured by ARS Steels are in compliance with IS 1786 as well as IS 13920 standards.

CRC Sheets



0.054%

C

0.006%

P

0.01%

S

MS Strips



0.054%

C

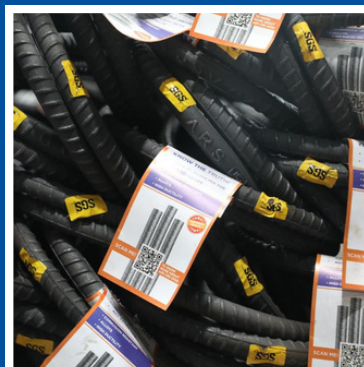
0.014%

P

0.016%

S**C** Carbon**P** Phosphorus**S** Sulphur

Green Steel TMT Rebars

**C**

<0.25%

P

<0.04%

S

<0.04%

Waste

At ARS Steels, we are committed to minimising waste through a combination of recycling, recovery, and responsible disposal practices. Most of the waste generated from our plant comes in the form of slag, metallic residues, and pollution control dust arising from the steelmaking process.

Here's how we are tackling different wastes:

- **Slag:** All slag generated during production of the steel melt made of different recycled steel is disposed of through approved contractors in line with Tamil Nadu Pollution Control Board (TNPCB) guidelines.
- **Metallic Wastes:** Miss rolls, end cuts of rolled products, and mill scale (flaky surfaces of hot-rolled products, containing iron oxide) are systematically collected and recycled back into the induction furnace for re-melting, ensuring zero loss of product value.
- **Pollution Control Dust:** A portion of recycled steel contains galvanized material with zinc coating. During induction furnace melting, zinc is recovered from exhaust gases as pollution control dust, with it constituting 50-60%. This dust is sold to authorized recyclers for conversion into zinc oxide, which is used in rubber, ceramics, paints, pharmaceuticals, cosmetics and animal nutrition. In FY25, 843.66 metric tons of pollution control dust was recovered and sold, demonstrating effective resource utilization.
- **Waste Oil:** Oil generated from machinery operations is recycled and reused in the cooling bed.
- **Domestic Waste:** Limited domestic waste is generated on-site and is sent to civic waste centers for disposal

Water

We have commissioned a 20 KLD Sewage Treatment Plant (STP) to treat domestic wastewater generated within the colony. The treated water is safely reused for plantation and gardening activities, supporting green belt development.

Water is a critical resource, and we are committed to ensuring its responsible and efficient use. Due to the nature of our induction-based steelmaking operations, our overall water intensity is minimal, and we follow a strict zero liquid discharge policy.

The major use of water is limited to billet cooling and circulation within the induction furnace. All fresh water requirements are met through the SIPCOT (State Industries Promotion Corporation of Tamil Nadu) supply line. While two borewells are

available on-site, they are seldomly used to ensure responsible sourcing.

Water used in the steelmaking process is collected in a recirculation system, ensuring it is continuously recycled back into operations and minimizing the need for fresh water withdrawals.

Through these initiatives, ARS Steels ensures that no untreated wastewater is discharged into the environment, and water resources are managed responsibly in line with our sustainability commitments.

Air Emissions

At ARS, the major air emissions come from the induction furnace. They contain minimal SO_x and NO_x as the input raw materials rarely contain sulphur or nitrogen.

Parameter	Unit	Value	Max. Permissible Value as per NAAQMS, 2009
PM10	µg/m ³	54.9	100
PM2.5	µg/m ³	24.7	60
SO _x	µg/m ³	9.9	80
NO _x	µg/m ³	20.9	80
Ammonia	µg/m ³	6.7	400
Ozone	µg/m ³	5.2	180
CO	mg/m ³	Below detection limit	4

Social

Health and well-being of society and employees

At ARS Steels, we believe that the true strength of our company lies not only in the steel we produce but also in the positive impact we create for people and communities. Our social responsibility programs are designed around four key themes: healthcare, education, sports, and employee welfare, reflecting our commitment to inclusive and sustainable growth.

In FY25, our CSR spend exceeded ₹0.4 Cr, representing a 6% increase over the mandated 2% of profits. Our contributions spanned across Tamil Nadu, Delhi, Hyderabad, Mumbai, and even extended to the Northeast, reflecting the wide reach of our social responsibility.

Healthcare

Healthcare remains one of our top CSR priorities. We supported the **Rajiv Gandhi Government General Hospital, Chennai**, by providing an electric vehicle for patient transport, emergency response, and delivery of medical supplies within the campus, improving comfort, efficiency, and safety. In Tirunelveli, we contributed to the construction of a building at **Nellai Cancer Hospital**, enabling comprehensive, affordable, and holistic cancer care for patients across the Tirunelveli, Tenkasi, Tuticorin, and Kanyakumari districts. Locally, in Gummidipoondi, we have partnered with Kauvery Hospital for regular free medical check-ups and blood donation drives for employees and their families.



Electric Vehicle for patient transport at **Nellai Cancer Hospital, Tirunelveli**

Diversity & Inclusion

We are committed to building an inclusive workforce. **Women currently represent 14% of our total workforce**, receiving over **8% of gross wages**, which is significantly higher than the industry norm. We continue to increase the representation of women, especially in technical and leadership roles. We also reshape facilities and policies to include minority groups and ensure equal opportunities. We are also spreading our talent pool by recruiting **marketing development executives (MDEs)** across various Tier 2 cities in India.

In FY25, our **CSR spend exceeded ₹0.4 Cr**, representing a **6% increase over the mandated 2% of profits**. Our contributions spanned across Tamil Nadu, Delhi, Hyderabad, Mumbai, and even extended to the Northeast, reflecting the wide reach of our social responsibility.

Employee Welfare

Our employees' well-being is central to our values. We provide **group medical insurance, accidental insurance, life insurance, and loan schemes** for employees and their families. Leadership training programs and curated internal learning opportunities help employees grow, while high-performing employees are rewarded with advancement opportunities.

Education & Skills

We are committed to strengthening education both within and beyond our organization. In Chennai, we contributed to **Loyola College** for the renovation of infrastructure that supports the holistic development of students. In Gummidipoondi, we supported **R.M.K. Matriculation School**, and across India, we have contributed to educational trusts, including in **Guwahati**. We also regularly support **Saksham Bharti and Saksham Shiksha Samiti** in New Delhi, dedicated to youth education and skill development. For our employees, we provide scholarships for meritorious children, including a special **₹50,000 cash prize for top performers in 10th standard exams**.



Loyola College

Sports Development

We recognize sports as a powerful avenue for empowerment. We have supported the **Deaf Enabled Foundation, Hyderabad**, by sponsoring interstate cricket tournaments for deaf children. We have also supported the **Olympic Gold Quest, Mumbai**, to nurture Indian talent and help athletes prepare for international competitions. OGQ is a program of foundation for **promotion of sports and games**. OGQ is a 'Not for Profit' Section 8 organisation founded by India's sporting legends - Geet Sethi, multiple-time world billiards champion and Prakash Padukone, legendary badminton player and former World No. 1 - to bridge the gap between the best athletes in India and the best athletes in the world.

ARS Steels has been a proud supporter of OGQ since 2017-18. We have extended consistent CSR support towards the training and development of Indian athletes and para-athletes. With a generous cumulative contribution of ₹ 65,00,000 till date, the company has played a significant role in enabling India's Olympic and Paralympic athletes to achieve excellence and bring glory to the nation. As part of its commitment to social responsibility, ARS Steels supported OGQ through two half-yearly CSR contributions of ₹5,00,000 each, aggregating to a total contribution of ₹10,00,000 during FY 2024-25.



Mr Ashwani Kumar Bhatia, MD & CEO, ARS Group of Companies with OGQ Founder Mr Geet Sethi and OGQ Director Mr Viswanathan Anand at an OGQ event in Chennai



Mr Ashwani Kumar Bhatia being felicitated by Mr Viren Rasquinha, MD & CEO, OGQ and Ms Neha Aggarwal, Chief Partnerships Officer, OGQ at ARS office in Chennai



Mr Ashwani Kumar Bhatia being felicitated by Mr Viren Rasquinha, MD & CEO, OGQ at ARS office in Chennai



Mr Ashwani Kumar Bhatia felicitating OGQ supported shooter Heena Sidhu at an OGQ event in Mumbai

Employee Welfare

Monthly birthday celebrations were conducted to create a joyful and engaging environment for all employees. Team members gathered to celebrate the birthdays of colleagues who had their birthdays in the respective month. A short cake-cutting ceremony was organised, followed by group photos and light refreshments. These events helped strengthen team bonding, encouraged positive interactions across departments, and contributed to a cheerful workplace culture. Everyone participated enthusiastically, making the celebration memorable and vibrant.



Birthday celebrations at ARS Steels

As part of our employee engagement initiative, a Cross-Functional Team (CFT) game session was conducted to enhance collaboration between departments. Employees were grouped into cross-functional teams to solve tasks, complete challenges, and participate in fun interactive activities. The game encouraged teamwork, communication, problem-solving, and creativity. It helped employees understand each other's roles and build rapport beyond their regular work interactions. The activity concluded with appreciation for the winning teams and motivational takeaways on working together for organizational success.



Cross functional Team games

The organization celebrated International Women's Day to honour and appreciate the contributions of women employees across all departments. The event focused on recognizing their dedication, strength, and commitment to the company's growth. The celebration included an inaugural welcome, motivational messages from leadership, and engaging activities designed to inspire confidence and collaboration. Fun games, team-building exercises, and appreciation moments added energy to the event.



Women's Day Celebrations

The Rewards & Recognition (R&R) Program was organized to acknowledge and celebrate employees who have demonstrated exceptional performance, commitment, and alignment with organizational goals. The program serves as a platform to highlight achievements, appreciate consistent efforts, and motivate teams to continue delivering high-quality results.



Rewards and Recognition Program

The organization conducted its Sports Day event featuring a mix of outdoor and indoor games to promote teamwork, fitness, and healthy competition among employees. The event included four major activities: cricket, football, carrom, and chess, ensuring participation from employees with diverse interests and skillsets. The event concluded with a prize distribution ceremony for the winners.

and outstanding performers. The Sports Day successfully strengthened inter-departmental relationships, encouraged employee well-being, and created a memorable atmosphere of unity and fun within the workplace.



Sports Day Celebrations

A comprehensive Fire Safety Training session was conducted in the office to enhance awareness, preparedness, and response capabilities among employees. The session covered essential topics, including types of fires, use of fire extinguishers, emergency evacuation procedures, assembly points, and basic first response actions. Employees were given hands-on demonstrations on operating different types of fire extinguishers and were trained on how to react calmly and efficiently during fire-related emergencies. This training aimed to strengthen overall workplace safety, ensure compliance with fire

safety standards, and empower employees to respond effectively in the event of an emergency. Active participation from all team members made the session highly interactive and informative.



Fire Training Program

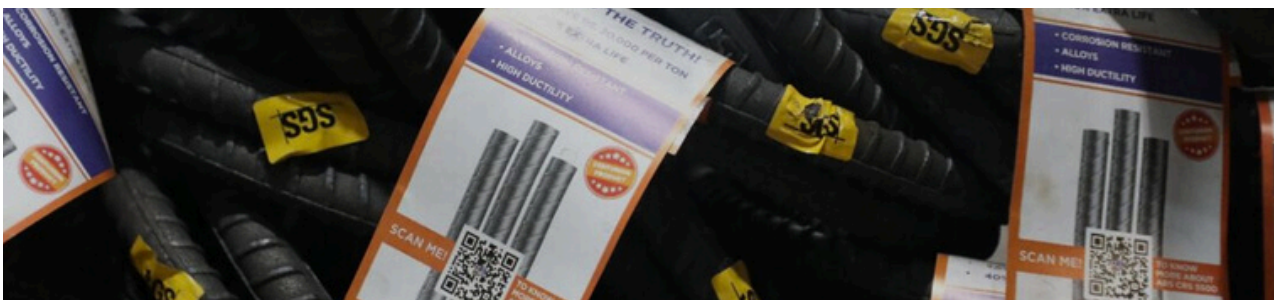
A structured First-Time Managers Training program was conducted to equip newly promoted managers with the essential skills, mindset, and tools required to lead teams effectively. The session focused on helping participants transition smoothly from individual contributors to people managers.

Transparency

At ARS Steels, transparency is not an add-on but the very foundation of our governance philosophy. Our guiding belief, “Know the truth!” reflects our commitment to openness, accountability, and trust with all stakeholders.

We recognize that our products are at the core of this trust, and it is our responsibility to deliver them while meeting the highest standards of quality and integrity. To achieve this, we have partnered with SGS, a leading Swiss multinational specializing in testing, inspection, and certification, to conduct on-site verification of our TMT bars. These tests, which focus particularly on strength-related properties, provide third-party assurance of quality.

In addition, product chemistry is verified at the billet stage itself; billets are cast only after the steel melt in the induction furnace meets the required specifications. To reinforce confidence further, we have adopted a digital traceability system: every TMT bar is tagged with a sticker containing a QR code, which, when scanned, provides customers and stakeholders with complete information about the properties of that specific bar.



R&D Focus

We collaborate with leading institutions and experts to advance our product performance. Notably, we have partnered with IIT Madras, one of India's premier engineering institutes under the Ministry of Education, Government of India, to evaluate the performance of our Fe 550D and Fe 550D CRS bars and to conduct a life cycle assessment (LCA) of our Gummidipoondi steel plant.

At ARS Steels, we believe that continuous innovation is essential to delivering top-quality products, strengthening customer trust, and driving the transition towards sustainable steelmaking. Our R&D efforts aim to meet market demands and anticipate future needs in construction and infrastructure.

Looking ahead, we are exploring the addition of higher-strength grades of TMT, such as Fe 650D, to meet evolving customer and infrastructure requirements. We are working with renowned consultants to evaluate demand potential and performance expectations, after which we plan to move into production. This will allow us to deliver more durable and efficient solutions for modern construction.

We have invested in mobile tech vans equipped with advanced German make spectrometers which are capable of analysing 32 elements. These enable us to test rebar chemistry directly at customer sites, thus enhancing customer awareness and trust. We offer this service free of cost.



Local Sourcing & Supplies Management

98% of our TMT bars are produced using recycled steel, of which 73% is procured locally within India

Our suppliers and vendors are integral to our sustainability journey, ensuring a consistent and reliable supply of raw materials. 73% of this comes from suppliers based in Chennai. Additionally, our spares and consumables are procured from Hyderabad, Raipur, and Jaipur. The remaining 27% is sourced internationally to ensure balanced availability. We also procure nearly 100% of our silicomanganese requirements, an essential alloy in steelmaking, from local MSMEs, thereby contributing to the growth of smaller enterprises and reinforcing our support for India's domestic industrial ecosystem.

A trusted network of logistics partners supports this supply chain, handling both domestic and international shipments and

ensuring the timely delivery of materials to our Gummidipoondi facility. Importantly, ARS follows a practice of settling payments within 7-10 days of delivery, strengthening vendor relationships, building long-term trust, and ensuring supplier retention.

Through these practices, we demonstrate our commitment to responsible sourcing, supplier inclusion, and equitable partnerships, all of which form the foundation of a resilient and sustainable supply chain.

Through our R&D initiatives, we continue to advance quality, sustainability, and innovation, strengthening our position as India's trusted green steel producer.

SUSTAINABILITY STRATEGY AND ROADMAP

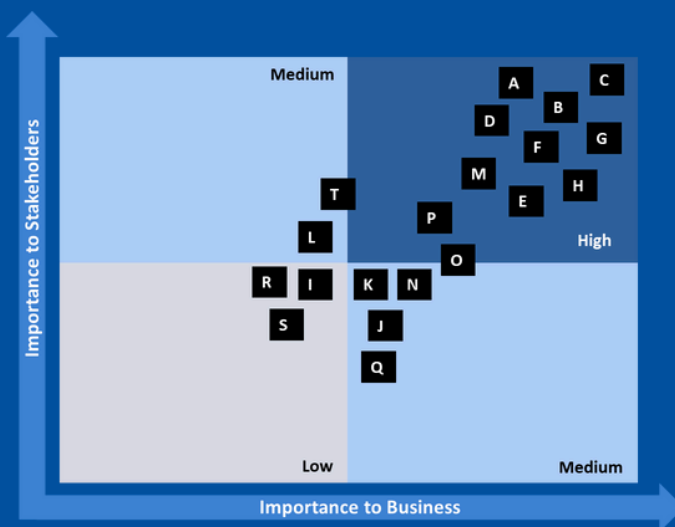
Materiality assessment process and results	57
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Materiality assessment process and results

We conducted a materiality assessment to identify and determine the importance of various risks associated with our company and its stakeholders. A total of 20 topics were shortlisted across ESG domains and evaluated for their relevance to both the business and stakeholders.

The process combined qualitative and quantitative inputs, including surveys and direct engagement with internal and external stakeholders. These inputs helped us to understand key areas critical for business and which are of highest concern to our stakeholders.

The results of this exercise were used to develop a materiality matrix, which maps the identified material topics according to their relative importance to the company and its stakeholders. This matrix now serves as the foundation for our sustainability strategy and reporting priorities.



Environmental	
A	Designing green products with minimal lifecycle impact
B	Efficient energy usage
C	Reduce GHG emissions
D	Air quality management
E	Climate change risk & opportunity assessment
F	Waste management
G	Water management
H	Protection & promotion of biodiversity
Social	
I	Fairness in compensation & employee benefits
J	Talent recruitment & workforce upskilling
K	Sensitivity to human rights
L	Employee diversity
M	Occupational safety & health
N	Social participation & neighbourhood development
Governance	
O	Alignment with best corporate governance practices
P	Complete compliance with all applicable laws
Q	Proactive risk identification & management practices
R	Information system security management and Personal data protection
S	Research, Development, and Innovation
T	Supplier engagement

ESG vision and mission

At the heart of our ESG vision is the aspiration to be a leader in responsible steel production, driving progress toward a low-carbon, circular economy while creating shared value for our stakeholders. We envision a future where our steelmaking processes are efficient, innovative, and aligned with the highest standards of environmental stewardship, social responsibility, and governance. Our mission is to set new benchmarks for the industry, contribute meaningfully to climate action, resource efficiency, and inclusive growth, and ensure that our journey towards sustainability remains accountable and transparent.

Environmental

Our vision for the environment is to decarbonise production by utilizing breakthrough technologies, increasing the use of renewable energy, and integrating circular economy practices. We are committed to reducing our ecological footprint by cutting greenhouse gas emissions, maximizing resource recovery, moving towards zero waste wherever feasible, and minimizing water consumption through recycling and reuse. Our steelmaking operations are guided by science-based targets and aligned with global frameworks such as the Paris Agreement and India's net-zero commitments. We aim to be Net Zero by 2028.

Social

At ARS Steels, we are dedicated to fostering a culture of safety, diversity, equity, and inclusion. We seek to empower our workforce through continuous learning, well-being initiatives, and fair employment practices, while actively engaging communities to support socio-economic development. Our ESG vision recognizes that a sustainable business uplifts people from employees and supply chain partners to the communities where we operate. The safety and well-being of our employees and workers remain paramount, and we continue to strengthen workplace conditions to ensure their health and security.

Governance

Committed to the highest standards of ethics, integrity, and transparency, our ESG vision includes building resilient governance structures that embed accountability for sustainability performance at every level of the organization. Through proactive risk management, active stakeholder engagement, and responsible supply chain practices, we strive to strengthen trust and deliver long-term value while contributing to the global transition to a sustainable future.

Strategic Pillars

Decarbonization

Greenhouse gas (GHG) emissions are one of the most important indicators of sustainable operations in any industry. With climate change and global warming posing profound global risks, decarbonization is no longer optional but an urgent necessity. As the steel sector contributes nearly **8% of global industrial emissions (11% in India)**, the industry has a critical role to play in achieving climate goals. At ARS Steels, we are proud to be recognized as India's first green steel supplier, delivering low-carbon, high-quality steel to customers across the construction sector. Our decarbonization strategy focuses on reducing emissions across Scope 1, 2, and 3 through renewable energy adoption, process innovation, and supply chain engagement.

A key contributor to emissions reduction has been the increasing usage of electricity **from renewable sources for production operations**. Due to our operations, electricity represents the majority of our energy input and therefore a major share of our Scope 2 emissions. Transitioning to renewable electricity continues to significantly lower our footprint.

Scope 1 emissions from our operations are already minimal, primarily linked to carbon carried in recycled steel and limited fossil fuel use in processes outside the induction furnace.

To reduce Scope 3 emissions, we are working closely with stakeholders across our supply chain to encourage and adopt sustainable practices. By supporting partners in lowering their own carbon footprints, we aim to ensure the supply of greener raw materials into our operations. On the logistics front, we are evaluating a transition to electric vehicles powered by renewable energy, as well as other green and alternative fuels, to further reduce indirect emissions.

All of these efforts are reinforced by our real-time CO₂ monitoring system, enabled through an online platform developed by **Sentra.world Technologies Pvt. Ltd.**

Social Responsibility

Our workforce is our greatest asset, and their health, safety, and well-being remain our top priority. We are committed to building and nurturing a “zero-harm” culture, supported by rigorous safety protocols, regular audits, and real-time monitoring of workplace conditions. Unsafe practices are addressed firmly, while positive safety behavior is recognized and rewarded. We are leveraging technology and AI-based systems to identify potential hazards, track safety performance, and continuously strengthen workplace safety. Looking ahead, we plan to expand employee support through mental health services, wellness initiatives, and a 24x7 helpline.

We believe that a truly sustainable business is inclusive and equitable. Our diversity, equity, and inclusion (DEI) efforts are aimed at ensuring fair opportunities for all, regardless of gender, physical ability, or background. We are especially focused on empowering women by increasing their representation in technical and leadership roles, while also promoting inclusive hiring practices and unconscious bias training across managerial levels. Facilities and policies are being reshaped to support the inclusion of physically challenged individuals and minority groups, ensuring equal access and participation.

A future-ready workforce requires continuous learning. We are implementing upskilling and reskilling programs for employees at all levels, with emphasis on digitalization, green technologies, safety, and leadership. Apprenticeship and training partnerships with educational institutions will help foster the next generation of steelworkers. These training outcomes will be directly linked to career progression, strengthening both talent retention and talent acquisition.

Beyond the workplace, we are committed to contributing to **community and socio-economic development** through our Corporate Social Responsibility (CSR) initiatives. Our focus areas include **infrastructure, healthcare, and education** and with special emphasis on promoting **STEM education and technical skill development**. We also aim to build **supplier diversity programs** to support small, local, and minority-owned businesses, further aligning with the national vision of ***Atmanirbhar Bharat***.

Governance

As proud manufacturers of India's first green steel TMT rebars, we are committed to embedding sustainability not only in our operations but also in our governance framework. Our ESG strategy is designed to drive long-term value creation for stakeholders and ensure that sustainability is central to decision-making at every level.

To strengthen accountability, we are working towards establishing an ESG committee at the board level to regularly review sustainability targets and monitor progress. The board should also ensure that ethics and integrity are not just compliance but a vital part of the company's identity. This will come from establishing robust policies related to anti-corruption, anti-bribery, and whistleblowing. Employees will be trained on these policies, and transparent reporting systems will be maintained to ensure that grievances are addressed promptly. Employees would be trained regularly, and reporting systems must be in place, with complaints being reviewed and acted upon regularly by appropriate committees. Suppliers and customers will also have channels to raise concerns and expect timely action.

We recognize that transparent reporting builds stakeholder trust. To this end, we already engage third parties for assurance of ESG data and commit to publishing verified sustainability reports aligned with global frameworks. Our approach to transparency extends to all areas of operation, including disclosures related to transactions, lobbying activities, and political contributions where applicable. In parallel, we are enhancing governance over cybersecurity and data privacy, with oversight mechanisms to review and update policies in line with national and international standards.

Innovation and research are also central to our governance approach. With rising demand for sustainable steel, we see R&D as a key driver of both operational efficiency and green transformation. We plan to collaborate with educational institutions and technology providers to explore new product development, green steelmaking technologies, and process improvements. These collaborations will not only strengthen our technological leadership but also create opportunities for new business lines. Customers and suppliers will be engaged as partners in this journey, fostering an ecosystem of innovation.

Stakeholder Satisfaction

With over 30 years of experience in the construction industry and having worked with multiple manufacturers, we can confidently say that ARS steels stand out for their excellent quality. ARS corrosion-resistant TMT rebars can be used across varied site conditions without concern. When we explain these benefits to our customers, they clearly understand the value proposition and express a strong preference for ARS steels. Their TMT rebars come at a reasonable price, providing customers with peace of mind and confidence in their investment.

Mr. K. Balan, BNS Constructions

I have been supplying MS scrap to ARS steels for many years during which I have developed a great relationship with this company. On supplying the raw materials to them, I receive all details automatically without any need to follow up. Reports are sent correctly. And accounts are maintained flawlessly. I am very satisfied with ARS steels and wish to keep our business going for many years to come.

Mr. Peer Mohammed, New Royal Traders

We have been supplying quality scrap to ARS at reasonable prices for quite some time now and till date, we have never faced any issues from the team related to supply and payments. We particularly appreciate on-time performance of our supply trucks which is due to quick unloading of scrap at their premises. Payments are processed promptly and made as per the committed timelines. ARS have been our trusted customers for long and we hope to continue our fruitful business with them for years to come.

Mr. Pradeep, Vinayaga Steels

M/s. ARS Steels and Alloy International Private Limited have been providing excellent service for the past 10 years. They have good timely documentation and highly efficient service coordination, and they make sure all payments are done in time. Our supply is smooth due to their great truck handling services at their premises. Vehicle availability is never compromised. We hope to have their support and services for the future as well.

Mr. Ramachandran, Sri Kalikambal Shipping

Stakeholder Satisfaction

About five years ago, we began our association with ARS Steels, starting with an initial volume of 50 tonnes. Today, our monthly volumes have grown significantly, and we handle approximately 500–600 tonnes of ARS TMT rebars. This growth has been supported by the proactive efforts of the ARS team, including effective marketing initiatives and strong on-ground support. Their technical team visits project sites to physically and chemically test TMT rebars, ensuring consistent product performance. Overall, ARS Steels has been a reliable partner, enabling sustainable growth for dealers and confidence for end customers.

Mr. A. Sundhar, Om Sakthi Steels

I wish to express my sincere gratitude for the excellent logistics services provided by ARS Steels and Alloy International Private Limited. Their professionalism, reliability and consistent support are greatly valued. We also deeply appreciate their punctuality in payments, which reflects their commitment, integrity and respect towards business partnerships. Such practices strengthen mutual trust and encourage long-term collaboration. We look forward to maintaining and growing this positive association. We thank them for their continued cooperation.

P. S. Anandan, AKS Transport

We have been associated with ARS Steels for the past 7–8 years, currently handling a business volume of approximately 150–200 tonnes of steel. We serve more than 10,000 satisfied customers, and consistent quality and service support from ARS have played a key role in building this trust. In addition to quality assurance, the ARS team actively supports business growth by helping bring new customers to us while also conducting regular engagement programmes such as monthly mason meetings and engineers' meetings, which strengthen relationships across the construction ecosystem.

Mr. Kannan, Sivasakthi Traders

ARS Steels are one of the most disciplined companies that I have come across. They have a zero-tolerance policy towards scrap quality, which enables them to produce steel TMT rebars that are the best-in-class when it comes to quality. They have always maintained their stand on requesting low impurity high-quality scrap while being not too rigid on pricing. Their professionalism extends to other aspects of their business as well, with on-time deliveries and payments signifying the same. It is a pleasure doing business with them and we hope to continue this relationship for long.

Mr. Sudhir Balchandani, Amkay Metals

Annexure - I

BRSR CORE REPORT

Attribute 1- Greenhouse gas (GHG) footprint

Parameter	Unit	Value
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	2468
Total Scope 2 emissions (Break-up of the GHG (CO ₂ e) into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	75617
GHG Emission Intensity (Scope 1+2)	tCO ₂ e / INR Cr	84.04
	tCO ₂ e / ton	0.44
	tCO ₂ e / INR Cr (adjusted for PPP)	84.04 (entire revenue is in INR)
Total Scope 3 emissions*	tCO ₂ e	12115

*not mandated by BRSR core

Attribute 2- Water Footprint

Parameter	Unit	Value
Water consumption (in kilolitres)		
Water withdrawal by source		
(i) Surface water	kL	0
(ii) Groundwater	kL	0
(iii) Third party water	kL	9676
(iv) Seawater / desalinated water	kL	0
(v) Others	kL	0
Total volume of water consumption	kL	9676
Water intensity per rupee of turnover	kL / INR Cr	10.41
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	kL / INR Cr	10.41 (entire revenue is in INR)
Water intensity in terms of physical output	L / ton	53.75

Attribute 2 -Water Footprint

Parameter	Unit	Value
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		0
- No treatment	kL	0
- With treatment – please specify level of treatment	kL	0
(ii) To Groundwater		0
- No treatment	kL	0
- With treatment – please specify level of treatment	kL	0
(iii) To Seawater		0
- No treatment	kL	0
- With treatment – please specify level of treatment	kL	0
(iv) Sent to third parties		0
- No treatment	kL	0
- With treatment – please specify level of treatment	kL	0
(v) Others		0
- No treatment	kL	0
- With treatment – please specify level of treatment	kL	0
Total water discharged (in kilolitres)	kL	0

Attribute 3- Energy footprint

Parameter	Unit	Value
From renewable sources		
Total electricity consumption (A)	GJ	1,31,393.88
Total fuel consumption (B)	GJ	0
Energy Consumption through other sources (C)	GJ	0
Total energy consumed from renewable sources (A+B+C)	GJ	1,31,393.88
From non-renewable sources		
Total electricity consumption (D)	GJ	3,72,843.72
Total fuel consumption (E)	GJ	6,587.47
Energy Consumption through other sources (F)	GJ	0
Total energy consumed from non-renewable sources (D+E+F)	GJ	3,79,431.19
Total energy consumed (A+B+C+D+E+F)	GJ	5,10,825.07
% of Energy Consumed from Renewable Sources	%	25.72
Energy intensity per rupee of turnover	GJ / INR Cr	549.80
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	GJ / INR Cr	549.80 (entire revenue is in INR)
Energy intensity in terms of physical output	GJ / ton	2.84

Attribute 4- Embracing circularity - details related to waste management by the entity

Parameter	Unit	Value
Total Waste generated		
Plastic waste (A)	ton	N/A
E-waste (B)	ton	N/A
Bio-medical waste (C)	ton	N/A
Construction and demolition waste (D)	ton	N/A
Battery waste (E)	ton	N/A
Radioactive waste (F)	ton	N/A
Other Hazardous waste. Please specify, if any. (G)	ton	N/A
Other Non-hazardous waste generated. Please specify, if any. (H)	ton	N/A
(Break-up by composition i.e. by materials relevant to the sector)	ton	N/A
Total (A+B + C + D + E + F + G + H)	ton	N/A
Waste intensity per rupee of turnover	ton / INR Cr	N/A
		N/A
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	Total waste generated / Revenue from operation adjusted for PPP	N/A
Waste intensity in terms of physical output	ton / ton	N/A

Attribute 4- Embracing circularity - details related to waste management by the entity

Parameter	Unit	Value
Total waste recovered through recycling, re-using or other recovery options		
(i) Recycled	ton	N/A
(ii) Re-used	ton	N/A
(iii) Other recovery operations	ton	N/A
Total	ton	
Total waste disposed by nature of disposal method (in metric tonnes)		
(i) Incineration	ton	N/A
(ii) Landfilling	ton	N/A
(iii) Other disposal operations	ton	N/A
Total	ton	

Attribute 5- Enhancing Employee Wellbeing and Safety

Employee well-being measures:

Parameter	Unit	Value
Spending on employee welfare measures as % of total revenue	%	0.08%

Worker well-being measures (both on roll & off-roll):

Parameter	Unit	Value
Spending on worker welfare measures as % of total revenue	%	0.02%

Safety related incidents:

Parameter	Category	Value
Number of permanent disabilities	Employees	1
	Workers	0
Lost-time injury frequency rate (per one million-person hours)	Employees	Nil
	Workers	120
No. of fatalities	Employees	0
	Workers	1

Attribute 6 – Enabling Gender Diversity in Business

Parameter	Unit	Value
Gross wages paid to females as % of wages paid	%	8.00%
Total complaints received by POSH committee	#	0
Complaints on POSH as % of female workers	%	0

Attribute 7 – Enabling Inclusive Development

Parameter	Unit	Value
Percentage of input materials directly sourced from MSMEs/ small producers within India	% of total procurement cost	60%
Job creation in smaller towns - Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost	% of total wage cost	35%

Attribute 8– Fairness in Engaging with Customers and Suppliers

Parameter	Unit	Value
Instances involving loss / breach of customer data	#	0
Total data breaches or cybersecurity incidents	#	0
% cybersecurity incidents where customer data was breached	%	N/A
Number of days of accounts payables	No. of days	7

Attribute 9– Open-ness of Business

Parameter	Metrics	Value
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0%
	b. Number of trading houses where purchases are made from	0%
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0%
Concentration of sales	a. Sales to dealers /distributors as % of total sales	96.13%
	b. Number of dealers / distributors to whom sales are made	434
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	40.78 %
Share of related party transactions (RPTs) in	a. Purchases (Purchases with related parties /Total Purchases)	Nil
	b. Sales (Sales to related parties / Total Sales)	Nil
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances	Nil
	d. Investments (Investments in related parties / Total Investments made)	Nil

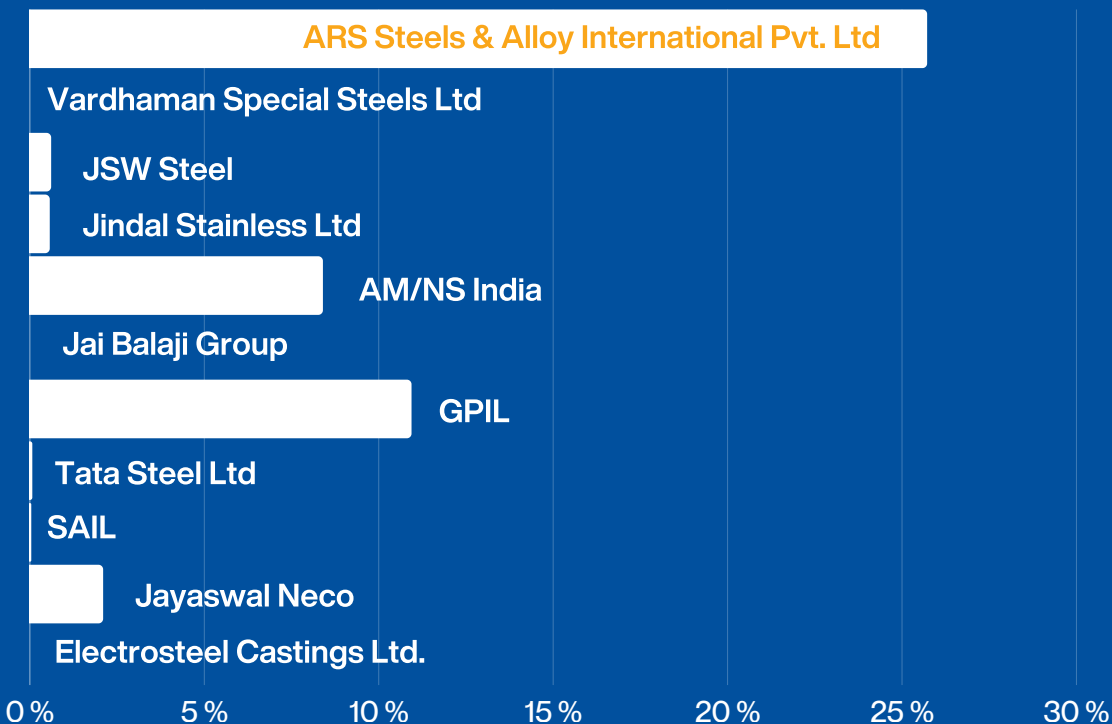
Annexure - II

BRSR CORE METRIC COMPARISON

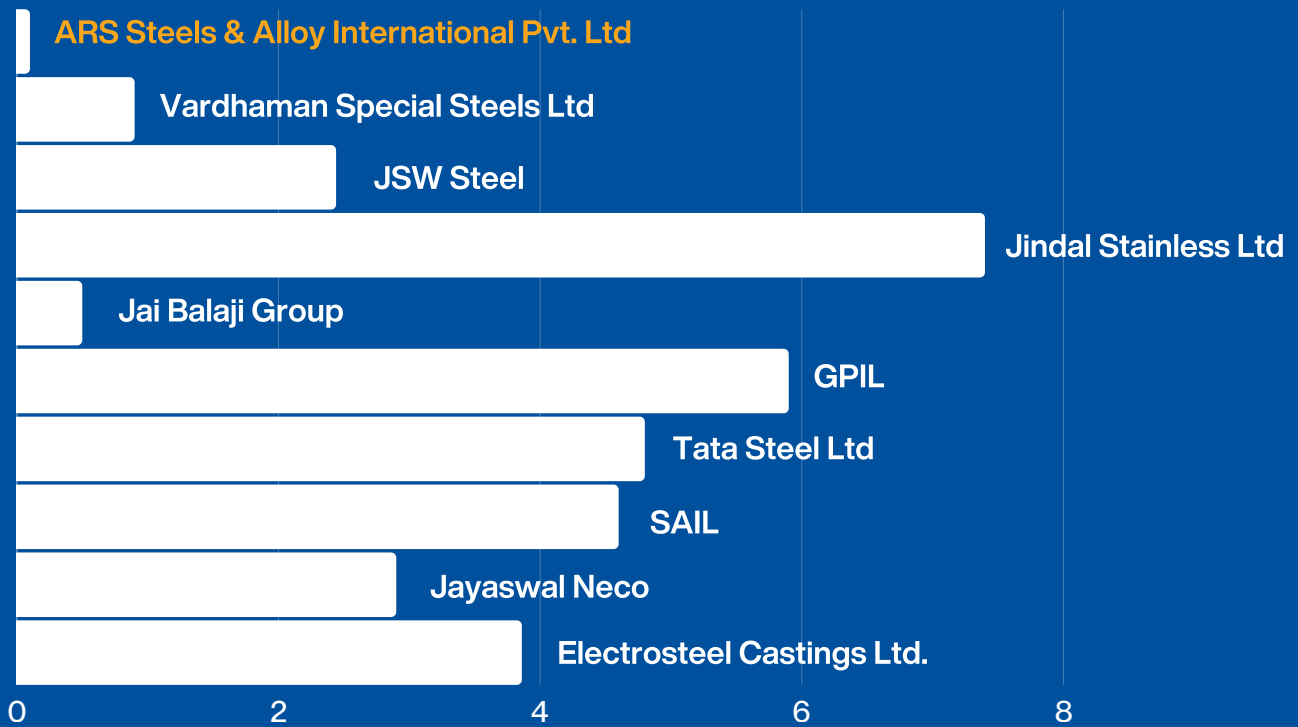
Emission Intensity (Scope 1 + 2) (tCO₂e/t)



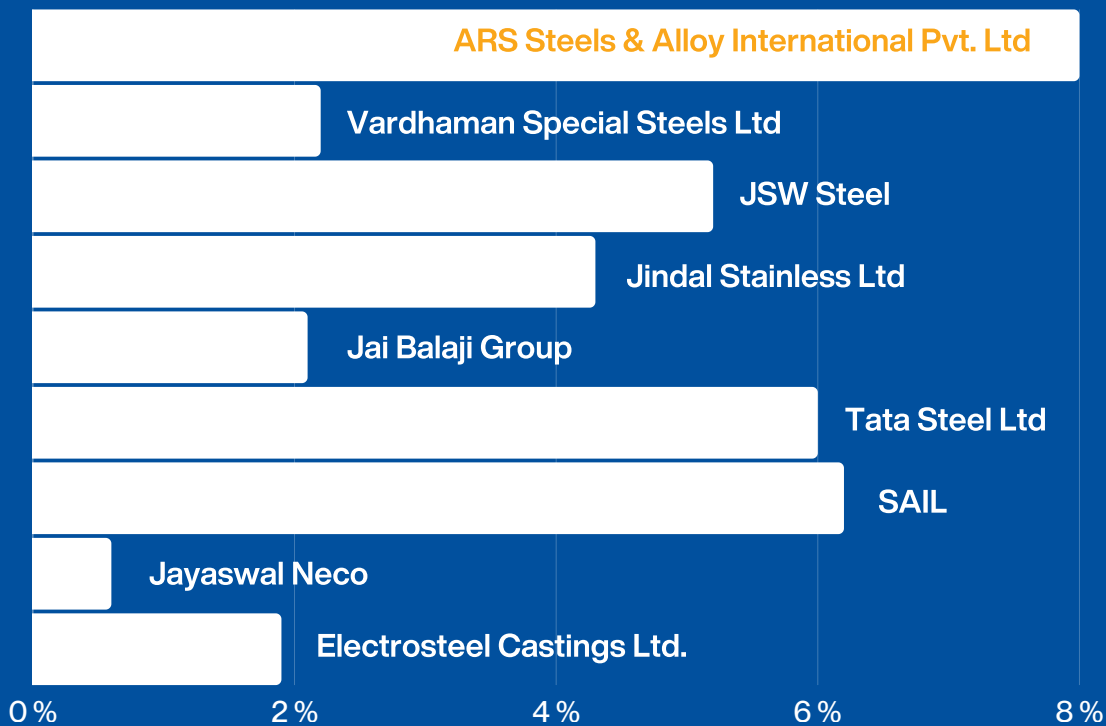
% of Renewable Energy in Total Energy



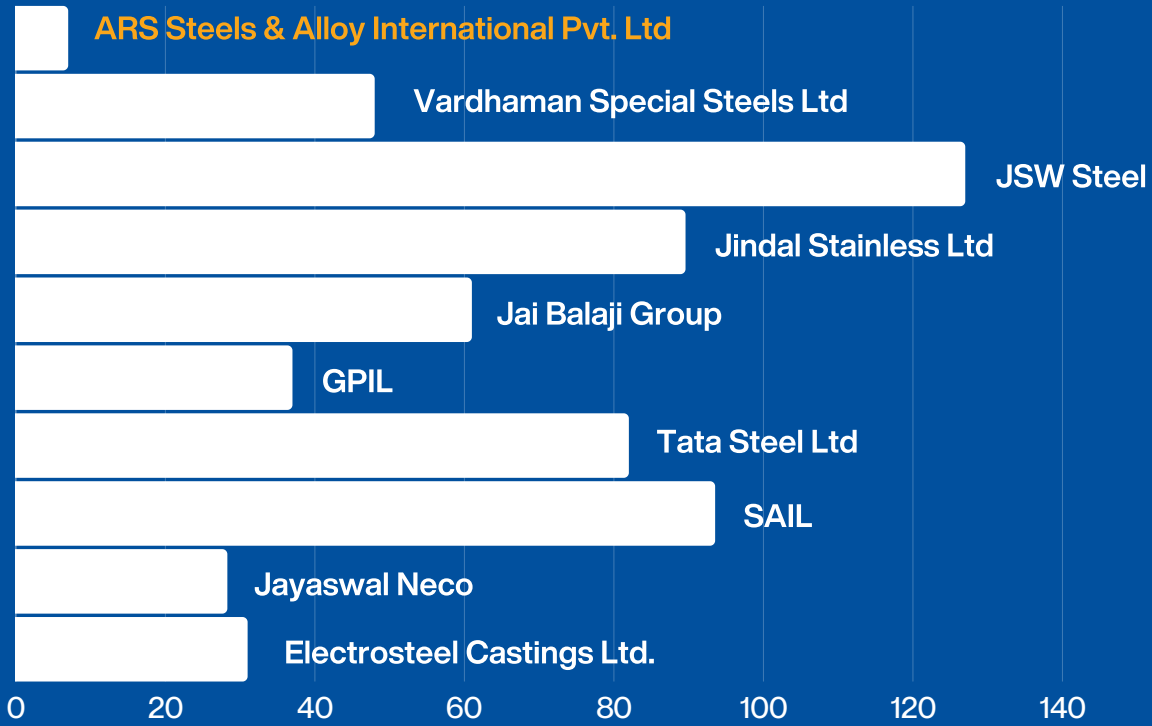
Water Intensity (kL/ton)



Gross wages paid to females as % of wages paid



Number of days of accounts payables



Data for other companies is taken from their latest BRSR/climate action reports



LOW CARBON
EMISSION STEEL
FOR
NET ZERO BUILDINGS

ARS
GREEN STEEL

KNOW THE TRUTH



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