

# ELGI®

Always Better.



**ECOCENTRIC  
EQUALITY  
EFFICIENCY**

# ESG

**ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT 2023-24**

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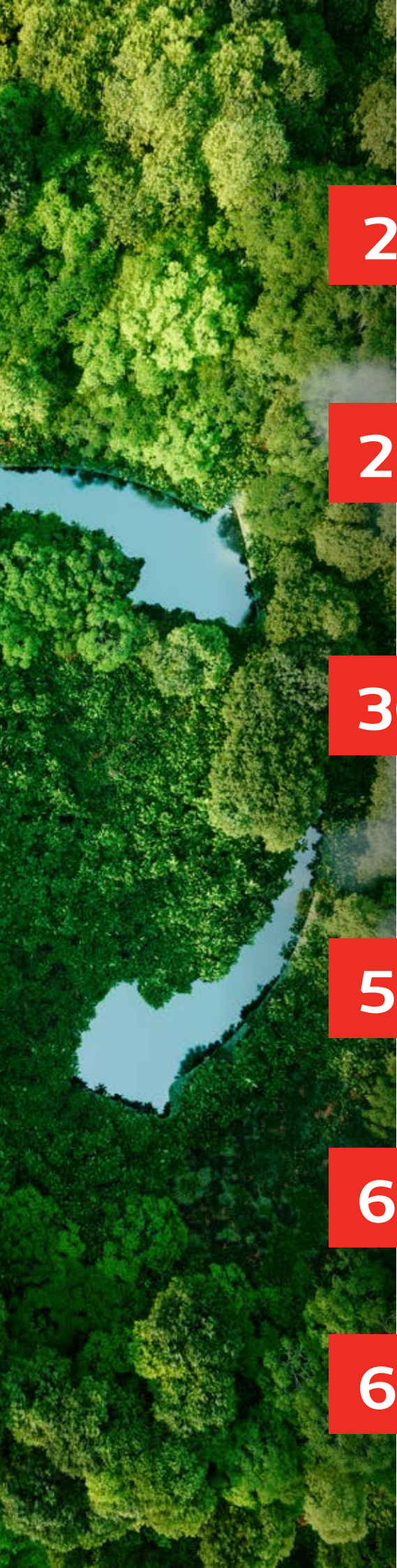
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# Leadership Message



**Dr. Jairam Varadaraj**

Managing Director

## Dear Stakeholders,

The world is experiencing transformative changes, driven in large measure by technological evolution and the unfolding climate crisis. The impact of these developments on economies, societies, and the planet are immense, demanding new strategies and mechanisms to adapt to changing business needs and to help shape a more sustainable world. Recognising the need for urgent action, ELGi has, over the last year, taken significant steps to future proof the business and fortify its position as a global industry leader.

Formulating strategies to succeed in a dynamic world has required that we look within to seek solutions that will carry us forward. Accordingly, we have introspected on our motives as a business and have articulated ELGi's purpose in the commitment to treat our stakeholders as we would like to be treated by them. Our purpose thus transcends profitability to enshrine the highest mutual respect and sensitivity in our interactions with all our stakeholders. This intent will underpin future policy reviews and changes and will direct our efforts towards becoming a more sustainable corporation.

In tandem with this foundational step, ELGi's ESG agenda has been finetuned and reinforced with thoughtfully formulated goals and roadmaps and is accompanied by an achievement target set for 2030. We envisage this ESG framework to guide ELGi's ongoing sustainability journey as it continues to grow as a business that is Always Responsible, Always Reliable, and Always Resilient.

## Always Responsible

Acknowledging that with success comes greater responsibility, ELGi has raised the bar in environmental stewardship. We aspire to attain Net Zero status in the future with higher renewable energy usage, optimisation of fossil fuel consumption, and IoT enabled energy management systems being central to achieving this goal. Our endeavours in environmental protection also extend to sustainable resource consumption, apparent in the measures we have taken to minimise our water footprint, and in the practice of circular economy principles to lower waste generated.

## Always Reliable

Purpose driven strategies underpin all that we do to enable an #Always Better life for our stakeholders. The 36-year-old ELGi School continues to serve as a stepping stone for underprivileged students, providing access to high quality education that is critical to narrowing economic inequality and enhancing the quality of their lives. Aligning with ELGi's emphasis on harnessing technology, the school too has been equipped with a technology enabled learning environment, ensuring that it continues to prepare pupils to navigate the real world.

Health and wellness being an area that we deeply care about, this year saw the inauguration of the HEALTHBASIX partnership that shines the spotlight on the health and wellbeing of ELGi School students. This initiative has made its mark by establishing a clinic staffed by a full-time nurse on the school premises, and by extending access to free of charge in-house consultations for the children and their families.

ELGi's decade-long partnership with the Coimbatore Marathon continues to promote fitness through running, raise awareness of cancer, and support the Coimbatore Cancer Foundation. Besides this major

event, the company promotes sports and fitness through a variety of other initiatives, all underscored by purpose and the intent to support people to fulfil their aspirations and better their lives.

The professional and personal wellbeing of ELGi's employees is no less a priority for the company. Concurrent with ongoing professional development initiatives, occupational health and safety, diversity and inclusion, and upholding the rights of our people receive considerable attention within the organisation.

## Always Resilient

Technology is pivotal to innovation at ELGi, and in fulfilling our promise of striving to be #Always Better in all that we undertake. This commitment is the cornerstone of ELGi's Digital Transformation Strategy, premised on the principle of Experiment, Start Small, and Scale Fast. The implementation of this strategy has led to the company's first Digital Innovation DOJO, a collaboration between industry and academia, that will address the two-fold objective of improving employment opportunities for youth, while building a pipeline of appropriately skilled talent that is relevant to industry needs. As we continue to stride forward, it is important to reiterate that our efforts in enhanced resilience will always be accompanied by accountability to our stakeholders, and business practices that are characterised by integrity and ethical actions.

ELGi's progress is the outcome of the collaborative efforts between the company and its many stakeholders. I take this opportunity to express sincere gratitude to each one of you for your support and look forward to strengthening the bonds we have forged.

A lot more about our joint successes and challenges is detailed in the pages of ELGi's third annual Sustainability Report, along with the Limited Assurance statement from Price Waterhouse Chartered Accountants LLP. I invite you to read through its pages and hope you will find it interesting and informative.

Best wishes,

**Dr. Jairam Varadaraj**

Managing Director

Date: 03-July-2024

# Assurance Statement

# 1

## Independent Practitioner's Limited Assurance Report on Identified Sustainability Information in Elgi Equipments Limited's Environmental, Social and Governance Report

### To the Board of Directors of Elgi Equipments Limited

We have undertaken to perform a limited assurance engagement for Elgi Equipments Limited (the "Company") vide our Engagement Letter dated February 12, 2024 and Addendum dated June 5, 2024 in respect of the agreed Sustainability Information referred in "Identified Sustainability Information" paragraph below (the "Identified Sustainability Information") in accordance with the Criteria stated in the "Criteria" paragraph below. The Identified Sustainability Information is included in the "GRI Content Index" section in the Environmental, Social and Governance Report (the "ESG Report") of the Company for the financial year ended March 31, 2024. This engagement was conducted by a team comprising assurance practitioners and environment experts.

### Identified Sustainability Information

The Identified Sustainability Information for the financial year ended March 31, 2024 is summarised in Appendix 1 to this report.

Our limited assurance engagement was with respect to the financial year ended March 31, 2024 information only and we have not performed any

procedures with respect to prior periods or any other elements included in the ESG Report and, therefore, do not express any conclusion thereon.

### Criteria

The criteria used by the Company to prepare the Identified Sustainability Information for inclusion in the ESG Report is the Global Reporting Initiatives Standards ("GRI Standards") 2021 as set out under Appendix 1 to this report (the "Criteria").

### Management's Responsibilities

The Company's Management is responsible for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, and content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the ESG Report, and measurement of Identified Sustainability Information, which are free from material misstatement, whether due to fraud or error.

Price Waterhouse Chartered Accountants LLP, 7th & 10th Floor, Menon Eternity, No. 165, St Mary's Road, Alwarpet, Chennai - 600 018  
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Price Waterhouse (a Partnership Firm) Converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPINAAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

## **Inherent limitations in preparing the Identified Sustainability Information**

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, Greenhouse Gas (“GHG”) quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factor and the values needed to combine emissions of different gases.

## **Our Independence and Quality Control**

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) and the International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”) issued by the International Ethics Standard Board for Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Price Waterhouse Chartered Accountants LLP (the “Firm”) applies Standard on Quality Control (“SQC”) 1, “Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements”, the International Standard on Quality Management (“ISQM”) 1 “Quality Management for Firms that perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” and ISQM 2 “Engagement Quality reviews”, (where applicable). Accordingly it maintains a comprehensive system of quality control/Management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

## **Practitioner’s Responsibilities**

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and evidence we have obtained.

We conducted our limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements (SSAE) 3000, “Assurance Engagements on Sustainability Information” and the Standard on Assurance Engagements (SAE) 3410 “Assurance Engagements on Greenhouse Gas Statements”, both issued by the Sustainability Reporting Standards Board of the ICAI and the International Standard on Assurance Engagement (“ISAE”) 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information” and the ISAE 3410 “Assurance Engagements on Greenhouse Gas Statements”, both issued by the International Auditing and Assurance Standards Board (collectively referred to as “the Standards”). These Standards require that we plan and perform our engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company’s use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection

of documents, evaluating the appropriateness of quantification methods and reporting policies and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures referred above, we:

- Obtained an understanding of the Identified Sustainability Indicators and related disclosures.
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and/or measurement of the Identified Sustainability Indicators.
- Made enquiries of the Company's Management, including the various teams such as Sustainability team, Environment Social Governance team, Human Resources team, etc., and those with responsibility for managing the Company's ESG Report.
- Obtained an understanding and performed an evaluation of the key systems and processes for managing, recording and reporting of the Identified Sustainability Indicators including at the manufacturing facilities and the corporate office visited by us. This did not include testing of the design and operating effectiveness of the management systems and controls.
- Checked the consolidation for various manufacturing facilities and offices, including the corporate office, under the reporting boundary (as mentioned in the ESG Report) for ensuring the completeness of data being reported.
- Performed limited substantive testing on a selective basis of the Identified Sustainability Indicators to verify that data had been appropriately measured with underlying documents recorded, collated and reported. This included assessing records and performing testing including recalculation of sample data.
- Assessed the level of adherence to GRI Standards, 2021 followed in preparing the Identified Sustainability Indicators in the ESG Report.
- Assessed the ESG Report for detecting, on a test check basis, any major anomalies between the information reported in the ESG Report on performance with respect to Identified Sustainability Indicators and relevant source data/information.
- Obtained representations from Company's Management.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Identified Sustainability Information has been prepared, in all material respects, in accordance with the Criteria.

## Exclusions

Our limited assurance scope excludes the following and, therefore, we do not express a conclusion on the same:

- Operations of the Company other than the Identified Sustainability Information listed in Appendix 1.
- Aspects of the ESG Report and data/information (qualitative or quantitative) included in the ESG Report other than the Identified Sustainability Information.
- Data and information outside the defined reporting period, i.e., April 1, 2023 to March 31, 2024.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Company and testing or assessing any forward-looking assertions and/or data.

## Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Company's Identified Sustainability Information summarized in Appendix 1 and included in the ESG Report for the financial year ended March 31, 2024 is not prepared, in all material respects, in accordance with the Criteria.

## Restriction on Use

Our obligations in respect of this deliverable are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this deliverable, nor anything said or done in the course of or in



connection with the services that are the subject of this deliverable, will extend any duty of care we may have in our capacity as auditors of the Company.

This deliverable has been issued at the request of the Board of Directors of the Company to whom it is addressed, solely to assist the Company in reporting the Company's sustainability performance and activities, and for publishing the deliverable in the ESG Report. Our deliverable should not be used for any other purpose or by any person other than the addressees of our deliverable. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this deliverable is shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

**Arun Kumar R**

Partner

Membership Number: 211867

UDIN: 24211867BKGDGG2819

Place: Chennai

Date: 03-July-2024

## Appendix 1

### Identified Sustainability Information

S. No.	GRI Indicator Reference	Indicator description
1	302-1	Energy consumption within the organisation
2	303-3	Water withdrawal
3	303-4	Water discharge
4	303-5	Water consumption
5	305-1	Direct (Scope 1) GHG emissions
6	305-2	Energy indirect (Scope 2) GHG emissions
7	306-3	Waste generated
8	306-4	Waste diverted from disposal
9	306-5	Waste directed to disposal
10	401-1	New employee hires and employee turnover
11	403-8	Workers covered by an occupational health and safety management system
12	403-9	Work-related injuries
13	404-1	Average hours of training per year per employee
14	405-1	Diversity of governance bodies and employees

# About ELGi

# 2

A leading global producer of air compression solutions, ELGi has distinguished itself as an industry frontrunner, exploring and embracing new frontiers of innovation in all facets of its operations. Since our inception in Coimbatore sixty-four years ago, the company has expanded to establish its footprint across the globe with manufacturing facilities in 3 countries, market presence that spans 28 nations, and a clientele that ranges across 120 geographies. Supported by a robust network of over 400 distributors and 2000+ professionals worldwide, our air compression solutions address the needs of varied industries including manufacturing, construction, pharmaceuticals, textiles, food, and beverage production, and automotive, among others.

ELGi's ethos pivots on the credo of #AlwaysBetter, which underpins our world class design and production processes as well as our drive for excellence and the highest levels of customer satisfaction. The fulfilment of this promise is manifest in the thousands of ELGi product installations across the globe. #AlwaysBetter extends beyond delivering product and service excellence to powering our commitment to ethical governance, environmental sustainability, and value creation for ELGi's diverse stakeholders.

## Certifications

ELGi is proud to hold a suite of certifications showcasing our dedication to quality, sustainability, safety, and energy management across our operations. ELGi holds ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 for Design, Manufacture of Air Compressors & Wiper used in Railways. They also have ISO 50001:2018 for air compressor parts manufacturing for its Air Centre

Plant (ACP), and ISO 22000:2018 for air compressors used in food industries at their Singanallur Head Office. ELGi also holds green product certifications for their EN (10 products) and EG (18 products) series covering their operations at Compressor Centre Plant (CCP) including Head Office, Pressure Vessel Division (PVD), Air Centre Plant (ACP) and Foundry Plant. More details can be found on [Certifications at ELGi](#)



## Memberships and Associations

- Indo-Australian Chamber of Commerce
- India-Asia Srilanka Chamber of Commerce and Industries
- Indo-German Chamber of Commerce and Industries
- Indo-Italian Chamber of Commerce and Industries
- Indian Chamber of Commerce and Industries
- Confederation of Indian Industries (CII)






# About the Report

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This is ELGi's third annual Sustainability Report comprising disclosures of our environmental, social, and economic performance. The details provided in this report are for the financial year from April 1, 2023, to March 31, 2024. It has been prepared with reference to the guidelines set by the Global Reporting Initiative (GRI) Standards. A GRI Content Index is presented at the end of the report.

## Reporting Boundary

The reporting boundaries encompass ELGi's manufacturing operations in India. However, as the boundaries for social and environmental disclosures vary, these are shown separately in the table below, along with a rationale to justify inclusions/exclusions.

 Indicator	 Reporting Boundaries	 Rationale
Social	Overall headcount of ELGi in India, including employees in both manufacturing facilities and sales offices/branches.	ELGi's manufacturing facilities and offices have been included in the reporting boundary as ELGi's policies, training programmes, and benefits are applicable to all employees irrespective of their location.
Environmental	5 manufacturing facilities as follows: <ul style="list-style-type: none"><li>■ Air Compressor Plant (ACP)</li><li>■ Motor Plant</li><li>■ Foundry Plant</li><li>■ PVD plant</li><li>■ Compressor Centre Plant (CCP) including Head Office</li></ul>	The 5 manufacturing facilities are the significant contributors to energy consumption, carbon emission, water consumption and waste generation for ELGi in India.

## Data Management

A thorough examination of various internal data sources has been conducted to ensure the accuracy and reliability of the information presented in this report. This involved carrying out regular reviews, examining audit trails, scrutinizing assumptions, and applying consistent conversion factors to maintain data integrity.

## Approach to Materiality

Our sustainability performance focuses on addressing the key issues cardinal to creating enduring value for our stakeholders as well as our

company. These critical areas of focus that have been pinpointed are the outcomes of in-depth discussions with stakeholders and a comprehensive study of market trends.

## Contact Information

We look forward to hearing from you and addressing any queries or feedback you may have with respect this Sustainability Report.

We can be reached at: [ESG@elgi.com](mailto:ESG@elgi.com)



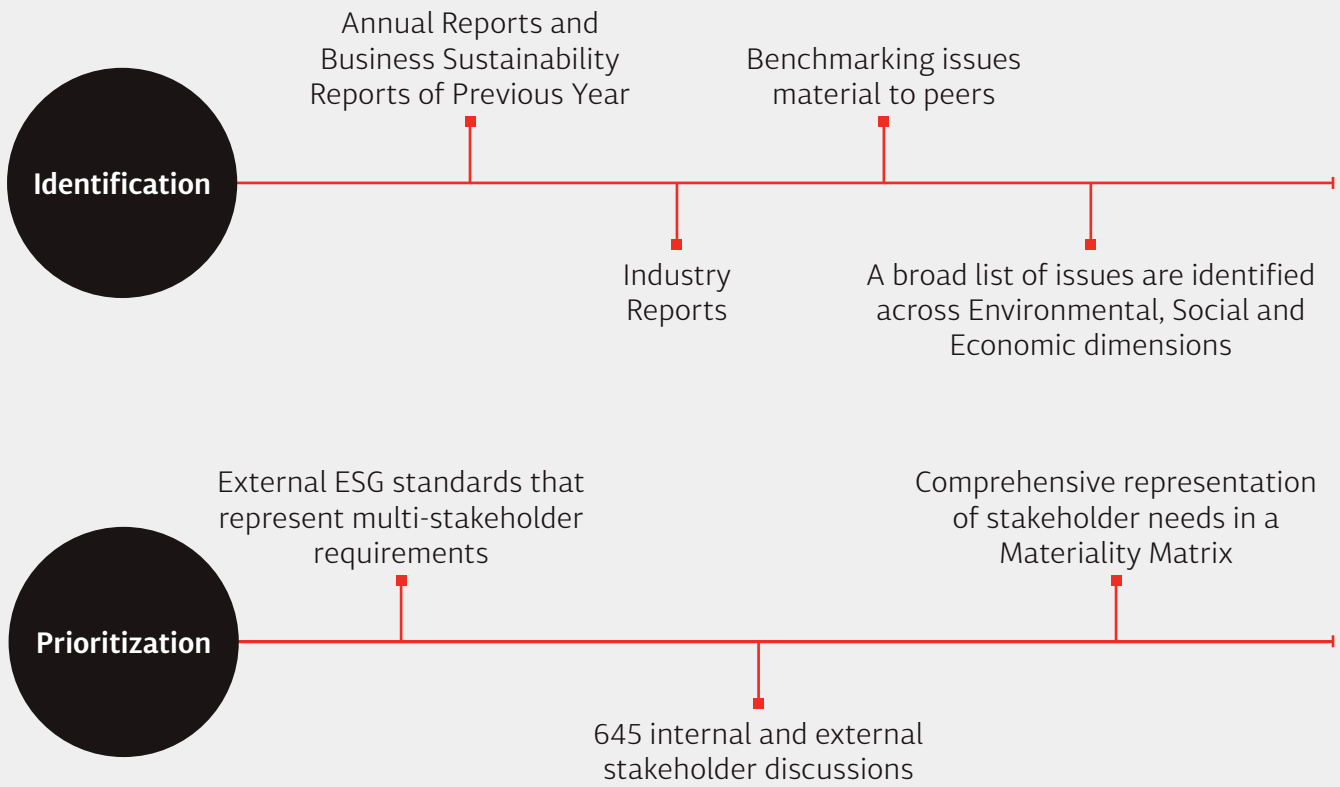
# Stakeholder Engagement & Materiality

# 4

As an organization with a legacy of nearly 64 years, we recognize the role of meaningful interaction with our key stakeholders. The extensive consultations with our stakeholders and the resultant perspectives are extremely important to successfully achieving our sustainability objectives. We engage with them through varied channels on a variety of subjects that are relevant to the different stakeholder groups. The table below outlines the communication channels along with the key issues and themes that emerge stakeholder interactions.

Stakeholder group	Engagement channels	Main concerns and topics
Employees	<ul style="list-style-type: none"> <li>Internal communication channels including digital platforms</li> <li>Skill development programs</li> <li>Global employee's engagement initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Continuous value creation</li> <li>Fulfilment of company's vision and working towards #AlwaysBetter life</li> <li>Professional capacity building</li> <li>Talent attraction and retention</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Digital platforms and applications to enhance the customer experience</li> <li>In-person engagement</li> <li>Reference installation</li> <li>Feedback mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>Product and service quality</li> <li>Complaint resolution</li> <li>On-time delivery</li> <li>Product safety</li> </ul>
Dealerships and Distributors	<ul style="list-style-type: none"> <li>Dealer meets/conferences</li> <li>In-person engagement</li> <li>Digital engagement</li> <li>Training programs</li> </ul>	<ul style="list-style-type: none"> <li>Achieving business targets and objectives</li> <li>Continuous strengthening of ELGi brand</li> <li>Capacity/capability building</li> </ul>
Supply partners	<ul style="list-style-type: none"> <li>Supplier Meet/Conferences</li> <li>Supplier Visits</li> <li>Supplier Portal</li> </ul>	<ul style="list-style-type: none"> <li>Ethical business practices</li> <li>Sourcing aligned with Sustainable Sourcing Plan</li> <li>Capability and capacity building</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>Corporate Social Responsibility initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced quality of life via improved access to healthcare, education and skill development</li> <li>Disaster relief (as required)</li> </ul>
NGO partners	<ul style="list-style-type: none"> <li>Corporate Social Responsibility initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Capacity enhancement</li> <li>Achieving CSR objectives</li> </ul>
Investors	<ul style="list-style-type: none"> <li>Press releases and publications</li> <li>Investor conferences</li> <li>Annual General Meeting</li> <li>Stock Exchange announcements</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Business updates</li> <li>Growth plans</li> <li>ESG performance</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>Mandatory compliance reports</li> </ul>	<ul style="list-style-type: none"> <li>Statutory compliance requirements: governance, social, environmental</li> </ul>
Banks	<ul style="list-style-type: none"> <li>In person meetings</li> </ul>	<ul style="list-style-type: none"> <li>Transparent financial transactions</li> <li>Timely repayment of debt</li> </ul>

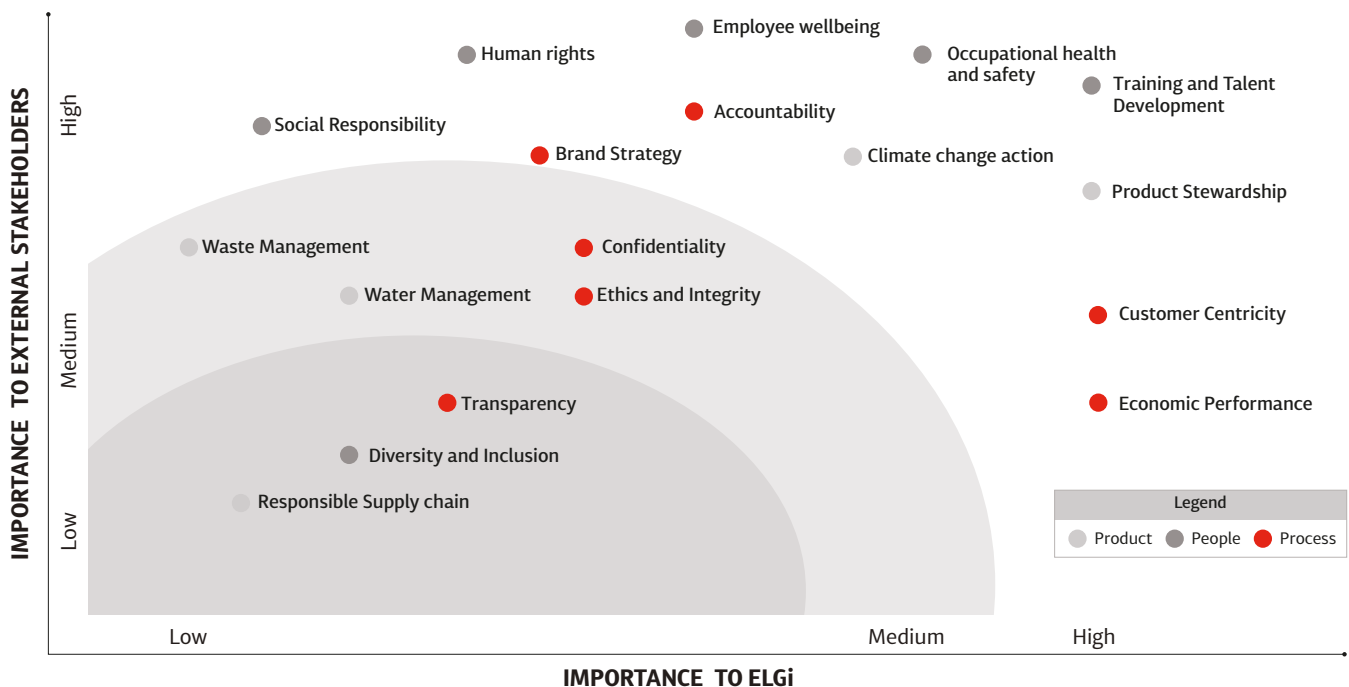
The outcomes of ELGi's engagements with stakeholders have been central to the materiality assessment we conducted in FY 2021-22. This evaluation enabled us to pinpoint and rank issues of significance to both ELGi's operations and our stakeholders and has guided us to direct our focus and resources towards addressing shared priorities. An outline of the two- phase process followed is presented below.



**\*ESG Standards and the stakeholder group represents:**

- Investor, supply partner, NGO requirements: Sustainability Accounting Standards Board (SASB)
- Dow Jones Sustainability Index (DJSI)
- Indian regulatory requirements: Business Responsibility and Sustainability Reporting (BRSR)
- Overall Stakeholder requirements: UN Sustainable Development Goals (SDGs)

**Revisiting Materiality**



# Recounting ELGi's strategy

# 5

Over the last two years, we at ELGi have proactively streamlined and solidified our ESG initiatives, resulting in a robust Sustainability Framework that tackles key areas through our core principles: Always Responsible, Always Reliable, and Always Resilient.

The Sustainability Framework serves as our compass, guiding our sustainability goals and objectives across the areas of governance and economic growth, environmental stewardship, and social responsibility. Our ESG focus thus translates into a range of actions aimed to minimize our environmental footprint, strengthen social responsibility, and solidify our governance practices.

The core tenets of Always Responsible, Always Reliable, and Always Resilient – underpin our Sustainability Framework, and steer our every decision and action. We are confident that by upholding these principles we can guarantee responsible operations, unfailing product and service reliability, and a company built to weather any storm.

#AlwaysBetter is not just a slogan, it is our driving force and a commitment to ourselves and our stakeholders. Encouraged by this motivating principle, we relentlessly push the boundaries of sustainability, leaving a lasting positive impact on society and the environment, all while delivering value for our stakeholders.

In the following section, we will provide an overview of each pillar within the Sustainability Framework encompassing their respective focus areas, goals, targets, and achievements.

## Always Responsible

Protecting the environment by minimizing our environmental footprint is a core principle that governs ELGi's operations and influences the emphasis we place on promoting environmental awareness among our workforces. At ELGi, we actively strive to reduce carbon emissions, aiming for a 28% decrease by 2026-27, and also target a 50% reduction in freshwater usage in the same timeframe. Resource efficiency has long been a priority, and we continuously implement measures to minimize the use of water and waste generated in our business. In this context, we aim to achieve resource-neutral operations and demonstrate effective product stewardship by the end of the decade. Further, embracing the concept of circularity, we seek innovative solutions that will help to maximize the value derived from process waste and minimize landfill disposal.







Focus Area



Goals



Target



Progress

## Towards Resource Neutral Operations

- Moving towards neutrality across scope 1 and 2 emissions, year on year
- Achieving long-term water sustainability through improved water recyclability
- Transition towards circularity, by regenerating waste into useful products

- Reduce carbon intensity by **28%** by 2026-27
- Reduce the use of fresh water by **50%** by 2026-27
- Send **zero waste** to landfill by 2026-27

- **55%** reduction in carbon intensity achieved inline with 2026-27 target
- Fresh water use was reduced by **4%** inline with 2026-27 target
- We have significantly achieved our target of zero waste to landfill

## Product Stewardship – Lead a technology driven transformation

- Improve customer experience by manufacturing products that deliver best in class efficiency
- Reduce climate impact through lower Global Warming Potential refrigerant options

- Make existing products **5%** more energy efficient by 2030
- By 2030, attain **80%** of product range availability of Hydrofluoroolefins (HFO) based dryers

- Achieved energy efficiency of more than **5%** in across **43%** of compressor portfolio
- In line with our target to achieve **80%** of product range availability of Hydrofluoroolefins (HFO) based dryers, we have developed and launched our Hydrofluoroolefins (HFO) based dryers this year

# Always Reliable

At ELGi, the health, safety, and well-being of our employees is deeply valued. Our care is reflected in the efforts to achieve productivity improvements while fostering a safety-first culture, and in the ambitious goal of achieving zero workplace accidents. ELGi targets for zero Lost Time Injury Frequency Rate (LTIFR) by 2026-2027.

Employee-centricity is ingrained in our organization, with culture surveys and targeted improvements ensuring both professional and personal needs are met, fostering a positive work environment. We prioritize investing in human capital through comprehensive training

and upskilling opportunities, empowering our workforce to enhance their capabilities and advance their growth. ELGi actively upholds the Human Rights of all employees and promotes a diverse and inclusive workforce. We aim to have 20% representation of women in staff positions by 2030.

ELGi goes beyond CSR, supporting education for the economically marginalised. Through initiatives like the ELGi School, we offer high-quality education, prioritizing academic excellence to enhance their quality of life.



Focus Area



Goals



Target



Progress

## Strive for safety excellence in the workplace

- Achieve Zero injury culture by fostering a safe and healthy work environment and eliminating adverse occupational health and safety related incidents

- To achieve **zero LTIFR** by 2026-2027

- This year we have achieved **1.28** LTIFR and gradually progressing towards achieving our target

## Sustaining an employee centric work culture

- Facilitating best in class employee work culture through engagement programs

- To sustain and improve culture survey score (industry standard of **73%**)

- We have surpassed the industry standard and achieved **79%** culture survey score

## Equip employees with the knowledge and skills to be #AlwaysBetter

- Address the identified training needs of office employees by deploying appropriate training initiatives

- Achieve **2x training man-days** per employee per year by 2024 basis 2022 level

- This year our training man-days per employee per year stands at **2.97**

- Equip shop floor employees with identified skill enhancements and support upskilling

- To identify areas for reskilling / upskilling for shop floor employees at ELGi

- We have identified and trained our shopfloor employees on areas of upskilling and our training man-days stands at **3.94 per** employee per year



Focus Area



Goals



Target



Progress

### Stay committed to Human Rights

- To create company-wide awareness and organize Human Rights training programs

- **100%** employees to receive Human Rights training

- We have achieved and aim to sustain **100%** training of employees on Human Rights

### Building a diverse and inclusive workforce

- Creating a gender diverse workforce at ELGi by ensuring inclusiveness.

- To achieve **20%** women employees in staff category by 2030

- Our staff category gender diversity is **8%**

### Societal development through high-quality education for the economically challenged

- Academic development by building competencies that enable higher academic outputs. Increase the proportion of student enrolment from low-income families at ELGi school year on year

- Achieve increasing trend in the percentage of total marks scored in the higher secondary board examinations (over a 5-year rolling period)
- Achieve increasing trend in the percentage of marks scored in each subject in the higher secondary board examinations (over a 5-year rolling period)
- Sustain increasing trend in the percentage of children supported from low-income families (over a rolling 5-year period)

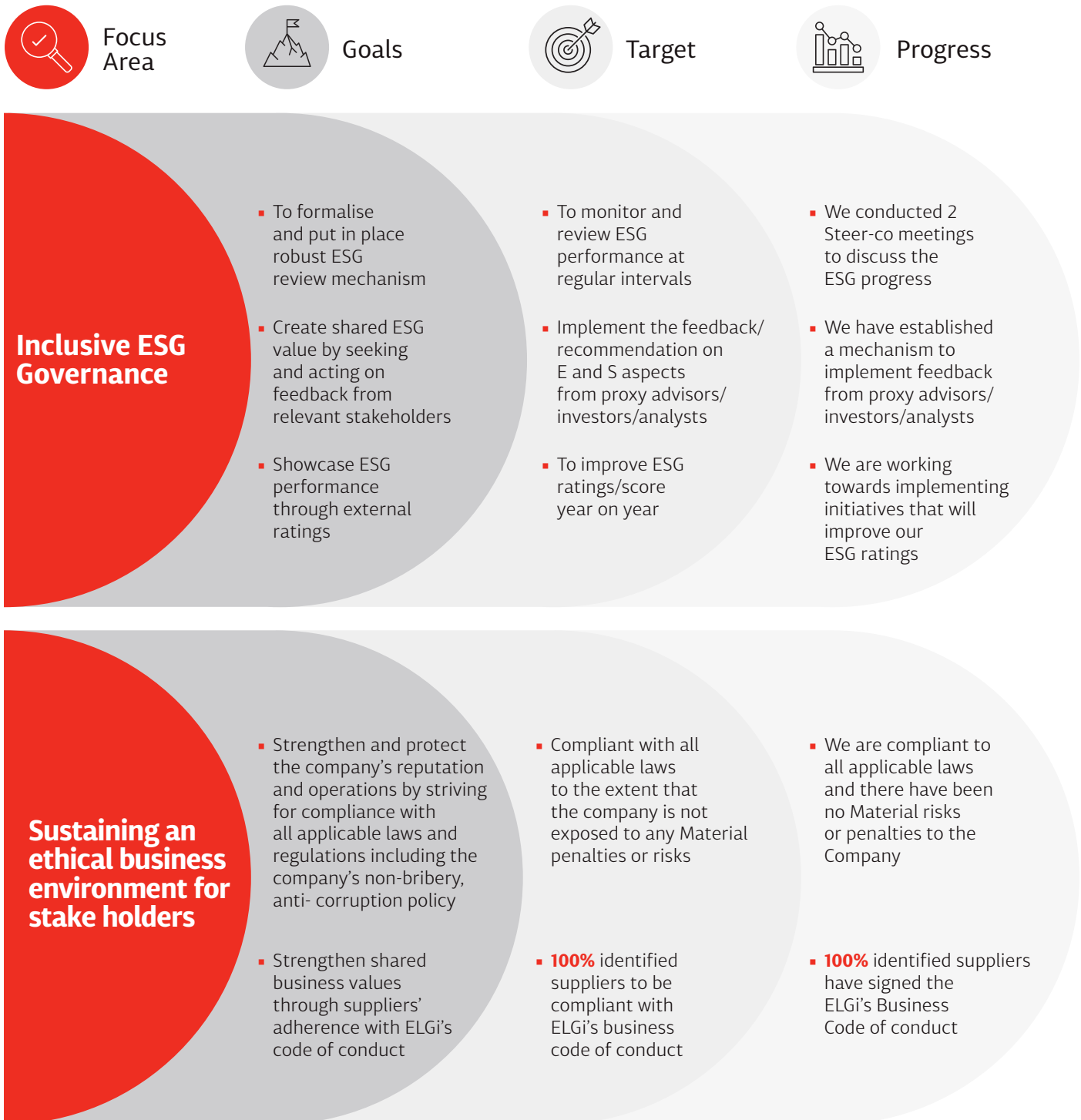
- Total Mark Average: **82** Science Stream (Target 81) **90** Arts Stream (Target 81)
- Subject Mark Average: **84** Science Stream (Target 81) **88** Arts Stream (Target 83)
- **5%** increase of children from low income families

# Always Resilient

Successful governance at ELGi pivots on empowered employees who understand their roles in achieving the company’s objectives and contribute actively to our collective advancement. While encouraging employee participation in the company’s journey, we also seek external stakeholder input on crucial development and growth initiatives.

ELGi’s governance framework stands on the cornerstones of accountability, ethics, and integrity. Therefore, we prioritize transparency and hold ourselves accountable to all stakeholders.

Recognizing the interconnectedness of the business’ value chain and the role each link plays in sustainable business growth, we extend our sustainability practices to our supplier network. Alongside quality improvement initiatives, we implement strategies to build a robust supplier base and mitigate potential supply chain disruptions. Furthermore, we require supplier adherence to ELGi’s business Code of Conduct from all our suppliers.



# Sustainable Business

# 6

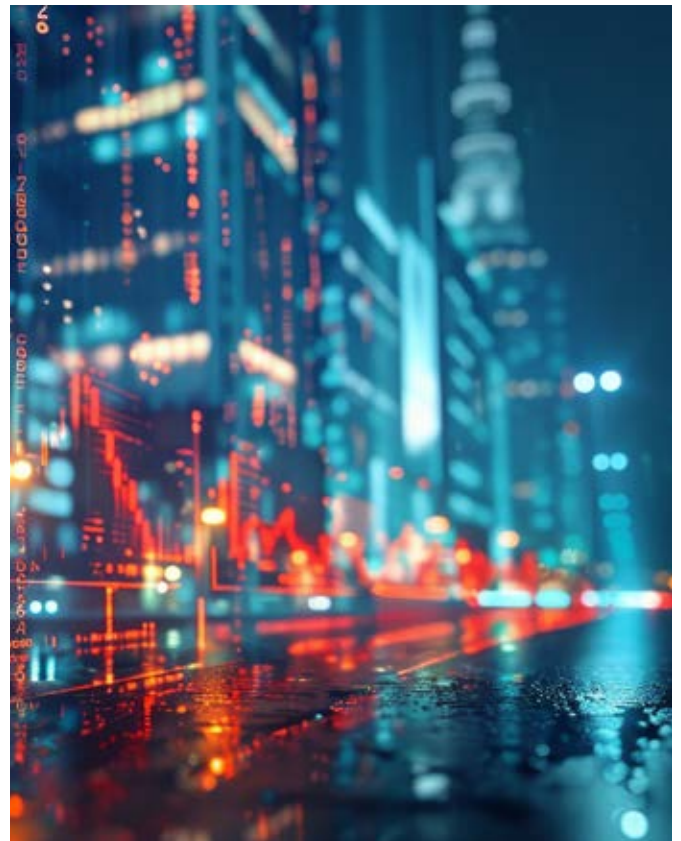
In the face of global economic slowdowns and disruptions caused by geopolitical tensions leading to wars, sustainable business practices have become all the more essential to fostering business resilience and profitable growth. As traditional supply chains falter amidst conflicts and financial uncertainty, companies that are adopting sustainability are better positioned to weather these storms. At ELGi, we have embraced sustainability to not only help the company navigate economic turbulence, but also to position us as leaders to promote holistic resilience and equitability, worldwide.

Currently ranked sixth globally, ELGi is pursuing its “Conquer K-2 (CK2)” – the aspiration to be the number two in the global air compressor market, drawing its inspiration from Mount K2, the second-highest peak in the world and arguably, the toughest peak to ascend among the eight thousand metre plus peaks. We have incorporated a multifaceted strategy encompassing organic growth and strategic acquisitions, particularly focusing on markets in India, Europe, the USA, and Australia. Additionally, innovation centred on energy efficiency and quality are prioritised, as we believe that delivering consistently on these value propositions will differentiate us from competitors and strengthen our global footprint. Therefore, ELGi’s sustainability endeavours encompass pioneering eco-conscious products, extending beyond minimizing the company’s carbon footprint and optimizing its supply chain. Besides bolstering our progress towards our CK2 objectives, these collective efforts also promote responsible business practices throughout the organisation.

As a market leader in India, we face unique growth challenges compared to regions like the US or Europe, where our market share is smaller. In India, we aim to expand our presence in key industrial sectors such as pharmaceuticals, semiconductors,

and electronics manufacturing. Despite facing inflation and economic sluggishness across most markets, we have maintained consistent performance throughout the year. In fiscal 2023-2024, ELGi’s sales and profitability were in line with our Annual Business Plan (ABP) goals and the company is poised to surpass the targets outlined in our five-year Strategic Business Plan (SBP). Although our global operations encountered significant headwinds, we remain committed to strategic reinvention as we strive to “always be the choice everywhere”.

Looking ahead to our aspirations for 2035-36, we are optimistic and continue to invest in our businesses, including ongoing facility enhancements that will support continued customer-centricity and lay the groundwork for sustainable business growth.



## Economic Performance

ELGI's financial performance and strategic planning procedures are comprehensively covered in our Annual Report for 2023-24. Here, we detail the economic value created, distributed, and maintained in the fiscal year, as illustrated in the table below.

Particulars	2023-24 INR (in million)
<b>Direct Economic Value Generated</b>	
Revenue from operations	18,433.75
Other income	684.61
<b>Direct Economic Value Distributed</b>	
Cost of materials consumed	8,140.82
Purchases of stock-in-trade	1,711.92
Increase/decrease in inventories	-74.72
Employee benefits and expenses	2,123.67
Finance cost	53.90
Depreciation and amortisation expenses	359.38
Other expenses	2,523.82
<b>Economic Value Retained</b>	
Profit before tax	4,279.57
Less: Tax expenses	1,057.60
Profit after tax	3,221.97

## Innovate to Elevate: Shaping the Future

Innovation is the backbone of ELGI's efforts in addressing evolving customer needs. Our latest advanced compressed air solutions, unveiled at global events such as the Hannover Messe 2023, ASHE 2023, Vistage Summit 2023, among others, are testimony to our holistic approach to customer centricity, driving sustainability, and embracing cutting-edge technology across diverse industries.

Today, ELGI boasts a vast portfolio of over 400 products, ranging from oil-lubricated and oil-free rotary screw, centrifugal, and reciprocating compressors to dryers, filters, and downstream accessories.



## Product Excellence and Innovation through Research and Development

AT ELGi, our mission is to continually push boundaries, leveraging advanced technologies and digitalization to redefine industry norms and surpass customer expectations. Comprising 132 specialists and engineers, many of whom hold doctoral degrees, our technological innovation team fosters collaboration and creative problem-solving by harnessing the latest design and simulation tools.

ELGi's competitive advantage lies in our deep technological expertise, not just in implementation but in a profound understanding of compressor fundamentals. Our commitment to industry-leading up-time and robust warranty programmes reflects

our confidence in product reliability, building customer trust in our brand. Furthermore, our focus on developing assets with optimal Life Cycle Costs (LCC) drives cost leadership through innovative technology solutions.

Demonstrating commitment to staying at the forefront of technological advancements and energy efficiency in compressed air solutions, the company celebrated the 6th edition of Technology Day on the 15th of December 2023. Along with knowledge-sharing sessions and an impressive product display, the event also acknowledged the contributions of the technology team and celebrated their engineering achievements.





## Manufacturing Excellence

In alignment with Vision 2026, ELGi Sauer Compressors Ltd. initiated a significant expansion effort with the opening of a new manufacturing facility in Kallapalayam, Coimbatore, Tamil Nadu, on May 14, 2023. This expansion represents a strategic move to bolster the company's presence and capabilities in the region. With an investment of approximately INR 400 million, the facility spans 59,181 square feet and is poised to become an exemplar in the production of cutting-edge high-pressure compressors, pressure reducing stations, and portable breathing air compressors.

These state-of-the-art products are meticulously crafted to cater to the needs of diverse industries spanning industrial, commercial shipping, naval, and offshore sectors in India. Moreover, the facility assumes an integral role within the global operations of the Sauer Compressors group, serving as a vital hub for engineering support. Here, innovative solutions are encouraged, new product development initiatives are nurtured, and prototype testing endeavours are facilitated to drive continuous advancement and excellence across the organisation's product portfolio.

In the construction of this facility, environmental sustainability took centre stage, aligning closely with ELGi's dedication to resource-neutral operations. The factory's design prioritised energy efficiency through the use of eco-friendly transformers, water recycling systems, rainwater harvesting

infrastructure, and architectural features aimed at maximising natural light and ventilation. Additionally, landscaped gardens and green zones were integrated into the facility's layout to enhance its environmental impact positively.

Embracing ELGi's commitment to circularity, the construction process utilised over 1 million kilograms of ELGi foundry processed sand to create solid blocks for the compound wall, over the years. ELGi also places strong emphasis on ensuring a zero-incident workplace culture by enabling a safe and healthy environment for its employees, thereby eliminating adverse occupational health and safety incidents. The new factory adheres to green building principles and has received certification from the Indian Green Building Council (IGBC).

The partnership between ELGi Equipments and Sauer Compressors has not only bridged critical industry gaps but has also set new benchmarks for growth and innovation in the compressed air solutions market. Their shared commitment to delivering high-quality products and services, dedication to future expansion, and focus on sustainability serve as a testament to the transformative power of collaboration among industry leaders. This partnership exemplifies what can be achieved when companies unite to overcome challenges and drive progress towards a more sustainable future.



# Always Responsible

# 7

At ELGi, we are proud to be at the forefront of transitioning from traditional linear resource management models to circular models that emphasise sustainability and innovation. 'Always Responsible' reflects our dedication to creating a lasting positive impact by conserving resources, reducing waste, and generating sustained value for our stakeholders.

Environmental stewardship is central to our daily operations, that is evident in our efforts to consistently monitor and measure our ecological impact at ELGi's workplaces. With the intent of improving upon our earlier contributions, we continuously seek ways to minimise our environmental footprint. Consequently, we proactively identify key risks and take the necessary steps to mitigate them.

**13** CLIMATE ACTION



ELGi partnered with First Energy 5 Private Limited in expanding its renewable energy share by adding **1 MW wind energy**, resulting in emission reduction and expansion of clean energy portfolio

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**343 tons of metal scrap** from HO and ACP recycled at foundry

**7** AFFORDABLE AND CLEAN ENERGY



Recycled approximately **236 tons** of processed foundry sand for internal construction and community development, with CSIR test certification obtained for the concrete blocks

**15** LIFE ON LAND



Plantation of **2000 trees** in the nearby vicinity

**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE



New state-of-the-art ELGi Sauer Compressors Ltd. manufacturing facility at Kallapalayam, Coimbatore, Tamil Nadu

**6** CLEAN WATER AND SANITATION



**1947 Kilo Litres (KL)** of water collected through rainwater harvesting

## Resource Neutral Operations

ELGi integrates resource efficiency into every aspect of our business, we strive to achieve resource neutral operations with minimal impact on the environment. This year we avoided 4800+ tonnes of carbon dioxide equivalent by expanding our share of renewable electricity, utilized approximately 1947 kilo litres of rainwater, and recycled approximately 236 tons of processed foundry sand. Through continuous improvement and responsible resource management, we aim to lead by example in the journey towards a more sustainable future.

## Energy & Emissions

We prioritise energy efficiency throughout our processes, ensuring effective utilisation of energy sources while reducing carbon emissions and waste. Accordingly, our energy efficiency strategy comprises two key approaches: encouraging behavioural changes among our employees to promote energy conservation and smart management of lighting, ventilation, and cooling systems, and integrating energy efficiency into our operations through thoughtful design and practices.

The trend of primary and secondary energy use and emissions is depicted below:

Energy Consumption	2023-24	2022-23	Unit	Source
Diesel	9,762.12	9,694.00	GJ	Non-Renewable Sources
LPG	11,302.00	16,766.00	GJ	Non-Renewable Sources
Total Fuel Consumption	21,064.12	26,460.00	GJ	
Grid electricity consumption	30,687.00	50,575.00	GJ	Non-Renewable Sources
Electricity from Solar	19,276.77	9,254.00	GJ	Renewable Sources
Electricity from Wind	4,995.91	-	GJ	Renewable Sources
<b>Total Energy Consumption</b>	<b>76,023.80</b>	<b>86,289.00</b>	<b>GJ</b>	

## Energy Share

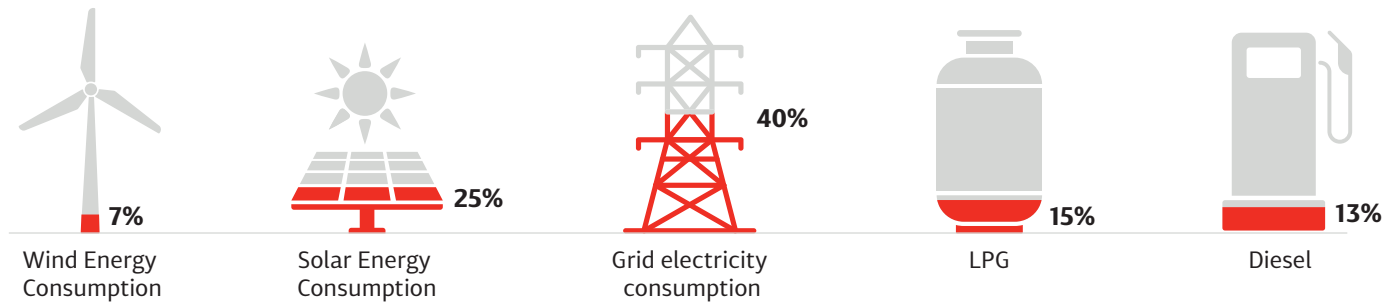


To support our transition to cleaner energy, we have partnered with First Energy 5 Private Limited. to source 1 MW of wind power from Thoothukudi, Tamil Nadu. Additionally, we have a power purchase agreement for a 4 MW solar plant in Sivagangai, Tamil Nadu. This strategic initiative has increased the use of renewable energy from 15% to 44% in our total electricity consumption.

Technology-driven solutions play a key role in reducing electricity usage, such as implementing IoT improvements in lighting, optimising chiller plants, and replacing IE2 and IE3 motors with IE5 motors.

Furthermore, we have deployed an Online Energy Monitoring system to track and analyse energy consumption in real time, enabling informed decisions to optimise energy usage across our operations. ELGi also received the ISO50001:2018 certification for Energy Management for Air Compressor Plant, following a thorough evaluation conducted by TUV Nord, our external auditing partner. This certification is a recognition of our commitment to implementing a comprehensive and systematic approach to energy efficiency.

## Energy Consumption Share by Source

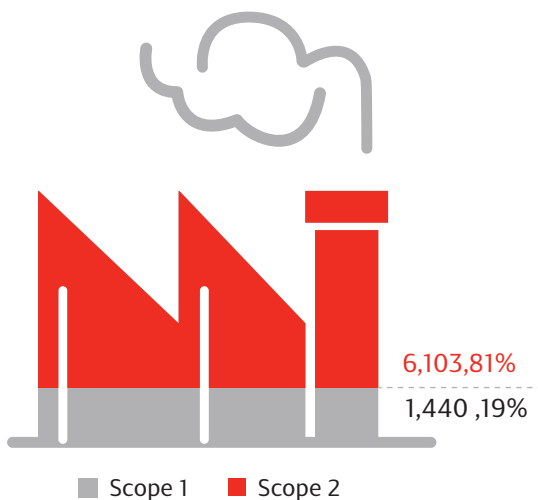


Energy by Consumption	2023-24	2022-23	Unit
Electricity Consumption	54,960.00	59,829.00	GJ

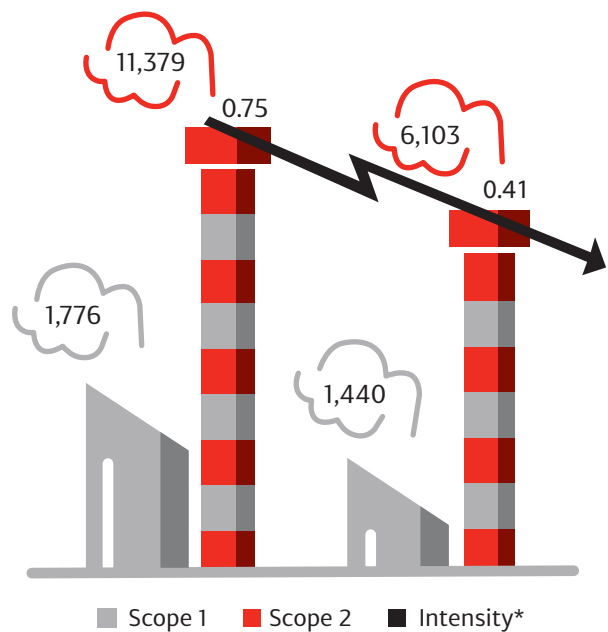
The table below summarizes the emission share of last two years. It has been estimated using global standards such as GHG Protocol and IPCC emission factors and Central Electricity Authority (CEA) version 19.

Emissions	2023-24	2022-23	Unit
Scope 1	1,440.00	1,776.00	tCO2e
Scope 2	6,103.45	11,379.40	tCO2e
<b>Total</b>	<b>7,543.45</b>	<b>13,155.40</b>	<b>tCO2e</b>

## Emission Share



## Emission Trend



\*Total emissions per revenue in millions.



Additionally, we have planted 2000 trees in the vicinity of our operations in a quest to offset emissions and restore biodiversity. These trees, over the next decade, are expected to sequester carbon dioxide, marking an impactful step towards a sustainable future.

## Water

Preserving fresh water is vital to our strategy for resource-neutral operations and to ensuring availability of this shared resource for the communities we work among. Therefore, water usage is monitored and measured regularly, enabling us to identify areas for improvement and adopt effective water conservation techniques.

In order to lower our consumption of freshwater, we have integrated the reduce, reuse, and recycle

(3R) approach into our operations and have implemented various initiatives to achieve this goal. Among these, ELGi's rainwater harvesting project has saved over 1947 kilo litres of freshwater, significantly reducing the company's reliance on private water purchases this financial year. Additionally, we utilize underground Johkasou Tanks at our Motor plant that treats the wastewater physically, biologically, and chemically. Further, we have set ourselves a goal of achieving Zero Liquid Discharge status across our plants and have calibrated existing flow meters and installed new electro-magnetic flow meters for stringent monitoring of raw water intake and STP and ETP inlets and outlets. The recycled wastewater from the STPs is used for landscaping, ensuring no water is discharged outside our premises.

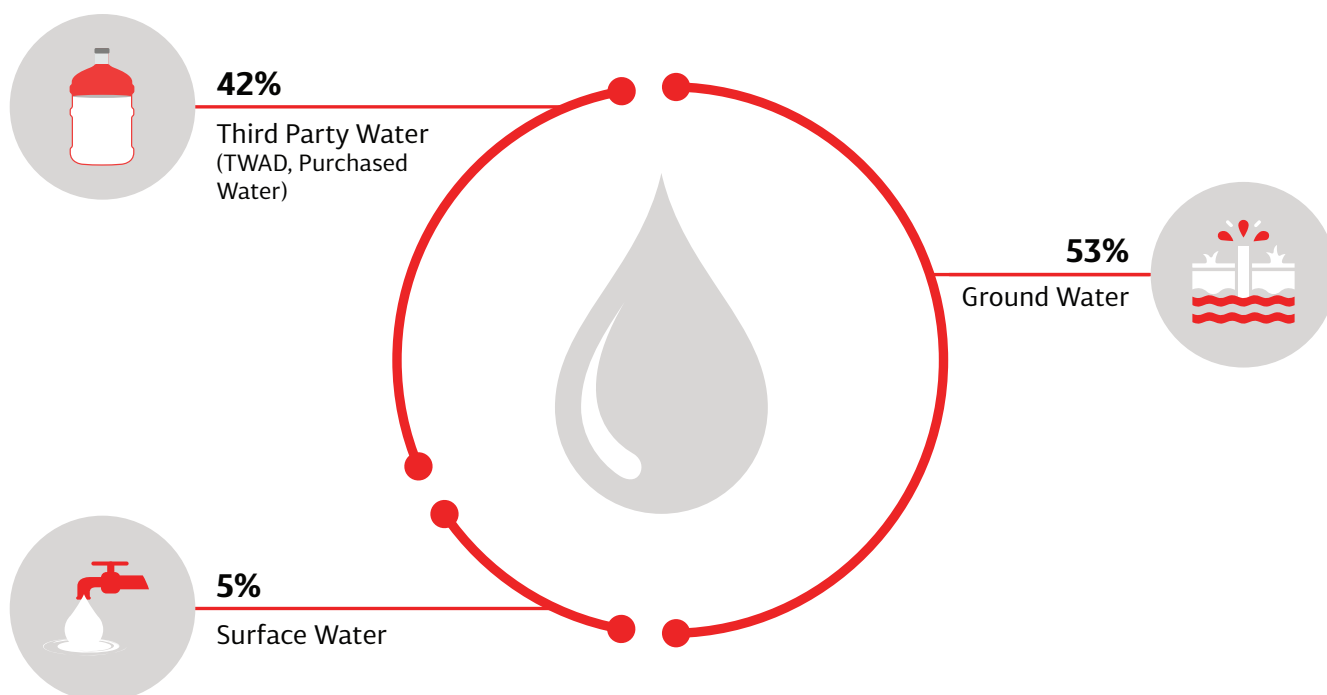
Water withdrawal by source	2023-24	2022-23	Unit
Surface Water (Rain water)	1,947.00	-	KL
Ground water	21,985.00	20,474.00	KL
Third Party Water (TWAD, purchased water)	17,132.00	18,011.00	KL
<b>Total Water Withdrawal</b>	<b>41,064.00</b>	<b>38,486.00</b>	<b>KL</b>
<b>Total Water Discharge</b>	-	-	<b>KL</b>
<b>Total Water Consumption</b>	<b>41,064.00</b>	-	<b>KL</b>

The CCP, ACP, and Foundry operates in designated water stress area, the water use in these plants are illustrated in the table below:

Water withdrawal by source in Water Stress Area	2023-24	Unit
Surface Water	1,947.00	KL
Ground water	19,309.00	KL
Third Party Water (TWAD, purchased water)	17,025.00	KL
<b>Total Water Withdrawal</b>	<b>38,281.00</b>	<b>KL</b>
<b>Total Water Discharge</b>	<b>-</b>	<b>KL</b>
<b>Total Water Consumption</b>	<b>38,281.00</b>	<b>KL</b>

Water withdrawal by Quality	FY 2023-24	FY 2022-23	Unit
Freshwater (≤1,000 mg/L Total Dissolved Solids)	19,079.00	18,011.00	KL
Other water (>1,000 mg/L Total Dissolved Solids)	21,985.00	20,474.00	KL

## Water Withdrawal Share by Source



## Waste

ELGi has committed to achieving zero waste to landfill by 2027. We aim to eliminate the environmental impact of waste and are implementing extensive waste reduction and recycling programs at our manufacturing plants. By integrating circular economy solutions into our business models, we maximise the use of materials and resources while minimising environmental impact.

This year, we repurposed approximately 236 tonnes of foundry processed sand into bricks and rubber products which were used for internal construction and community development projects. Additionally, we obtained the CSIR test certificate for these concrete blocks.

By prioritising waste reduction at the source and collaborating with authorised entities, ELGi ensures that all hazardous materials are diverted from landfills, further solidifying our commitment to sustainable practices.

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Information related to waste diverted from disposal and waste directed to disposal has been provided for FY 23-24 onwards.

Waste Generated	2023-24	2022-23	Unit
Non-hazardous waste	2,846.69	4,277.00	Tons
Hazardous waste	113.84	134.00	Tons
<b>Total</b>	<b>2,960.53</b>	<b>4,411.00</b>	<b>Tons</b>

Waste diverted from disposal	FY 2023-24	Unit
Total weight of waste diverted from disposal	2,415.36	Tons

Total weight of hazardous waste diverted from disposal:

▪ Preparation for reuse;	0.00	Tons
▪ Recycling;	33.83	Tons
▪ Other recovery operations.	0.00	Tons

Total weight of non-hazardous waste diverted from disposal:

▪ Preparation for reuse;	895.49	Tons
▪ Recycling;	1,486.04	Tons
▪ Other recovery operations.		

Total waste diverted from disposal:

▪ Onsite	343.20	Tons
▪ Offsite	2,072.16	Tons

Waste directed to disposal	FY 2023-24	Units
Total weight of waste directed to disposal	545.20	Tons
Total weight of hazardous waste directed to disposal:		
▪ Incineration (with energy recovery)	80.01	Tons
▪ Incineration (without energy recovery)	0.01	Tons
▪ Landfilling	0.00	Tons
▪ Other disposal operations	0.00	Tons
Total weight of non-hazardous waste directed to disposal:		
▪ Incineration (with energy recovery)	465.18	Tons
▪ Incineration (without energy recovery)	0.00	Tons
▪ Landfilling	0.00	Tons
▪ Other disposal operations	0.00	Tons
Total waste directed to disposal:		
▪ Onsite	0.00	Tons
▪ Offsite	545.20	Tons

## Celebrating a Cause: World Environment Day

On World Environment Day, the world united to address the ongoing challenge of climate change. Reaffirming its dedication to sustainability, ELGi actively engaged its employees and key stakeholders to take #StepsForChange.

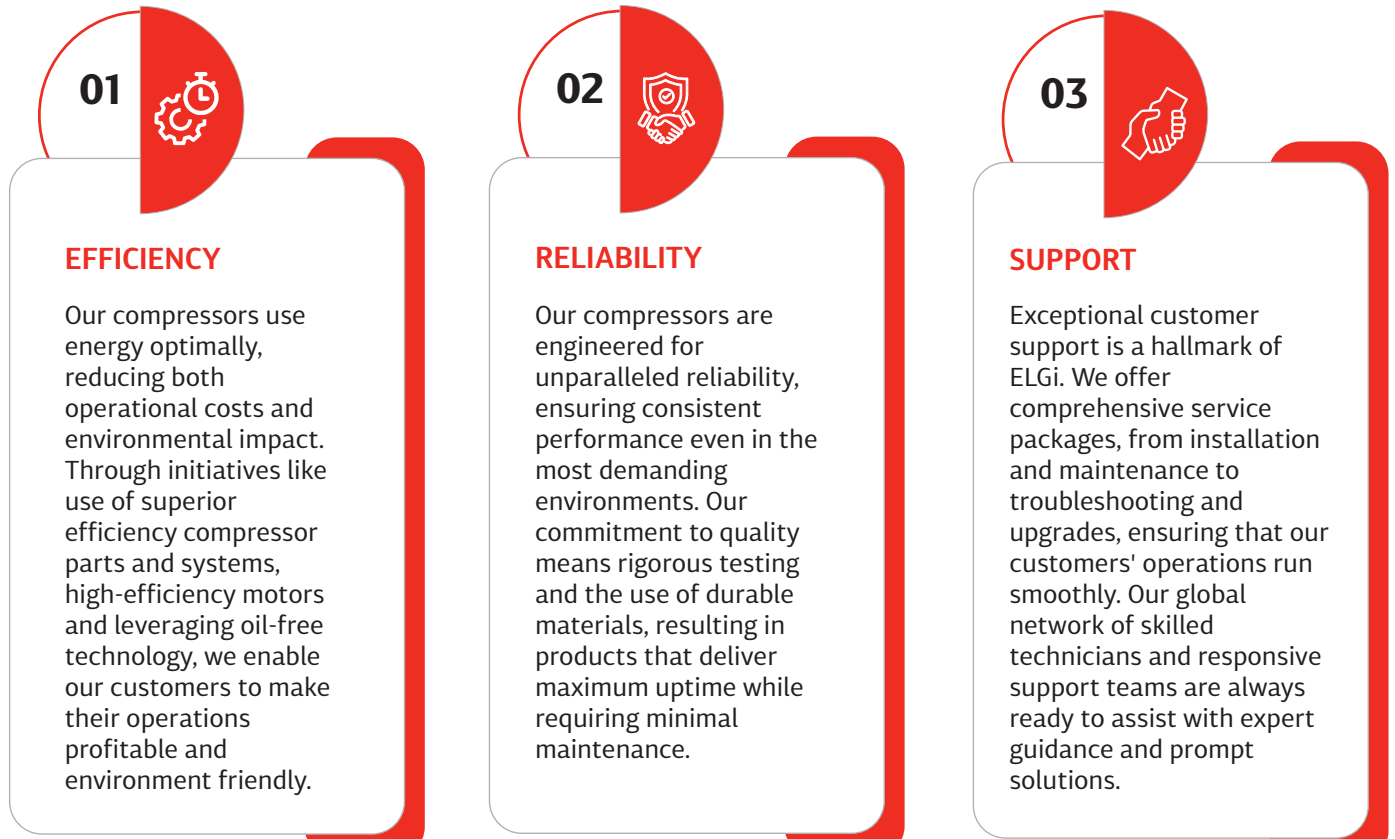
At various ELGi offices, our teams diligently organised initiatives highlighting the significance of recycling and upcycling in building a sustainable future. Through these activities, we emphasised the power of simple habits that can positively impact the environment.



# Product Stewardship

Product innovation and stewardship are core to our business strategy and growth plans, serving to guide our endeavours to create sustainable and high-quality products that meet customer needs. They are also essential to our contributions to the national and global agendas to transition to a Net Zero future, and to delivering on our environmental responsibilities.

At ELGi, our products are designed to deliver on the following aspects:



The infographic consists of three vertical panels, each with a red circular header containing a number and an icon. The first panel is titled '01 EFFICIENCY' with a gear and stopwatch icon. The second panel is titled '02 RELIABILITY' with a shield and hands icon. The third panel is titled '03 SUPPORT' with a hand holding a tool icon. Each panel contains a paragraph of text describing the respective aspect.

**01 EFFICIENCY**

Our compressors use energy optimally, reducing both operational costs and environmental impact. Through initiatives like use of superior efficiency compressor parts and systems, high-efficiency motors and leveraging oil-free technology, we enable our customers to make their operations profitable and environment friendly.

**02 RELIABILITY**

Our compressors are engineered for unparalleled reliability, ensuring consistent performance even in the most demanding environments. Our commitment to quality means rigorous testing and the use of durable materials, resulting in products that deliver maximum uptime while requiring minimal maintenance.

**03 SUPPORT**

Exceptional customer support is a hallmark of ELGi. We offer comprehensive service packages, from installation and maintenance to troubleshooting and upgrades, ensuring that our customers' operations run smoothly. Our global network of skilled technicians and responsive support teams are always ready to assist with expert guidance and prompt solutions.

The continuous use of technology to enhance product design features is of paramount importance. These advancements aim to improve efficiency, reduce maintenance costs, and lower the total cost of ownership. As an engineering-led company, ELGi dedicates substantial resources to research and development. Additionally, the company has implemented state-of-the-art customer relationship management systems to ensure high service standards.

ELGi's teams have made considerable efforts to assist customers in achieving their sustainability goals. The introduction of the oil-free compressors in the AB Series marks a significant step towards promoting sustainability, providing oil-free air solutions for the healthcare, pharmaceutical, and food and beverage industries.



## Sustainably Crafted, Precisely Implemented

ELGi's comprehensive portfolio of oil free, oil lubricated compressors and accessories are designed to reflect 'efficiency at our core' to address customer needs for low life cycle cost compressed solutions. This year, we unveiled a new range of products at global events such as the Hannover Messe 2023, ASHE 2023, Vistage Summit 2023, among others.



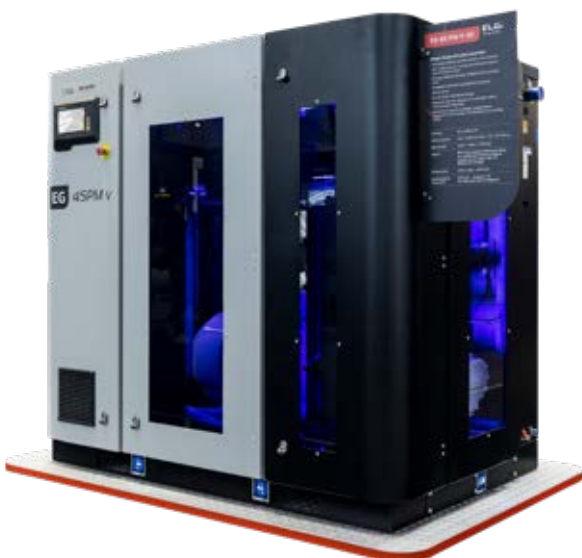
### ELGi OF90-160 Range

The ELGi OF90-160 Range introduces an Integrated Heat Recovery System (HRS) that recovers up to 90% of compression-generated heat. This innovative system significantly enhances the total cost of ownership and reduces the carbon footprint for our customers. Additionally, the units are designed for outdoor installation with protective kits, ensuring durability and efficiency.



### ELGi EG90-110 SP Range

Incorporating an advanced two-stage air end design, the ELGi EG90-110 SP Range showcases substantial energy efficiency improvements. Operating within a 4.5-12.5 bar range, these compressors deliver superior performance while reducing ownership costs by saving energy and enhancing reliability. This enhancement directly translates to lower lifecycle costs, improved uptime, and superior reliability across various manufacturing applications.



### ELGi EG11-45 PM VFD Range

The ELGi EG11-45 PM VFD Range is engineered for enhanced energy performance and features a new Permanent Magnet Synchronous Motor and direct drive air ends designed for variable loads. These compressors achieve improved turndowns without compromising efficiency, resulting in reduced energy consumption, and increased free air delivery. Additionally, these compressors utilize an intelligent thermal valve that maintains optimal oil temperature and improves energy efficiency. Moreover, the advanced Neuron 4 controller, with its state-of-the-art design, improves reliability and ensures the safe operation of the air compressor.

## ELGi Air Alert IoT-based Machine Monitoring System

ELGi's Air Alert enables improved uptime, energy efficiency and 24x7 remote monitoring. By providing real-time monitoring and data analytics for critical parameters, this system minimises downtime and maximises overall efficiency through data driven solutions. It continuously tracks compressor operations to enable failure prediction and prevention. Air Alert helps customers make informed decisions by offering predictions of failures, alerts on the remaining useful life of critical components, and maintenance scheduling.



## AR Premium Series Energy-Saving Cyclic Refrigerated Dryers

The AR premium series energy-saving cyclic refrigerated dryers offer optimised energy savings across various industries. These dryers, replacing non-cyclic models, provide better energy efficiency and thermal mass control, especially when integrated with a VFD compressor. Customers can benefit from substantial thermal mass control, resulting in energy savings in partial load and no-load scenarios. With mechanical level sensing and zero-loss drains, these dryers ensure efficient condensate management and contribute to sustainable air compression processes.



## PG 1350 Rig Compressor

The PG 1350, recently launched by ELGi, is a testament to our commitment to excellence. This compact yet powerful dual pressure rig compressor offers unmatched power, performance, and cost savings for customers. Its innovative design and advanced features set new industry standards, marking a milestone in ELGi's journey of providing cutting-edge solutions.

## Inculcating Environmental Awareness

Our sales and service team recently completed an extensive training program focused on Environmental Sustainability, facilitated by experts from the Confederation of Indian Industry (CII). This initiative aimed to raise awareness and provide insight into sustainable practices adopted across industries, emphasising the imperative of striving for net-zero emissions. The programme offered valuable insights into energy efficiency policies, regulations, and optimisation opportunities related to air compressors. In essence, it served as a pivotal platform for learning, networking, and fostering dialogue on environmental sustainability.



# Always Reliable

# 8

ELGi's commitment to fostering an Always Reliable workplace for our employees is our top priority. Our efforts centre on enhancing the comprehensive growth and well-being of our workforce, enabling them to thrive both in their career and personal lives. Our emphasis on being Always Reliable also extends to the communities we work among, which is reflected in the initiatives we implement

to support their socio-economic progress. We are committed to operating in a way that fosters trust and reliability for everyone involved, ensuring a consistently supportive environment. Further, we deeply value empathy as a guiding principle in all our endeavours aimed at benefitting the society at large.

## 3 GOOD HEALTH AND WELL-BEING



- #Whatsyourfinishline and CSR initiative Coimbatore Marathon are aimed at promoting a healthy lifestyle and raising awareness of cancer, respectively.
- ELGi Sakhe's medical camp at Eera Nenjam demonstrates our commitment to community care, fostering compassion and inclusion, and creating sustainable communities.
- ELGi provides mental health support and wellness programmes to its employees.
- At ELGi, we prioritise occupational health and safety by using the Hazard Identification and Risk Assessment (HIRA) framework to systematically identify and address potential hazards in the workplace.

## 4 QUALITY EDUCATION



Our flagship initiative, ELGi School aims to provide world-class education to students from lower-income background.

## 5 GENDER EQUALITY



- ELGi runs exclusive Female-Operated Assembly Lines, nurturing gender diversity and inclusivity.
- Our Digital Innovation Programme (DOJO) provides women with opportunities to acquire specialised technical skills, conduct research, and explore potential areas of development.

## 8 DECENT WORK AND ECONOMIC GROWTH



Digital skills development and vocational training through programmes like FutureSkills Prime and ELGi Vocational Training School promote inclusive economic growth by enhancing workforce capabilities and readiness for evolving job markets.

## Human Rights, Child, and Forced Labour

ELGi's priority to safeguarding the human rights of employees is delineated in its comprehensive Human Rights policy. To promote employees' understanding of human rights including their right to express themselves and seek redressal in the event of any violations, we implement a human rights training programme throughout the organisation. As of FY 2023-24, 100% of ELGi's workforce has completed this training.

Compliance with all relevant labor laws is a key priority, including strictly avoiding child and forced labour in all aspects of our operations. ELGi's emphasis on upholding human rights in its value chain extends to its supply partners as well, who are required to honour the rights of their employees and ensure legal compliance in their businesses. During the reporting year, no cases of child or forced labour or human rights violations have been registered.

## Talent Management

ELGi approaches talent development by recruiting employees from diverse backgrounds and offering them the tools and settings essential to growing and nurturing their abilities. Notably, in order to enhance the gender balance in the organisation, ELGi has allocated some positions across all business units, specifically for women. In 2023-24, 242 employees were onboarded at our India-based facilities, and women comprised 17% of the new hires from colleges.

The following tables provide information on the number of new hires by gender and age:

### New Employee Hires by Age

Age category	FY 2023-24		FY 2022-23	
	Number	Rate	Number	Rate
<30	165	12%	99	7%
30-50	75	5%	50	4%
>50	2	0.15%	1	0.07%

### New Employee Hires by Gender

Gender	FY 2023-24		FY 2022-23	
	Number	Rate	Number	Rate
Male	200	15%	134	10%
Female	42	3%	16	1%

## Employee Turnover by Age

Age category	FY 2023-24		FY 2022-23	
	Number	Rate	Number	Rate
<30	79	6%	47	3%
30-50	93	7%	74	5%
>50	58	4%	40	3%

## Employee Turnover by Gender

Gender	FY 2023-24		FY 2022-23	
	Number	Rate	Number	Rate
Male	208	15%	150	11%
Female	22	2%	11	1%

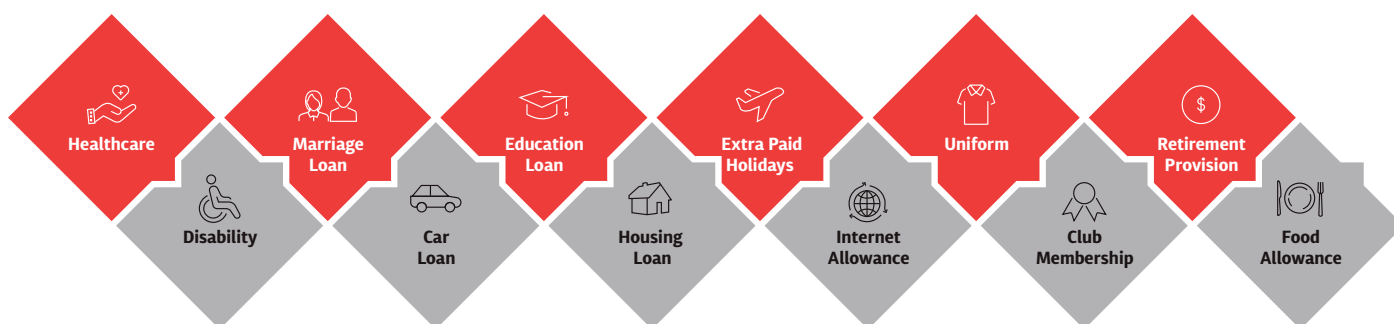
## Employee Compensation & Benefits

A vital aspect of ELGi's talent management strategy involves prioritizing competitive compensation for its employees, aligning with industry norms and legal mandates. The company ensures compliance with all pertinent socio-economic laws for its employees, including minimum wage regulations, wage payments, overtime compensation, maternity benefits, and more. Notably, there were no instances of non-compliance with any socio-economic regulations during the reporting year.

ELGi ensures fair and transparent compensation for its employees through a unique process. This involves conducting an annual survey with workers' representatives to determine commodity

prices and cost-of-living adjustments. Management reviews and adjusts compensation accordingly, with workers participating in item basket evaluations every five years. This collaborative approach fosters transparency, ownership, and trust among employees.

ELGi also has in place a benefits package, encompassing healthcare, disability coverage, parental leave, retirement benefits, paid time off, housing and interest subsidies, marriage and education loans, club memberships, uniforms, internet and city grade allowance, and car loans/allowance. Temporary or part-time employees receive food at subsidised rates.



Beyond professional obligations, ELGi extends support through financial assistance and post-retirement care for its employees. This fiscal year, ELGi organised two pre-retirement counselling sessions for employees nearing retirement age. The session was attended by 39 employees along with their spouse and covered topics such as financial planning, health and wellness consideration, legal aspects of retirement, and emotional preparedness for the transition.

## Learning and Development

Continuous skill development being key to the growth and development of ELGi's talent pool, we offer a range of courses aimed at elevating employees' skills and encourage them to continuously upskill and expand their competencies. This empowers them to stay aligned with the demands of our business and remain relevant in an industry that witnesses rapid technological developments.

Among the initiatives implemented during this fiscal year, we organized a training programme called the 'First Time Manager,' which aims to provide new managers with the necessary skills and tools to excel in their roles. This initiative saw participation from 25 such managers across the company.

ELGi also organised a workshop on Team Building at Pegasus, Bengaluru. The workshop, which had 56 participants, was interactive and included team-building activities to enhance cohesion and productivity within teams.

Following the competency gaps highlighted by the assessment and development centre, ELGi has introduced two significant initiatives to address these gaps throughout the organization. These initiatives are titled "Building People Managerial Capabilities (BPMC)" and "Building Business Acumen (BBA)." The BPMC program focuses on developing and strengthening personal, interpersonal, managerial, and leadership competencies. Meanwhile, the BBA program is designed to enhance financial acumen, strategic thinking, market insights, and customer centricity.

## Integration of Talent

The "Integration of Talent (IoT)" project was initiated in 2021 to develop a robust talent strategy that supports ELGi's growth. This project has concentrated on understanding ELGi's current and future talent needs and creating an integrated talent management framework.

Under this programme, 220 employees underwent talent evaluation by way of attending a development centre. This helped the employees in finalizing their Individual Development Plan (IDP).

The project has resulted in a competency-led perspective on talent, the design of targeted development journeys for key individuals, and the establishment of strategic talent reviews where leaders and line managers take ownership of talent readiness. Additionally, it has strengthened the talent pipeline to meet ELGi's present and future requirements and build internal capabilities to manage talent processes effectively.

In summary, this project is designed to ensure ELGi's preparedness for future roles by implementing robust talent processes linked to business-driven competencies. This will facilitate the identification and development of talent, creating a talent-focused culture and ecosystem within ELGi.

As part of its efforts to enhance talent management, ELGi has also partnered with a third-party to create a comprehensive talent management framework that aligns with its business objectives. This initiative also aims to develop a cross-functional team that will eventually serve as Talent Management Partners and Drivers.

Breakdown of employee category (Senior/Middle/Junior/Staff) given based on level defined by management, derived from companies internal human resource system.

## Training Hours based on Employee Categories and Gender

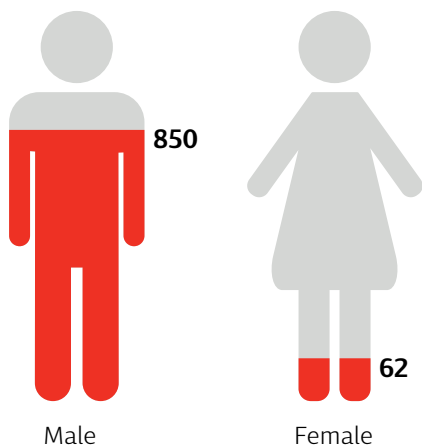
Description	Unit	FY 2023-24	FY 2022-23
<b>Employee Categories</b>		<b>Hours of training by employee category</b>	
Senior Management	No of participants	38	30
	Hours	689	229
Middle Management	No of participants	116	125
	Hours	1,772	2,123
Junior Management	No of participants	292	273
	Hours	6,785	4,456
Staff/workers	No of participants	466	457
	Hours	12,441	14,031
<b>Gender</b>		<b>Hours of training by gender</b>	
Male	No of participants	850	1205
	Hours	20,158	28,557
Female	No of participants	62	55
	Hours	1,530	1,300

## Average hours of training of employees by gender and employee category

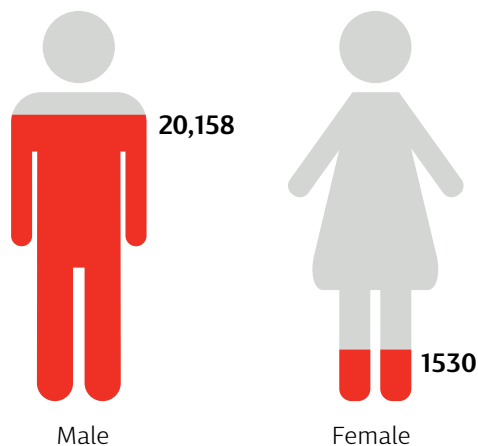
Description	Unit	FY 2023-24	FY 2022-23
<b>Employee Categories</b>		<b>Average hours of training by employee category</b>	
Senior Management	Hours	18.13	7.63
Middle Management	Hours	15.28	16.98
Junior Management	Hours	23.24	16.32
Staff/workers	Hours	26.70	30.70
<b>Gender</b>		<b>Average Hours of training by gender</b>	
Male	Hours	23.72	23.70
Female	Hours	24.67	23.60



## Employee participation by gender (in number) FY 2023-24



## Employee participation by gender (in hours) FY 2023-24



## Digital Skilling

The exceptional experiences that ELGi delivers to its stakeholders result from a combination of innovation and leveraging the latest digital technologies. To be able to consistently deliver the highest levels of stakeholder experience, and to live up to our credo of #AlwaysBetter, it is therefore paramount that we periodically assess our existing and required skillsets and equip our workforce with the competencies that empower them to be future ready.

Through an ongoing partnership with NASSCOM, we are providing our employees with the opportunity to learn to adapt to evolving work practices, as well as deliver value that surpasses what automated systems and intelligent machines can offer. By equipping employees with these essential digital skills, ELGi ensures that they are prepared to thrive in a digital-centric environment.

Additionally, continuous skill enhancement also helps us to ensure that our employees remain attuned to the dynamic demands of the market and align their career trajectories accordingly. Further, empowering them with high-value skills supports our long-term business objectives and demonstrates our commitment to prioritising ELGi's people.

## FutureSkills Prime Programme

ELGi recognizes that the future workplace requires a workforce equipped with both core competencies and digital agility. To address this need, we have partnered with FutureSkills Prime. This initiative aims to provide employees with a deeper understanding of digital technologies, refine their existing skills, and ultimately enhance their value within the organization.

The FutureSkills Prime programme has been implemented across all functions at the Indian headquarters. Our employees are free to browse and select programmes from the FutureSkills Prime menu that they find interesting and will benefit their work.

## ELGi Vocational Training School

ELGi introduced ELGi Vocational Training School (EVTS) in 2008 to increase the skills of its shop floor employees to significantly improve working standards and enabling them for career advancement. The implementation of EVTS has had a transformative effect on the lives of numerous employees at ELGi.

As part of our endeavours in digital skilling, ELGi's Digital Transformation Team hosted an immersive two-day workshop, immersing students of the EVTS in the world of cutting-edge digital technology. The training covered a wide range of digital innovations, including Industry 4.0 foundations, web and app development, cybersecurity, and image analytics.

This hands-on workshop allowed students to apply their newfound knowledge through various exercises and activities. Noteworthy highlights included demonstrations on Digital Twins and the EG 45 compressor, a virtual reality tour of a

compressor room, and interactive sessions on Power BI, Power Automate, and image analytics. This transformative training aimed to prepare students to become future innovators and leaders in the dynamic digital landscape.

The EVTS is also actively involved in preparing students to be industry ready and employable by the manufacturing industry, thereby addressing dual objectives of employment for youth and supporting talent pipeline development for industry players. The narrative below showcases a new initiative that commenced in the reporting year.



## Empowering Futures: Launching B.Voc Programme in Production Technology

Keeping in view the future employment needs of the manufacturing industry, ELGi Vocational Training School (EVTS) has collaborated with the Community College at the Central University of Tamil Nādu (CUTN), to introduce a three-year Bachelor of Vocation (B.Voc) programme in Production Technology. Aligned with the National Skill Qualification Framework (NSQF), this partnership enables approximately 200 students to enrol in the vocational course and aims to equip them with both practical skills and theoretical knowledge essential for a successful career in the manufacturing sector.

Under this unique collaboration, the Community College of CUTN will be responsible for delivering the theoretical components of the curriculum, while ELGi will offer 70% of the practical training at our state-of-the-art facility. Upon successful completion of the programme, all trainees will be absorbed as shop-floor employees by ELGi, thereby creating a pipeline of skilled professionals and demonstrating the company's commitment to nurturing young talent.

## Diversity & Inclusion

ELGi believes that a diverse workforce contributes varied perspectives and capabilities that are essential to driving innovation and the company's progress. Therefore, we extend fair and merit-based employment opportunities to our employees in every department, without bias based on age, gender, religion, or other demographic, social, and economic considerations. The company has a zero-tolerance policy for discrimination that encompasses each employee with the necessary training to effectively address and report incidents of discrimination or harassment at the workplace.

Demonstrating its emphasis on diversity, women comprise 7% of ELGi's Indian workforce. Additionally, women hold positions across various functions and levels in the organisation 15% engaged as contract workers.

Moving forward, ELGi plans to roll out gender neutral policies aimed at reinforcing an inclusive workplace and enabling employees' to access opportunities for professional growth. In a move in this direction, a creche has been set up on our campus, to support working parents in their childcare responsibilities.

### Board of Directors and Key Managerial Personnel Head Count FY2023-24

Gender	Units	Employees		
		Age Group		
		<30	30-50	>50
<b>Board of Directors</b>				
Male	Nos.	0	1	6
	Percentage	0%	13%	75%
Female	Nos.	0	1	0
	Percentage	0%	13%	0%
<b>KMPs</b>				
Male	Nos.	0	2	1
	Percentage	0%	67%	33%
Female	Nos.	0	0	0
	Percentage	0%	0%	0%

## Diversity of Employees by Age, Gender, and Management Level FY2023-24

Category	Units	Employees					
		FY 2023-24					
		Age Group					
		<30		30-50		>50	
	Male	Female	Male	Female	Male	Female	
Senior Management	Nos.	0	0	15	2	19	0
	Percentage	0%	0%	42%	6%	53%	0%
Middle Management	Nos.	1	0	144	11	40	2
	Percentage	1%	0%	73%	6%	20%	1%
Junior Management	Nos.	150	21	373	21	53	4
	Percentage	24%	3%	60%	3%	9%	1%
Staff/workers	Nos.	226	42	95	0	157	0
	Percentage	43%	8%	18%	0%	30%	0%
Total	Nos.	377	63	627	34	269	6
	Percentage	27.4%	4.6%	46%	2%	19.5%	0.4%

A key initiative in diversity and inclusion is ELGi's Digital Innovation DOJO programme, a collaboration between academia and industry.

### ELGi's Digital Innovation DOJO programme

ELGi's inaugural collaboration with the PSGR Krishnammal College for Women (PSGRKCW), an autonomous college in Coimbatore, has resulted in establishing the first Digital Innovation DOJO, an immersive learning centre that aligns with our digital transformation strategy of 'Experiment, Start Small & Scale Fast.'

The impact of the DOJO is visible in 150 female students engaging in over 40 digital projects during their three-month internships in the fiscal year 2023-24.

In line with this commitment, the 'GRG-ELGi Digital Innovation DOJO' was launched at the GRG College campus in Peelamedu. Through this collaboration, we aim to provide women with opportunities to acquire specialised technical skills, conduct research, and explore potential areas of development. The DOJO programme continues to expand its reach and impact, having recently added two more DOJO's with Janson's Institute of Technology and PSG Tech.

Digital skills are also being imparted to ELGi's EVTS Bachelor of Vocation students, ensuring that its educational initiatives encompass a wide range of learners and skill levels. The DOJO, staffed with approximately 300 interns, follows an agile scrum framework for project management and technological breakthroughs, offering experiences in robotic process automation (RPA), virtual reality, machine learning, and augmented reality. Interns receive mentorship from ELGi's global business leaders, gaining exposure to various job roles in digital transformation.

Furthermore, a specific course on digital business transformation is conducted by Amrita School of Business (ASB). 20 students have opted for it as an elective in the last trimester. One of ELGi's employees has represented the company as a visiting faculty and successfully delivered the course at ASB.

## Breaking Barriers in Manufacturing: ELGi's Female-Operated Assembly Lines



ELGi's dedication to fostering gender diversity and inclusivity is demonstrated through women's empowerment and skill development initiatives. ELGi has established assembly lines which are exclusively operated by a 100% female workforce at the ELGi Air Centre in Coimbatore, India. These lines, including the airend assembly line, encapsulated airend assembly line, and ELGi new generation compressor top block assembly line, are managed by 13 young women who collectively produce over 150 airends and top blocks daily.

These accomplished women are graduates of the ELGi Vocational Training School (EVTs), where they underwent a rigorous three-year technical training programme covering machining, welding,

electrical work, basic engineering, and advanced production technologies.

Automation has been integrated into all assembly lines to create an inclusive work environment, ensuring optimal torque application without fatigue, and enhancing material handling efficiency significantly.

Prioritizing the safety and well-being of our workforce, every female employee on the shop floor has received extensive first-aid training. The presence of a dedicated occupational health centre also ensures immediate support, promoting a safe and comfortable working environment for all.

### Women in ELGi: Making strides in Manufacturing.

ELGi is proud to empower women, providing them with the platform and resources to create waves of excellence and leadership in traditionally male-dominated fields. Through their innovative contributions, these trailblazers inspire positive change, drive industry advancements, and shape a brighter, more inclusive future for manufacturing and engineering sectors globally.

### Engineering Excellence and Leadership: Mallika B's Journey at ELGi

Mallika B's journey at ELGi illustrates her dedication, passion, and forward-thinking mindset. With a solid academic background in multiple engineering disciplines, Mallika's interest in instrumentation engineering led her to the manufacturing sector, where she found her true passion. At ELGi, she refined her skills and emerged as a strong advocate for work-life balance and gender equality in leadership roles.

During her 19-year tenure as the Quality Manager at ELGi, Mallika ensured that every product met high standards of precision and reduced variability. Despite challenges like technological advancements and measurement risks, she took a strategic approach focusing on improvement initiatives, robust Quality Management Systems (QMS), and customer feedback.

Mallika B's journey at ELGi shows engineering excellence, leadership, and a commitment to driving innovation in India's manufacturing sector. It is also a reflection of ELGi's dedication to fostering a positive work culture and enabling employees to reach their full potential.

## Employee Wellbeing

ELGi strives to build a company that fosters not just financial success, but also prioritises the holistic wellness of its employees. The company's efforts are underpinned by its belief that their employees' well-being is vital to their development as well the organisation's growth and is central to cultivating an #alwaysbetter lifestyle.

ELGi's Total Employee Involvement (TEI) initiative presents a wide array of programmes that span professional and personal domains. These programmes empower employees to contribute to wage discussions, voice concerns, and collaborate on kaizen initiatives for improved efficiency and productivity.

Through culture surveys and targeted enhancements, we guarantee that employees' professional and workplace requirements are fully addressed, leading to an improved work environment. The Glint Engagement Survey, known as 'MyVoice,' which was conducted globally achieved an exceptional 91% participation rate from employees and yielded an Overall Engagement Score of 79%, surpassing the global benchmark of 73%. This serves as a testament to our efforts, reflecting a significant level of employee engagement with room for innovative initiatives and enhanced employee well-being in the future.

### Insights from ELGi's Women on Prioritising Emotional Well-being

We conversed with female employees from various departments at ELGi to understand their life philosophies and how they manage their emotional well-being. Their responses were straightforward yet powerful, highlighting the importance of prioritising self-care for overall wellness.

**I believe in balancing professional responsibilities and personal interests as it is essential for overall well-being. I set clear boundaries, prioritize my tasks, and make time exclusively to follow my passion and complete my personal priorities.**

**Victoria Rubio**

Payroll & HR Generalist, ELGi, Europe



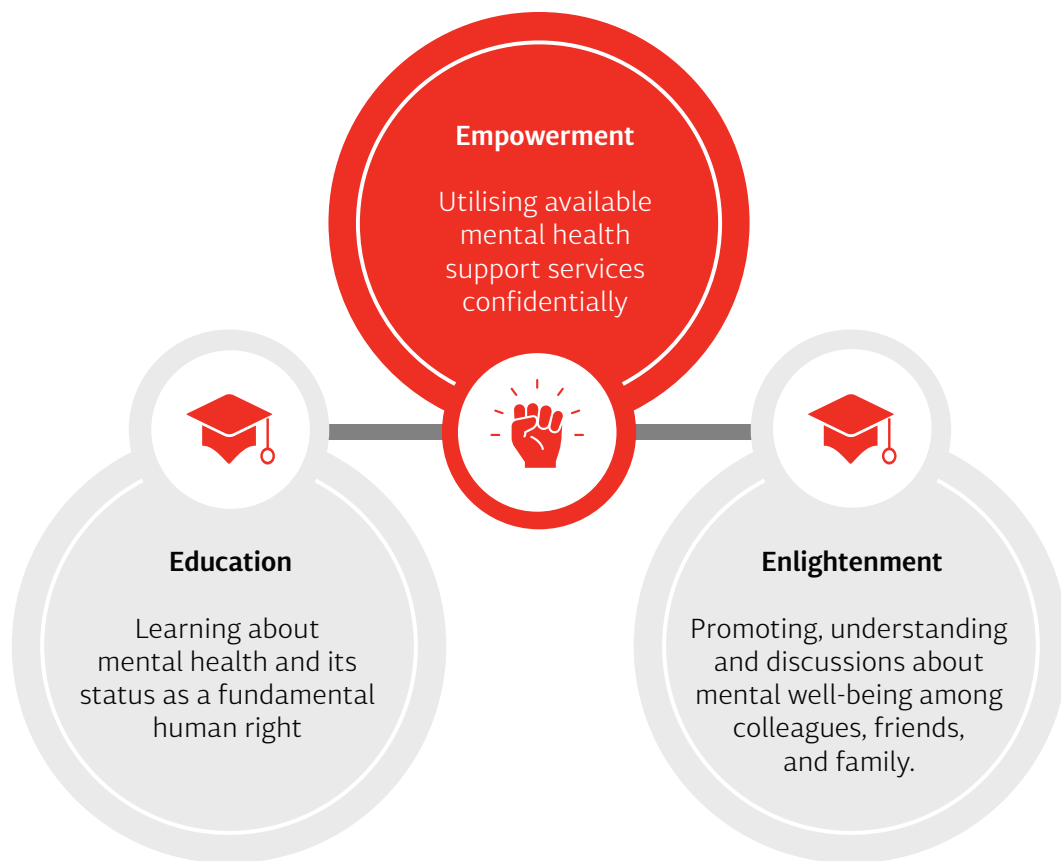
**I like to take occasional breaks by engaging in fun and fulfilling activities; it helps me rejuvenate and bounce back with greater vigor.**



## World Mental Health Day 2023

World Mental Health Day 2023 unites individuals globally under the theme 'Mental health is a universal human right.' At ELGi, we marked this occasion to elevate awareness and comprehension, and take proactive steps toward safeguarding mental health as an essential human right.

## At ELGi, promoting a mentally healthier workplace involves:



## International Yoga Day

We regularly organize a variety of programs geared towards improving employee wellness, spanning from marathons and cricket tournaments to interactive fitness challenges. For this year's Yoga Day, we collaborated with cult.fit, a health and fitness enterprise offering digital and offline services encompassing fitness, nutrition, and mental well-being. We conducted a specialised Yoga workshop for our employees, focused on uplifting mood, fostering flexibility, strength, balance, and nurturing a sound mind and body.



## ELGilympics 2023: Celebrating Unity and Sportsmanship

'ELGilympics 2023,' our annual sports meet took place on August 27th, 2023 in Coimbatore. This exceptional day was dedicated to embracing the spirit of the ELGi family, promoting camaraderie, passion, and the true essence of fair play in sports.

With a robust participation of more than 1000 employees and their families, the event featured an extensive array of 90+ sports activities, showcasing wide range of talents. Throughout the day, participants engaged in intense competitions across multiple sports categories, including athletics, team sports, and individual events. Each participant exhibited remarkable dedication, contributing to the vibrant and energetic ambience at the venue.



## ELGi's Vibrant Annual Family Day Celebration

More than 2500 ELGi staff members and their families convened for our Annual Family Day on October 29, 2023. The occasion showcased captivating acts by students from ELGi School, ELGi Vocational Training School, and our skilled employees.

The festivities showcased distinct attractions like dancing, tattoo art, balloon art, a 360-degree photo booth, and beloved TV show mascots, creating an interactive experience for everyone. The event featured ELGi's efforts in building a sense of community and celebration among its employees and their loved ones.

## #What'sYourFinishLine

ELGi's #What'sYourFinish campaign encourages employees and other stakeholders to celebrate and advocate for healthy lifestyles. The fifth edition of #WhatsYourFinishLine challenge, which concluded on November 5, 2023, brought together 154 teams from 26 countries, comprising 1644 employees and over 1800 participants in total. Collectively, participants logged an impressive 225.5 million steps through running, walking, and jogging. The challenge offered a holistic fitness experience, incorporating mood tracking, hydration monitoring, and mindfulness sessions, as well as lifestyle enhancement and wellness sessions led by experts Luke Coutinho and Dr. Almos Sajjath.

A distinctive feature of this year's challenge was ELGi's 'Green Champion' program, wherein each participant was rewarded with the planting of a tree. This addition to the initiative underscores ELGi's dedication to environmental sustainability and promoting well-being among its stakeholders.



## Occupational Health and Safety

ELGi deeply values the health, safety, and wellbeing of its personnel, aligning with its core value Always Reliable.

ELGi has established a comprehensive Health, Safety, and Environment Policy to ensure strict compliance with workplace health and safety regulations. Our occupational health and safety (OHS) management system not only covers 100%

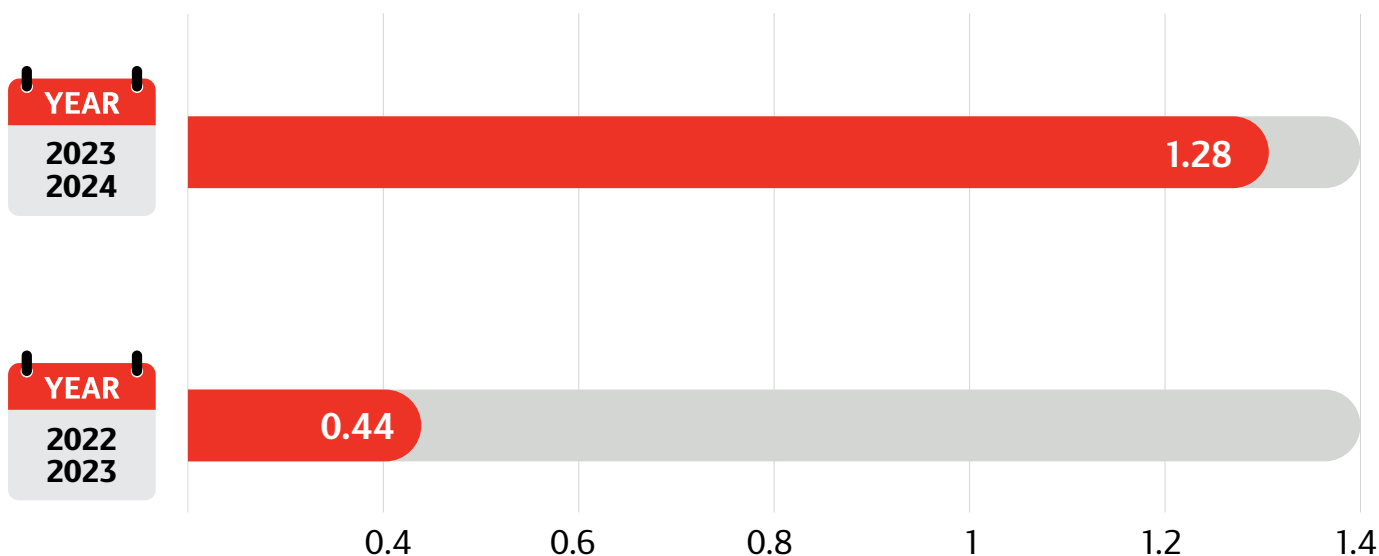
of our employees and contract workers but also goes beyond to cover any one within the premises. Moreover, 4 out of 5 plants undergo an internal audit of the OHS management system covering 78% of our employees. Additionally, 4 plants namely CCP, ACP, PVD and Foundry undergo an external audit conducted by ISO 45001.

Sr. No	Description	FY 2023-24	
		Number	Frequency Rate
For all employees	The number and rate of fatalities as a result of work-related injury	-	
	The number and rate of high-consequence work-related injuries (excluding fatalities)	-	-
	The number and rate of recordable work-related injuries	2	0.85
	The number of hours worked	2,342,976	
For all workers who are not employees but whose work and/or workplace is controlled by the organization	The number and rate of fatalities as a result of work-related injury	-	
	The number and rate of high-consequence work-related injuries (excluding fatalities)	-	-
	The number and rate of recordable work-related injuries	3	1.92
	The number of hours worked	1,564,383	
The work-related hazards that pose a risk of high-consequence injury, including	how these hazards have been determined	Hazard Identification and Risk Assessment	
	which of these hazards have caused or contributed to high-consequence injuries during the reporting period	-	
Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked		1,000,000	
Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded		No	

Workplace risks at ELGi's facilities are identified and addressed through the Hazardous Identification and Risk Assessment (HIRA) framework. This year, ELGi recorded five instances of injuries, all of which were classified as minor injuries. These incidents were primarily caused by issues related to material handling. Corrective actions to control risks are developed by following a hierarchical approach that prioritises risk reduction. This process involves considering various factors:



## Lost Time Injury Frequency Rate



Our Health, Safety and Environment (HSE) Policy encourages a Zero Accident work culture and extends to all employees and contract personnel. Employees and contractors use the near miss reporting system to prevent safety incidents, with close monitoring to maintain a safe environment. This proactive approach improves safety by reducing risks. An online platform has been introduced to facilitate near-miss reporting. Over a thousand safety tags have been submitted and addressed by shop floor personnel, indicating a proactive approach to safety.

Training employees on health, safety, and environment is critical to maintaining workplace safety at ELGi. This year, our employees received a total of 5045 manhours of training, covering areas such as Material Handling, Emergency Preparedness, Fire Drill, Waste Handling, First Aid Training, and Electrical Safety Training. Further, we have bolstered safety measures with enhanced equipment and provided refresher training on

material handling to safeguard the well-being and safety of our employees and prevent similar incidents in the future.

With respect to maintaining a high level of machinery safety, Safety Poka yoke mechanisms have been implemented for all rotating parts of machines. Additionally, multi-layer safety protections have been implemented for testing activities to ensure comprehensive safety protocols are in place.

Risk assessments, which are carried out regularly, are reviewed annually and during process modifications and management of change for new machines. Additionally, the company tracks the number of risks eliminated through its initiatives and policies, with a total of 9 risks successfully mitigated, this year. Several channels to report grievances related to OHS have been made available to employees; these include Safety Tags, Safety Committee meetings, Sun Rise, and Self-Management Team (SMT).

## Enhancing Workplace Safety: ELGi's National Safety Week

The National Safety Week was organised and celebrated during March 2024 at our CCP unit in Coimbatore. It provided an opportunity for all teams to come together and pledge their commitment to the health and safety of every employee, aligning with the theme of "Zero Harm." Our emerging talents earned the spotlight by sharing compelling safety messages. Through contests such as essay writing with themes around pinpointing unsafe working conditions, activities to evaluate unsafe acts, and exploring

their consequences, we underscored the significance of safety consciousness and proactive steps within our work environment. We also honoured our employees who have provided hands-on support in upholding a safe working environment. Further, we felicitated our bright minds from ELGi Vocational Training School (EVTS) for their unique showcase presented on the theme of safety.



## Community Engagement

Giving back to society is foundational to ELGi's ethos, arising from a deep belief that a business truly progresses only when the communities around it flourish. ELGi's credo, #AlwaysBetter, encompasses the communities we work among, demonstrated in our efforts to enable underserved communities improve their lives by having access to fundamental services such as education and healthcare.

The following narrative showcases ELGi's efforts in community development that are delivered through the company's Corporate Social Responsibility programme.

## ELGi School

For the past 36 years, the ELGi School has been dedicated to improving the lives of young students from low-income backgrounds by providing affordable, high-quality education. By equipping students with competencies that lead to higher academic achievements, education at the ELGi School serves as a stepping stone for them to pursue their academic and career aspirations.

In 2023-24, 40 students were granted 'Merit cum Means' scholarships in recognition of academic excellence and financial need, while 5 students received Scholastic Awards for achieving top ranks in public examinations. Additionally, grade 12 students received in-house counselling sessions and informative talks by industry professionals on various career paths, thereby enhancing their career readiness.

## Student Achievements & Accolades

Further, the school has established an on-campus clinic in collaboration with Health Basix, a programme initiated by Sri Ramakrishna Hospitals. The clinic's services include a dedicated nurse, available full-time to attend to the medical needs of both students and staff members. Additionally, each year, students undergo a comprehensive check-up, including physical, anthropometric, hearing and vision, ENT, dental, and dermatological evaluations. This is complemented with sessions on topics such as menstrual hygiene and adolescence issues, as well as regular workshops on physical and mental health that are led by a team of medical professionals.

Beyond the services of the on-campus clinic, students and their parents are also eligible for discounted hospital bills for treatment received at Sri Ramakrishna Hospital.

The infographic features a central red diamond with a calculator icon and the text: "Harini of grade II stood first in the Zonal level Math Olympiad". Surrounding this are four grey trapezoidal shapes, each with an icon and a text box:

- Top Left:** Kabbadi icon. Text: "ELGi Middle School team secured First position in the Kovai Sahodaya Kabbadi Tournament".
- Top Right:** Silambam icon. Text: "Tharisan of grade I secured First position in Silambam competition held by the World Arts and Sports Federation".
- Bottom Left:** Long jump icon. Text: "Junior students secured Gold medal in interschool long jump, 4 x 50 m relay race, Silver and Bronze medals in shotput at the Kovai Sahodaya Athletic meet. Yoghi of grade II was declared the Champion for his performance".
- Bottom Right:** Silambam icon. Text: "Darshan of grade VII secured First position in the Tamil nadu Open State Silambam Championship".

## ELGi Sakhe's Medical Camp at Era Nenjam

The ELGi Sakhe, a collective platform that empowers women towards personal and professional growth is committed to creating positive community impacts. In a recent initiative, ELGi Sakhe in collaboration with Kovai Medical Centre and Hospital (KMCH), organised a medical camp at Era Nenjam,

a nursing home for elderly women. During this event, residents were provided complimentary medical consultations, tests, and medications to address their health requirements. The medical camp was accompanied by a special lunch for the nursing home's residents, supported by ELGi Sakhe.



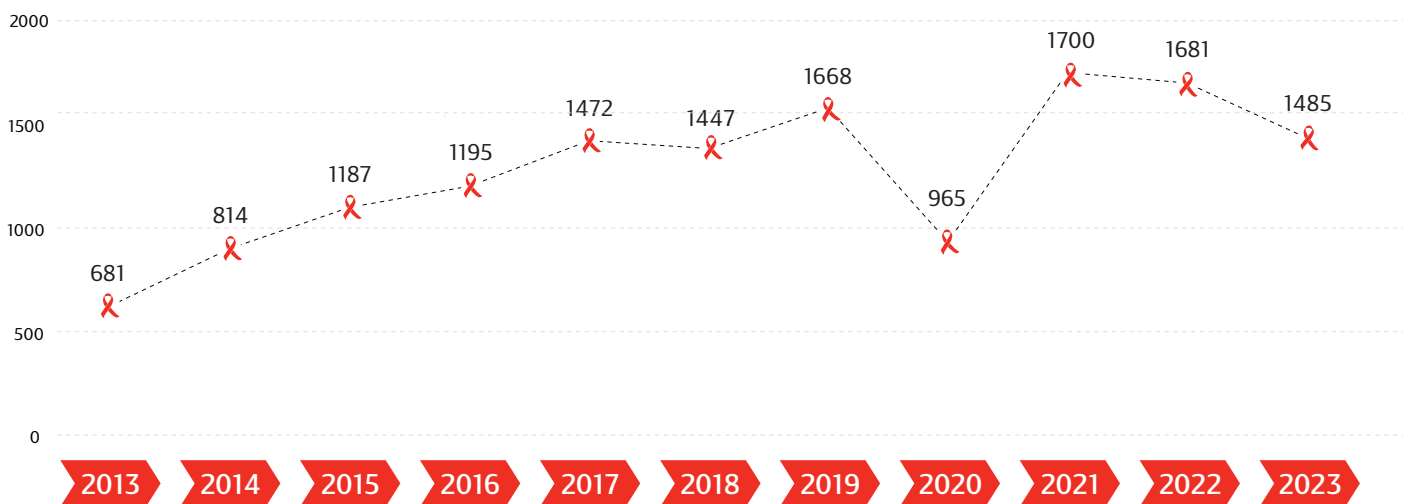
## Coimbatore Marathon

ELGi's enduring decade-long collaboration with the Coimbatore Marathon serves as a testament to its vision driven by purpose. This partnership has made a substantial impact on raising awareness about cancer and providing support.

Since its inception in 2013, the Coimbatore Marathon has evolved into one of Tamil Nadu's premier sporting events. Rooted in the mission of spreading awareness of cancer this initiative has significantly impacted the lives of those with cancer and has also contributed to the overall fitness and well-being of its participants.

The funds generated from the activities and initiatives of the Coimbatore Cancer Foundation have played a crucial role in this effort. Not only do they provide financial aid for cancer patients, but they have also facilitated the expansion of the foundation's reach through various means such as screening camps, counselling sessions, and support groups. This ensures that more individuals have access to the essential services provided by the Coimbatore Cancer Foundation.

## Coimbatore Cancer Foundation - Participants over the years



## Steps for Change: 'One Planet Our Earth'

Inaugurated in 2020, Steps for Change aims to foster environmental consciousness in the workplace and contribute to making the world eco-friendlier. In 2023, we acted on this goal on World Earth Day, by organising a climate change awareness programme for our employees aimed at cultivating sustainable mindsets. Additionally, we hosted a competition for our employees' children and students of ELGi School, centred around the theme 'One Planet for All'. Attracting participation from approximately 800 individuals, this competition encouraged children to reflect on environmental issues, express their thoughts through drawings and paintings, giving rise to ideas that may be acted upon with ELGi's support in the future.



## Enabling Dreams: ELGi Teams Up with Olympic Gold Quest to Champion Indian Athletes



Mehuli Ghosh  
Shooting

Amit Panghal  
Boxing

Komalika Bari  
Archery



Archana Kamath  
Table Tennis

Nehal Gupta  
Para Badminton

Ajeet Singh  
Para Athletics

We have recently partnered with Olympic Gold Quest (OGQ), an organisation dedicated to assisting Indian athletes and para-athletes on their journey to winning the Olympic Gold. This partnership reflects our commitment to supporting sporting talent in India and contributing to the nation's success on the international stage.

OGQ employs a rigorous selection procedure to pinpoint athletes who possess the determination and capability to achieve Olympic medals. Upon selection, OGQ extends holistic assistance, including participation in international/domestic tournaments, delivering top-tier coaching, supplying premium tools, harnessing advanced scientific methods, and managing logistical and administrative affairs for athletes.

ELGi's collaboration with OGQ has already yielded positive results, showcasing the remarkable achievements of Indian athletes and para-athletes globally. Over the past three Olympic Games, OGQ has provided support to 9 out of the 14 individual-sport medallists from India.

## #DaretobeUnique

Based on its philosophy of approaching ordinary tasks in extraordinary ways, ELGi collaborated with Bev and Land Kidby, adventurous Australians, to explore new destinations at their own pace and leisure.



# Always Resilient

# 9

ELGi rigorously adheres to superior governance protocols. Since our inception, superior governance is foundational to ELGi's functioning and has been a key driver of our sustained growth since inception. ELGi's growth strategy, operations, and organisation culture is deeply influenced by established Codes of Conduct and policies.

The company's governance rests with the Board of Directors, comprising experienced professionals from diverse professional backgrounds, who employ their collective expertise to direct our performance enhancements and expansion. The committees of the company's board and ELGi's senior leadership assume responsibility for ensuring compliance with these guidelines, both in letter and spirit.

Our Code of Ethics unequivocally denounces bribery and corruption. We do not contribute to any political campaigns or participate in lobbying efforts. As a conscientious organisation, we strive to fulfil our duty to responsibly advocating for our industry's interests through trade associations.

ELGi is determined to cultivate an ethical works environment that extends across our value chain. As a customer-centric organisation, we work towards cutting down the life cycle costs of our products by reducing their environmental footprint. In our pursuit of this goal, we constantly innovate and create energy-efficient compressors, resulting in substantial energy savings and reduced expenses for our customers.

## 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Promoting responsible practices, **82%** of our spend accounts to our suppliers who have signed off our business code of conduct (covering all ESG aspects)

## 16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Our dedication extends to all our stakeholders – investors, regulatory institutions, customers, employees, suppliers, and the broader community. This commitment fosters strong, inclusive relationships that contribute to a more equitable and stable world.

## 17 PARTNERSHIPS FOR THE GOALS



Recognizing the importance of collaboration, ELGi is committed to sustainability and responsibility beyond its own operations. Through proactive engagement with suppliers via ESG-based learning initiatives, we foster a collaborative approach to achieving a more sustainable future.

## Stakeholder Accountability

Our stakeholders, including investors, regulatory institutions, customers, employees, suppliers, and the larger community are integral to our business and upholding transparency and accountability to our stakeholders is vital to our success. Aligned with our core principles, we aim to be always resilient by consistently meeting their expectations and needs. This commitment is realized through robust communication channels, regular feedback mechanisms, and by promoting a culture of integrity and responsibility throughout our organisation.

### Safeguarding integrity and ethical conduct.

ELGi champions a culture of openness, honesty, and responsibility. Our Whistle-blower Policy is an important feature of this commitment, serving to safeguard those who report any wrongdoing within the company. Aiming to empower employees, contractors, and others to disclose misconduct without fear of reprisal, the policy offers a clear and confidential channel for reporting concerns, guaranteeing that all reports are addressed seriously and investigated impartially.

ELGi's Whistle-blower Policy is extensive and covers a broad range of individuals. This includes everyone from Directors, Officers, and Employees at all levels (both domestic and international) to temporary workers, trainees, and anyone who interacts with the company in a business capacity, such as contractors, suppliers, and consultants.

- 1. Access the Policy and App:** Find the Whistle-blower Policy document on the company website or TELGI.app portal. These resources will also explain how to use the TELGI App to submit a complaint.
- 2. Download the TELGI App (Optional):** You can access the app through a web browser or download it to your smartphone by scanning a QR code (instructions provided on the website/ portal).

- 3. Report the Incident:** Enter the TELGI.app portal and provide details about the concern you want to report. You can choose to remain anonymous during this process.

- 4. Provide Supporting Evidence (Optional):** The app allows you to attach files, such as documents or recordings, to strengthen your complaint. If submitting a voice recording, be aware that the software will modify your voice before sending it.

- 5. Submit the Complaint:** Once you've entered all the information, submit the complaint through the app.

**Note:** The Internal Audit Head will be notified and assigned to manage your case initially. They may designate a different case manager depending on the nature of your complaint. They will use the secure inbox within the portal to communicate with you regarding any investigation or updates.

### Remuneration Policy

With a focus on attracting top talent and promoting a performance-driven culture, the Remuneration Policy outlines diverse forms of remuneration for our employees, including fixed pay, performance-based incentives, and equity-based rewards. The company also considers additional benefits like joining bonuses and entitlements, aligning them with industry standards and legal requirements. Through structured performance appraisals and oversight by the Nomination & Remuneration Committee and the Board, ELGi ensures that its remuneration strategy remains competitive, transparent, and compliant with legal requirements.



## Sustainability Governance

ELGi is dedicated to integrating ESG principles into our daily operations, with a focus on achieving the ambitious goals articulated in our sustainability plan. To ensure effective oversight and progress towards our sustainability goals, we have implemented a two-tier governance structure

that comprises an ESG Steering Committee and designated Sustainability Champions within different functions. This structure ensures that accountability is cascaded through the organization and that we stay on track to achieving the objectives outlined in our sustainability framework.



## Embedding ESG in Supply Chain

It is well established that the resilience of any business is significantly influenced by a sustainable supply chain. Committed to implementing sustainable and responsible practices across our entire supply chain, we have put in considerable effort in this fiscal to sensitize our suppliers to the importance of Environmental, Social, and Governance (ESG) factors.

A notable achievement of this endeavour has been the formulation of a comprehensive Supplier Code of Conduct consisting of 19 codes that cover all aspects of ESG. Our suppliers have been requested to accept and agree with these codes and 82% of our business spend in this year has been directed to those who have signed off on these.

We plan to audit 30 of the suppliers who have signed off on the code. These audits will be carried out by a third party to ensure that their businesses follow our code. ELGi is in discussions to establish a scoring system that evaluates suppliers' performance and will help us track progress and encourage continuous improvement and maturity among them.

Furthermore, ELGi has taken proactive steps to engage its suppliers in ESG-based learning initiatives. Currently, 32 suppliers, accounting for 25% of our spend, have their own ESG programmes, demonstrating a shared commitment to sustainability and responsible practices.

By integrating ESG considerations into every aspect of our supply chain, we are not only promoting sustainability and ethical practices but also building a more resilient and future-ready business ecosystem.

## Elevating Customer Experiences

Delivering transformative experiences to our customers is the cornerstone of our ethos, reflecting our continuous pursuit of excellence encapsulated in our #AlwaysBetter promise. With innovative solutions, personalised support, and seamless experiences, we aim set new benchmarks, ensuring that every customer journey is a testament to our dedication to perfection.

## Case Study 1



### Problem

The customer based in the United States of America encounters challenges with oil or lubricant contamination, resulting in the need for frequent maintenance due to spills or leaks. Consequently, this compromises air purity levels within the system.



### Solution

The customer opted for the ELGi AB Series AB37-125 oil-free air compressor, renowned for its ability to maintain the consistent air quality essential for every stage of its intricate production process. This selection was facilitated by an authorized distributor of ELGi.



### Impact

- **Prevent Oil Contamination:** Oil-free compressed air prevents the introduction of oil particles into food production or packaging environments, avoiding spoilage, preserving food quality, and mitigating health risks for consumers.
- **Increased Product Longevity:** Oil-free compressed air preserves food quality and integrity by eliminating moisture and airborne particles that could compromise appearance, taste, and overall quality of food products.

## Case Study 2



### Problem

The customer faced the pressing need to replace its outdated compressor system. The primary challenge entailed identifying an energy-efficient and financially viable compressor solution capable of bolstering operational dependability and driving profitability.



### Solution

To address the customers' challenges and to further their environmental impact, ELGi's channel partner in Cork, Ireland, was tasked with providing a solution. Following a thorough audit of the customer's existing compressors, our channel partner recommended the installation of the ELGi EG22V compressor model.



### Impact

- **Enhanced Efficiency:** ELGi EG compressors are engineered to elevate production efficiency.
- **Quality Products:** The consistent delivery of high-quality compressed air optimizes the performance of the customers' high-precision tools, ensuring the purity and quality of their crystal manufacturing process.
- **Reduced Costs:** Decreased operational costs, driven by energy savings, enable the customer to achieve a return on investment in less than two years.

## Case Study 3



### Problem

A customer's manufacturing plant required a reliable source of high-quality compressed air. With growing concerns about the reliability and maintenance needs of their aging equipment, alongside a notable spike in power consumption, the company was prompted to actively pursue an upgraded compressed air solution to tackle these pressing challenges.



### Solution

The customer opted for the ELGi AB Series AB37-125 oil-free air compressor, renowned for its ability to maintain the consistent air quality essential for every stage of its intricate production process. This selection was facilitated by an authorized distributor of ELGi.



### Impact

- **Reliability:** ELGi showcases its commitment through high-efficiency airends with in-house - V profile rotors.
- **Low oil carryover:** ELGi EG Series minimizes oil carryover through a design that reduces pressure losses and employs the OSBIC process for three-stage separation, ensuring consistent compressed air supply with minimal pressure drop.
- **Increased efficiency:** ELGi EG Series compressors are engineered for exceptional efficiency, delivering optimal performance in diverse temperatures and environmental conditions.

## Case Study 4



### Problem

A premier provider of composite tooling solutions in Denmark aims to enhance the precision milling of composites. The customer needs reliable and stable air supply. They seek to leverage their potential to boost productivity levels in this field.



### Solution

Following an air audit which pinpointed energy-saving opportunities and involved simulating the efficiency of three ELGi series variable speed oil-lubricated screw compressor units (EG55V, EG22V, EG15V), potential areas for improvement were identified.



### Impact

- **Reliable and stable air supply:** ELGi compressors furnish the customer's composite with a dependable and consistent compressed air source.
- **Warranty and service support:** Backed by an excellent warranty, ELGi compressors offer the customer a peace of mind and assurance regarding product reliability.
- **Cost savings and energy efficiency:** ELGi compressors are renowned for their energy-saving features. Our customer experienced reduced energy consumption, leading to cost savings in their manufacturing processes.

## Case Study 5



### Problem

An export company sought solutions to improve operational efficiency while ensuring reliability and dependable after-sales support.



### Solution

The company engaged a reputable channel partner of ELGi, for assistance. Following thorough assessment, our channel partner proposed the ELGi EG Series, renowned for its ground-breaking energy efficiency, as the optimal compressor model.



### Impact

- Reduced interruptions: Our customer recognizes the significance of minimal downtime in their export operations. By employing ELGi's hassle-free EG Series compressors, they enjoyed consistent and uninterrupted operations, guaranteeing a seamless production workflow.
- Ease of use: The user-friendly design of ELGi compressors offers significant benefits to our customer. They efficiently handle their tasks and utilize compressors without requiring technical assistance.

## Case study 6



### Problem

As the first technology-driven workout studio to introduce altitude training to individuals of all fitness levels in the USA, AIRLAB faced a challenge in replicating high-altitude training conditions. This necessitated a high-performance compressed air system which can effectively mimic high-altitude environments by reducing oxygen levels while providing elevated atmospheric conditions.



### Solution

When AIRLAB was in need of a hypoxic training solution, Pattons, a North American industrial distributor and subsidiary of ELGi, saw the potential. They partnered with ATS - Altitude Training Systems, a reputable brand from Pulford Air and Gas, an ELGi subsidiary based in Australia, to meet this specialized need.



### Impact

- Streamlined manufacturing: By having the entire system produced by ELGi, the customer eliminates the need to coordinate with multiple manufacturers for separate parts, simplifying maintenance and support into a seamless, hassle-free experience.
- Integrated nitrogen system: Our customer has employed a nitrogen system that collaborates with the compressor's air input at a specific pressure and flow rate. This synchronization has enabled the nitrogen system to generate an output flow rate that precisely aligns with the desired outcomes.

## Case Study 7



### Problem

New Zealand's leading agri-based science innovation institute collaborates to create a world-class centre of research excellence. During the course of their research, the facility faced the challenge of securing a reliable and 100% "Class-0" oil-free compressed air supply, adhering to ISO 8573-1 standards, essential for supporting its developers in product creation and testing. Furthermore, they needed to ensure access to local service backup for their compressed air system.



### Solution

ELGi recommended the AB series compressors, ELGi AB37 oil-free screw air compressor and an Airmate EGRD200 refrigerated air dryer to meet their requirements. The solution also had downstream filtration and complete stainless-steel airlines.



### Impact

- Enhanced reliability: The installation of the ELGi air compressor at the company ensured maximum uptime and dependability.
- Reduced pressure losses: By minimising pressure losses during operation and improving stage efficiency, the compressor contributes to an optimal compressed air system with easy and efficient maintenance procedures.



ELGi's progress will be driven by the company's purpose, complemented by an enhanced emphasis on innovation and leveraging state of the art technologies to fulfil our commitments to stakeholders and to protecting the environment. Working within the guiderails of our sustainability framework, ELGi's actions will be directed towards the specific goals we have set to be achieved by the end of this decade.

Our industry-academia collaboration will play a pivotal role in the company's commitment to Digital Transformation and to enhancing our emphasis on innovation and research and development. Having initiated the inaugural Digital Innovation DOJO in FY 2023-24, we will work towards establishing more such partnerships that will pave the way for youth to enter the workforce with industry - relevant skillsets. Further, we remain committed to creating value for the business and our stakeholders, guided by high standards of ethical governance and integrity in business conduct.

As we work steadily towards resource neutrality and Net Zero, we will continue to embed circularity throughout our operations, focusing on delivering products that not only support our customers' business strategies and objectives but also reflect ELGi's priorities of excellence, innovation, and sustainable business practices. We will continue to endeavour to mitigate ELGi's carbon footprint with energy efficiency measures and steps to lower reliance on fossil fuels while raising the share of renewable energy in our overall energy consumption.

Alongside these efforts, our employees will continue to receive the best inputs and opportunities in learning and development, enabling them to strive towards #AlwaysBetter and realize their potential. Fuelled by our purpose to treat people as we would like to be treated, human rights, diversity and inclusion, and occupational health and safety will be at the vanguard of our people-oriented endeavours within and beyond our immediate workplace.

The practice of giving back to society runs deep in ELGi's corporate DNA and our support to communities to attain lives that are #AlwaysBetter will only grow in tandem with the company's success. The ELGi school, our flagship initiative in education, will be strengthened as the doorway for students to access a quality education that will empower them to attain the social equity they deserve. Health and access to healthcare too will receive our continued attention and support.

As we navigate dynamic business world complicated by pressing environmental challenges, ELGi remains committed to being Always Resilient, Always Responsible, and Always Reliable.



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**ELGI**<sup>®</sup>

Always Better.

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