Innovative Engineering Services

S.F.No.162/1, Tank Street, Chinnamettupalayam, Chinnavedampatti ,
Coimbatore – 641049. Tamilnadu, India.

CORPORATE SUSTAINABILITY REPORT

(For the Period 1st January, 2025 to 31st December, 2025)

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Innovative Engineering Services Coimbatore

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Chief Operating Officer

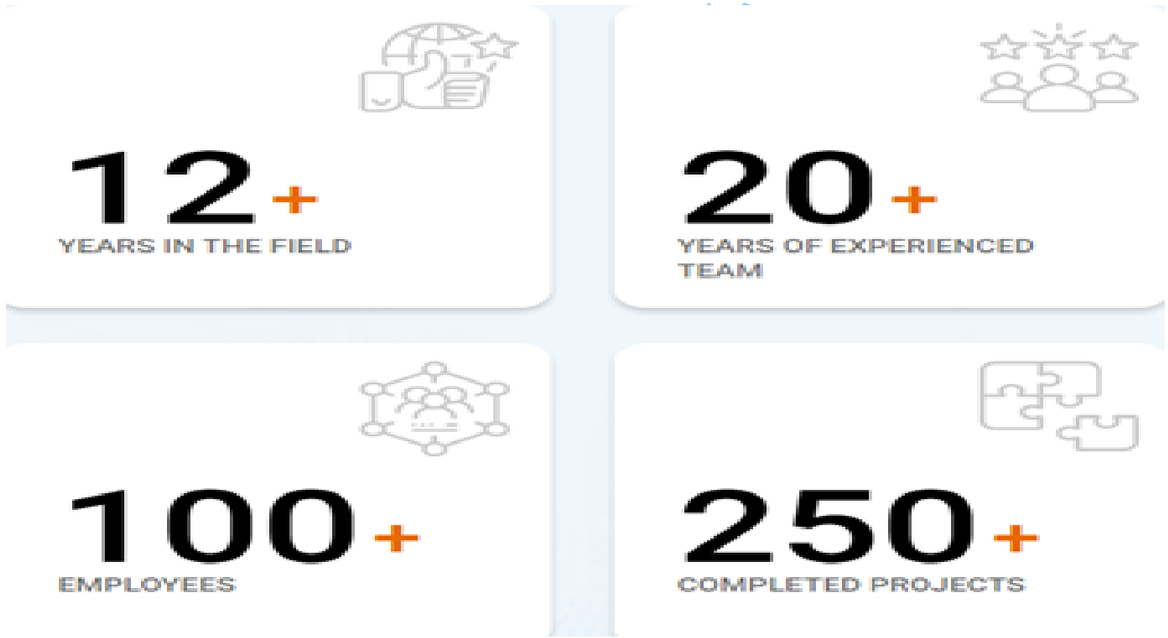
Contents

Innovative Engineering Services

We are expertise in Automotive Body Shop BIW Welding Line Builder with Hemming system , Automation in Welding and various joining, Handling and Processing industries. Our team is well versed expertise in undertake Global projects in Automotive and Automation Projects Innovative Engineering Services is part of our group company providing turnkey manufacturing and Engineering Services

Innovative Engineering Delivers

- **Automotive**
- **Automotive Suppliers**
- **Aerospace & High Precision machining**
- **Transport & Construction**
- **General Engineering**
- **Engineering Service Industry**



Continuous Improvement and Surveillance Audits

Innovative Engineering Services (IES), based in Coimbatore, Tamil Nadu, demonstrates a strong commitment to quality, environmental responsibility, and supply chain security through globally recognized certifications. The company is certified under ISO 9001:2015 for its Quality Management System, ensuring consistent product quality in the manufacture and supply of precision automotive components. It also complies with ISO 28000:2007 for effective supply chain security management. In addition, IES holds ISO 14001:2015 certification for its Environmental Management System, reflecting its dedication to sustainable practices, pollution prevention, and regulatory compliance. Regular surveillance audits ensure continual improvement, operational excellence, and adherence to international standards to global standards in engineering and manufacturing services.

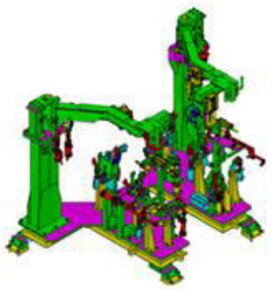
Our Business

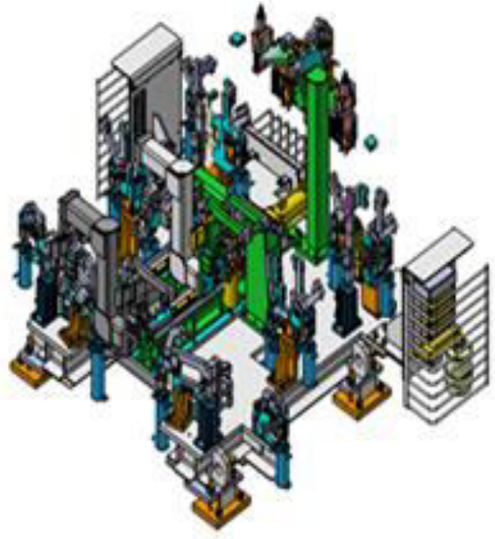
IN THIS SECTION

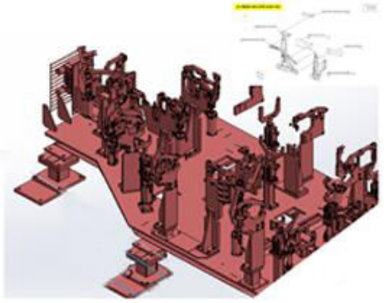
About Our Company

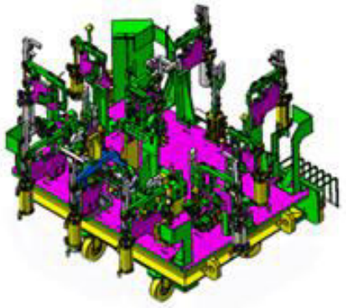
Engineering Services

Innovative Engineering provides the valuable service to General engineering industries like Power plants and Steel Plants, Our services to help them to achieve better engineering Infrastructure in well optimized design.









Our Services:

Automotive

Automation Solution

Turnkey Manufacturin

Engineering Services

“OCorporate Social Responsibility (CSR) at IES reflects our commitment to ethical fabrication, machining, and engineering services, focusing on sustainability, employee well-being, community development, and responsible business practices..”

OUR LOCATION

Contact

INNOVATIVE ENGINEERING SERVICES

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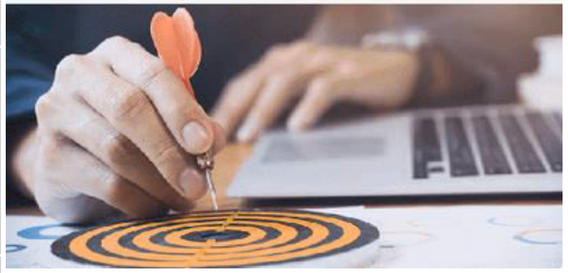
Mission and Values

OUR MISSION

Ensure Accuracy, Speed & Value Addition in our work thereby ensuring total Client Satisfaction



OUR VISION

We are "Solution Provider", from conceptualizing, designing, manufacturing, implementing and supporting.

Our Values

Safety
We commit to safety and health as a way of life.

People
Weoffer an inclusive work environment and engage, recognize and develop employees.

Integrity
We actinanhonest and ethical manner.

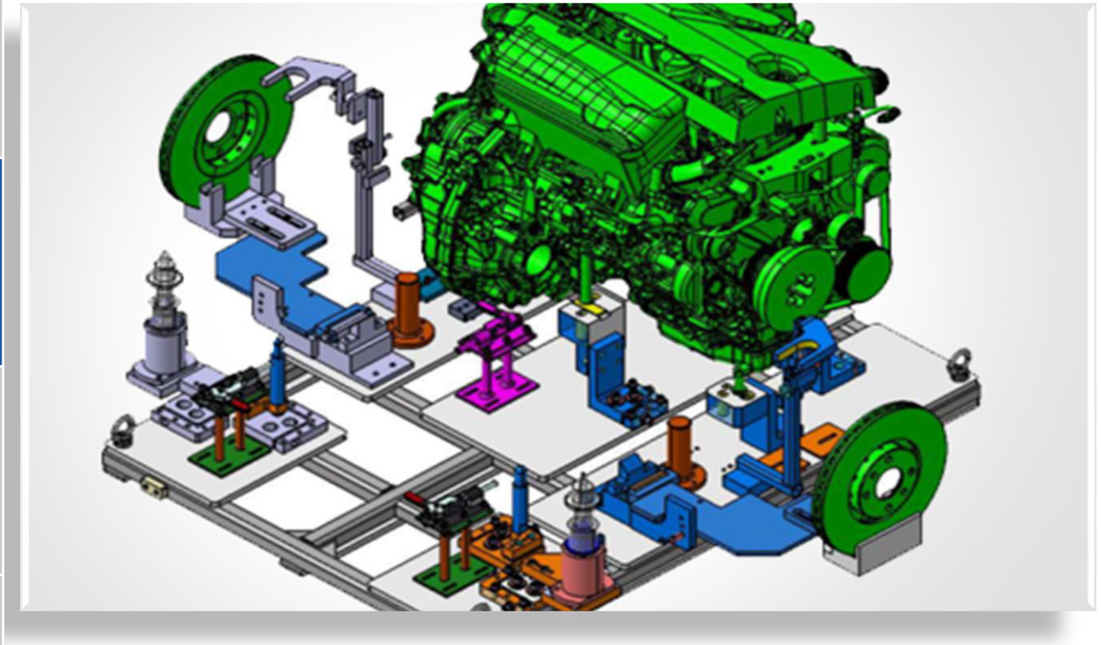
Customer Focus
We provide customers with quality products and excellent service.

Excellence
We are accountable for our own success. We operate cost-competitive mines by applying continuous improvement and technology- driven solutions.

Sustainability
We take responsibility for the environment, benefit our communities and restore the land for generations that follow.

Leadership
We have the courage to lead, and do so through inspiration, innovation, collaboration and execution.

We Are Offerin89g The Following Services:



Engineering Design- Automotive

- ✓ Automotive BIW Weld Fixture Design
- ✓ Layout Processing
- ✓ Simultaneous Engineering & part fitment study
- ✓ Hem Study and recommendations
- ✓ Hemming Die Design and Layout
- ✓ Fixture Design for Proto body buildControls
- ✓ Engineering, Software/ Hardware Design and PLC Programming

Installation Services Automobile

- ✓ Body Shop TurnkeyPLC Programming
- ✓ Robotic Simulation & Robot teaching
- ✓ Proto body build

General Engineering & Aerospace:

- ✓ Supply of Parts or Sub Assembly systems as per Design
- ✓ Portable CMM Inspection Services
- ✓ Installation Services

Statement of Use(GRI 1-5)

This report is prepared in accordance with GRI standards (2021).

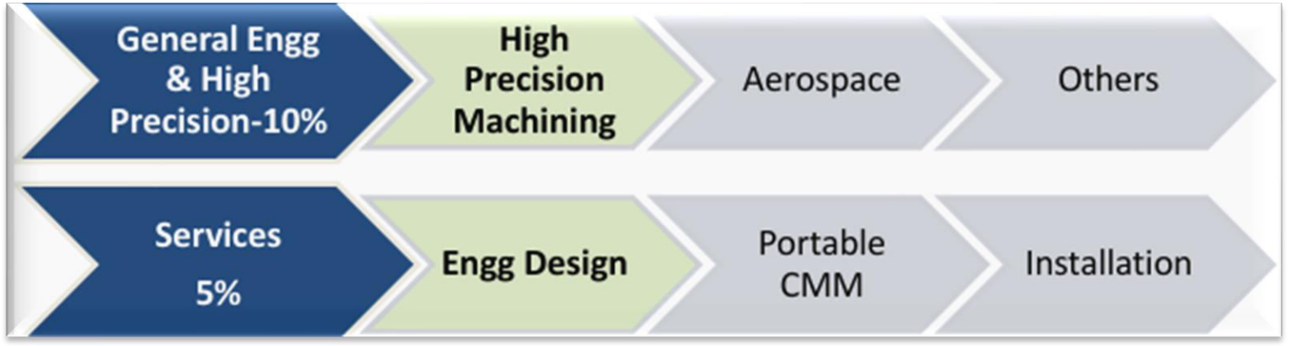
General

GRI 2-9: Governance Structure

IES maintains a structured governance framework led by senior management, including the Chief Operating Officer and departmental heads responsible for operations, sustainability, and compliance. ESG oversight is integrated into management reviews, where environmental performance, safety indicators, and compliance requirements are periodically evaluated. Decision-making authority is distributed across functional heads, ensuring accountability and operational efficiency. Internal reporting systems support transparency and performance tracking. The governance structure promotes ethical conduct, regulatory compliance, and continuous improvement. By embedding ESG responsibilities into leadership roles, IES ensures that sustainability considerations are incorporated into strategic decisions and day-to-day operations.

GRI 2-29: Stakeholder Engagement

IES engages with key stakeholders including employees, customers, suppliers, regulators, and local communities. Stakeholders are identified based on their influence on operations and their interest in organizational performance. Engagement methods include regular meetings, feedback systems, audits, training programs, and compliance reporting. Customer requirements and regulatory expectations are key drivers for operational improvements. Employee feedback is collected through surveys and grievance mechanisms. Supplier engagement ensures alignment with sustainability standards. This structured engagement approach enables IES to address stakeholder concerns, improve transparency, and strengthen long-term relationships while supporting responsible and sustainable business practices.



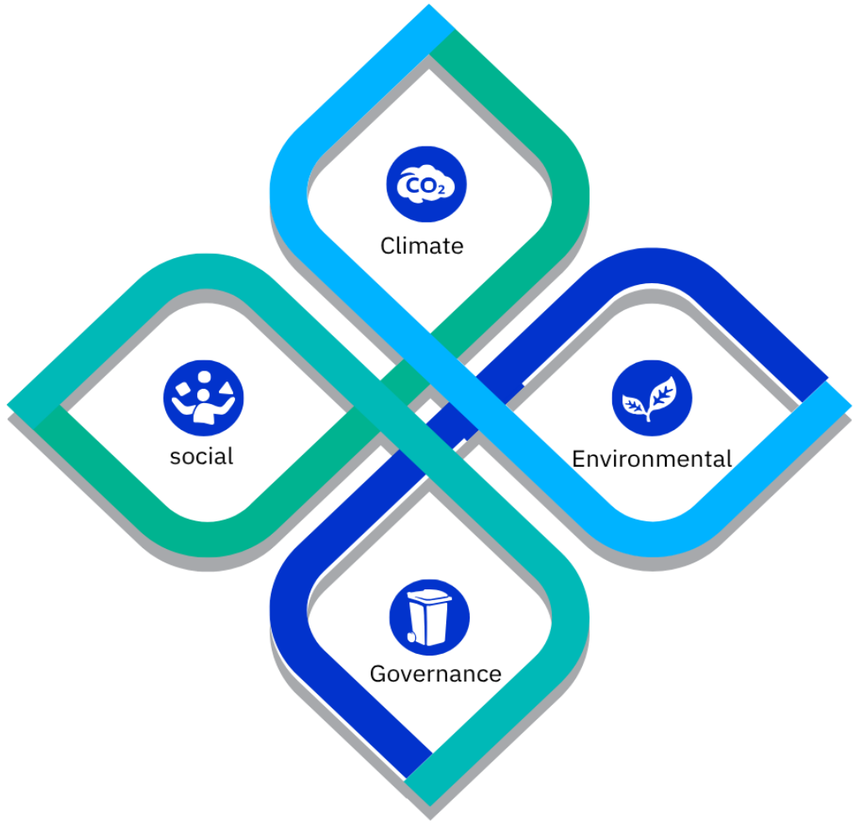
Business Mantra

- Constant Support to Customer
- QDCSS
- Flexibility & Adaptability
- Repeat Business
- Continuous improvement & Learning
- Taking Challenges
- Never Give up
- Constant Growth

Material Topics

GRI 3-2: List of Material Topics

Key material topics identified by IES include energy management, greenhouse gas emissions, waste management, occupational health and safety, employee training and development, ethical governance, and data security. These topics reflect the organization's operational impacts and stakeholder expectations. Environmental topics focus on reducing resource consumption and emissions, while social topics emphasize employee well-being and workplace safety. Governance topics address compliance, transparency, and ethical conduct. By prioritizing these material topics, IES ensures alignment with ESG principles and focuses on continuous improvement in areas critical to sustainable business operations.



List of Material Topics

Environmental

1. Energy consumption and efficiency
2. Greenhouse gas (GHG) emissions
3. Hazardous waste management
4. Air emissions (dust, fumes, VOCs)
5. Water consumption and conservation
6. Industrial effluent treatment and disposal
7. Resource utilization (steel, metals, raw materials)
8. Recycling and scrap management
9. Compliance with environmental regulations
10. Pollution prevention and control measures

Social

11. Employee engagement and satisfaction
12. Diversity and equal opportunity
13. Anti-discrimination and harassment prevention
14. Community engagement and development
15. Employee retention and turnover management
16. Performance management systems
17. Work-life balance initiatives
18. Grievance handling mechanisms
19. Internal communication effectiveness
20. Supplier social responsibility

Governance

21. Business ethics and integrity
22. Anti-corruption and anti-bribery practices
23. Regulatory compliance and legal adherence
24. Risk management framework
25. Corporate governance structure and accountability
26. Transparency and disclosure practices
27. Internal controls and audit systems
28. Code of conduct implementation
29. Whistleblower mechanism
30. Data protection and information security

Governance

IN THIS SECTION

Business Continuity

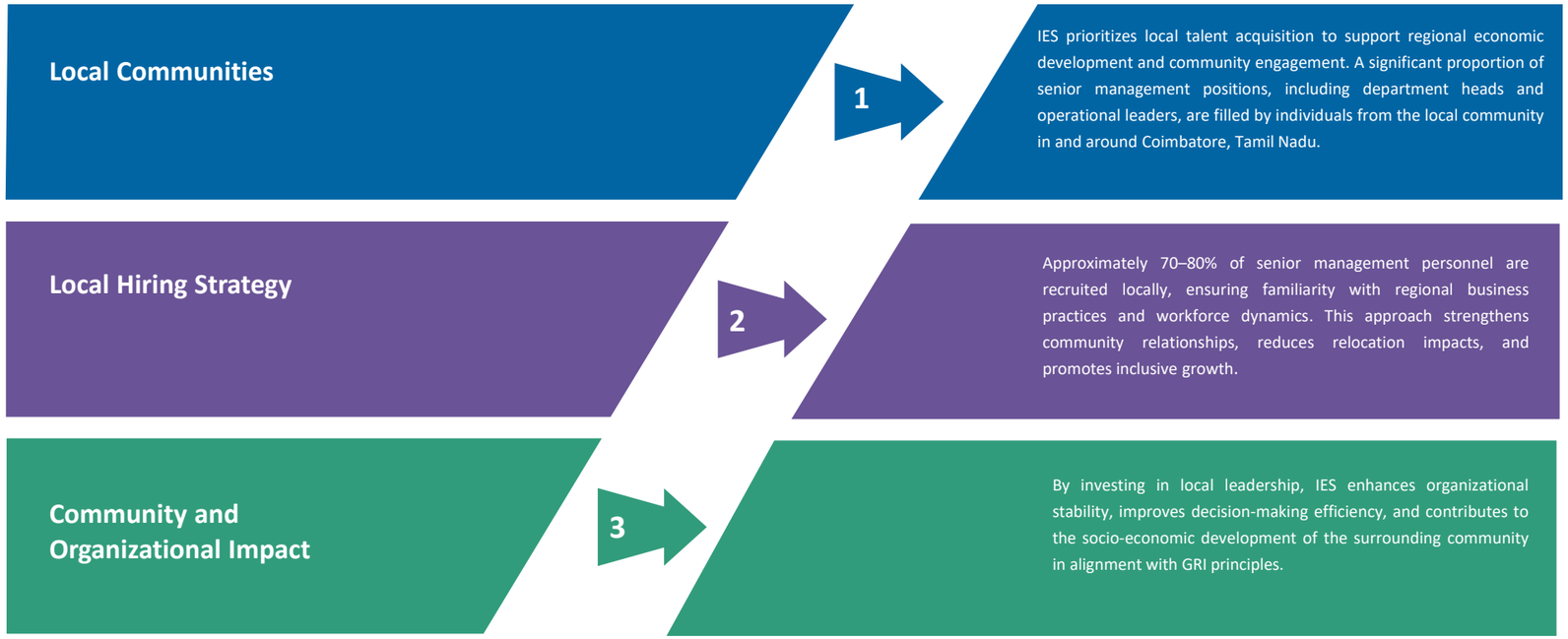
GRI 201: Economic Performance

IES generates economic value through fabrication and engineering services, contributing to employee wages, supplier payments, and operational investments. Revenue supports business growth, infrastructure development, and workforce welfare. Climate-related risks such as energy costs and regulatory changes are evaluated to ensure financial resilience. The organization does not currently receive significant government financial assistance. Employee benefits and compensation structures are maintained in compliance with labor laws. By managing economic performance effectively, IES ensures financial stability while supporting sustainable growth and long-term stakeholder value.

GRI 202-1: Ratios of Standard Entry-Level Wage to Local Minimum Wage

Innovative Engineering Services (IES) ensures that entry-level wages are competitive and compliant with statutory labor regulations in India. The organization benchmarks its compensation structure against the applicable minimum wage defined by the Government of Tamil Nadu for industrial workers. Entry-level employees at IES receive wages that are equal to or higher than the prescribed minimum wage, ensuring fair remuneration and financial stability. The ratio of standard entry-level wage to the local minimum wage is maintained at approximately 1.2:1, reflecting the company's commitment to equitable pay practices. This approach supports employee well-being, enhances job satisfaction, and aligns with ethical labor standards and ESG principles.

GRI 202-2: Proportion of Senior Management Hired from Local Communities



GRI 203: Indirect Economic Impacts

IES contributes to indirect economic development through infrastructure investments, supplier engagement, and employment generation. The organization supports local suppliers and service providers, creating economic opportunities within the region. Investments in advanced machinery and operational efficiency improve productivity and competitiveness. Employee wages and benefits contribute to community well-being. These indirect impacts strengthen local economies and support industrial growth. By integrating sustainability into its economic activities, IES creates long-term value beyond its immediate operations.

using the Lobbying Disclosure Act method for . By strengthening partnerships with local vendors, IES enhances supply chain resilience, reduces logistics risks, and contributes to community growth while aligning procurement activities with ESG principles and sustainable business objectives.

GRI 204: Procurement Practices

Innovative Engineering Services (IES) adopts responsible procurement practices that prioritize sourcing from local suppliers to support regional economic development and reduce transportation-related environmental impacts. Supplier selection is based on defined criteria including quality, cost-effectiveness, reliability, and compliance with environmental and social standards. The organization follows structured procurement procedures with documented approvals, ensuring transparency, accountability, and ethical purchasing decisions. Preference is given to suppliers who demonstrate sustainable practices and regulatory compliance

GRI 205: Anti-Corruption

IES implements anti-corruption policies and procedures to prevent unethical practices. Risk assessments identify potential areas of corruption within operations. Employees receive training on ethical conduct, anti-bribery policies, and reporting mechanisms. A whistleblower system enables confidential reporting of misconduct. No significant corruption incidents were reported during the period. These measures ensure transparency, accountability, and compliance with legal requirements, reinforcing trust among stakeholders.

GRI 206: Anti-Competitive Behavior

IES operates in compliance with applicable competition laws and does not engage in anti-competitive practices. The organization ensures fair competition, transparent pricing, and ethical business conduct. No legal actions related to anti-competitive behavior were reported during the reporting period. Compliance with these principles supports fair market practices and strengthens the company's reputation.

Environmental

IN THIS SECTION

GRI 301: Materials

IES utilizes raw materials such as steel, copper, and consumables in fabrication and machining processes. Material usage is monitored to minimize waste and improve efficiency. Scrap materials are recycled wherever possible, reducing the need for virgin material consumption. Packaging materials are optimized and reused when feasible. These practices support resource efficiency and reduce environmental impact.

GRI 302: Energy

Energy consumption includes electricity used for machinery, lighting, and administrative functions. Efforts to reduce energy use include LED lighting, efficient machinery, and process optimization. Energy intensity is monitored relative to production output. Reduction initiatives have resulted in improved efficiency and lower operational costs.

GRI 302-1: Energy Consumption within the Organization

Innovative Engineering Services (IES) monitors energy consumption across all internal operations, including fabrication, machining, and administrative functions. Electricity is the primary source of energy used for CNC machines, welding equipment, air compressors, lighting, and office facilities. Energy consumption data is recorded through utility bills and internal monitoring systems to ensure accuracy and effective tracking. The organization evaluates usage trends on a monthly basis to identify inefficiencies and improvement opportunities. Preventive maintenance of machinery ensures optimal performance and reduced energy losses. By maintaining detailed records and implementing monitoring systems, IES enhances energy management practices and supports its commitment to operational efficiency and environmental sustainability.

GRI 302-2: Energy Consumption outside the Organization

IES accounts for energy consumption occurring outside the organization as part of its extended operational boundaries, including logistics, transportation, and supply chain activities. This includes fuel consumption associated with the delivery of raw materials, shipment of finished goods, and employee commuting. While these activities are not directly controlled, IES tracks and evaluates them under indirect energy consumption considerations. Efforts such as route optimization, load consolidation, and collaboration with efficient transport providers help reduce external energy usage. The organization also encourages suppliers to adopt energy-efficient practices. By monitoring and influencing external energy consumption, IES contributes to overall energy efficiency across its value chain.

GRI 302-4: Reductions in Energy Consumption

IES implements various initiatives to achieve measurable reductions in energy consumption across its operations. Key measures include the installation of energy-efficient CNC machines, replacement of conventional lighting with LED systems, and optimization of compressed air systems. Preventive maintenance ensures equipment operates efficiently, reducing unnecessary energy losses. Employee awareness programs encourage responsible energy usage practices such as switching off idle equipment. These initiatives have contributed to a noticeable reduction in overall energy consumption over the reporting period

GRI 302-3: Energy Intensity

IES evaluates energy intensity to measure the efficiency of its energy usage relative to production output. Energy intensity is calculated as the total energy consumed per unit of production, such as per ton of fabricated material or per machining hour. This metric enables the organization to assess performance trends and identify areas for improvement. Continuous monitoring helps detect inefficiencies and supports process optimization initiatives. Improvements in machine efficiency, reduction in idle time, and enhanced operational planning contribute to lowering energy intensity. By focusing on energy intensity reduction, IES improves productivity, reduces operational costs, and minimizes environmental impact while aligning with sustainability objectives.

Biodiversity and Land Use

GRI 302-5: Reductions in Energy Requirements for Products or Services

IES focuses on reducing energy requirements associated with its products and services through process optimization and technological improvements. Advanced machining techniques, efficient tool selection, and optimized production planning reduce the energy required per unit of output. Automation and precision engineering minimize rework and material wastage, further lowering energy consumption. The organization also evaluates design and process modifications to improve efficiency during fabrication and machining activities. By integrating energy-efficient practices into its production processes, IES reduces overall energy demand while maintaining product quality. These efforts contribute to cost savings, improved competitiveness, and alignment with sustainable manufacturing principles.

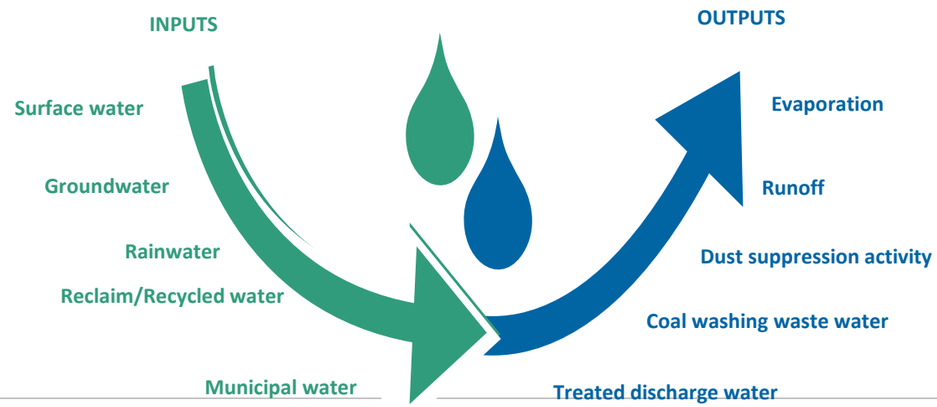
GRI 304: Biodiversity

IES operates within an established industrial zone, where direct interaction with biodiversity-sensitive areas is minimal. The organization ensures that its activities do not adversely affect local ecosystems or natural habitats. Compliance with environmental regulations and land-use guidelines is strictly maintained to prevent ecological disturbances. The company avoids operations that could harm flora and fauna and ensures proper waste management to prevent environmental contamination. Awareness programs educate employees on environmental responsibility and conservation practices. Although biodiversity impact is limited, IES remains committed to minimizing any indirect effects and supporting environmental protection as part of its broader sustainability strategy.

GRI 303: Water and Effluents

Innovative Engineering Services (IES) manages water usage responsibly across its operations, primarily for domestic purposes, equipment cleaning, and limited cooling applications. The organization monitors water consumption through periodic checks and maintains records to identify opportunities for conservation. Preventive maintenance of pipelines and storage systems helps avoid leakages and unnecessary wastage. Wastewater generated is minimal and managed in compliance with applicable regulations, with no significant discharge impacts reported during the period. Employees are encouraged to adopt water-saving practices through awareness initiatives. These measures ensure efficient water utilization, regulatory compliance, and reduced environmental impact, supporting the company's commitment to sustainable resource management.

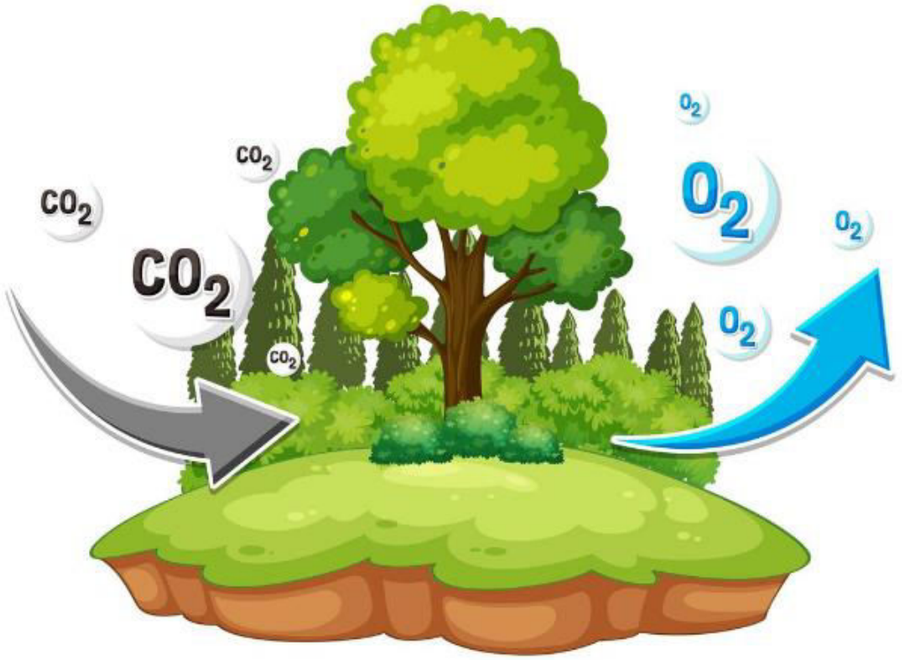
Inputs And Outputs Of Water Management



Emissions

GRI 305: Emissions

IES manages greenhouse gas emissions through a structured monitoring and reporting framework aligned with ISO 14064-1 and the GHG Protocol. Emissions are categorized into Scope 1, Scope 2, and Scope 3 to ensure comprehensive tracking of direct and indirect impacts. The organization monitors emission intensity to evaluate efficiency improvements over time. Reduction initiatives include energy-efficient machinery, optimized fuel usage, preventive maintenance, and sustainable transportation practices such as route optimization and carpooling. Continuous data monitoring and performance reviews enable effective emission management. These efforts support climate action objectives and demonstrate IES's commitment to reducing its overall carbon footprint and environmental impact.



Optimized Fuel Consumption

Fuel usage is regularly monitored and optimized through efficient operational practices. This helps in minimizing direct emissions (Scope 1) while improving cost efficiency.

Preventive Maintenance Practices

Regular maintenance of machinery and equipment ensures optimal performance, reduces energy wastage, and prevents excess emissions caused by inefficient operations.

Sustainable Transportation Measures

IES promotes environmentally responsible transportation practices such as route optimization, vehicle maintenance, and employee carpooling to reduce fuel consumption and associated emissions.

Continuous Data Monitoring

Emission data is continuously tracked and recorded to ensure real-time visibility. This enables quick identification of deviations and supports data-driven decision-making.

Performance Review and Improvement

Periodic reviews of emission performance help assess the effectiveness of implemented initiatives. Corrective actions and improvement plans are developed based on these insights.

- Structured Emission Monitoring Framework
- Alignment with Global Standards
- Scope-wise Emission Classification
- Emission Intensity Tracking
- Energy Efficiency Initiatives

GRI 305-1: Scope 1 Emissions

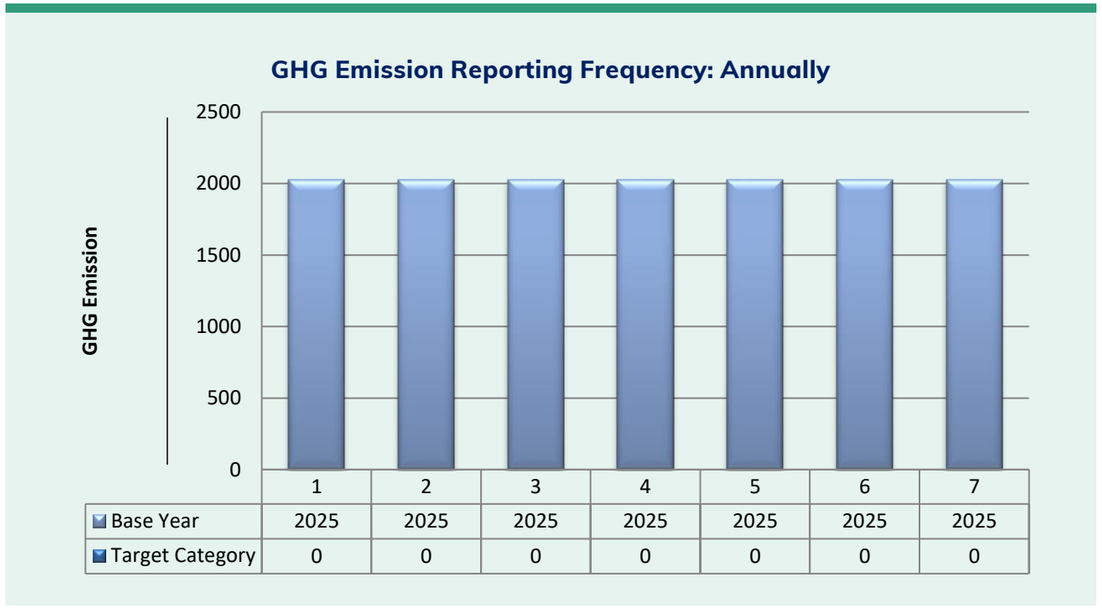
Innovative Engineering Services (IES) reports Scope 1 emissions from direct sources owned or controlled by the organization, primarily fuel consumption in company-operated equipment and vehicles. These emissions include the use of diesel or other fuels in generators, forklifts, and transportation vehicles. During the reporting period, Scope 1 emissions were estimated at **2552.01 tCO_2e** based on fuel consumption data and standard emission factors aligned with ISO 14064-1 and the GHG Protocol. The company continuously monitors fuel usage and implements reduction strategies such as equipment efficiency improvements and preventive maintenance. These efforts aim to minimize direct emissions and enhance overall environmental performance.

GRI 305-2: Scope 2 Emissions

IES accounts for Scope 2 emissions arising from purchased electricity used in its fabrication and machining operations. Electricity consumption for CNC machines, lighting, compressors, and administrative functions contributes to indirect emissions. For the reporting period, Scope 2 emissions were calculated at 94.73 tCO_2e using grid emission factors as per national guidelines. The organization tracks electricity usage through utility records and internal monitoring systems. Energy efficiency initiatives such as LED lighting, optimized machinery operation, and evaluation of solar energy adoption help reduce electricity consumption. These measures contribute to lowering indirect emissions and support the company's transition toward cleaner energy sources.

GHG Emission Reporting Frequency: Annually

EMISSIONS	CURRENT YEAR JANUARY 2025 TO DECEMBER 2025
Scope 1	2552.01
Scope 2	94.73
Scope 3	23.42
Scope 3 Upstream	23.39
Scope 3 Downstream	0.03
Total GHG Emission	**2,670.16**



GRI 305-3: Scope 3 Emissions

IES monitors Scope 3 emissions, which include indirect emissions from activities not directly controlled by the organization. These emissions arise from transportation of raw materials and finished goods, employee commuting, business travel, and waste disposal. For the reporting period, Scope 3 emissions were estimated at 23.42 tCO_2e. The company implements strategies such as route optimization, load consolidation, shared transport, and responsible waste management to reduce these emissions. Supplier engagement also encourages sustainable practices across the value chain. By addressing Scope 3 emissions, IES enhances its overall carbon management approach and supports comprehensive climate action initiatives.

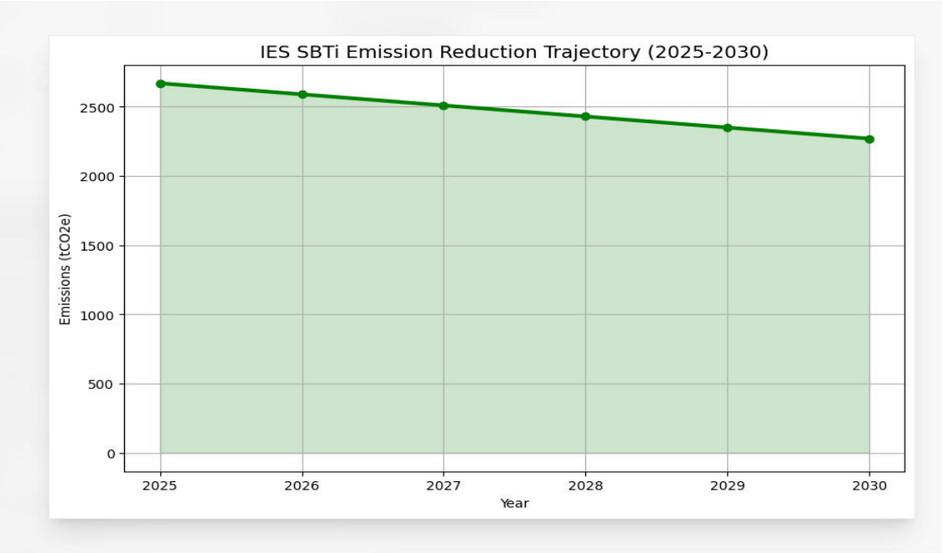
GRI 305-4: GHG Emissions Intensity

IES evaluates greenhouse gas (GHG) emissions intensity to measure emissions relative to operational output. Emission intensity is calculated as total emissions per unit of production, such as per ton of fabricated material or per unit of revenue. This metric enables the organization to assess efficiency improvements and track sustainability performance over time. Continuous monitoring of energy consumption, fuel usage, and production levels supports accurate intensity calculations. Reduction in energy use, improved process efficiency, and waste minimization contribute to lower emissions intensity. By focusing on this metric, IES enhances operational efficiency and aligns with climate performance targets.

SBTi Target Table

Target Category	Base Year	Target Year	Reduction Target	Scope Coverage	Method
Near-term Absolute Reduction	2025	2030	30% reduction	Scope 1 & 2	Absolute contraction
Energy Efficiency	2025	2028	20% electricity reduction	Scope 2	Intensity reduction
Renewable Electricity	2025	2030	50% renewable electricity	Scope 2	Market-based
Fuel Switching	2025	2030	25% diesel reduction	Scope 1	Technology shift
Fleet Electrification	2025	2032	40% electric vehicles	Scope 1	Transport transition
Scope 3 Engagement	2025	2030	25% supplier emissions reduction	Scope 3	Supplier engagement
Net Zero Long-term	2025	2045	90% reduction	Scope 1,2,3	Net-zero pathway

SBTi Emission Reduction Trajectory



GRI 305-6: Emissions of Ozone-Depleting Substances

IES ensures that its operations have minimal impact on ozone layer depletion by controlling the use of substances that may contribute to such emissions. The organization does not engage in activities involving significant quantities of ozone-depleting substances (ODS) such as chlorofluorocarbons (CFCs). Any refrigerants or cooling agents used in equipment are selected based on compliance with environmental regulations and international standards. Regular maintenance of air-conditioning and refrigeration systems prevents leakage of gases. As a result, no significant emissions of ozone-depleting substances were reported during the reporting period, demonstrating compliance with environmental protection requirements.

GRI 305-7: NOx, SOx, and Other Air Emissions

IES monitors air emissions such as nitrogen oxides (NOx), sulfur oxides (SOx), and particulate matter generated from fuel combustion and machining processes. These emissions primarily arise from diesel usage in equipment and transportation activities. The organization ensures compliance with applicable air quality standards through regular equipment maintenance and use of efficient machinery. Emission levels are minimized by optimizing fuel consumption and adopting cleaner operational practices. No significant exceedances of regulatory limits were reported during the reporting period. By controlling air emissions, IES contributes to improved air quality and environmental protection while maintaining regulatory compliance.

GRI 307: Environmental Compliance

IES strictly adheres to all applicable environmental laws, regulations, and standards governing its operations. The organization ensures compliance through regular monitoring, internal audits, and adherence to statutory requirements related to emissions, waste management, and resource usage. Environmental permits and licenses are maintained and reviewed periodically to ensure validity and compliance. During the reporting period, no significant instances of non-compliance or penalties were recorded. Employees are trained on regulatory requirements and environmental responsibilities to ensure consistent adherence. This proactive compliance approach minimizes legal risks, enhances operational reliability, and demonstrates IES's commitment to responsible environmental stewardship.

GRI 308: Supplier Environmental Assessment

IES integrates environmental considerations into its supplier selection and evaluation processes to promote sustainable procurement practices. Suppliers are assessed based on their compliance with environmental regulations, waste management practices, and overall sustainability performance. Preference is given to vendors who demonstrate responsible environmental practices and certifications. Periodic evaluations and audits help identify potential environmental risks within the supply chain. In cases where non-compliance or gaps are identified, corrective actions and improvement plans are implemented in collaboration with suppliers. This approach ensures that environmental standards are maintained throughout the supply chain, supporting IES's commitment to sustainability and responsible sourcing.

GRI 306: Waste

Innovative Engineering Services (IES) implements a comprehensive waste management system focused on segregation, recycling, and responsible disposal practices. Waste generated from fabrication and machining processes is categorized into recyclable metal scrap, hazardous waste, and general waste at the source. Recyclable materials such as metal scrap are sent to authorized recyclers, while hazardous waste including used oil and chemical residues is handled and disposed of through certified agencies in compliance with regulations. Waste diversion from landfill is prioritized through reuse and recycling initiatives. Detailed records are maintained to track waste generation, treatment, and disposal, enabling continuous monitoring and improvement of waste management performance.

Social

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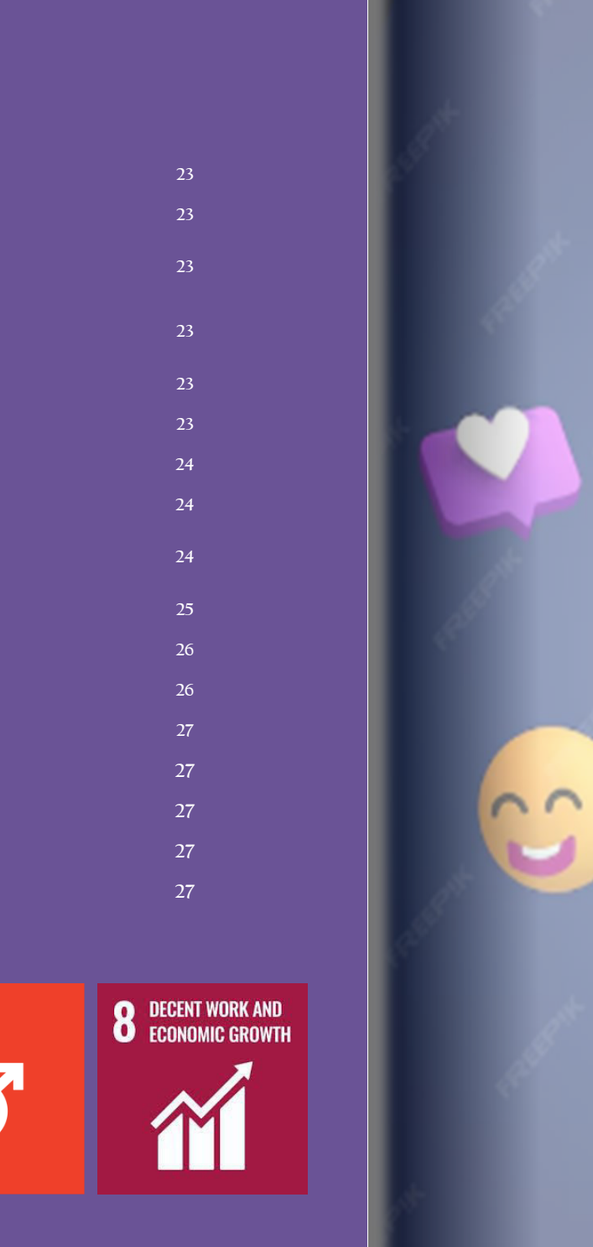


Community Involvement

GRI 401: Employment

Innovative Engineering Services (IES) manages employment practices through structured policies that support fair hiring, employee retention, and workforce stability. The organization monitors key indicators such as employee hiring, turnover rates, and workforce composition to ensure balanced growth. Recruitment processes are transparent and aligned with legal requirements, while employee benefits include health support, safe working conditions, and welfare programs. Periodic reviews help identify trends in employee satisfaction and retention. During the reporting period, no significant issues related to employment practices were identified. By maintaining responsible employment practices, IES fosters a stable, motivated workforce and supports long-term organizational performance.

GRI 402: Labor/Management Relations

IES maintains positive labor-management relations through transparent communication and structured engagement mechanisms. Employees are informed about operational changes, policy updates, and organizational developments through meetings, notices, and internal communication channels. The company ensures compliance with applicable labor laws, including requirements related to notice periods and employee rights.

Grievance redressal systems are in place to address employee concerns in a fair and timely manner. Open communication fosters trust and collaboration between management and employees. By maintaining strong labor relations, IES enhances workplace harmony, minimizes disputes, and supports a productive and inclusive work environment aligned with ESG principles.

GRI 403: Occupational Health & Safety

Safety systems cover all employees, with training, PPE, and monitoring of incidents. No major injuries reported, and continuous improvements are implemented.

GRI 403-2: Hazardous Waste & Non-Hazardous Waste

Innovative Engineering Services (IES) manages both hazardous and non-hazardous waste through structured safety and environmental procedures integrated into its Occupational Health and Safety (OH&S) system. Hazardous waste, including used oil, chemical residues, and contaminated materials, is handled with strict safety protocols, proper labeling, and secure storage before disposal through authorized agencies. Non-hazardous waste such as metal scrap, packaging materials, and general waste is segregated at source and directed toward recycling or safe disposal. Employees are trained in waste handling procedures to prevent exposure and environmental risks. This systematic approach ensures workplace safety, regulatory compliance, and effective waste management practices.

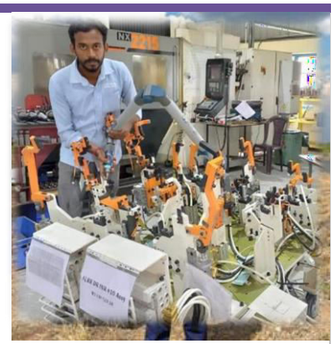
GRI 403-8: Workers Covered by OH&S System

IES ensures that all employees and contract workers are covered under its Occupational Health and Safety (OH&S) management system. The system applies to approximately 100% of the workforce, including full-time employees, temporary staff, and on-site contractors. It encompasses safety policies, risk assessments, training programs, and emergency preparedness measures. Workers are provided with personal protective equipment (PPE) and are trained in safe work practices relevant to their roles. Regular safety audits and monitoring ensure compliance and effectiveness of the OH&S system. By covering all workers under a unified safety framework, IES maintains a safe and healthy working environment across its operations.

GRI 403-9: Work-Related Injuries

IES actively monitors and records work-related injuries to ensure continuous improvement in workplace safety. All incidents, including minor injuries and near misses, are reported, documented, and investigated to identify root causes. During the reporting period, the organization maintained a low incident rate with no major or fatal injuries reported. Corrective and preventive actions are implemented promptly to avoid recurrence. Safety training, use of PPE, and adherence to standard operating procedures contribute to minimizing risks. Performance indicators such as Lost Time Injury Frequency Rate (LTIFR) are reviewed periodically. These measures reflect IES's commitment to reducing workplace injuries and enhancing employee safety.

GRI 403-10: Work-Related Ill Health



IES prioritizes the prevention of work-related ill health by maintaining a safe and hygienic work environment. Potential health risks such as exposure to noise, dust, fumes, and chemicals are identified through risk assessments and controlled using engineering and administrative measures. Employees are provided with appropriate PPE and undergo periodic health check-ups to monitor their well-being. Awareness programs educate workers on occupational health risks and preventive practices. During the reporting period, no significant cases of occupational illness were reported. Continuous monitoring and improvement initiatives ensure that employee health is protected, supporting a safe and sustainable workplace aligned with OH&S standards.

GRI 405 & 406: Diversity, Equal Opportunity & Non-Discrimination

IES is committed to fostering an inclusive workplace that promotes diversity, equal opportunity, and zero tolerance for discrimination. Recruitment, promotion, and compensation decisions are based solely on merit, qualifications, and performance, without bias related to gender, age, caste, religion, or background. The organization maintains policies that prohibit harassment, discrimination, and unfair treatment in any form. Awareness programs and workplace guidelines reinforce respectful behavior and inclusivity among employees. During the reporting period, no major incidents of discrimination were reported. These initiatives create a positive work environment, enhance collaboration, and strengthen organizational culture while aligning with social responsibility and ESG commitments.

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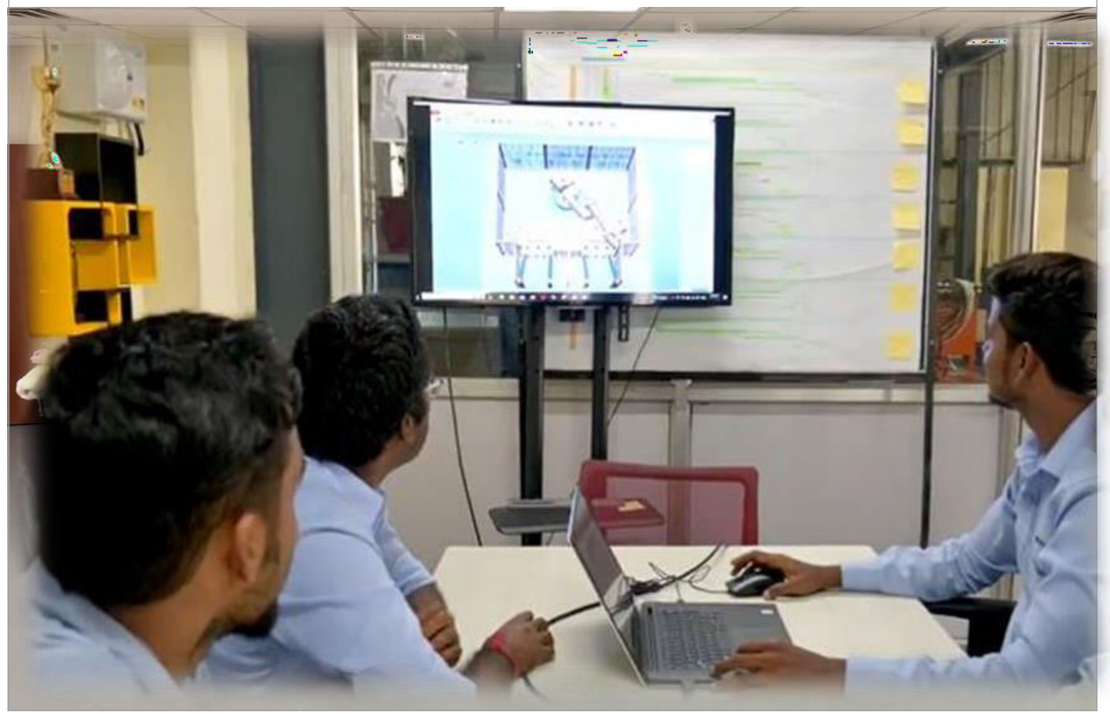
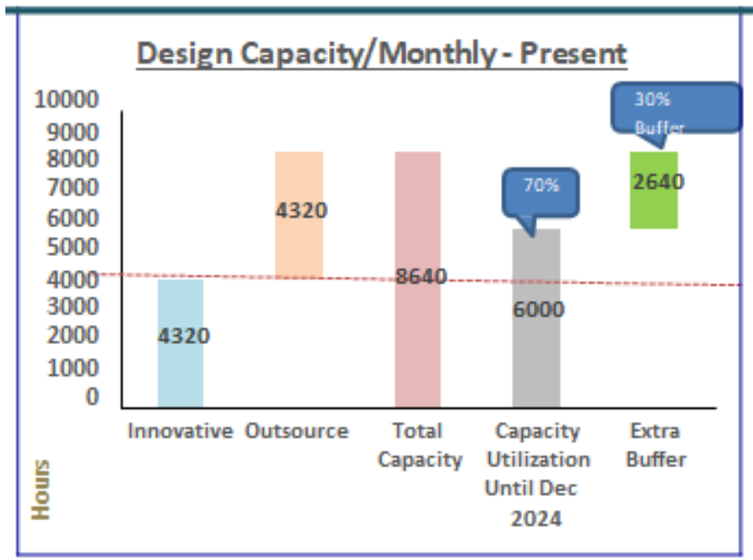
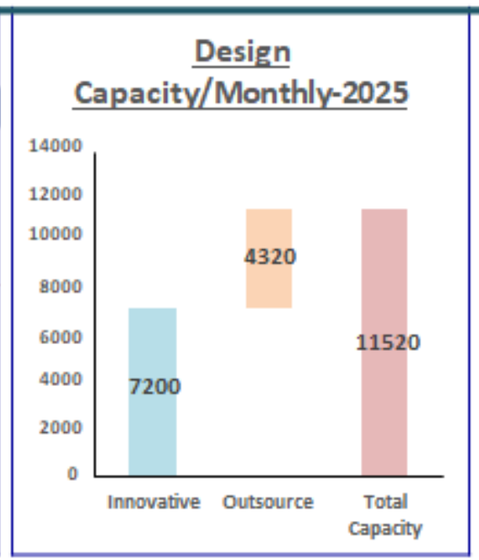
GRI 404: Training and Education

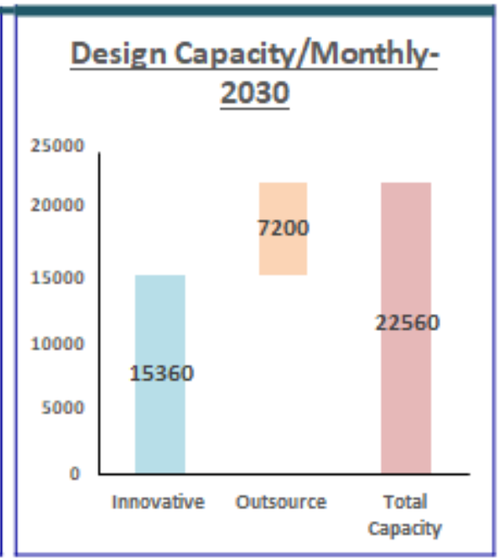
Innovative Engineering Services (IES) emphasizes continuous learning and skill development through structured training and education programs. Employees receive regular training in technical skills such as CNC machining, fabrication processes, quality control, and safety practices. In addition, behavioral and compliance training enhances workplace discipline and awareness of ESG principles. Performance evaluations are conducted periodically to identify skill gaps and support individual development plans. On-the-job training, mentorship, and knowledge-sharing initiatives further strengthen workforce capabilities. These programs improve employee productivity, adaptability, and job satisfaction, ensuring that the workforce remains competent and aligned with evolving industry requirements and organizational growth objectives.



Design Capacity







Engineering - Capacity Available - Monthly						
Source	Hrs/Day	No of Persons	No of days / Month	Monthly capacity	Efficiency	Total Hours - 2024
Innovative	8	30	24	5760	75%	4320
O/S	8	30	24	5760	75%	4320
Total Capacity Availability/ Month						8640
Capacity Utilization Until Dec 2024						6000

Engineering - Capacity Available - Monthly - 2025				
Source	No of Persons	Monthly capacity	Eff%	Total Hours
Innovativ	50	9600	75%	7200
O/S	30	5760	75%	4320
Total Capacity Availability/ Month				11520

Engineering - Capacity Available - Monthly - Future Plan				
Source	No of Persons	Monthly capacity	Efficiency	Total Hours
Innovative	100	19200	80%	15360
Outsource	50	9600	75%	7200
Total Capacity Availability/ Month				22560

Software's

- CATIA
- Solid Works
- Process Simulate
- Auto CAD

Software's

- Fusion 360
- Power Inspect
- MasterCAM
- Siemens Win CC & TIA Portal

Software's

- Process Simulate
- SIEMENS – S CUBE
- Virtual Commissioning – under study

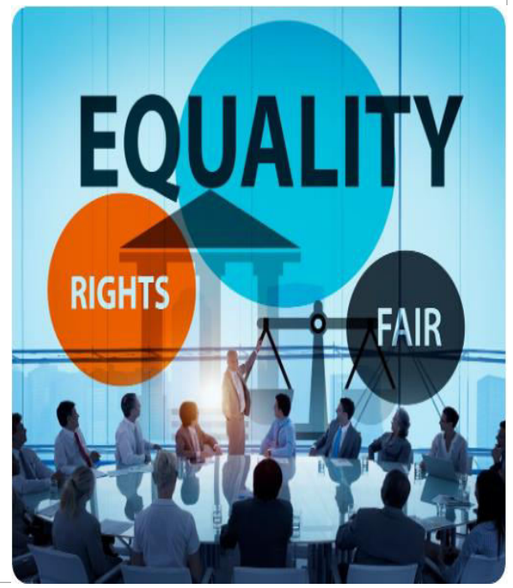
Child Labour

GRI 408 & 409: Child Labour & Forced Labour

IES strictly prohibits the use of child labor and forced labor across all its operations and supply chain activities. The organization complies with applicable labor laws and international standards, ensuring that all employees meet the minimum legal working age requirements. Employment practices are transparent, voluntary, and free from coercion or exploitation. Supplier agreements include clauses that prohibit child and forced labor, and periodic assessments are conducted to ensure compliance. Any violations identified are addressed through corrective actions. By maintaining strict labor standards, IES safeguards human rights, promotes ethical employment practices, and reinforces its commitment to responsible business conduct.

GRI 412: Human Rights Assessment

IES integrates human rights considerations into its operational and management practices. The organization conducts periodic reviews to ensure compliance with human rights principles, including fair treatment, safe working conditions, and non-discrimination. Employees receive training on workplace rights, ethical conduct, and grievance mechanisms to address concerns. Policies are in place to prevent harassment, exploitation, and unfair labor practices. Supplier agreements also incorporate human rights requirements to extend these principles across the value chain. By actively monitoring and promoting human rights, IES ensures a respectful and ethical work environment aligned with international standards and ESG commitments.



Diversity

GRI 413: Local Communities

IES contributes to the development of local communities through employment generation, economic support, and responsible business practices. The organization prioritizes hiring from nearby regions, thereby creating job opportunities and supporting local livelihoods. Engagement with local suppliers further strengthens regional economic growth. Community well-being is supported indirectly through safe operations, environmental protection measures, and compliance with regulations. The company maintains positive relationships with surrounding communities by minimizing environmental impacts and addressing concerns responsibly. Through these initiatives, IES supports sustainable community development and strengthens its social license to operate.

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GRI 414: Supplier Social Assessment

IES incorporates social responsibility criteria into its supplier evaluation and selection processes. Suppliers are assessed based on their adherence to labor laws, workplace safety standards, and ethical practices. The organization ensures that suppliers provide safe working conditions, fair wages, and non-discriminatory employment practices. Periodic evaluations and audits help identify potential risks related to labor practices within the supply chain. In cases of non-compliance, corrective actions are implemented in collaboration with suppliers. This approach ensures that social standards are maintained across the value chain, reinforcing IES's commitment to responsible sourcing and ethical business conduct.

GRI 416: Customer Health & Safety

IES ensures that its products and services meet applicable health and safety standards to protect customers and end-users. Quality control processes, inspections, and testing procedures are implemented at various stages of production to ensure compliance with specifications. Materials and manufacturing processes are selected to minimize risks and ensure product reliability. The organization also adheres to customer requirements and industry standards. During the reporting period, no significant incidents of non-compliance related to customer health and safety were reported. By maintaining strict quality and safety standards, IES builds customer trust and ensures long-term business sustainability.

GRI 418: Information Security

IES prioritizes the protection of sensitive information related to employees, customers, and business operations through robust information security practices. The organization implements secure IT systems, access controls, and password-protected databases to restrict unauthorized access. Regular system updates, antivirus protection, and firewall controls safeguard digital infrastructure from cyber threats. Employees are trained on data privacy and confidentiality requirements. Non-disclosure agreements are enforced when dealing with external stakeholders. During the reporting period, no significant data breaches or complaints were reported. These measures ensure data integrity, confidentiality, and compliance with information security standards.

GRI 419: Socioeconomic Compliance

IES complies with all applicable socioeconomic laws and regulations governing its operations, including labor laws, environmental standards, taxation, and corporate governance requirements. The organization maintains proper documentation and conducts regular internal audits to ensure adherence to statutory obligations. Employees are trained on compliance requirements, and management reviews ensure timely implementation of regulatory changes. During the reporting period, no significant violations or penalties related to socioeconomic compliance were reported. By maintaining strict compliance practices, IES minimizes legal risks, enhances operational integrity, and reinforces its commitment to ethical and responsible business conduct.

Appendix

IN THIS SECTION

Appendix -1

Sustainability Performance Data – 1st January 2025 -31st December 2025

KPI No	Topic	Policy Commitment	KPI	Measure
KPI 1	Workplace Ethics	Maintain zero tolerance towards discrimination and harassment	Discrimination and harassment	0
KPI 2	Employee Welfare	Ensure all employees are covered under health insurance and medical support	Ensure all employees are covered under health insurance and medical support	100
KPI 3	Regulatory Compliance	Ensure compliance with anti-money laundering regulations and controls	Ensure compliance with anti-money laundering regulations and controls	100
KPI 4	Hazardous Materials	Reduce usage of hazardous substances in operations	Reduce usage of hazardous substances in operations	25
KPI 5	Scope 1 Emissions	Monitor direct greenhouse gas emissions	Total gross Scope 1 GHG emissions	2552.01
KPI 6	Scope 2 Emissions	Track indirect emissions from energy consumption	Total gross Scope 2 GHG emissions (market or location based)	94.73
KPI 7	Scope 3 Emissions	Manage value chain emissions	Total gross Scope 3 GHG emissions	23.42
KPI 8	Downstream Emissions	Monitor downstream emissions impact	Total gross Scope 3 Downstream GHG emissions	0.03
KPI 9	Upstream Emissions	Monitor upstream supply chain emissions	Total gross Scope 3 Upstream GHG emissions	23.39
KPI 10	Leadership Development	Develop leadership capabilities and succession planning	Develop leadership capabilities and succession planning	80
KPI 11	Data Security	Ensure restricted access to sensitive information	Ensure restricted access and proper authorization to sensitive information	100
KPI 12	Employee Development	Improve competencies through structured training	Improve employee competencies through structured training programs	100
KPI 13	Safety Awareness	Improve awareness on safe material and chemical handling	Improve employee awareness on safe material and chemical handling	100
KPI 14	Working Conditions	Maintain safe and healthy working conditions	Working conditions	100
KPI 15	Anti-Corruption	Enhance awareness to prevent corruption risks	Enhance employee awareness and capability to prevent corruption risks	100
KPI 16	Information Security	Enhance awareness on data protection practices	Enhance employee awareness on data protection and information security practices	100
KPI 17	Emergency Preparedness	Strengthen emergency readiness	Strengthen preparedness for potential emergency situations	100

Appendix -1

Sustainability Performance Data – 1st January 2025 -31st December 2025

KPI No	Topic	Policy Commitment	KPI	Measure
KPI 18	Career Development	Promote career management and training	Career management and training	100
KPI 19	Resource Management	Optimize materials, chemicals, and waste usage	Materials, chemicals, and waste	45255.57
KPI 20	Fair Compensation	Provide fair wages and equitable benefits	Provide fair wages and equitable benefits to all employees	100
KPI 21	Fraud Prevention	Prevent and detect fraudulent activities	Prevent and detect fraudulent activities within operations	0
KPI 22	Diversity & Inclusion	Promote diversity, equity, and inclusion training	Provide training to promote diversity, equity, and inclusion	100
KPI 23	Clean Energy Transition	Transition from conventional to cleaner energy sources	Transition from conventional to cleaner energy sources	
KPI 24	Energy & Emissions	Monitor energy consumption and GHG emissions	Energy consumption and GHGs	94.73
KPI 25	Waste Management Training	Train employees on safe waste handling practices	Train employees on safe waste handling and disposal practices	100
KPI 26	Anti-Bribery	Eliminate bribery and improper payments	Eliminate bribery and improper payments in all business dealings	0
KPI 27	Energy Efficiency	Enhance participation in energy conservation initiatives	Enhance employee participation in energy conservation initiatives	100
KPI 28	Workplace Respect	Prevent all forms of harassment	Prevent all forms of harassment in the workplace	0
KPI 29	Ethical Conduct	Prevent gifts influencing business decisions	Prevent gifts from influencing business decisions or creating conflicts	0
KPI 30	Health & Safety	Ensure employee health and safety	Employee health and safety	0
KPI 31	Waste Segregation	Ensure safe handling and segregation of waste	Ensure safe handling and proper segregation of all waste streams	100
KPI 32	Safety Training	Improve participation in safety programs	Improve employee participation in safety training programs	100

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GRI Index

This report is prepared in accordance with GRI Standards (2021).

GRI .NO	GRI Content Index	Pg. No
GRI 2-9	Economic Performance	10
GRI 2-29	Ratios of Standard Entry-Level Wage to Local Minimum Wage	10
GRI 3-2	Proportion of Senior Management Hired from Local Communities	11
GRI 201	Economic Performance	13
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GRI 202-2	Proportion of Senior Management Hired from Local Communities	13
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GRI 305-2	Scope 2 Emissions	19

GRI .NO	GRI Content Index	Pg. No
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GRI 305-7	Emissions of Ozone-Depleting Substances	20
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GRI 401	Supplier Environmental Assessment	21
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INDEPENDENT ASSURANCE STATEMENT

This CSR report has been independently verified by BMQR, a third-party assurance provider, in accordance with ISO 17029:2019. The assurance engagement covered a Type 2 assurance of the information and data disclosed within this report.

The scope of the assurance included verifying the accuracy, completeness, and reliability of the disclosures made under all relevant sections of the GRI Standards. The assurance provider conducted the engagement based on applicable assurance principles and issued an assurance statement confirming the integrity of the disclosed information.

Name of Assurance Provider	: BMQR Certifications Pvt Ltd,
Standard Used	: ISO 17029:2019 and GRI.
Type of Assurance	: Type 2
Web URL	: www.bmqrassurance.com
Date	: 20th January, 2025

Authorized Representative (Assurer)

Name	: S. Elango
Designation	: Associate Certified Sustainability Assurance Practitioner
Certificate No	: AA1000 (ACSAP) C.N: A09122401
Signature	:

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