



LABOR & HUMAN RIGHTS POLICY



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1. Introduction

At ASIL, we believe that the well-being and dignity of our workforce are paramount to our success and sustainability. This policy outlines our commitment to upholding the highest standards of labor and human rights throughout our operations. Our aim is to create a safe, respectful and inclusive environment for all employees, ensuring that their rights are protected and their contributions are valued. We recognize that our responsibility extends beyond compliance with legal requirements; it involves fostering a culture of respect, equity and transparency. This policy serves as a guiding framework for our efforts to promote fair labor practices, prevent human rights abuses and support the development and well-being of our workforce.

2. Scope

This policy for labor and human rights applies to the entire staff of ASIL, including manager, supervisors, workers and employees. Beyond internal operations, the policy extends to the supply chain, demanding that suppliers and partners also uphold these high standards. Management does its part by devoting the resources to form a safety committee, developing a system for identifying and correcting hazards, planning for foreseeable emergencies and providing initial and ongoing training.

3. Purpose

Improved Employee Morale

Employees who feel respected, safe, and valued are more likely to be engaged and productive. A positive work environment can lead to higher job satisfaction, better teamwork, and increased innovation and efficiency within the company.

Regulatory Compliance

A robust policy ensures compliance with labor laws and human rights regulations, minimizing the risk of legal penalties, fines, and sanctions. Staying ahead of regulatory requirements can also provide a competitive advantage.

Risk Mitigation

Proactively addressing labor and human rights issues helps in identifying and mitigating risks related to unethical practices. This can prevent costly disruptions and scandals that could harm the company's operations and financial performance.



Supply Chain Integrity

Ensuring that suppliers adhere to similar labor and human rights standards fosters a more ethical and transparent supply chain. This reduces the risk of supply chain disruptions and enhances the overall quality and reliability of the company's products.

Long-term Business Sustainability

Ethical labor and human rights practices contribute to the long-term sustainability of the business. By prioritizing the well-being of employees and communities, the company builds a foundation for sustainable growth and resilience in the face of social and economic changes.

Enhanced Reputation

A strong commitment to labor and human rights enhances the company's reputation as a socially responsible entity. This can lead to increased trust and loyalty from customers, investors, and other stakeholders who prioritize ethical business practices.

4. Focus Areas

Employee Health and Safety

- ✓ By FY 2029-30, we aim to achieve a 20% reduction in work-related incidents by investing in advanced safety equipment, as compared to baseline year FY 2022-23.
- ✓ By FY 2029-30, we strive to decrease the ergonomical risk factors by 15% and provide regular health check-ups to 100% of the employees, using FY 2022-23 as the baseline year.
- ✓ By FY 2029-30, we will develop and implement mental health awareness programs and confidential counselling services to prioritize the psychological well-being of our workers and employees.

Fair Working Conditions

- ✓ We commit to offering flexible working hours and a compressed workweek (48 hours) to 100% of employees. Additionally, we aim for 100% compliance with designated break times and proper compensation for overtime.
- ✓ By FY 2029-30, we strive to achieve a 20% increase in the number of employees eligible for health care coverage compared to the baseline year FY 2022-23.
- ✓ We are committed to acting on 80% of actionable feedback from employee surveys and achieving an 85% positive response rate in job satisfaction surveys by FY 2029-30, using FY 2022-23 as the baseline year.

**Collective Bargaining**

- ✓ Commit to fair and transparent collective bargaining processes to negotiate wages, working conditions, and other employment terms, fostering mutual respect and understanding between management and employees.
- ✓ Achieve a 30% reduction in the number of disputes arising from collective bargaining issues by FY 2029-30, compared to the FY 2022-23 baseline year.
- ✓ By FY 2029-30, conduct quarterly social dialogue meetings with employee representatives, achieving 100% participation as compared to baseline year FY 2022-23.

Training and Development

- ✓ To enhance the skills and knowledge of our employees and workers, we aim to increase the overall training hours provided to employees and workers by 25% by FY 2029-30 compared to the FY 2022-23 baseline year.
- ✓ Achieve a 20% increase in internal promotions by FY 2029-30 compared to the FY 2022-23 baseline year.
- ✓ By FY 2029-30, ensure that 80% of open positions are first offered internally before considering external candidates by FY 2022-23.

Child and Forced Labor

- ✓ From baseline year FY 2022-23, conduct annual third-party audits of 100% of our facilities to ensure compliance with labor standards, aiming for zero findings of child, forced or compulsory labor by FY 2029-30.
- ✓ By FY 2029-30, ensure that 100% of employees and suppliers complete mandatory training on labor rights and the prevention of child, forced and compulsory labor, with respect to baseline year FY 2022-23.
- ✓ Establish and maintain an accessible grievance mechanism for reporting labor violations, aiming for a resolution rate of 80% of reported cases within 15 business days by FY 2029-30.

Diversity, Equity and Inclusion

- ✓ Enforce a zero-tolerance policy for any form of discrimination, harassment and abuse, including physical, psychological and verbal abuse, within the workplace by FY 2029-30.
- ✓ Ensure 100% of employees and managers complete mandatory diversity, inclusion, and anti-harassment training annually by FY 2025-2026. Conduct annual employee surveys to measure perceptions of workplace inclusivity, aiming for a 90% positive response rate regarding a discrimination-free environment by FY 2029-30.
- ✓ Increase the representation of underrepresented groups in leadership positions by 25% by FY 2025-2026, compared to the FY 2022-23 baseline year. Conduct biannual audits to ensure



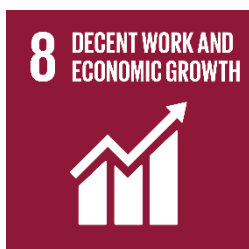
equal treatment in hiring, promotions and remuneration, aiming for zero findings of bias or unequal treatment by FY 2029-30.

External Stakeholder Human Rights

- ✓ As compared to baseline year FY 2022-23, provide human rights training to 100% of employees and key suppliers by FY 2029-30, ensuring they understand their roles in respecting and promoting human rights.
- ✓ Implement accessible and effective grievance mechanisms for external stakeholders, aiming to resolve 95% of reported human rights issues within 30 business days by FY 2029-30, as compared to FY 2022-23 baseline year.
- ✓ Conduct comprehensive human rights impact assessments for 100% of our major projects and operations by FY 2029-30, using FY 2022-23 as the baseline year.

5. SDGs Covered

ASIL is committed to achieve the following Sustainable Development Goals:



6. Responsibility

The responsibility of implementing this policy lies with the Occupational Health & Safety Manager and the Human Resources (HR) Manager to ensure that all aspects of the policy are effectively integrated into the company's operations. The Occupational Health & Safety Manager focuses on maintaining a safe and healthy work environment, while the HR Department oversees the equitable treatment of all employees, promotion of a diverse and inclusive workplace and the maintenance of work-life balance. Together, they monitor compliance, provide necessary training and address any issues that arise to uphold the standards set forth in this policy.



7. Review

The policy is reviewed annually by the Human Resources (HR) Manager. This annual review ensures that the policy remains current, effective and aligned with the latest legal requirements and industry best practices. During the review, the HR Department will assess the policy's implementation, gather feedback from employees and make any necessary adjustments to improve its effectiveness.

8. Communication

The policy is communicated to all the employees of ASIL as *Employee Rights and Fair Labor Practices Policy*. The policy is disseminated through company website (info@aartisteelintl.com) and E-mail communication so that every employee is aware of, understands and adheres to the policy.

Approved by

General Manager of Operations