



GLS Aluminium Industries Pvt. Ltd.

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TITLE: MERGERS AND ACQUISITIONS (M&A) PROCEDURE	DOC. NO.	GLS/FOIL/HR/SOP/05
	REV. NO.	00
	EFFECTIVE DATE	01/08/2025
	REVIEW DATE	31/07/2026
	SUPERSEDES	NIL

GLS ALUMINUM INDUSTRIES PVT. LTD.

MERGERS AND ACQUISITIONS (M&A) PROCEDURE

(Aligned with ASI Performance Standard & UN Guiding Principles on Business and Human Rights)

1. PURPOSE

To establish a systematic framework for ESG due diligence and post-integration during M&A activities, specifically addressing risks associated with **aluminium rolling, separation, annealing, and packing operations**, while safeguarding stakeholder interests and ensuring ASI compliance.

2. SCOPE

Applies to all M&A activities involving GLS Aluminium, including:

- Acquisition of rolling mills, annealing facilities, or packing operations
- Merger with aluminium processing entities
- Joint ventures in downstream aluminium sectors



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3. DEFINITIONS

Term	Definition
Historical Rolling Impacts	Legacy environmental/social liabilities from prior rolling/annealing operations (e.g., oil contamination, labor disputes).
Material ESG Risk	Issues affecting ASI certification, regulatory compliance, or stakeholder trust.
Affected Populations	Communities/workers impacted by target facility operations.

4. RESPONSIBILITIES

Role	Key Responsibilities
M&A Director	Lead due diligence; integration planning; Board reporting.
EHS Compliance Head	Assess environmental risks (e.g., oil sludge, solvent use).
HR Integration Lead	Evaluate labor practices; community relations.
Legal Counsel	Verify regulatory compliance; land title disputes.
ASI Standards Manager	Ensure target alignment with ASI Performance Standard V3.



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5. M&A PROCEDURE

5.1 Phase 1: ESG Due Diligence

Step 1: Facility Risk Profiling

- *Rolling Mills:* Audit hydraulic oil management, noise pollution controls.
- *Annealing Lines:* Review protective atmosphere (N₂/H₂) safety protocols.
- *Packing Operations:* Assess aluminium dust accumulation (NFPA 484 compliance).

Step 2: Stakeholder Engagement

Stakeholder Group	Engagement Method	Key Concerns
Workers	Anonymous surveys	Safety culture, overtime policies
Local Communities	Town halls	Noise, traffic, historical contamination
Regulators	FOIA requests + agency consultations	Permit violations, waste handling

Step 3: Material Risk Assessment

Prioritization Matrix for Aluminium Operations:



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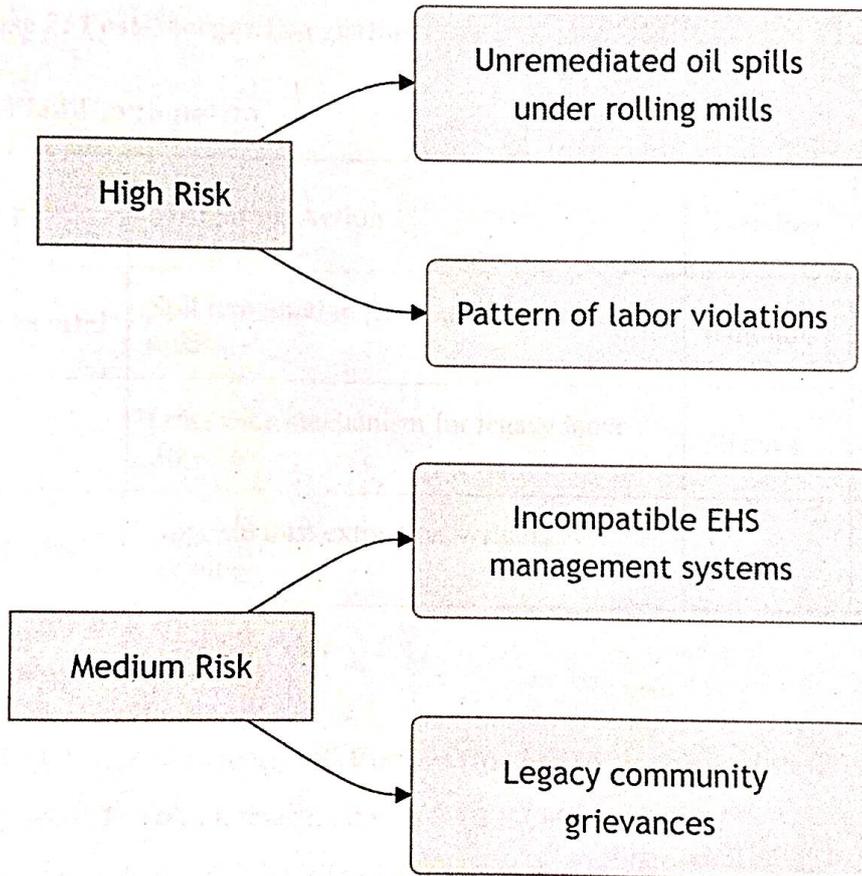
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5.2 Phase 2: Post-Merger Integration

Action Plan Development

Risk Type	Mitigation Action	Timeline	Responsible Party
Environmental	Soil remediation (rolling mill drainage areas)	6 months	EHS Head
Social	Grievance mechanism for legacy labor disputes	30 days	HR Head
Technological	Upgrade dust extraction systems in packing	12 months	C.O.O.

Integration Milestones

- Day 1:** Communicate ASI Code of Conduct to all acquired staff.
 - Month 1:** Train managers on GLS ERP/OHS protocols.
 - Quarter 1:** Publish baseline ESG report for acquired entity.
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5.3 Phase 3: Ongoing Monitoring

- **ASI Conformity:** Quarterly gap assessments against 8 ASI criteria:

4.5 (Emergency Prep) | 5.3 (Indigenous Rights) | 9.2 (Supply Chain Ethics)

- **Community KPIs:** Track via dashboard:
 - Grievances resolved (%)
 - Local hiring ratio
 - Emissions reduction vs. baseline

6. RISK ASSESSMENT MATRIX

M&A Risks Specific to Aluminium Processing

Risk Category	Identified Risk	Potential Consequences	Likelihood	Mitigation Strategies
Environmental	Undisclosed soil contamination	Cleanup costs ASI suspension	Medium	Phase I ESA + indemnity clauses
Social	Inherited union disputes	Production stoppages; reputation damage	High	Pre-deal MoU with labour representatives

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Risk Category	Identified Risk	Potential Consequences	Likelihood	Mitigation Strategies
Governance	Non-compliant waste contracts	Regulatory fines; community backlash	Medium	Contract audit + remediation reserve
Operational	Obsolete annealing safety systems	Fire/explosion risk	High	Capital allocation for system upgrades

7. DOCUMENTATION & DISCLOSURE

- **Public Commitment:** Disclose on GLS website:

"Post-M&A integration prioritizes ASI compliance, worker safety, and community remediation. Full framework: [Link]."

- **Records Retention:**

- Due diligence reports: 10 years
- Stakeholder consent documents: 7 years

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8. TRAINING REQUIREMENTS

Role	Training Focus	Frequency
M&A Team	ASI Standard V3; human rights due diligence	Pre-deal
Site Integration Leads	GLS EHS protocols; community engagement	Post-acquisition

REVISION HISTORY

Rev.	Date	Changes	Approved By
00	01/08/2025	Initial Issue	M&A Director / Rajesh Singh (C.O.O.)

