



Executive Summary - ESG REPORT

FY 2021-22

- This is an Executive Summary of APAR's Environmental, Social and Governance Report, which covers our ESG activities and performance for the financial year 2021-22. This summary and the full report highlight how we bring our mission and value proposition to life through our business. All reporting and performance data are limited to information for the owned and operated facilities of Apar Industries and its subsidiaries unless stated otherwise. Additional information about APAR can be found on our website at www.apar.com.
- For more information on APAR's ESG efforts, please go through our detailed ESG report at <https://apar.com/apar-esg-report/>

Independent Assurance

DNV Business Assurance India Private Limited ('DNV') has carried out the verification of APAR's GHG emission data as per their verification methodology VeriSustain, which provides a limited level of verification of selected GHG emission data while applying a $\pm 5\%$ materiality threshold for errors and omissions.

The financial numbers are taken from our Annual Report, which is audited by an independent auditor M/s. CNK & Associates LLP, Chartered Accountants. The annual report is available at the url : <https://apar.com/investor/>

Reporting period & principle

The information provided in the Report is for the period 1st April 2021 to 31st March 2022.

APAR has prepared its greenhouse gas (GHG) data on the principles of ISO 14064-1, World Resource Institute (WRI) GHG Protocol, Emission factors from the Intergovernmental Panel on Climate Change's (IPCC) Fourth Assessment Report, Institute for Global Environmental Strategies (2022) - List of Grid Emission Factors, version 10.12 and ASHRAE Standard 34.

The Report is also aligned with the United Nations Sustainability Development Goals (UN SDGs).

Operational Control & Operational boundary

Our organizational boundary covers all our manufacturing plants, offices, warehouses, and all such emission sources under our operational control. It includes our manufacturing plants in India at (1) Gujarat: Khatalwada & Umbergam (2) Maharashtra: Rabale (3) Orissa: Jharsuguda & Sambalpur (4) Dadra and Nagar Haveli: Silvassa & Athola; and our manufacturing plant in UAE at (5) Sharjah: Hamriyah.

Operational Boundary consists of Scope-1 and Scope-2 emissions.

APAR is using the location-based method for Scope-2 emission computation. It includes greenhouse gas emission due to purchase of grid electricity.



APAR was founded in 1958 in India. We are a manufacturing conglomerate and hold a leadership position in our principal business segments. Our main businesses are Transformer Oils & other Speciality Oils, Conductors & Cables. We serve customers across 140+ countries.

For over 6 decades, we have been leading the innovation curve in our industry segments and growing our presence across markets globally. We are trusted by major Transformer OEMs, Power Utilities, Global EPC majors, Automotive OEMs and Telecommunication companies globally to deliver cost-effective, quality products and services.

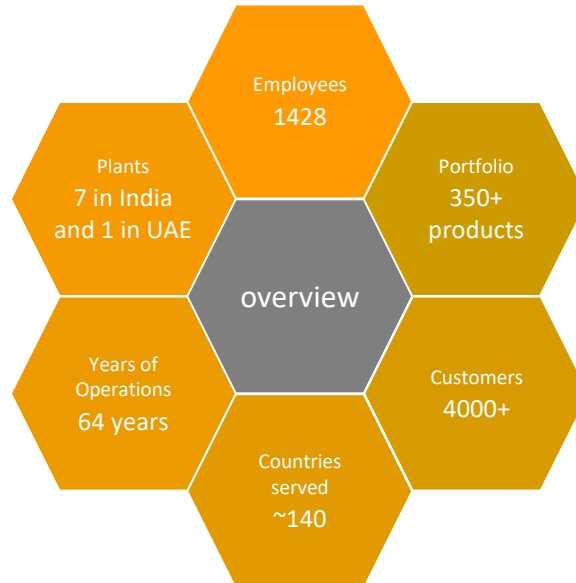
Our business is firmly anchored in India with our head office at Mumbai, 10 branch offices, and 8 state-of-the-art manufacturing facilities (including 1 in Hamriyah, Sharjah). We have a wide range of 350+ products in our portfolio and we serve 4000+ global clients.

We are :

- The 3rd largest global transformer oil manufacturer,
- Largest manufacturer in India for special application and renewable Cables, and have the largest e-beam facility in India, and
- World's largest aluminium and alloy conductor manufacturer.
- We have strategic tie-ups with big global firms such as ENI S.p.A Italy and CTC Global USA.

APAR's Cable, Oil & Conductor division have state of the art laboratories with more than 2000+ testing facilities as per various national & international standards, and are certified by NABL (National Accredited Board for Laboratories) as per ISO 17025:2017.

For more details about APAR Industries, please visit www.apar.com.



Performance Highlights for FY 2021-22

Revenue from Operations Rs. 9,320 Crores	EBITDA Rs. 574 Crores	PAT Rs. 257 Crores
Export Business Rs. 3,550 Crores	Domestic Business Rs. 5,770 Crores	CapEx Rs. 130 Crores
GHG emission 90,490 tCO ₂ e		Water footprint 227,000 KL

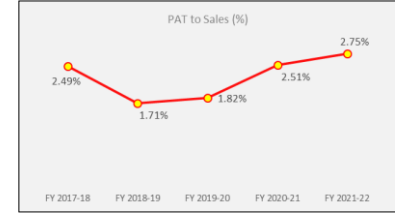
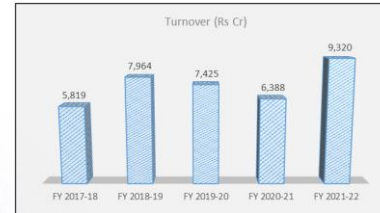
At APAR, our aim is to provide optimum returns to the providers of our financial capital. Our business processes are aligned to maximize surplus from both business operations and relevant monetization of assets and investments.

The key metrics for FY 2021-22 are as follows :

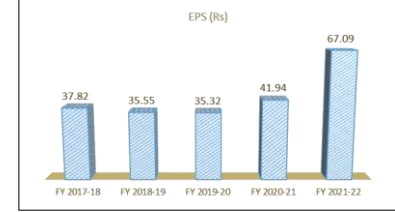
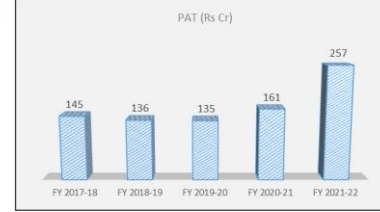
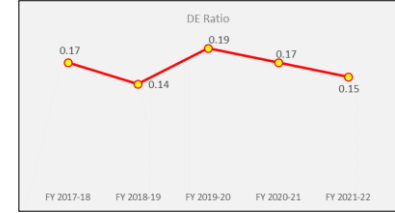
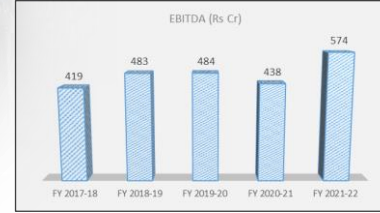
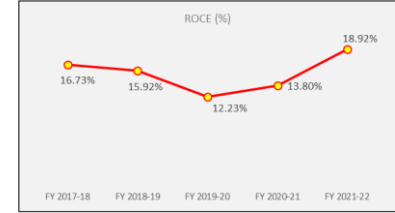
Revenue from Operations Rs. 9,320 Crores	EBITDA Rs. 574 Crores	PAT ₹ Rs. 257 Crores
PAT to Sales ratio 2.75%	Return on Capital Employed 18.92%	Earning per Share Rs. 67.09
Dividend payout 150%	Debt Equity Ratio 0.15	D/E

Internal accruals generated a free cash flow of ₹188 crore during FY 2021-22 (after considering capex and dividend) which was primarily utilized the repayment of loans of Rs. 17 crore and investments in working capital.

Detailed can be accessed from our Annual Report for FY 2021-22 at <https://apar.com/investor/>



YoY comparison of key financial metrics



Highlights

Production	457,790 KL of Oils
	66,841 MT of Cables
	202,547 MT of Conductors

- All the export plants are strategically located near sea ports & international airport.
- Plants in Orissa are located very close to the primary producer of liquid aluminium metal.
- The Sharjah, UAE plant (oil business) is situated in the Free Trade Zone for Gulf countries

Cables

- ✓ We are the largest manufacturer in India for special application and renewable cables
- ✓ We have the largest e-beam facility in India
- ✓ We hold the maximum number of UL approvals in US (11 numbers) from India

Conductors

- ✓ We are the world's largest manufacturer of aluminium and alloy conductors
- ✓ We have executed 100+ turnkey solutions projects in India till date

Oil

- ✓ We are the world's 3rd largest manufacturer of transformer oil
- ✓ We are amongst the top 10 lubricant players in India

Technology Leadership

All the plants are certified for ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), and ISO 45001 (Occupational Health & Safety).

Cable: We have rich experience in manufacturing of all types of special cables like submarine cables, tactical cables, torpedo cables, umbilical cables, tether cables, tow cables and many other defense application cables.

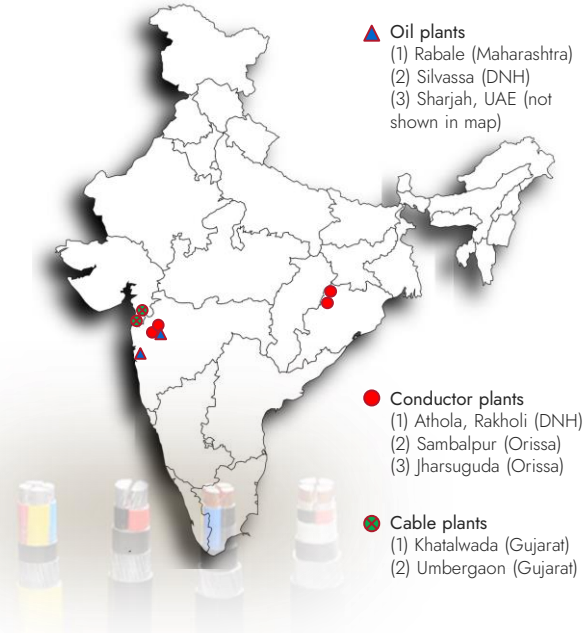
We are the only one in India with three e-Beams irradiation facilities of 1.5 MeV, 2.5 MeV and 3.0 MeV for cross linking polymers. In addition, another e-Beam facility of 2.5 MeV is under installation.

Conductor: We are the world's largest manufacturer of aluminium and alloy conductors and have experience of executing 100+ turnkey solutions projects in India to date.

Our commitment to leading the innovation curve is why we've pioneered turnkey solutions for re-conductoring with HTLS, live line installation with OPGW and environmentally-friendly packaging solutions. Six decades of experience and expertise is hard to replicate.

Oil: All the 3 plants are near sea ports making it easier for export shipments. These plants have huge storage capacities and are spread over an area of 100,000+ square meter.

Our oil business laboratories have state-of-art facilities and are certified (a) by NABL (National Accredited Board for Laboratories) as per ISO 17025, and (b) by Department of Scientific and Industrial Research (DSIR)



APAR has pioneered and set the trend of the future of wiring in India through its innovative products.

The e-beam technology is a worldwide state of the art technology used in cable manufacturing.

APAR has set up two electron beam (e-beam) accelerators at its Khatalwada, Gujarat plant. At par with international standards, it is a definite edge over other manufacturers in India.

Product Innovation & Research

APAR's commitment is customer focused R&D. Our speciality lies in delivering product performance in extreme environments; we engineer and manufacture cable, conductor and speciality oil that consistently outlast and outperform the competitions.

We have state of the art laboratory, in each businesses, with more than 2000+ testing scope as per various national & international standards. All our laboratories are accreditation by NABL (National Accredited Board for Laboratories) as per ISO 17025:2017.



NABL accreditation - Conductor business

NABL accreditation - Oil business

NABL accreditation - Cable business

APAR's cable solution has bagged the highest number of UL approval (#18) from India till now.

UL certification is mandatory to market any cables or wires in USA, and these are one of the stringent & difficult certification owing to it's rigorous & comprehensive testing process

We have developed special FRP cables of 12F/48F/72F triple sheathed FRP armored fiber optic cable. This cable is one of it's kind for having fire survival capabilities without any metallic elements being used.

The prime requirement of this cable is to sustain a fire test of more than 120 minutes at 750 degree centigrade without fiber break (also known as circuit integrity of fire resistant)

APAR has already developed mining cables as per ICEA, NEMA, ASTM etc., and catering mining segment.

We have innovated special technologically advanced PV wire for Solar Industry which serves the following challenges-

- (a) zero transmission loss (b) life expectancy beyond 25 years (c) fire retardant (d) RoHS compliant (e) UV resistant, and (f) anti rodent & anti termite

We have develop special micro module OFC cables with the following unique set of requirements for a micro module FO cable :

- ✓ reduced diameter with higher fibre count
- ✓ supports super high speed network flow
- ✓ outstands durability test (withstand -40 degree centigrade to +70 degree centigrade)
- ✓ waterproof
- ✓ light weight yet with high tensile strength
- ✓ Easy to handle and highly durable



We are associated with Indian defense and naval department (DRDO/ NPOL) for over 15 years, and have developed and supplied the following cables :

- Heavy tow cable
- Marech cable/ Torpedo cable
- Umbilical cable
- ROV cable
- Tactical cable for army
- Tether cable air surveillance balloon system
- Pressure tight and Non-Pressure tight cables up to 60 BAR for ship building
- Airport lightening cable
- EV cables

Conductor :

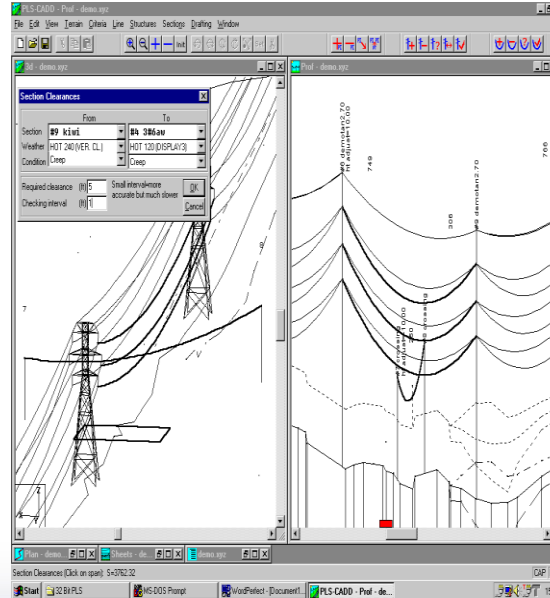
Innovative manufacturing of AL59 conductors : AL59 conductors are made out of Al-Mg-Si low resistance high conductivity alloy with excellent electrical characteristics, excellent sag-tension characteristics and superior corrosion resistance to that of ACSR (Aluminium Conductor Steel-Reinforced). As compared to ACSR they have lighter weight, comparable strength and current carrying capacity.

The metallurgy and manufacturing of AL59 requires energy intensive processes for precipitation of $SiMg_2$ phase. This involved multiple heat treatment processes to achieve consistency in parameters and manufacture first time right material.

With the consistent R&D efforts, thorough analysis and setting up the stringent process norms followed by several trials on various wire sizes, APAR team succeeded in achieving the desired wire parameters as per the technical specification by redefining the recipe which did not require the drawn wire to be heat treated thereby providing the following benefits :

- Improving the productivity
- Saving of electricity 13.75 units/ MT
- Material saving

Software based simulation : We use advanced software for simulations and calculation of critical transmission line parameters for new product development and validation.



Dull finish conductor : We produce dull finish conductor (to reduce the reflection of conductor surface due to aluminium lustre) which offers following benefits :



- The surface emissivity increases from 0.23 to approx. 0.42
- Improvement in current carrying capacity by 5%
- Suitable for V, HV and EHV overhead, long distance transmission and distribution lines
- Can be installed within the vicinity of airport as dull finish conductors eliminates the light scattering from conductors surface

Oil: We are in advanced stage of discussions with an innovative international company for the sourcing of biodegradable natural plant-based esters to manufacture transformer oil. The product meets the required specifications and trials have commenced in five utilities in India. Trials are taking place in free breathing transformers. Once these trials are completed there is an opportunity to seamlessly retrofit the existing installed transformer base with this bio-degradable transformer oil.




In addition, we are in advanced stage of obtaining approval from a leading utility to use this bio-degradable transformer oil in transformers up to 132 KV.

APAR's approach to GHG emission

We support the goals of the Paris Agreement to limit global temperature rise, and we are committed to contributing to a reduced carbon future. We demonstrate our commitment by setting targets and disclosing progress toward greenhouse gas (GHG) emissions reduction goals.

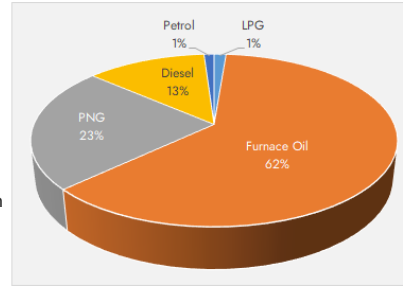
We started measuring and reporting of GHG emission since FY 2020-21. We had announced our first sustainability goals to reduce the Scope-1 and Scope-2 GHG emissions intensity by 15% by FY 2022-23, and we are on the track to achieve this.

Key metrics (FY 2021-22)

	90,490	tCO ₂ e GHG emission
	227,289	KL Water Footprint
	72,000	KL of rain water harvesting facility ready for monsoon of FY 2023-24
	2.90	million units solar electricity generated at plants
	14.0	million units renewable generation planned for FY 2023-24 in addition

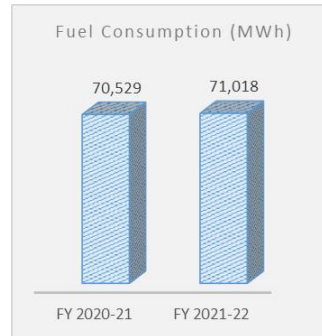
Fuel consumption

We understand and acknowledge that the share of fossil-fuel based electricity needs to come down substantially and overall energy consumption has to go down. Hence our focus is on both the demand side as well as the supply side management of energy.



Our fuel consumption during the reporting year was 71,018 MWh

Fuel consumption in the reporting year is almost same as that in FY 2020-21, despite overall increase in production during FY 2021-22. This was possible because of many initiatives taken by us during the year at all the plants.



Electricity consumption

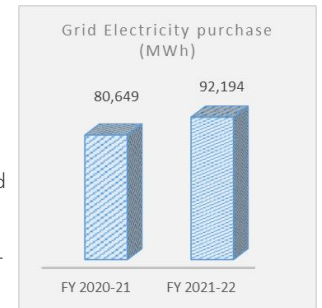
Our electricity consumption during the reporting year was 95,111 MWh. The electricity is sourced primarily from the electricity grid, and there is a small element of roof-top solar in the energy mix.

Some of the initiatives taken up by us to reduce electricity demand:

- Optimize the operating pressure of utility compressed air in all our plants thus reducing the compressor motor running hours and arresting leakages
- Replacing conventional high GWP refrigerant based ACs with VRV-R 410 gas-based cooling system
- Better insulation of blending vessels thus reducing heat loss
- Replacing MHD lamp with LED lights
- Replacing de-rated capacitors with new capacitor units
- Installation of energy meters on high energy intensive machines to monitor and reduce the idle energy losses

There is increase in purchase of grid electricity in the reporting year as compared with FY 2020-21.

This was due to (a) overall increase in production, and (b) shifting from diesel to grid electricity SEWA (Sharjah Electricity & Water Authority) at our PSF plant, Hamriyah, Sharjah.



Renewable energy

Many of our plants are situated in places with high solar radiation and high duration of availability of sunlight. We have already started using solar energy and are exploring opportunities for further enhancements.

We have generated 2.92 million units of solar electricity at our various plants during FY 2021-22, and this is expected to increase in near time.

We have installed solar rooftops energy solutions at our plants at :

- Khatalwad & Umbergam (both in Gujarat),
- Rakholi (Dadra and Nagar Haveli) and
- Rabale (Navi Mumbai).

We have current installed capacity of over 4 MWp of solar energy across all the plants.

Additionally, we have entered a definitive agreement with a leading supplier to jointly develop a 3.3 MWp hybrid power project (wind - solar hybrid) under the group captive model. The HCGP (Hybrid Captive Generating Plant) is being set-up in Gujarat for our Cable facilities. This will reduce our requirement of grid based electricity significantly. Wind energy is typically available during evenings and night at this location, thus a hybrid solar-wind energy source will be optimally suited for us. **Once implemented, it would have potential to generate 13.4 million units each year, and thereby reducing grid electricity consumption.**

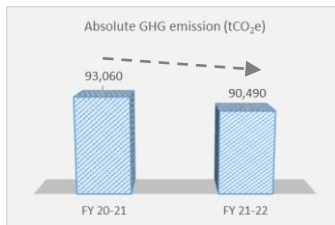
We are also exploring similar opportunities for our other plants and we have definite targets in place to replace grid power with renewable sources.

GHG emission

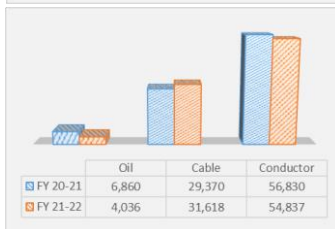
We have been working consistently towards lowering our carbon footprint through various initiatives. We follow the GHG Protocol for measuring our GHG emission. Currently we are measuring, managing and disclosing our scope 1 and scope 2 emissions. We will start measuring and disclosing our scope 3 emissions going forward.

The GHG emission during FY 21-22 was 90,490 tCO₂e

Scope-1 emission accounted for 20% of total emission (17,774 tCO₂e) and Scope-2 emission accounted for 80% emission (72,716 tCO₂e) during the FY 2021-22.



Due to various measures taken by APAR, the absolute GHG emission in FY 21-22 reduced by 3%, despite overall increase in production



The reduction in GHG emission in FY 21-22 was mainly attributable to our Oil business, which registered a reduction of over 40% in absolute GHG emission

It was possible through various productivity enhancement measures taken at our plants. The most significant was to change from three shifts operations to two shifts operations without affecting the overall production volume (on the contrary, the production volume has gone up) in our Oil plant at Rabale. This action has resulted in significant reduction in GHG emission.

We have been continuously identifying projects for de-carbonization at all our plants. We have completed implementation several GHG reduction projects and many more are under implementation. Some examples of completed projects are :

- Improvement in productivity through (a) increase in Line Speed in cable & conductor manufacturing (b) Shifting from 3-shift operations to 2-shift operations at our Rabale plant
- Increasing the supply of Renewable energy through (a) increasing the rooftop solar electricity generation capacity (b) engaging in open access procurement of hybrid wind-solar energy, which should increase our renewable energy contribution to 13% of our overall consumption in FY 23-24.
- Arresting the compressed air leakages and ghost energy
- Design changes in Furnace to avoid heat loss
- Replacing de-rated capacitors with new capacitor units, etc.

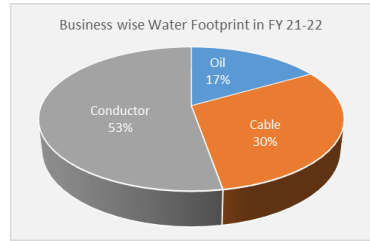
Risk disclosures :

- ✓ APAR has completed voluntary disclosure of **Climate Related Risks to CDP**
- ✓ We have prepared our first **Climate Related Risk Management Report** (prepared in accordance to the recommendations of the TCFD). The report can be accessed from the link : <https://apar.com/tcf-report/>

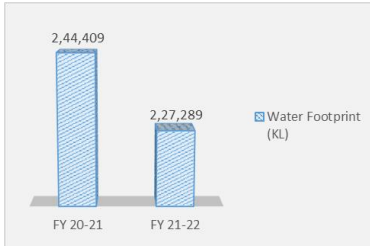
Water footprint

We manage our water responsibly, including water withdrawal and discharge, and seek continuous improvements in water management through the principles of 3Rs.

The water footprint during FY 21-22 was 227,289 KL.



Conductor business accounted for 53% of the total footprint.



Due to several measures undertaken, the water footprint has gone down from 244409 KL in FY 2020-21 to 227289 KL in FY 2021-22.

All our plants in the Cable & Oil Businesses have Zero Liquid Discharge (ZLD). We ensure that our plants do not discharge any liquid effluent into surface waters, in effect completely eliminating the environmental pollution. We are committed to make effective use of wastewater treatment, recycling, and reuse, thereby contributing to water conservation through reduced intake of fresh water.

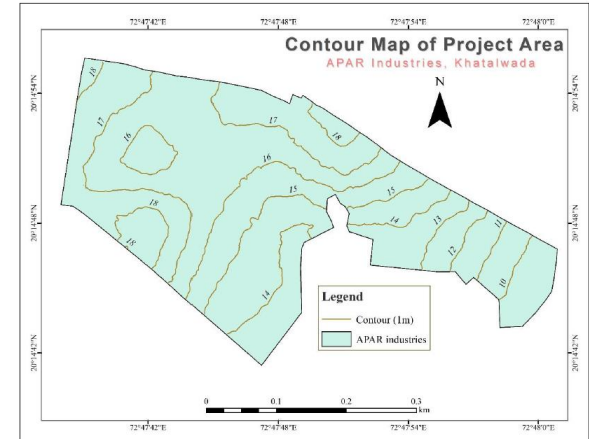
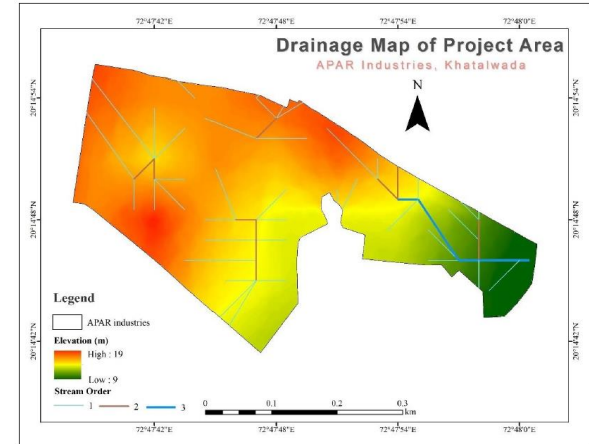
Aquifer Recharge:

To augment the rain water harvesting capacities, we had engaged with a leading consultant, and completed hydrological & topological studies of our plants for water conservation through aquifer recharge. This includes :






- Preparation of watershed map
- Estimation of underground water level, pressure, quality & quantity of water
- Computation of intensity of the water flow through pores or fractures etc.
- Evaluation of water bearing levels of rocks and their capabilities for filtration
- Assessment of intrinsic ability of the rock to either store or resist water

Objective is to give back to the nature through aquifers recharge & thereby maintain water table in the nearby area. This will ensure water security for both APAR and the neighborhood communities.

Once implemented by 31st Jan 2023, it will have potential to recharge the aquifers – 72000 KL every year.

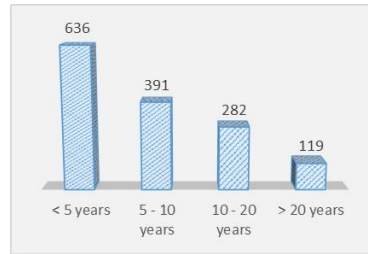


Key metrics (FY 2021-22)

	12% Women workforce at Offices
	8.3% Attrition during FY 2021-22
	1,590 Man-days of training
	8 Employee Engagement program
	4 Leadership Development program
	40 E-learning program
	0.03 LTIFR (Lost Time Injury Frequency Rate)
	226 New hiring

Employee care

55% of our employees are working with us for more than 5 years. This is evidence of employee care being a priority for APAR since the very beginning. The Company believes that employees are one of its main pillars and appreciates their contribution towards the organization.



55% (792 out of 1428 employees), have been working with APAR for over 5 years

APAR always respects the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance redressal mechanisms.

Our employment policies provide and maintain **equal opportunities of employment**. At APAR, we want the best talent for the job. Socio-economic background, race, caste, religion, ancestry, marital status, sex, age, nationality and disability have never been, and will never be a deciding factor for employment.

Our corporate & factory locations have not any child labor, forced labor or any form of involuntary labour, paid or unpaid.

Diversity & Inclusion

As per our organizational policy, we strictly do not differentiate between employees on the basis of their gender, colour, caste, creed, nationality, religion, race and disability.

Out of the total 616 employees at our offices, 74 are women, which translates to 12% of the total office workforce – they are part of all management positions including junior, middle and senior levels handling various responsibilities in human resources, quality, procurement, information technology, sales & marketing, accounts & finance etc.

We are focused on adding more women employees to improve the workforce diversity along with building an inclusive culture. Being a part of the workforce, women employees are bringing significant positive changes to the business with their perspective and attention to detailing among other things. Therefore, gender diversity is one of our prime focus areas.

Employment opportunity for weaker section of society

APAR management always looks forward to offer merit based employment to the historically disadvantaged sections of society including scheduled castes/ tribes, other backward classes at all the plant locations.

Details for our plants are as follows :

- 34% of employees on Company rolls are in ST, ST, OBC & Others category
- 78% of employees on Contract are in ST, ST, OBC & Others category

Employee engagement survey

APAR has always prioritized employee care. Employees are the pillars, the foundation of the Organization. The Company is receptive of employee sentiments and feelings and keeps it at the forefront.

Employee Engagement survey was carried out in April 2022 in online mode. To ensure Employees' responses to survey remain completely confidential, APAR had engaged an external independent company Market Search India Pvt. Ltd., a sister concern of Thomas Assessments.



1511 Total sample size

1397 Number of respondents

92% Survey response rate



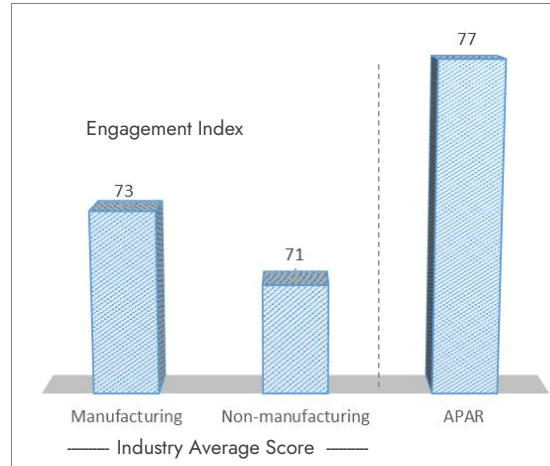
Highest engagement scoring on two key questions :

Questions

- 1) I would recommend my company to a friend as a good place to work.
- 2) Considering all things, I am satisfied working in APAR

Employee engagement matrix – 81% employees of APAR are engaged

		Satisfaction with APAR - >		
Affinity towards APAR - >	Lost direction (01%)	Engaged (25%)	Fully engaged (32%)	
	Looking around (01%)	Indifferent (13%)	Engaged (24%)	
	Disengaged (01%)	Looking around (02%)	Non committal (01%)	



Occupational Health & Safety

APAR is committed to providing a safe and healthy workplace. Making sure that our employees, associates, and contractors return home from work safely each day is more important than anything else. We are committed to ensuring zero harm to our employees, associates and contractors, and the communities in which we operate. This is integral to our business and is laid down in our health and safety policies, standards, and working procedures.

Key metrics (FY 2021-22)

0.2 TRIR with zero FSI *

10470 EHS training man-hours

150 Safety Kaizen project

140 FSI Risk Mitigation Project

Digitalization of OH&S Management system

* TRIR - Total Recordable Incident Rate, FSI - Fatal & Serious Injury

In addition to a collaborative approach for continual improvement and promotion of Health & Safety at the workplace, each plant has been equipped with the (a) safety & 5S committee (b) suggestion scheme (c) Kaizen (d) Safety engagement activities, and (e) A team of qualified H&S professionals

Supply chain

We believe in engaging in healthy relationships with our suppliers and customers and associating with them in a fair, transparent and collaborative manner to build long-term partnerships.

This necessitates association with the right partners. We conduct a proper due diligence at the time of vendor on-boarding. Amongst many other evaluation criteria, the vendors are also evaluated against the health, safety and environment sustainability parameters.

Our Supplier Code of Conduct includes, amongst other points, environmental sustainability; health & safety issues; labour practices such as child labour avoidance, freely chosen employment, diversity & inclusion, fair treatment, working hours, wages & benefits; freedom of association etc.

We are consistently interacting with our customers & suppliers through discussions and webinars to spread awareness and adopt the sustainable practices to reduce the adverse environmental aspect of our products over their life cycle.

Focus on local suppliers

- We procure goods from local suppliers including MSMEs (Micro, Small and Medium Enterprises) and materials are imported under advance license scheme to the extent possible.
- We also support vendors for improving their productivity and technical capability to reduce their operation costs.
- In addition, APAR procures goods and services like security, housekeeping, gardening, and such other services from the suppliers located near our factories.
- Majority of our workforce is employed from the surroundings of the manufacturing unit across all the locations.
- APAR ensures right quality production at suppliers' end.
- We are consistently putting efforts for vendor development locally for high quality premium grade products (ultra-high strength steel, export quality packaging material, specially designed tools and spares).

Community engagement

We call it Community Support Responsibility, and we've been doing it since 1958. APAR engages with the community through Education, Healthcare, Nutrition, Children Welfare, and focus on environment & sustainability.

Healthcare : In order to provide quality healthcare to all sections of society, APAR has been involved in setting up hospitals and supporting accessible healthcare all across India.

Set-up in 1996, **Dharmsinh Desai Memorial Methodist Institute of Cardiology and Cardiovascular surgery has benefited about 400,000 patients mainly from rural Gujarat.** The institute carries out open heart surgeries, angiographies and angioplasties with a prolific success rate, and a focus to treating patients who are below the poverty line.

70% of the patients are from economically backward strata. It served as Covid ICU during 2nd wave of pandemic.

We have also contributed to setting up the Bhaktivedanta Hospital Mira Road, Thane District and a fully-equipped Hospice in Vrindavan, Uttar Pradesh to provide high-quality healthcare to the poorer sections of society.

Education : We support the Technical High School and Boys High School at Nadiad, as well as set-up the **Dharmsinh Desai University** in Nadiad, which provides education in technical and other areas (diploma and degree courses) to students at a nominal cost.

Most recently, we have set up a school in Rajkot for children from nearby slums. We also aim to rehabilitate abandoned, unclaimed, parentless and destitute children.



Employment Generation through technical skill development of local tribal youth of Khatalwada, Umbergaon and surroundings areas

We realize that one of the greatest social impacts is making the youth employable. One person getting employed at our factory is able to sustain a whole family.

Towards this, we have initiated 'Cable Line Extruder Operator' training course at Govardhan Skill Development Centre, Wada. The salient features are as follows :

- We have tied up with Shri Chaitanya Trust Sanchalit Govardhan Skill Development Centre, Wada (Dist :Palghar, Maharashtra). Shri. Govardhan Skill Development Centre is working with the objective of employment generation for tribal youth through their technical skill development. They run various short term technical courses which are affiliated to National Institute of Open Schooling.
- We have designed customized 'Cable Line Extruder Operator' course and its curriculum as per our plant requirements. Duration of the course is 6 months, and it is currently running at Govardhan Skill Development Centre.
- We have a batch of 24 local, scheduled tribe (ST) category, underprivileged young boys from the surrounding villages of our Umbergaon and Khatalwada plants. These villages are Aahu, Malkhet, Nargol, Khatalwada, Umbergaon Town & Solsumba. Out of these, 22 candidates (92%) have been selected.

- We have erected customized set up of completely new extrusion line including pay off, extruder, hopper and caterpillar at Govardhan Skill Development Centre for the purpose of their learning of cable extrusion.
- Qualified supervisor and technical team are deployed to train the candidates on multiple technical skills like extrusion, fitting work, plumbing, electrical work, welding, basic computer skills etc. during this 6-month training period.
- **These candidates will be employed at our Umbergaon & Khatalwada plants after successful completion of the course.**
- APAR Industries is bearing lodging and boarding cost of these youth for entire course period of 6 months. We are also paying a stipend of Rs. 363/- per day to these youth during this training period, which is in line with the National Apprenticeship Act.

B.T.P - Student Stipend (Wada Project)	Costs (Rs.)	
	6-month	one-time cost
Student stipend (24 Nos. x Rs. 10,779/- per month)	15,52,176	
Lodging & boarding expenses @ Rs. 2,500 per person per month	3,60,000	
Trainer Salary (considered for 3 months)	1,66,656	
One time costs		
75 mm sheathing extruder (old machine refurbished)		35,00,000
Bus expenses for dropping to Wada		20,000
Stationery		5,000
Safety shoes		19,200
	20,78,832	35,44,200
Total cost of the project		56,23,032

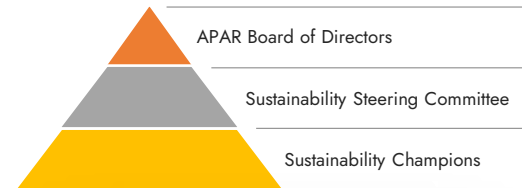


Practical machine learning on extruder line

ESG Governance & Board Oversight

Our governance structure follows the international best practices by integrating the Environmental, Social and Governance considerations in business decisions. It ensures that ESG performance monitoring and decision making permeates through different levels in the organization.

At the top governance level, there is APAR Board of Directors which provide overall direction to our sustainability efforts. It oversees the implementation, monitoring, and reporting of climate-related issues, ESG performance and sustainability, along with the CSR policy and its implementation.



3 tier Governance Architecture is adopted for Sustainability



The ESG aspects and Risk Management are further incorporated within the organization by establishing an **Enterprise Risk Management (ERM) program**. This system has been implemented across the Company to enable all the employees and business associates to raise any kind of risk identified by them up to the next level. The risk management framework has the provision to evaluate, prioritize and escalate the risk till the highest governing body within the organization.

Plans for managing and mitigating material risks, including climate-related and other environmental topics as appropriate, are regularly reported to the leadership.

The Board examines and approves the ESG priorities, action plan, risks and its mitigation plans. Its business plan incorporates the principle guidelines to promote a sustainable business model and lay down the basis for long term value creation. We are looking to make our Governance structure world class.

Sustainability Steering Committee – consists of Leadership (manufacturing & business) from all the 3 Businesses for regular review of progress

Sustainability Champions – These comprise of a team of 15 individuals from various geographies/ businesses/ plants/ functions to do the actual work.

Ethics & Compliance

“If you have a doubt or concern about what is proper conduct for you or anyone else, promptly raise the issue with your manager, an APAR ombudsperson or through one of the many other channels the Company makes available to you. Do not allow anything to compromise your commitment to integrity”
– excerpts from APAR’s code of conduct

The key constituents of ethical business principles followed at APAR are enshrined in the APAR’s Code of Conduct.

Code of Conduct

The APAR Code of Conduct applies to APAR Directors, all the employees, suppliers/ vendors/ business associates and any other third party representing APAR, and subsidiaries and controlled affiliates of APAR. It defines how we win with integrity, and it is our roadmap for making good decisions that will serve us well over the long term. The code defines the values and principles upon which we operate our business, compete in the marketplace and serve our customers around the world.

Whistle blower helpline

We maintain a robust whistle blower reporting system called the Whistle Blower policy, to enable anyone within the company and those dealing with the company to voice their concern to the ombudsmen of the company, if they discover any information which he/ she believes shows serious malpractice, impropriety, abuse of power and authority, financial wrongdoing or unethical conduct/ practices, without fear of reprisal or victimization, subsequent discrimination or disadvantage. It is available at https://apar.com/wp-content/uploads/2022/07/Whistle_Blower_Policy_Jul_2022.pdf

Board Composition

7 Directors

57% Board Independence

14% Women Director in the Board

Our current Board of Directors consists of seven Directors who are eminent individuals with exceptional qualifications, professional expertise and extensive experience and they have made outstanding contributions to the industry.

The Board has a combination of independent, executive as well as non-executive directors.

All Directors are selected to serve based on their independence, integrity, diversity and experience. Other selection criteria include sound judgment in areas relevant to our businesses and willingness to commit sufficient time to the Board.

Mr. Kaushal J. Sampat was appointed as Non-Executive Independent Director during the year.

There were 100% attendance of the Directors in all the Board Meetings, Annual General Meetings and Committee of Directors' Meetings.

Board Committees

We have five Board Committees – to assist the Board in discharging its duties.

In addition, a Sustainability Committee is also planned to increase focus on ESG priorities, action plan, risks and its mitigation plans.

Each of the Committee has a clearly defined charter including the terms of reference. The details are provided in our annual report, which can be accessed from the following url:

https://apar.com/wp-content/uploads/2022/07/APAR_Industries_Limited_AR_21-22.pdf

Board Remuneration

- Remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- Independent Directors and Non Executive Non Independent Director are paid only sitting fees.
- Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2021-22 was 4.4 % and percentage increase in the managerial remuneration for the same financial year was 126% due to voluntary foregone monthly salary by Managing Directors in FY 20-21 due to pandemic.

Shareholder Relations

Share Transfer & Shareholders Grievance-Cum Stakeholders Relationship Committee is in place to look after the shareholders relations & interests. The main purpose of this committee is to oversee the redressal of investors' complaints, including:

- Transfers/ transmission of shares
- Issue of duplicate share certificates
- Non-receipt of dividend/ interest, dematerialization (Demat) of shares and
- All other related matters concerning investors

To support the "Green Initiative" undertaken by the Ministry of Corporate Affairs (MCA), to contribute towards a greener environment, we ensure delivery of notices, documents, annual reports etc. to the shareholders via electronic mode (to those Members whose email addresses are registered with the Company/ Depositories).

Please visit <https://apar.com/investor/#> for all the documents including quarterly & annual accounts, corporate presentations, shareholding patterns, annual general meetings, notices of board meetings, postal ballots, annual returns, investor education & protection fund, important events and all the policies (including Business Responsibility policy, policy on Dividend Distribution, Whistle Blower policy, Insider Trading policy etc.).

Company is consistent in paying Dividend in line with Dividend Distribution policy of 25% to 35% of profit.

Thank you

Please refer our detailed ESG report at <https://apar.com/apar-esg-report/>

