



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

2020-21

C CONTENTS

Leadership Message

Our ESG Journey

Highlights & Awards

Reading the report

About the Report

Report Period and Boundary

Reference Standards

Release Cycle

Contact Information

APL Apollo at a glance

About APL Apollo

Philosophy

Segments and Products

Business Reach

Stakeholder Dialogue

Materiality Assessment

ESG Framework

ESG Vision & Mission

ESG Governance

ESG KPIs and Targets

| | | |
|-----------|--|-----------|
| 3 | Growing business for good | 26 |
| 4 | Economic Integrity | 27 |
| 8 | Effective Risk Management | 29 |
| 9 | Regulatory Compliance | 30 |
| 9 | Our Policies | 31 |
| 9 | Acting on climate change | 32 |
| 9 | Production Details | 34 |
| 9 | Resource Utilization | 35 |
| 9 | Energy Consumption | 36 |
| 9 | Climate Change | 38 |
| 10 | Water Stewardship | 39 |
| 11 | Emission Reduction | 40 |
| 11 | Waste Management | 41 |
| 14 | Caring about people | 42 |
| 17 | Employment Profile | 43 |
| 18 | Employee hire and retention | 44 |
| 20 | Employee engagement | 45 |
| 21 | Managing human rights and labour relations | 45 |
| 22 | Skill Development | 46 |
| 22 | Health and Safety | 47 |
| 23 | Corporate Social Responsibility | 49 |
| 24 | GRI index | 50 |

BUILDING A RESILIENT TOMORROW

The theme for our Environmental, Social and Governance (ESG) Report for FY 2020-21, "Building a resilient tomorrow", reflects our capacity and capability to navigate through challenging situations. Its emphasis is on achieving results by establishing real commitments to foster growth whilst appreciating responsibility to make transformative actions towards the planet, society and human resources.

As the challenges in the present business environment are continually evolving, we at APL are focused on improving our financial, environmental and social performance. Our commitment towards sustainability encourages every stakeholder in the value chain to think of new approaches to be future-ready, focusing not just on growth but also on proactively addressing the challenges of tomorrow. We believe that by acting responsibly, embracing ownership of decisions, and responding to the needs of stakeholders, we can build a more resilient tomorrow. We aim to develop future-proof business strategies, maintain our commitment to our stakeholders, improve health and safety performance, and have a beneficial impact on the environment and society as a whole.

LEADERSHIP MESSAGE



Dear Stakeholders,

It gives me immense pleasure to present our first Environmental, Social and Governance (ESG) Report. This report outlines our commitments of responsible operations. It reflects our focus on strong Environmental, Social and Governance (ESG) performance and our commitment to transparent disclosure so that all stakeholders are aware of our targets, performance and management approach regarding the material aspects of our business. This report discusses our ESG targets, performance and initiatives for the financial year ending 31st March 2021, as well as targets and objectives going forward.

In parallel with implementing the ESG initiatives, we have achieved production of 16,40,353 MT with zero reportable fatalities while managing the additional health and safety challenges of COVID-19 pandemic. Though this year has brought us uncertainty in the form of a global pandemic, we have remained committed to working together to overcome these challenges by supporting one another and prioritizing the safety of our employees at all our manufacturing locations.

Our Performance

I would like to take this moment to appreciate each hard-working employee of APL Apollo who worked tirelessly during this tough time. Though we were faced with challenges presented by the COVID-19 pandemic, we were able to maintain a stable outlook. Our sales volume rose by 0.4% in FY'21 as compared to FY'20 with our EBITDA increasing by 42%.

Our New Strategy

As an organization, we have always been committed to operating in a sustainable and responsible manner. We are constantly moving with the purpose of creating shared value for our firm and its various stakeholders.

We are making strides towards accentuating our current status in terms of ESG. We have also taken a step forward this year by designing an ESG framework. We have developed this framework with four focus areas, each with its own set of material topics, key performance indicators and targets. We believe, it will help us maintain and monitor our ESG performance and identify areas of improvement.

ESG management at APL Apollo

We endeavor to create a positive impact within the organization and our surroundings. Over the years we have added approximately 17.3 MW of renewable energy capacity at our production facilities to bring down our CO₂ footprint and we are in the process of adding another 22.5 MW. To reduce our environmental effect, we look forward to having all our plants zero liquid discharge (ZLD), and also upscaling the installation of rainwater recharge systems at all of our locations.

After you read this report, we invite your suggestions for ways APL Apollo can improve both its ESG performance and disclosure. As stakeholders of APL, we want you to be proud of what we have achieved and excited to be part of our future. Your opinions are important, and we welcome your feedback. We hope that you will support us in this new journey that we have embarked upon in the same way that you have supported us over the past 3 decades. Thus, it is with great enthusiasm that we present you with our ESG report, highlighting the ESG strategy and performance disclosures, and believe that our progress for FY 2020-21 documented in the following pages will reaffirm your trust in us.

Sanjay Gupta

Chairman & Managing Director



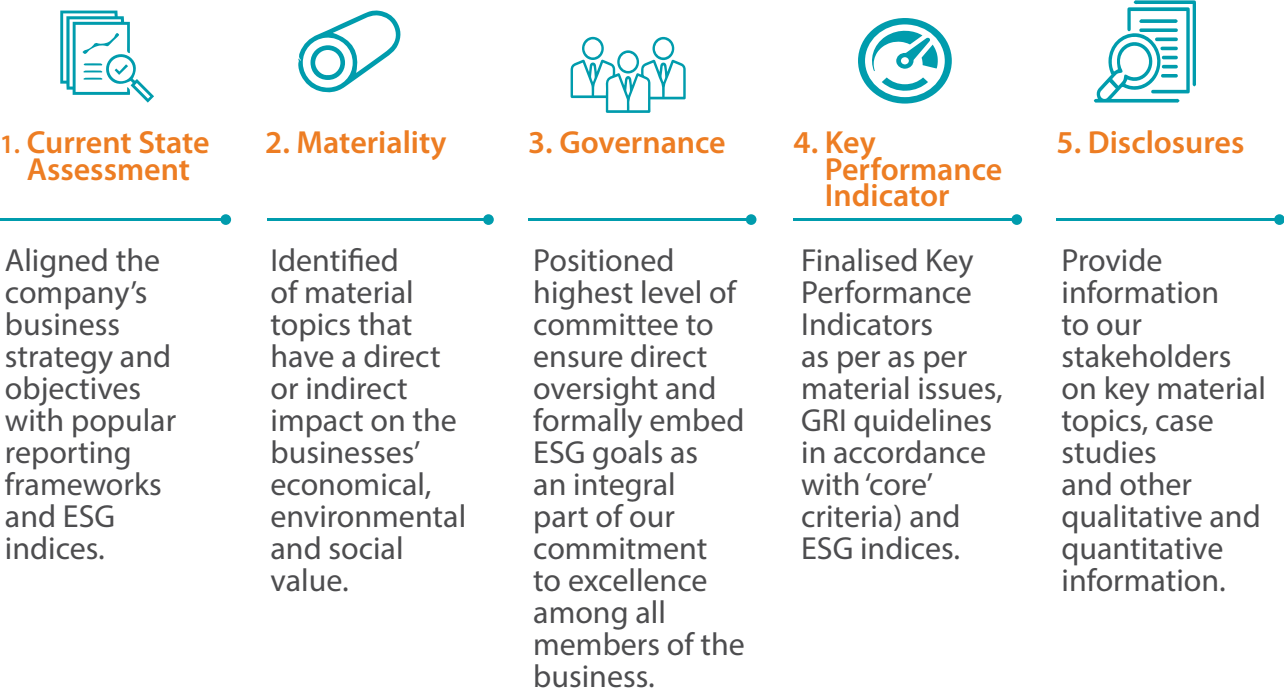
OUR ESG JOURNEY

As a company committed to improving everyday life, ESG is an inextricable part of our business and that of our clients. ESG issues affect everyone at APL Apollo. That is why, guided by committed leadership, we operate through rigorous cross-functional governance. Our new ESG framework, targets and action plan reflect our focus on ESG issues that we believe are core to our business, and that are a part of evolving market expectations .

We recognize that we operate in an environment where many of the natural resources we depend on are scarce. Therefore, not only is it imperative for us to manage and measure our environmental impact for the sake of the world, but it is also essential for the financial viability of our supply chain and industry. And as a result, we have developed an ESG framework to integrate with our core businesses.



THE BROADER CONTEXT



We have undertaken five powerful steps to get this journey started. First, we conducted an initial assessment of our businesses to understand the impact points. This consisted of looking at various factors like our renewable energy portfolio, current employee safety measures, governance structure, compliance to environmental regulations, and water management practices. In addition to this, we assessed the alignment of our business strategy and objectives concerning popular reporting frameworks and ESG indices. Then we identified key material concerns associated with the current structure. Material concerns directly or indirectly impact a company's operations and footprint and the company's economic, environmental, and social value. We recognize that sustainable development entails addressing material challenges relating to corporate operations and strategy and identifying and prioritizing its most important challenges based on stakeholder concerns. These issues are deeply relevant to our ability to succeed and are addressed in our stakeholder communications, internal strategic priorities, and corporate responsibility approach.

Afterward, we started the implementation process by developing our ESG mission, vision, and governance structure.

Both the ESG vision and mission encompass our commitment to value all stakeholders from our

employees to our customers while ensuring high-quality materials and strengthening all the three pillars – Economic, Social, and Environmental on which our business stands.

We recognize that sustainable development entails addressing material challenges relating to corporate operations and strategy and identifying and prioritizing its most important challenges based on stakeholder concerns

DELIVERING VALUE WITH ESG FOCUS

While governance and strong ESG performance have always been a core focus for us, this is the first time we have articulated the Company's ESG framework. Our underlying objectives are honesty and transparency, so all stakeholders have a clear understanding of our targets, our performance, and our efforts for continual improvement.

Furthermore, we developed a roadmap of actions in accordance to our ESG framework. We divided our performance indicators into four pillars - Responsible Business, Responsible Operations, Responsibility towards communities, and Responsible Employment. These four sections envelop various issues we have started to work on and have a complete roadmap ahead. Responsible business comprises of our commitment towards a strong economic and market presence. Responsible operations place importance on our commitment to nurturing the environment around

judicious use of resources, efficient water and energy management, and a special focus on climate change. Responsible employment shows the value we place on the heart and soul of the company – our employees, ensuring there are no health hazards and ensure we are completely compliant with labor standards. And finally, responsibility to communities, demonstrate our plan to impact the local communities through our CSR initiatives.

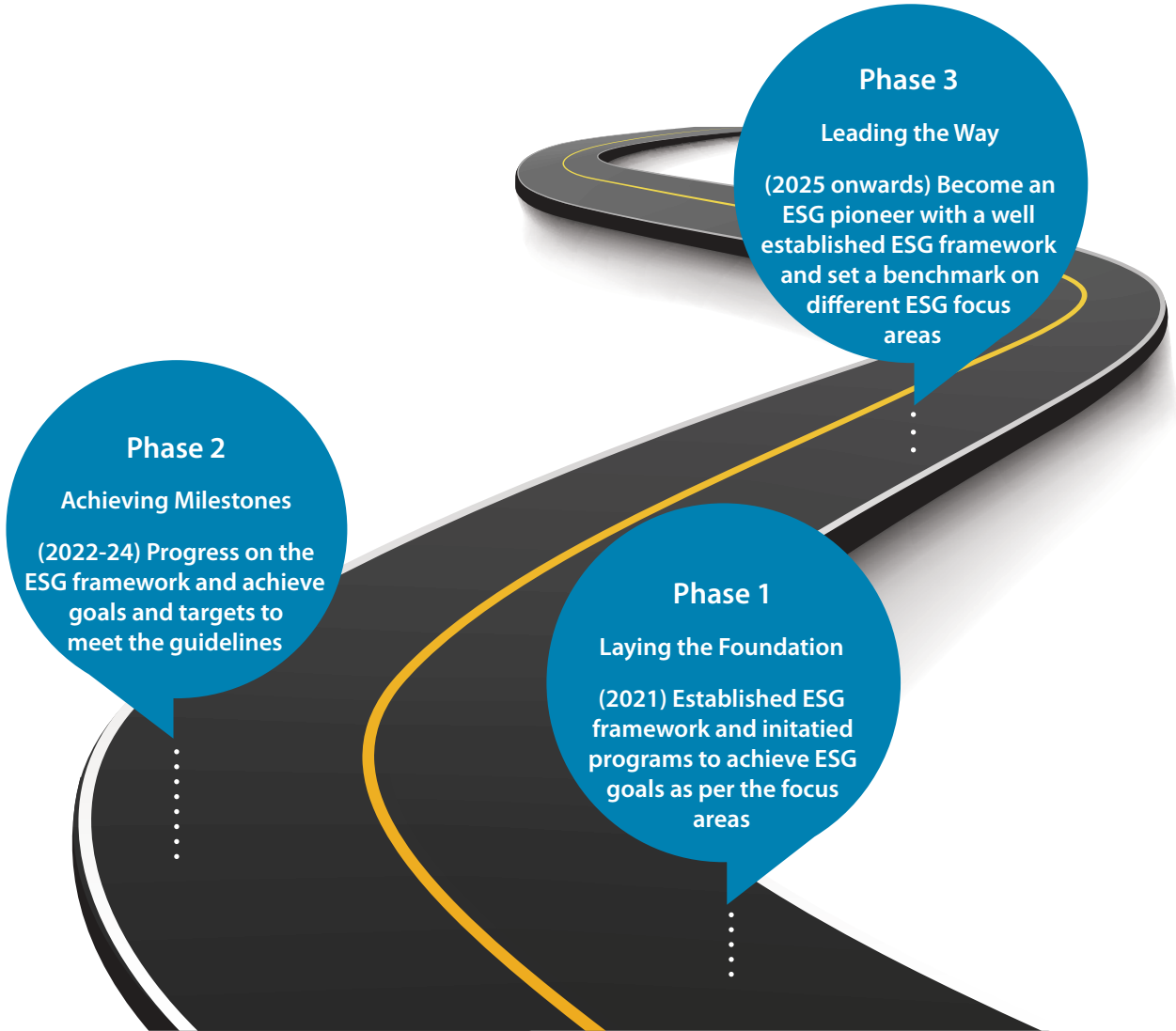
Using these performance indicators and a process of constant feedback, we plan to form various policies and assign personnel to ensure each of the tasks have equal priority. Finally, we believe learning is an important implementation process; hence, we'll scope out the best practices at each of our locations and deploy them horizontally to our other locations. We have already started monitoring these performance indicators, as further presented in the report.

WHERE WE ARE HEADING

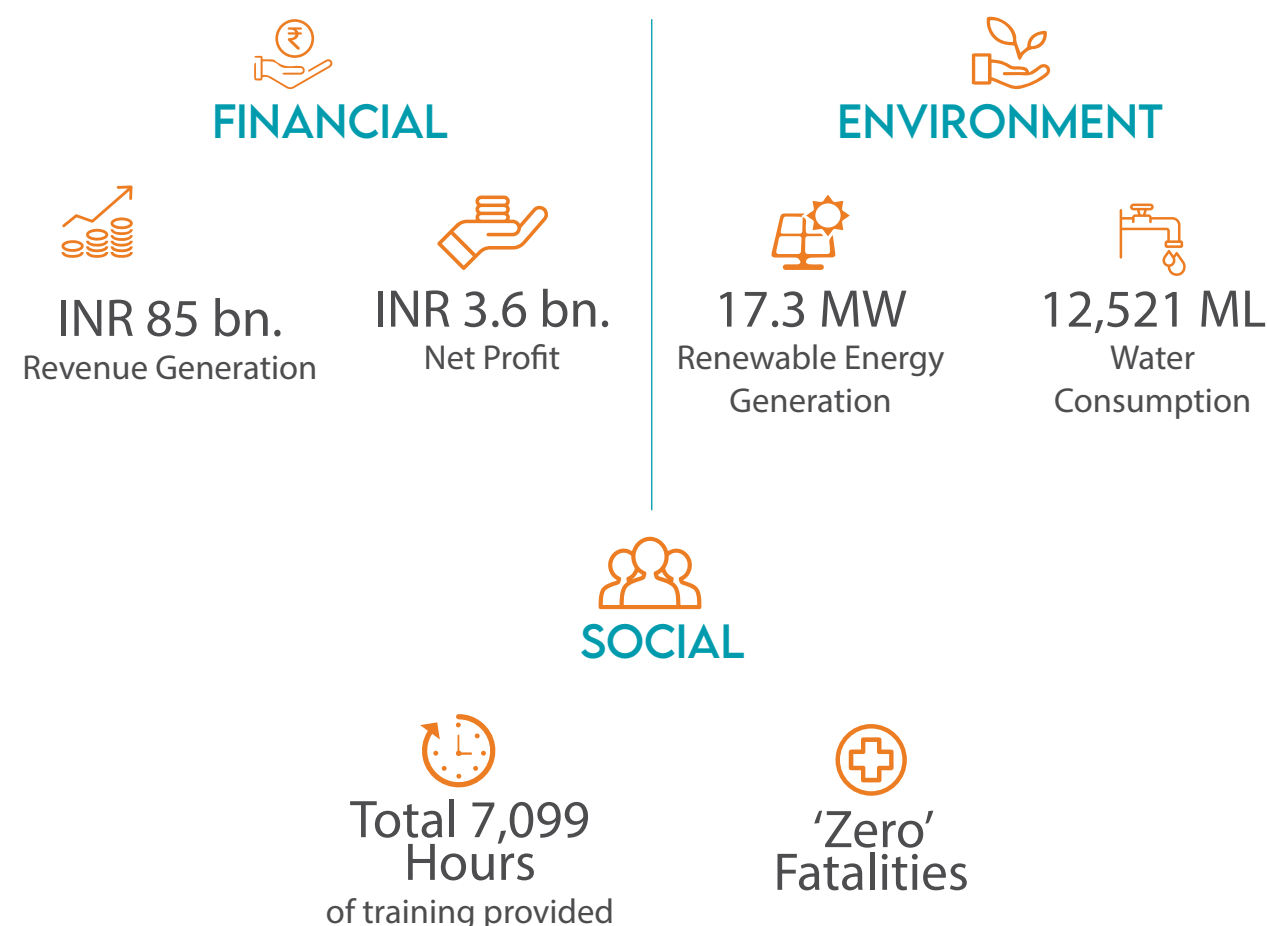
We believe that pursuing ESG agenda serves the interests of all of our stakeholders, including shareholders. Our customers, clients, partners, vendors, employees and investors expect us to stand up for our values and take action to promote a more equitable and sustainable world.

For the same reason, our roadmap divides the whole action plan into 3 phases – Laying the Foundation (2021), where we focus on creating a strong foundation through a strong ESG governance structure and policy framework. Achieving Milestones (2022-24), where we focus on integrating ESG risks onto our business risks, analyzing them through the stakeholders' point of view, and developing a grievance channel for the same. The final phase, Leading the Way (2025 onwards), where we plan to incentivize our employees as per their ESG performance.

At last, we plan to enhance our corporate communication by properly engaging stakeholders on a regular basis by highlighting our ESG performance against our performance indicators, spreading awareness on sustainability issues amongst our employees, and developing a company culture around the same. Eventually, we plan to publicly communicate our targets throughout the sustainability section on our website and march towards a GRI standard comprehensive report. And in the long term, we plan to disclose ESG performance through Indices such as CDP, MSCI, FTSE4Good, or Sustainalytics etc.



HIGHLIGHTS FOR FY'21 & AWARDS



AWARDS AND ACCOLADES

- **"Times Power Icons 2019"** for North region certificate of recognition received by Mr Sanjay Gupta (The Chairman, APL Apollo Tubes Ltd) for exemplary contribution and excellence in the field of steel pipes and section
- **"Emerging Brand"** award for the Year 2019 from ABP news Brands Excellence Awards
- **UP brand leadership award for FY 2019-20**

READING THE REPORT

ABOUT THE REPORT

It has always been our endeavor to embrace sustainability in various aspects of our business and align our efforts to national and global priorities to effect large scale change. This year, we decided to communicate our approach and performance towards ESG aspects through our first ESG Report. The report presents our commitment towards conducting our operations in a sustainable and responsible manner, sharing the benefits of our business and enriching the lives of our employees as well as the surrounding communities. In this report, the terms "APL Apollo" and "we" refer to APL Apollo Tubes Limited.

REPORT PERIOD AND BOUNDARY

The report covers ESG activities for the FY'20 and FY'21, that is from 1st April 2019 to 31st March 2021. The reporting boundary of this report covers our ten manufacturing units. These manufacturing units are located at Bengaluru, Dujana, Hyderabad, Hosur, Malur, Murbad, Raipur and Sikandrabad as well as our corporate offices in Delhi, Noida and Ghaziabad.

REFERENCE STANDARDS

With an aim to strengthen our reporting practice and comply with the internationally agreed disclosures, we have prepared our first report in accordance GRI Standards 'Core' Criteria. We compiled all the information and data herein based on best practices. The data published in our ESG report is collected through various internal stakeholders which may or may not form part of the Annual Report. Our direct and indirect emissions are calculated using the Intergovernmental Panel on Climate Change (IPCC) and Central Electricity Authority (CEA) published emission factors.

RELEASE CYCLE

This is our first ESG report. We aim to publish our ESG reports annually from here on.

CONTACT INFORMATION

If you have any comments or suggestions, please contact:

Corporate Communications Dept., APL Apollo
Anubhav Gupta
Tel: +91 120 404 1452
Email: anubhav@aplapollo.com
Deepak Goyal
Tel: +91 120 404 1400
Email: deepakgoyal@aplapollo.com

APL APOLLO AT A GLANCE



ABOUT APL APOLLO

We are a public limited company incorporated under the provisions of the Companies Act, 1956, and are among India's pioneering steel tubes manufacturers. We are also India's largest Structural Steel Tubing Company with a strong local presence, extensive distribution network and world class quality.

We are headquartered in Delhi NCR, with a widely penetrated 3-tier distribution network. Currently, we hold the capacity to produce 2.6 MTPA of steel tubes through our 10 manufacturing plants and have an extended distribution network of warehouses, 800+ dealers, and branch offices in 29 cities across the country.

PHILOSOPHY

Inspired by a dynamic leadership, we at APL Apollo believe in our organization's continuous growth and that of everyone around us. The way we conduct business is strengthened by our mission, vision and a set of core value that we apply before making any decision. This helps us keep ourselves grounded and reminds us of our purpose every day.



VISION

To be a global leader and high performing organization recognized for excellence, governance, customer delight, and building long term relationships with all partners.



MISSION

To lead the process of transformation of commodity to value added products through innovation and technology



CORE VALUES



Leadership by Example



Commitment



Trust

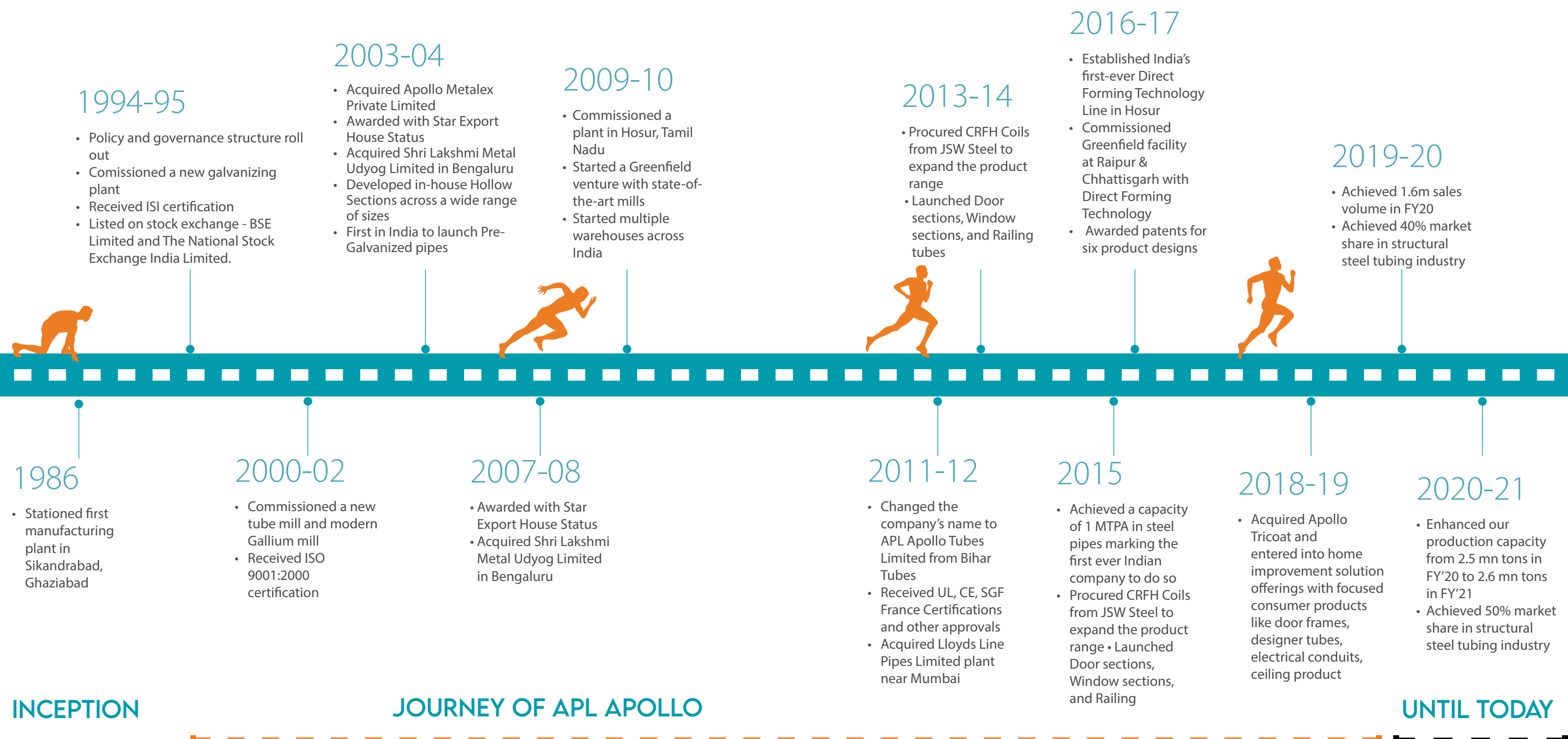


Innovation



Integrity

Since our inception in 1986, we have accelerated our operations to build the capacity multi-fold. For over three decades, we have gone from strength to strength to lead the charge in revolutionizing the Structural Steel Tubes manufacturing industry; pioneering and persisting in our aspiration to provide sustainable alternatives to the industry – domestic and globally. Today we cater to 20 countries worldwide with a product portfolio that includes over 1,100 varieties of pre galvanized tubes.



SEGMENTS AND PRODUCTS

We manufacture high tensile strength tubes which are used widely in various applications ranging from structural tubes used in construction to multipurpose pipes for agriculture and HVAC systems. Our products are used in various industries as well including but not limited to automotive, machinery, furniture etc.

APOLLO STRUCTURAL

Column



Build



Standard



APOLLO Z



APOLLO GALV

Green



Bheem




Z plus




APOLLO EXCLUSIVE


Mechanical




Rooftif




Taper




D Section




Fence




Narrow




Elliptical




Reflector




Small Sections



Oval



Octagon



APOLLO TRI-COAT

Wondoor



Alpha



Tricoat



Elegant



HandRail



Chaukhat



Signature



Plank



BUSINESS REACH

We have our manufacturing presence both in the North and South of India to cater to consumers across the country. We cater to the demands of our customers through our 10 strategically located manufacturing plants spread across India. We have extensively developed our supply network to deepen our penetration across India. Our products are made available throughout the country with the help of an extensive network of 800+ dealers and distributors.








STAKEHOLDER DIALOGUE

We believe in building long-lasting and meaningful partnerships with our stakeholders. As a result, it is our responsibility to foster an ecosystem that promotes diversity and a free flow of knowledge. We engage with multiple stakeholders and believe that their opinion and concerns are just as vital to the business as our strategic decisions. As we believe, engaging with stakeholders and partners is key to achieving the triple bottom line. We also look forward to maintaining a sound stakeholder relationship that is viable for the Company's progress. The stakeholder dialog may provide insights, capacities, and resources to develop a sustainable business plan. Having them involved in the process aids us in developing a robust process. As much as any other business decision, our success is shaped by the ambitions and concerns of our different stakeholders. On the other hand, we recognize that failing to consider stakeholder expectations may jeopardize our long-term value generation strategy.

To improve decision-making and accountability, we have identified stakeholders who are impacted by our business and we place a high emphasis on ongoing communication with them and seek to have effective feedback channels in place to incorporate their concerns and issues into our business planning and execution strategy. We connect with our stakeholders on a regular basis through these communication channels, and these valuable interactions help in the continual improvement of our product and operations.

We engage with every one of our key stakeholders through various mediums to capture their views and perceptions. This gives us an opportunity to align our own decisions with the expectations that both internal and external stakeholders have from us. Summarized below is the engagement method for each stakeholder group and how we create value for them.



| STAKEHOLDER GROUP | WHY THEY ARE IMPORTANT | MATERIAL MATTERS | ENGAGEMENT FORUMS | HOW WE CREATE VALUE |
|--|---|--|---|---|
|  Investors | As providers of financial capital, they are key stakeholders in our growth and expansion plans | <ul style="list-style-type: none"> Good Corporate Governance Sustainable Business Strategy Inclusivity and transformation | <ul style="list-style-type: none"> Investor calls and presentations Analyst meets General meetings | <ul style="list-style-type: none"> Sound and transparent Corporate Governance policies. Timely engagement with shareholders on the broader mandate. Regularly monitor the implementation of strategic plan. |
|  Employees | Our people are at the center of our operations. Their collective experience, skill and knowledge are essential for our growth. | <ul style="list-style-type: none"> Skill development Well-being Talent retention Employee satisfaction Performance management | <ul style="list-style-type: none"> Employee engagement initiatives Continuous interaction with management Appraisal discussions Grievance redressal mechanism | <ul style="list-style-type: none"> Understand employee needs and create a conducive work environment. Manage talent effectively and create a leadership pipeline. Create Learning & Development strategy and operational framework. Encourage diversity and inclusivity in the workplace. Focus on health and safety management. |
|  Suppliers/Partners | Our operations are closely linked with the timely availability of supplies, quality of raw materials and services that we source. These, in turn, have a material impact on the efficiency of the production process. | <ul style="list-style-type: none"> Product awareness Visibility and relationship management Service satisfaction Timely payments | <ul style="list-style-type: none"> Regular meetings with key suppliers by senior management Supplier visits and meets Supplier tour of manufacturing facilities | <ul style="list-style-type: none"> Strategic brand and product awareness approach. Strategic stakeholder management with an inclusive approach. |
|  Customers/ Distributors | Customer feedback is key to process improvements, quality enhancement, service performance and cost optimization. | <ul style="list-style-type: none"> Product satisfaction survey Brand awareness Information sharing Consumer complaints and grievances | <ul style="list-style-type: none"> Regional meets and visits to distributors | <ul style="list-style-type: none"> Develop products based on consumer needs. Institutionalize a culture of quality perfection. Establish an effective claims and complaint management system. |
|  Community | A harmonious relation with communities where we are located is key to our social license to operate. They are partners in our progress and are crucial to our operations. | <ul style="list-style-type: none"> Investment in community welfare projects Minimize impacts on the environment | <ul style="list-style-type: none"> Need-based assessment surveys, Ccommunity interaction by company management | <ul style="list-style-type: none"> Empowering communities through community welfare projects Reducing the environmental impact of our operations. |

MATERIALITY ASSESSMENT

Material concerns are those that have a direct or indirect impact on a company's operations and footprint, as well as the company's economic, environmental, and social value. APL Apollo recognizes that sustainable development entails not just addressing material challenges relating to corporate operations and strategy, but also identifying and prioritizing its most important challenges based on stakeholder concerns. These issues are deeply relevant to our ability to succeed and are addressed in our stakeholder communications, internal strategic priorities and corporate responsibility approach.

With the designing of our first ESG report, we undertook the exercise of conducting a materiality assessment. We define material topics as topics of noteworthy importance that have the potential to create an impact on our business in short, medium or long term.

We assessed the aspects/topics that are important for us in alignment with the expectations of our stakeholders. We conducted a desktop review of Sustainability Standards Accounting Board's (SASB) for our sector to get an overarching set of material topics. These material topics were then reviewed in comparison with the materiality aspects identified by companies with similar business profile. The shortlisted material topics were presented to the senior management for validation and then finalized. Our 13 material topics are depicted in the figure below.

RESPONSIBLE BUSINESS

Corporate Governance | Market Presence | Economic Performance

RESPONSIBLE OPERATIONS

Energy Management | Water and Effluent Management | Emissions Management | Waste Management | Environmental Compliance

RESPONSIBLE EMPLOYMENT

Health and Safety | Labour Relations and | Human Rights | Training and Education | Diversity and Equal Opportunity

RESPONSIBILITY TOWARDS COMMUNITIES

Local Communities

ESG FRAMEWORK

Changing with times is a sign of a healthy organization as we witness the onset of responsible companies throughout the world. Catching up on with the trend and turning our commitments into actions, we have launched our new ESG framework that will support us in our journey.

To establish our position, we took five steps. At first, we assessed the alignment of our business strategy and objectives with respect to in line with popular reporting frameworks and ESG indices. Second, we used the materiality theory to define and converge on topics that are important not only because of their direct financial effect on the organization, but also because of their environmental and social consequences. Third, we define a vision, mission and governance structure specific to ESG that binds functional roles to stakeholder responsibility. Fourth, we internally combined specific organizational targets with a strong action plan. Last, to bring into light all of this information to our stakeholders, we have developed this report that

collates Disclosure of Management Approach (DMAs) on key material topics, case studies and other qualitative and quantitative information.

With this report, we are excited to share our ESG framework. As we move closer to an effective implementation and review process for ESG criteria, we have established four pillars to ensure that the roadmap is managed successfully, and performance improvement is monitored closely. We have grouped different material topics into the pillars of ESG focus areas. While sustainability is profoundly ingrained in our business model, it is integrated in these four pillars of Responsible Business, Responsible Operations, Responsible Employment, and Responsibility towards Communities, as demonstrated above. Each focus areas have its own set of performance indicators, targets and a roadmap. The progress on this ESG framework will be communicated yearly in our ESG report. We are proud to say that at APL Apollo, we worked hard in FY'21 to set realistic goals in each of these fields.



ESG VISION & MISSION



VISION

To be a high performing organisation, valuing social and environmental wellbeing, nurturing relationships and promoting innovation.



MISSION

To supply high-quality building materials to a worldwide client base while utilizing innovative technologies within an environment of motivated employees, focusing on continuous improvement and adhering to highest business standards managing our impact on environment and society.

ESG GOVERNANCE

While governance and strong ESG performance have always been a core focus for us, this is the first time we have articulated the Company's ESG framework.

APL's framework includes engagement with a variety of stakeholders, the adoption of adequate ESG governance structure and the implementation of protocols and systems to ensure we understand and adequately manage the environmental and social impacts of our business. In FY'20 and FY'21, our Board of Directors and executive team held a series of ESG meetings to review Company's performance. We have established internal sustainability team as a part of our sustainability governance structure that oversee activities relating to Corporate Social Responsibility (CSR) and



Environmental, Health & Safety (EHS) aspects. Our Chief Strategy Officer is heading the sustainability functions of the company under guidance of Directors of the Company. Our success is being led by dedicated team of SPOCs from corporate and all the facilities.

Moreover, each one of us aim to identify opportunities to strategically contribute to environmental stewardship efforts and to add long-term value to the communities and regions where we work.



ESG PERFORMANCE INDICATORS AND TARGETS

|  RESPONSIBLE BUSINESS <ul style="list-style-type: none"> • Corporate Governance • Market Presence • Economic Performance | PERFORMANCE INDICATORS | TARGETS |
|--|--|---|
| | Corporate Governance | |
| | Number of cases in violation of code of conduct | Zero cases of violation of code of conduct |
| | Average training hours per employee on Code of Conduct | Yearly training on Code of Conduct for all employees |
| | | |
|  RESPONSIBLE OPERATIONS <ul style="list-style-type: none"> • Energy Management • Water and Effluent Management • Emissions Management • Waste Management • Environmental Compliance | PERFORMANCE INDICATORS | TARGETS |
| | Energy Management | |
| | Number of units used from renewable energy sources (solar, wind) | All plants to have access to renewable energy by 2025 |
| | Water and Effluent | |
| | Number of sites where Rainwater Water Harvesting facility have been installed | Rainwater harvesting to be installed at all units by 2025 |
| | Number of sites where Zero Liquid Discharge (ZLD) facilities have been installed | All units to be ZLD facilities by 2025 |
| | Emissions | |
| | GHG Emissions (Scope 3) | Start monitoring Scope 3 emissions by 2022 |
| | Air Emissions | Maintain SOx, NOx and PM within permissible limits |
| | Environmental Compliance Management | |
| | Number of cases in violation of environment regulations | Zero incidents of non-compliance |

|  RESPONSIBLE EMPLOYMENT <ul style="list-style-type: none"> • Health and Safety • Labour Relations and Human Rights • Training and Education • Diversity and Equal Opportunity | PERFORMANCE INDICATORS | TARGETS |
|---|---|--|
| | Health & Safety | |
| | Lost time Injuries | Achieving Zero Incident and Zero Harm by 2025 |
| | Average training hours per employee to site employees on health and safety | Provide 4 hours of safety training (per employee) to site employees |
| | Average training hours per employee to corporate employees on health and safety | Provide 2 hours of safety training (per employee) to corporate employees |
| | Labour Relations and Human Rights | |
| | Regulatory compliance of labour laws | 100% compliance to all legal requirements pertaining to labour |
| | Average training hours per employee on human rights | Provide 1 hours of training per employee on human rights per year |
| | Employee attrition | Maintain attrition rate below 5% |
| | Training and Education | |
| | Average trainings hours per employee on behavioural and technical aspects | Provide 4 hours of training to permanent employees |
| | Diversity and Equal Opportunity | |
| | Female to Male Ratio in permanent employee | Female workforce to be increase by 1% in the permanent employee category by 2025 |
|  RESPONSIBILITY TOWARDS COMMUNITIES <ul style="list-style-type: none"> • Local Communities | PERFORMANCE INDICATORS | TARGETS |
| | Local Communities | |
| | CSR Strategy | Formalize CSR strategy by 2025 |

RESPONSIBLE COMMUNICATION

We have presented its first Integrated Annual Report last year. In continuation, this year we are releasing our second Integrated Annual Report. Additionally, we

are disclosing our ESG Report in accordance with GRI Standards 'core'. Going forward, we aim to disclose our performance in various global indices.



GROWING BUSINESS FOR GOOD

We are committed to giving back to the stakeholders who play a vital role in powering our growth. Reducing the social and economic divide by adding value to the economy, distributing wealth, creating direct and indirect employment, contributing to the exchequer, investing in employees and empowering the local community through our community development initiatives are all key elements of our ESG framework.

Our operations are primarily located in the developing economies of India, and we strongly believe that we have an important role to play in developing our host communities, enabling them to partake in the value we create.

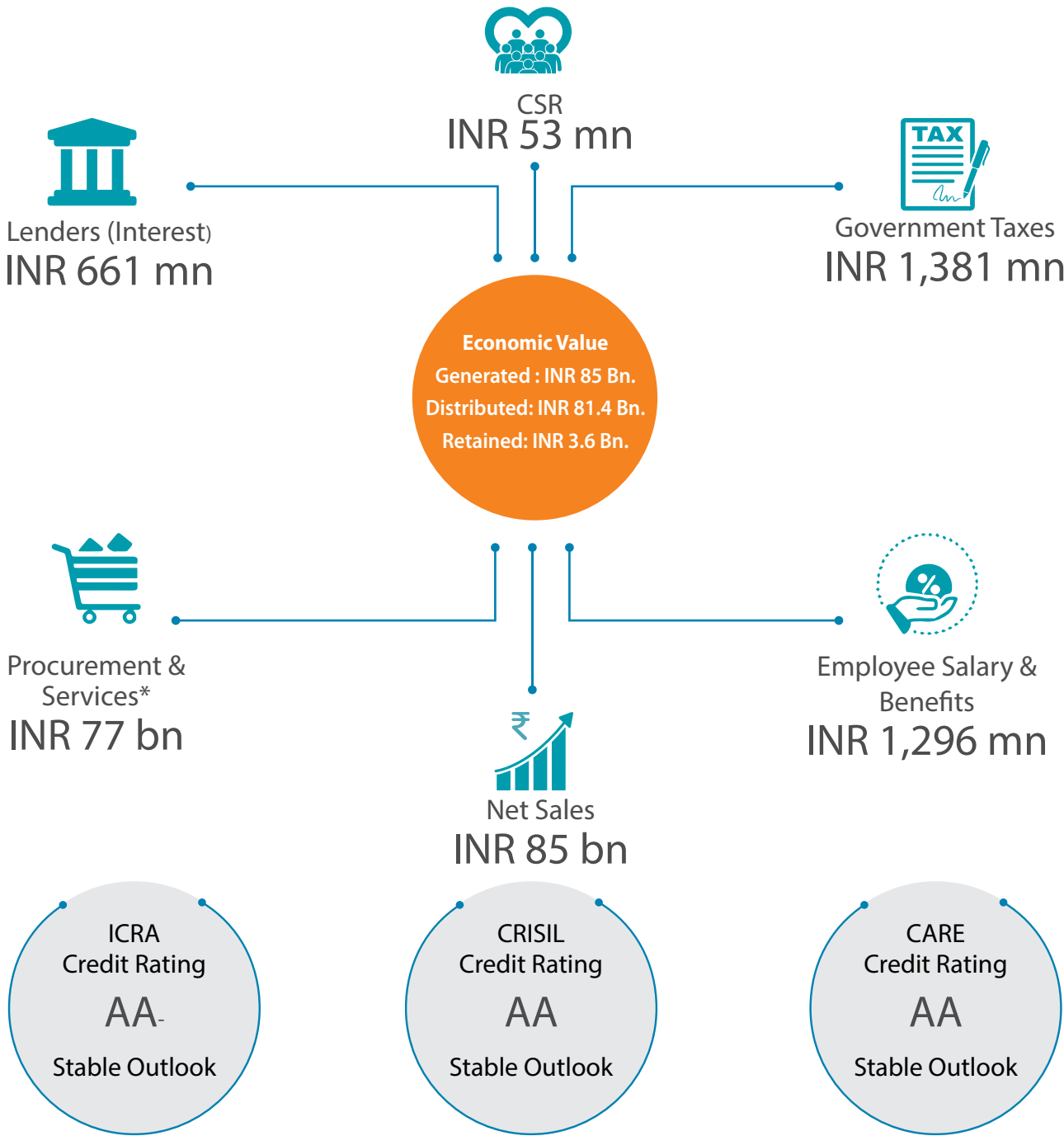
With a business model of growth, constant value creation, and improved operations, our vision is focused towards building the wealth of our stakeholders in a sustainable manner while minimizing the effect of our operations on the environment and maximizing the benefits for the local communities.

ECONOMIC INTEGRITY

Robust growth strategies and strong economic performance are the cornerstone for any organization. Even with the onset of COVID-19 pandemic in the month of March 2020, we managed to keep our performance steady. Our strict capital allocation system and judicious use of resources helped us strengthen our financial standing compared to the previous financial year. Our consolidated revenue rose by 10% Y-o-Y to Rs 85 bn and our EBITDA for the period rose by 42% Y-o-Y to Rs 6.8 Bn.

Additionally, we were able to register a Net profit (after minority interests) of Rs 3.6bn. We reported sizable cashflows. We are also pleased to report our net debt was reduced significantly to Rs 1.6 bn from Rs 7.9bn.

Furthermore, our customers form the backbone to our growth. In FY'21, we conducted internal customer survey that resulted with 90% of our critical customers being satisfied about our products.



* This includes Raw materials and all other operating expenses

OUR BOARD OF DIRECTORS



Mr. Sanjay Gupta
Chairman & Managing Director



Mr. Vinay Gupta
Director



Mr. Ashok Kumar Gupta
Vice Chairman
(Non-Executive Director)



Mr. Romi Sehgal
Director



Mr. Abhilash Lal
Independent Director



Ms. Neetu Abrol
Independent Director



Mr. Vijendra Singh Jain
Independent Director



Mr. Anil Kumar Bansal
Independent Director

EFFECTIVE RISK MANAGEMENT

It is imperative for any organization to have a robust risk management mechanism to deal with potential scenarios that can put the business or employees at risk. We have an elaborate risk management system to inform Board Members about risk assessment and minimization procedures. Our risk management committee meets regularly and evaluates the efficacy of the framework relating to risk identification and its mitigation laid down by the Committee.

We also provide focused training throughout the organization on risk management principles.

Not limiting ourselves to the traditional risks, we also evaluate environmental risks through impact assessments and recognized environmental management standards. These include ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), and OHSAS 18001 (Occupational Health & Safety Management System). We have also obtained ISO 14001 certification for three of our sites i.e. Sikandarabad, Hosur and Hyderabad.

Additionally, to strengthen our IT systems and process, we have a Chief Information Officer, who overlooks at the cyber security risk of the company.

A SNAPSHOT OF OUR RISKS AND MITIGATION PLANS IS SUMMARIZED IN THE TABLE BELOW.

| RISKS AND MITIGATION | | |
|--|-------------------|--|
| Risks | Categories | Mitigation |
| Theme: Balance sheet strengthening | | |
| Business disruption due to COVID | Strategic risk | <ul style="list-style-type: none">• We endeavour to keep CAPEX spends at 20-25% of the EBITDA on an annualised basis.• Additionally, it is considered that cash from operations would be enough to meet operational liquidity requirements.• Strengthening working capital cycle to keep below 10 days by decreasing Inventory and debtors' positions. We are continuously strengthening margins by improving our cost controls. |
| Currency fluctuation risk | Financial risk | |
| Working Capital risk | Financial risk | |
| Theme: Value driven growth | | |
| Quality of product | Reputational risk | <ul style="list-style-type: none">• We have successfully adopted the DFT technology. It bears a testimony to how we have a focus on widening our portfolio of value-added products.• Additionally, the R&D team continues to develop new and relevant products whilst protecting intellectual property rights. |
| Protection of intellectual property rights | Compliance risk | |
| Theme: Cement network connect | | |
| Supply chain disruption | Operational risk | <ul style="list-style-type: none">• We continue to strengthen our network with our distribution channel through multiple forums.• Several initiatives are adopted for furthering our business, such as innovative schemes, channel financing arrangements and swifter and cost-effective supplies of relevant products, in addition to strengthening personal interactions with dealers and retailers. |
| Digital media impact | Reputational risk | |
| Theme: Build brand recognition | | |
| Environmental compliance risk | Reputational risk | <ul style="list-style-type: none">• We are developing and launching environmentally friendly products, financing for renewable energy installations, spreading periodic awareness on environment management and undertaking health and safety initiatives.• Additionally, we are engaged with professional consultants to study the existing systems and processes in accordance to the applicable laws to identify the gaps improvement opportunities and strengthen the overall compliance to current and future regulations. |
| Safety compliance risk | Reputational risk | |
| Statutory compliance risk | Compliance risk | |

REGULATORY COMPLIANCE

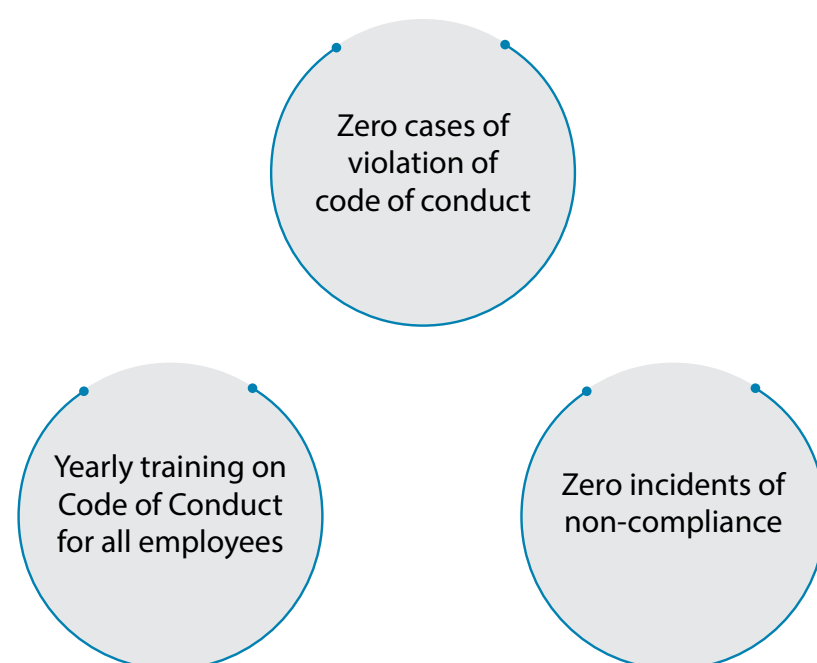
Compliance is of paramount importance to safeguard the invaluable corporate reputation that we have earned over the years. As a publicly traded company it is important for us meet all our compliance requirements. Therefore, along with risk management systems, we maintain strict adherence to all the compliances as laid down by the local and national governments and the regulators. These compliance requirements are supported by a robust internal control mechanism to ensure effective working and risk mitigation.

We ensure periodic review of compliance with a well-defined procedure to keep a check on instances of non-compliance. It comes under the responsibility of the Board. Various Board meetings and general body meetings are held every year to ensure frequent communication and compliance to prevailing and applicable laws.

During the 2019-21, all the compliance requirements of SEBI Regulations, Companies Act and other applicable statutes were met and required disclosures were made.

Additionally, we did not make any contributions and spending for political campaigns, political organizations, lobbyists or lobbying organizations.

We are also aware about the impact of our operations on environment and, therefore, continuously work towards reducing the emissions, effluents, and waste produced. Our established environment management systems are designed to function beyond compliance levels. All statutory compliances with respect to preventive maintenance schedule and environmental clearances through respective Pollution Control Board are adhered as required. During FY'21, no fines on environmental or social compliance were levied on us. We are also pleased to inform that there have been no incidents of non-compliance with our voluntary codes such Code of Conduct, whistleblower policy etc. Total of 50 hours of training in FY'21 was provided to our non-management employees on code of conduct, ethics, anti-corruption and bribery.



OUR POLICIES

APL's success as a company, in both the public markets and the communities in which it operates, is based on sound corporate governance and ethical business practices. We understand that having a reputation for strong governance strengthens community support and reduces reputational and operational risk.

Our Company's policies are intended to provide a common framework that guides conduct and behaviour across operations, ensuring that all our representatives act responsibly and in accordance with laws and regulations.

The following policies and frameworks are currently in place at APL Apollo:

- Terms and Conditions for appointment of Independent Director
- Code of Fair Disclosure of UPSI
- Dividend Distribution Policy
- Familiarization Programme for Independent Directors of APL Apollo Tubes Limited

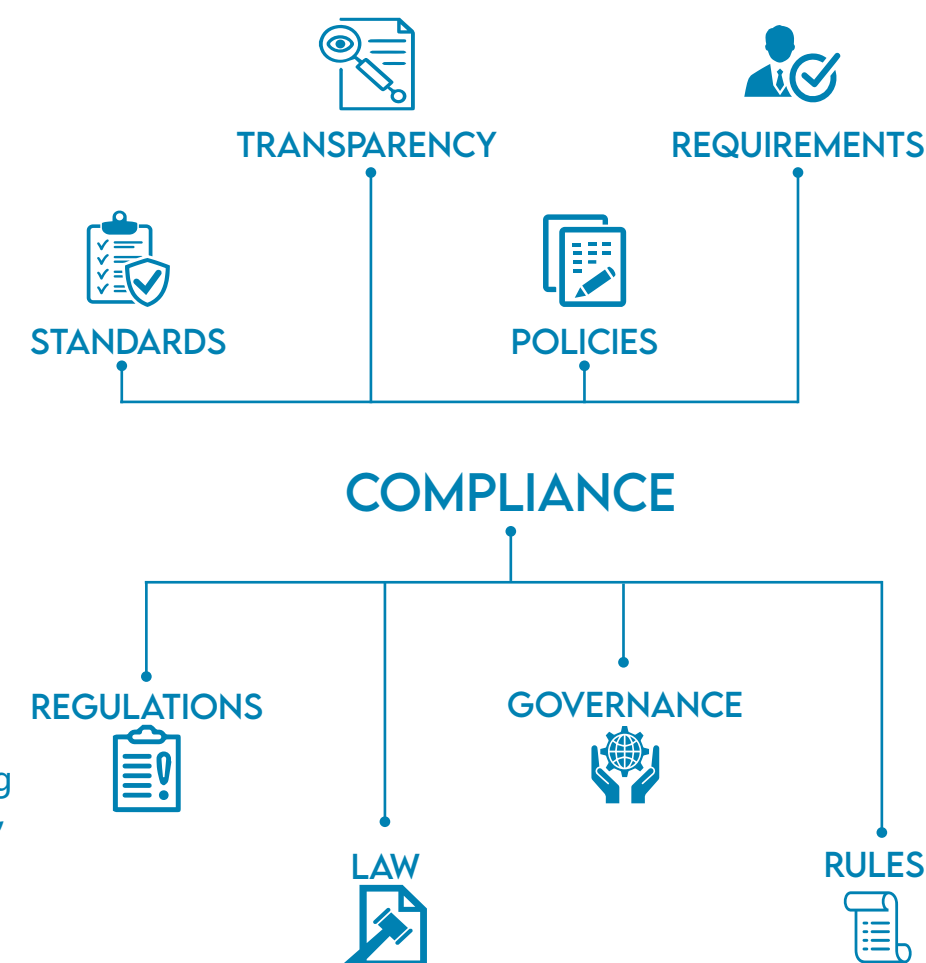
- Policy for Determining Material Subsidiary
- Policy for Determining Materiality of Events
- Archival Policy
- Nomination and Remuneration Policy
- Related Party Transactions Policy
- Whistle Blower Policy
- CSR Policy
- Business Responsibility Policy

As we are consistent and firm on the basic principles and strategies, we leverage our policies to strengthen the underlying foundation of our company — from conducting our business responsibly to ensuring better governance practices with sustainability at core values. Keeping this in view, we have also developed APL's Business Responsibility policy in line with the National Voluntary Guidelines of the Government of India, that cements our sustainable value creation approach.

In addition to this, for cyber security and information prevention, we have IT Policy, which is applicable to all the employees.

Additionally, we have identified no breaches in the conduct along the lines of discrimination and sexual harassment.

Similarly, during the reporting year, there were no incidence of significant fines levied on us or non-compliance with respect to the regulations concerning health and safety impacts of products and services, product related marketing communications, and product information disclosure and labelling.



ACTING ON CLIMATE CHANGE



At APL Apollo, we strive to improve our environmental footprint while also contributing to the inclusive growth of the communities in which we operate. The strain on natural resources has grown as the world's population and urbanization has increased. As a result, to reduce this strain, the only option is to maximize output while using least amount of raw resources possible. We are also taking initiatives to optimize resources and increase efficiencies in order to reduce environmental degradation. We are always looking for and implementing techniques that meet the ESG standard.

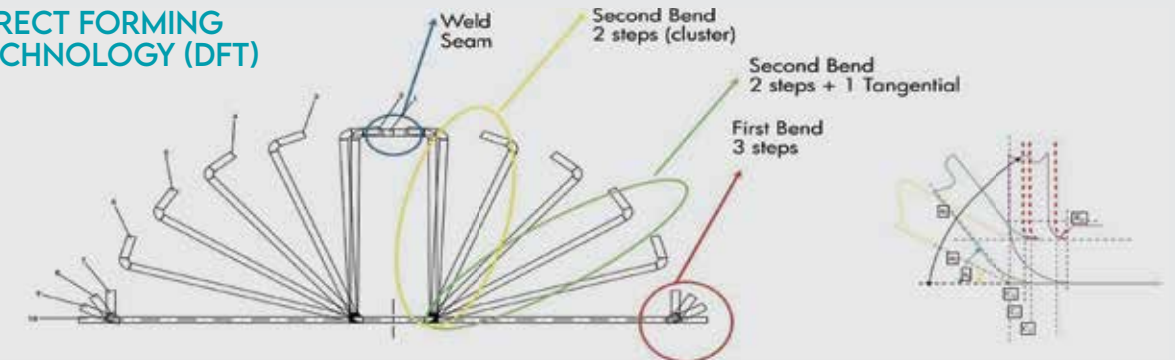
Our approach to environmental sustainability has always been to reduce the environmental consequences of our actions by supporting energy efficiency measures, encouraging biodiversity management, decreasing climate change effects, limiting air emissions, pioneering water and waste management, and developing an organizational culture that supports responsible operations while focusing on local responsibility - towards our employees and our neighbors as well as towards the environment.

MANUFACTURING TECHNOLOGY

The structural tubes that we manufacture can be considered the core material for wide-ranging users. It is thus our responsibility that a product as widely used as ours is manufactured with highest environmental and social standards.

In the list of firsts, we have also introduced the state-of-the-art Galvant Process in India. The process minimizes the consumption of harmful chemicals and extends the life of the product. However, innovation of new technologies and products is just one aspect of impact minimization as we further take steps to control our resource utilization, energy consumption, minimize emissions and waste, judiciously use water in our operations.

DIRECT FORMING TECHNOLOGY (DFT)

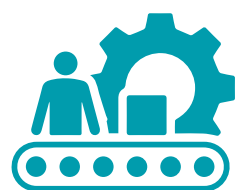


We have introduced one of the leading tube manufacturing technology to the Indian market. This is the Direct Forming Technology (DFT) which enables us to produce any customized size of Hollow Section, included into the mill range, without roll change. This leads to savings in steel utilized as raw material. Also, it leads to greater customization for less quantity of material utilized.

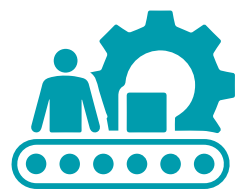
PRODUCTION DETAILS

As industry first movers and pioneers, we have established ourselves firmly in the Indian market and currently hold the capacity to produce 2.6 MTPA through our 10 manufacturing plants. During FY'21 our production stood at 16,40,353 MT which is slightly more than FY'20.

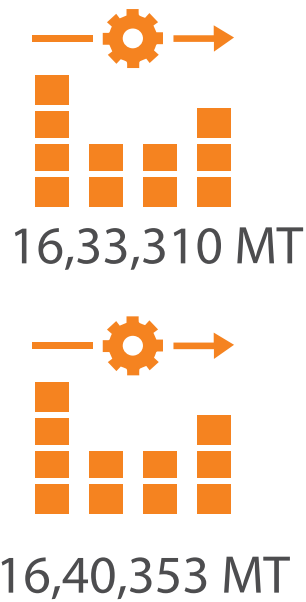
Our cutting-edge technology and diverse product portfolio meet the needs of a wide range of applications, from agriculture to construction. We strive to increase our product line on a regular basis and provide consistent value to all our stakeholders.



Production FY'20



Production FY'21



| PRODUCTION | | UNIT | FY'20 | FY'21 |
|-------------------|--|------|----------|----------|
| Apollo Structural | Heavy Structures | MT | 1,00,601 | 95,371 |
| | Light Structures | MT | 87,215 | 2,12,811 |
| | General Structures | MT | 8,98,321 | 7,12,890 |
| Apollo Z | Rust-proof coated tubes for load bearing applications | MT | 3,32,619 | 2,93,505 |
| | Rust-proof coated sheet for wall cladding and roofing applications | MT | 2,406 | 23,044 |
| Apollo Tricoat | Home improvement products | MT | 1,12,761 | 2,31,490 |
| Apollo Galv | Coated tubes for water transportation | MT | 99,387 | 71,242 |

RESOURCE UTILIZATION

Utilization of resources for production of finished goods is part of any manufacturing process. Resource efficiency, achieved through responsible management of natural resources, helps in conservation of scarce natural resources as well as enhances the quality output with lesser investments.

As climate change has started to adversely impact the availability of raw materials, we try to procure our raw materials and packaging locally wherever possible, resulting in creation of jobs for the local people and lowering the operational costs for supply chain.

As steel tube manufacturing is a continuous process, it requires the uninterrupted supply of key raw materials which are steel and chemicals. We obtain our materials from some of the biggest players in the steel and chemical industry through long term purchase agreements.

As our production is entirely dependent on the availability of high-quality steel, judicious use of resources has always been a top priority for us. We take necessary steps to make sure there is minimal wastage at every stage of processing.

Raw Material FY'20



17,19,274 MT

Raw Material FY'21



17,26,687 MT

| RAW MATERIALS (HRC) | | UNIT | FY'20 | FY'21 |
|---------------------|--|------|----------|----------|
| Apollo Structural | Heavy Structures | MT | 1,05,896 | 1,00,391 |
| | Light Structures | MT | 91,806 | 2,24,012 |
| | General Structures | MT | 9,45,601 | 7,50,411 |
| Apollo Z | Rust-proof coated tubes for load bearing applications | MT | 3,50,125 | 3,08,953 |
| | Rust-proof coated sheet for wall cladding and roofing applications | MT | 2,533 | 24,257 |
| Apollo Tricoat | Home improvement products | MT | 1,18,696 | 2,43,674 |
| Apollo Galv | Coated tubes for water transportation | MT | 1,04,618 | 74,992 |

| PACKAGING MATERIAL USED (MAJOR) | | UNIT | FY'20 | FY'21 |
|---------------------------------|--|------|-------|-------|
| GI Strip Roll and MS Strip Roll | | MT | 156 | 166 |
| MS Channel, Flat and Plate | | MT | 161 | 64 |
| Packing Strip | | MT | 60 | 55 |

ENERGY CONSUMPTION

Energy conservation and improvement in energy efficiency has always been our focus area.

The heavy machinery that we operate in our production lines are energy intensive and require an uninterrupted supply of fuel. To meet the energy demand, we source electricity from the grid and diesel, furnace oil and LPG from fuel. We also use DG sets provide back up in case of power cuts.

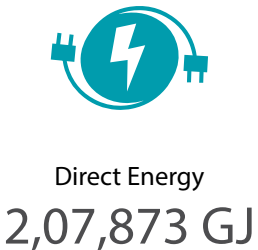
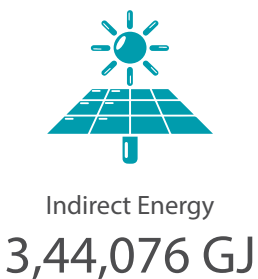
Given the energy intensive nature of our industry, it is imperative for us to take up energy saving measures and innovate constantly. We believe in integrating energy efficient systems throughout the production value chain and adopt energy conservation measures wherever possible. With this, we have saved 1,577 MWh in FY'20 and 2,258 MWh in FY'21 through various energy efficiency initiatives.

We also believe in optimizing our energy portfolio with a balanced mix of renewable and non-renewable sources. To this effect we have greatly invested in procurement of renewable energy at all our production units. Our current renewable energy portfolio stands at

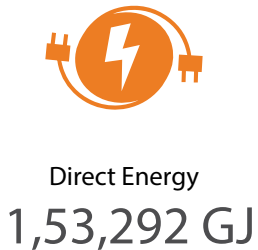
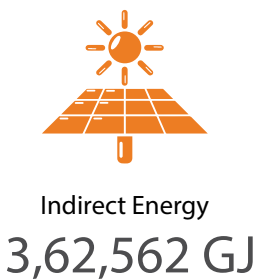
17.3 MW. This includes solar energy generation capacity of 1.1 MW at Sikandrabad, 1.2 MW at AMPL-25, 0.3 MW at AMPL-22, 1.3 MW at Murbad, 2.5 MW at SLMUL and 2.6 MW at Raipur. We also have also established a 71 MW Captive Wind power generation plant at our Hosur facility. Expanding our portfolio further we are in the process of implementing another 12.5 MW capacity expansion for our Sikandrabad, AMPL-22 and AMPL-25 locations and planning another 10 MW solar power generation plant at out Malur facility. Additionally, we have taken a target for all our plants to have access to renewable energy by 2025.

All plants to have access to renewable energy by 2025

Electricity Consumption FY'20



Electricity Consumption FY'21



| ENERGY CONSUMPTION* | UNIT | FY'20 | FY'21 |
|----------------------------------|------|----------|----------|
| Diesel | GJ | 83,435 | 33,224 |
| Furnace Oil | GJ | 85,389 | 79,015 |
| LPG Gas | GJ | 39,050 | 41,053 |
| LSHS (residual fuel - crude oil) | GJ | 0 | 0 |
| Grid power | GJ | 2,66,657 | 2,87,781 |
| Renewable power consumed | GJ | 77,418 | 74,781 |

*These numbers have been updated after release of APL Integrated Annual Report



CLIMATE CHANGE

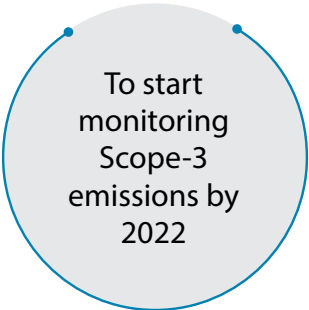
As global temperature continues to rise, we understand that tackling our CO2 emissions is the need of the hour. We are committed to reducing our carbon footprint by making substantial changes in our processes and adopting new technologies.

We have a climate change risk separate from our business risk and we continuously... try to identify energy saving opportunities across our plants and replace our old equipment with more efficient ones. This not only decreases our energy input but has the added benefit of reduction in GHG emissions. Several power saving initiatives have been implemented across our facilities, such as, process optimization, replacing normal bulbs with LED bulbs, and reducing power losses, which has resulted in significant energy saving at our plants. As a result of our efforts, our energy intensity has been decreasing constantly for the last two years.

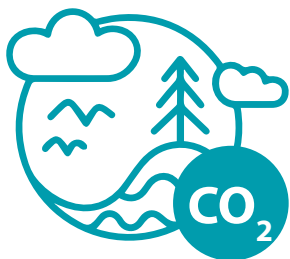
Over the years we have heavily invested in the green energy such as Solar and Wind at our production plants

and continue to expand the capacities. We have also shifted our fuel from furnace oil to LPG in galvanizing line's furnacing operations. As part of our overall ESG commitments, we will continue making efforts to bring down our CO2 emissions. For the same reason, we have taken a target to start monitoring our Scope 3 emissions by 2022.

Our total GHG emissions* across our operations during the FY'20 was 76,385 TCO2 equivalent and FY'21 was 77,194 TCO2 equivalent.

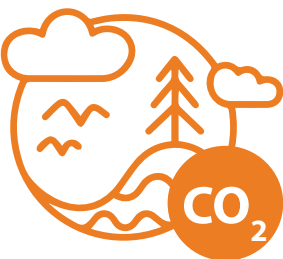


Scope-1 FY'20



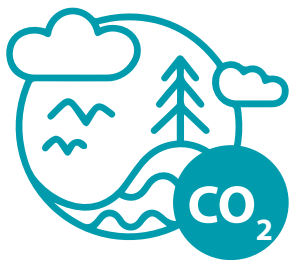
14,906 TCO₂e

Scope-1 FY'21



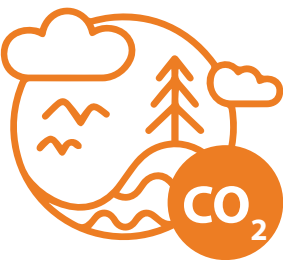
10,844 TCO₂e

Scope-2 FY'20



61,479 TCO₂e

Scope-2 FY'21



66,349 TCO₂e

*These numbers have been updated after release of APL Integrated Annual Report

WATER STEWARDSHIP

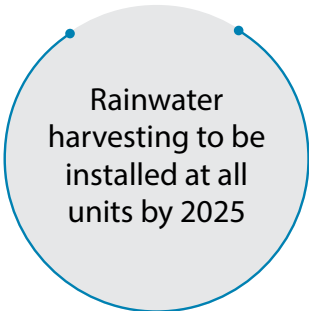
Water is a critical aspect of our production activity and an important resource that is required in myriad processes. We also recognize water as an important societal resource that requires meticulous planning so that everyone receives their fair share. Owing to this we have taken up the responsibility of adopting better water management approach for all our facilities and offices.

We have been managing our water input meticulously and in adherence with the local permissible withdrawal limits. As such, we have set up water recharge potential (Rain-Water Harvesting - RWH pits) at 3 of our plants in North India and planning on scaling it up to our remaining locations. The total capacity of RWH pits is 353 m3 which are constructed at AMPL-22, Hosur,

Hyderabad and Sikandrabad. Keeping this in view, we have taken a target to install rainwater harvesting pits at all our units by 2025.

At the forefront of planning we have adopted water recycling at all our plants and every one of them is equipped with their own Effluent Treatment Plant (ETP) and Sewage Treatment Plant (STP). We have also been able to set up our AMPL-22, Hosur, Malur, Murbad, Raipur, SLMU and Sikandrabad units as Zero Liquid Discharge (ZLD) facilities and aim to expand it to our other productions plants as well. With this in mind, we have taken a target to make all our facilities ZLD by 2025

The table below provides information from all plants, excluding Dujana.



Water Withdrawal FY'20



18,976 ML

Water Withdrawal FY'21



12,521 ML

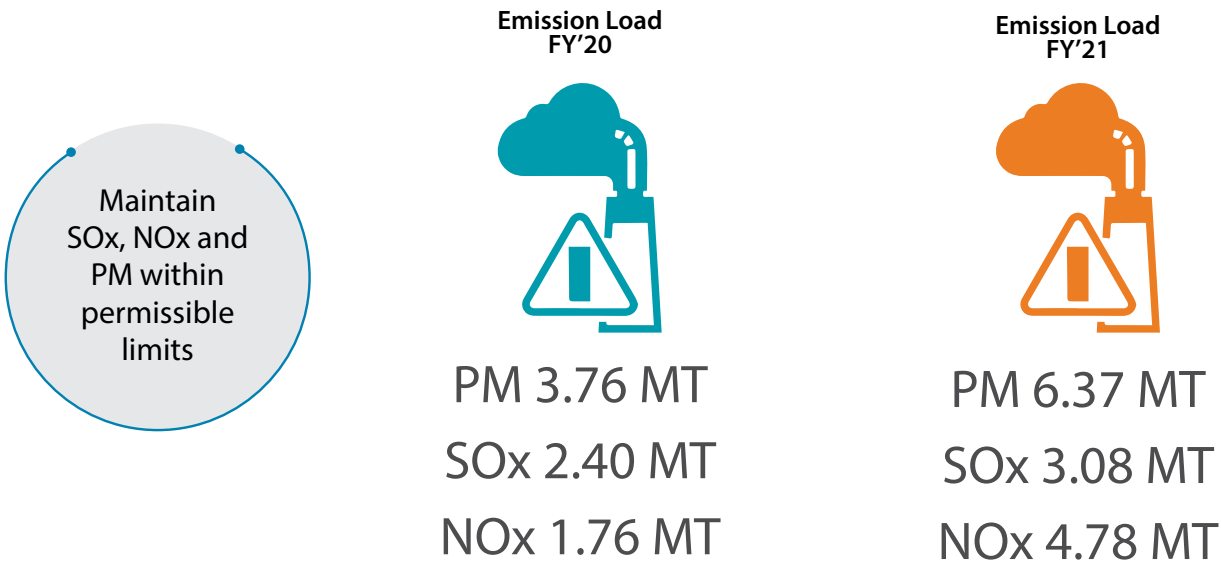
| WATER WITHDRAWAL | UNIT | FY'20 | FY'21 |
|-------------------|------|--------|--------|
| Bore well | ML | 161 | 139 |
| Local supplier | ML | 18,682 | 12,216 |
| MIDC | ML | 43 | 63 |
| Tube well | ML | 44 | 36 |
| Pump | ML | 45 | 66 |
| Water consumption | ML | 18,991 | 12,516 |
| Water discharge | ML | 60 | 45 |

EMISSIONS

As part of our environmental commitments, we have taken up the task of continuously monitoring and maintaining the levels of our air emissions. We are committed to controlling our SOx, NOx and dust emissions through mitigation actions to reduce impact derived from our operations. This is achieved by monitoring and controlling the main emissions emitted from our combustion and other processes using electrostatic precipitators (ESPs) and baghouse filters , we are able to comply with the local regulations in the regions where we operate through effective operational control. We have started taking necessary steps to track the amount of air emissions being released into the environment through our production plants which

will aid us in cutting down our emissions. Keeping this in mind, we have taken a target to maintain our air emissions – Sox, NOx and PM, withing permissible limits.

We are taking all the necessary steps to keep our emission levels within the prescribed limit. We are glad to report that for the current reporting period emissions from all our production plants were within the regulatory limits as defined by the Central and State Pollution Control Boards (CPCB, SPCB). The emissions are generated from boilers, DG sets, zinc molten furnace, zinc bath and HCl pickling bath. For the FY’21, the total emissions are summarised below from all sites of APL Apollo, excluding Dujana and Raipur.

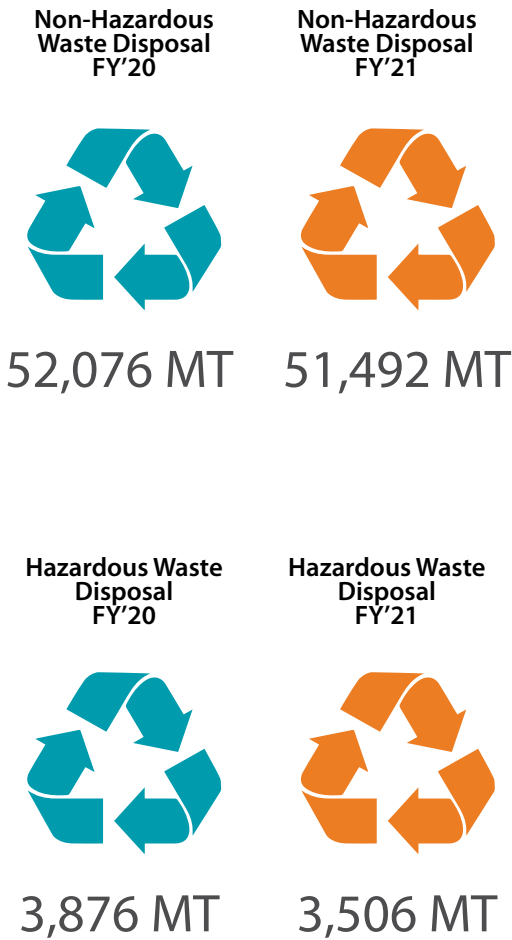


WASTE MANAGEMENT

Given the scale of our operations, we place huge emphasis on reducing the amount of waste that is generated from our production plants. Considering the financial as well as environmental aspects, we try to monitor, minimize, reuse, and recycle our waste whenever possible. We monitor both hazardous and non-hazardous waste generated at our plants. We dispose-off the waste generated in our production processes in accordance with the local laws and regulations.

The hazardous waste that is generated from our operations includes ETP sludge, lead ash, air oil, zinc ash, spent acid, iron sludge and more. At the same time, the non-hazardous waste that is generated from our operations includes melting scrap, rejection pipe, zinc scrap and more. The steel scrap and rejected pipes are 100% percent recyclable and return to market as steel. Furthermore, we look forward to implementing an E-waste policy soon that will guide us in safely disposing off electronic waste.

The table below captures the waste disposed at our locations in the last financial years as well as in the current financial year. Furthermore, since FY’20 our non-hazardous waste has decreased by 7% and hazardous waste by 9.5%



CARING ABOUT PEOPLE

We seek to create an environment that fosters individual happiness and growth while also maximizing the organization's overall performance. We believe that our employees are our biggest strength and a vital stakeholder in contributing to the sustainable growth of APL Apollo. Our employees have displayed a very strong work attitude and positive energy is fostering business advancements and achieving Company's goal. Our employees are the foundation for innovation and customer engagement and are the most dominant resource for achieving growth. To further enhance each employee's capabilities, we have created training

system aimed at developing each employee's character and inventiveness. At APL Apollo, our top management share their knowledge with the employees on regular basis and keep them up to date on industry trends. We look forward to establishing a talented and cohesive workforce as we extend our business into new realms.

APL Apollo provides an open and dynamic work environment to all its employees to ensure high productivity and employee satisfaction. All our employees working at all the operating sites are local employees. The human resource policy at corporate level focuses on an inclusive growth and talent retention within the organization. We intend to cultivate a diverse workforce of highly talented individuals who are dedicated to integrity, excellence and organizational culture. To achieve the same, we organize periodic skill development and personnel development training programs for all employees.

Our principle of open doors provides a clear and enjoyable working atmosphere. Employees are encouraged to speak directly with management and offer their thoughts and opinions on daily activities and issues of interest.

EMPLOYMENT PROFILE

We believe that our employees play a crucial role in long term and sustainable growth of our Company. We endeavor to promote the human capital at APL Apollo by providing employees with the high-quality training to enhance their skills, personality and creativity. The company provides its employees with an environment of highest safety standards and always strive to build a culture of safety first at its plants.

All of us are committed towards creating an inclusive and safe workspace. We are an equal opportunity provider organization i.e. we provide equal opportunities in promotion, employee development, recruitment etc. We always strive to foster an environment of mutual trust, respect and dignity among our employees. As part of our commitment to provide equal opportunities, we have taken up various interventions to increase the number of women in our workforce. We are fully committed to diversity and believe in fostering an inclusive culture where everyone is encouraged to perform their best. Likewise, we have set a target to increase our female workforce by 1% in our permanent workmen category by 2025.

As on 31st March 2021, the number of permanent employees, which includes management employees, non-management employees and permanent workmen, from all units and corporate, is 1,957 and the total number of contractual employees is 1259. The below table shows our total workforce* by age group, category and gender.

Female workforce to be increase by 1% in the permanent workmen category by 2025

| FY'21 | | | | | |
|--------------------------|--------|----------|--------|------|--------|
| Designation | <30yrs | 30-50yrs | >50yrs | Male | Female |
| Management Employees | 0 | 11 | 15 | 26 | 0 |
| Non-Management Employees | 343 | 566 | 57 | 955 | 11 |
| Permanent Workmen | 262 | 617 | 86 | 961 | 4 |
| Contract Workers | 704 | 515 | 40 | 1245 | 14 |

**These numbers have been updated after release of APL Integrated Annual Report*



EMPLOYEE HIRE AND RETENTION

We strive to hire employees who are technically sound in their area of work and are well aligned with our organization philosophy. We offer competitive salaries, various career development opportunities and other benefits to retain our employees.

| NEW HIRES OF MANAGEMENT EMPLOYEES | FY'20 | FY'21 | TURNOVER OF MANAGEMENT EMPLOYEES | FY'20 | FY'21 |
|-----------------------------------|-------|-------|----------------------------------|-------|-------|
| Male | 4 | 1 | Male | 4 | 4 |
| Female | 0 | 0 | Female | 0 | 0 |
| <30yrs | 5 | 0 | <30yrs | 0 | 0 |
| 30-50yrs | 1 | 0 | 30-50yrs | 3 | 4 |
| >50yrs | 3 | 1 | >50yrs | 1 | 0 |

| NEW HIRES OF NON-MANAGEMENT EMPLOYEES | FY'20 | FY'21 | TURNOVER OF NON-MANAGEMENT EMPLOYEES | FY'20 | FY'21 |
|---------------------------------------|-------|-------|--------------------------------------|-------|-------|
| Male | 266 | 147 | Male | 154 | 208 |
| Female | 1 | 2 | Female | 7 | 2 |

| NEW HIRES OF PERMANENT WORKMEN | FY'20 | FY'21 | TURNOVER OF PERMANENT WORKMEN | FY'20 | FY'21 |
|--------------------------------|-------|-------|-------------------------------|-------|-------|
| Male | 433 | 64 | Male | 157 | 77 |
| Female | 0 | 0 | Female | 0 | 13 |

*FY'20 data doesn't include information about Corporate Management
**These numbers have been updated after release of APL Integrated Annual Report

Moreover, as a result of creating shared and lively workspaces, we are able to maintain lower attrition rates and higher employee satisfaction. We encourage work-life balance and undertake various programs for stress management and employee engagement.

Additionally, to understand the aspiration of our employees, their feedback is taken regularly. We conduct interactive sessions between senior management and employees such that our employees are aligned with the company strategy. In addition, this interaction also helps to mitigate some of their grievances.

| ATTRITION RATE | FY'20 | FY'21 |
|----------------|-------|-------|
| | 15% | 16% |

Maintain attrition rate below 5% at each of the plant locations

EMPLOYEE ENGAGEMENT

We conduct various employee engagement activities to keep our employees energized, motivated and refreshed. We provide short term benefits to our employees in terms of salary, wages and other non-monetary benefits. We also contribute towards pension funds, provident fund, gratuity, superannuation fund etc. Leave such as regular leave, maternity leave etc. are also provided to our employees which follow local regulations. We also provide benefits to our part-time employees which are comparable with local market standard.

Furthermore, we believe in providing performance feedback to management and non-management employees to enhance opportunities for learning and improvement. During FY'21, 22% of employee received performance development and career review.



MANAGING HUMAN RIGHTS AND LABOUR RELATIONS

100% compliance to all legal requirements pertaining to labour

Provide 1-hour training per employee on human rights per year

We acknowledge our responsibility to respect human rights, human identity and dignity, and reject any form of unfair discrimination. We strive to preserve human rights at all corporate offices, regional offices and manufacturing plants, by eliminating any incidents of child labour, harassment, forced or compulsory labour. APL fully recognizes its responsibility to comply with applicable laws and regulations to protect the rights of workers and labour across its business

activities. As a result, we have set a target of being 100% compliant with all labor-related regulatory obligations. Our results are reflective of our commitment as there were no reported cases of forced labour and child labour during FY'20 and FY'21. Also, about 18% of our employees are included in the recognized member association.

Furthermore, during our employee-induction program, new hires are informed about different policies like-whistle blower policy, code of conduct, HR policy, and open-door policy etc., such that they align with our goals to achieve business excellence. Hence, we encourage all employees to diligently follow our Code of Conduct and, provide training on human rights. Likewise, we have taken a target to provide 1-hour training per employee per year on human rights. Not only this, APL Apollo also encourages its suppliers and dealers to follow the human rights principles.

At our Company, we do not tolerate discrimination based on any grounds and take prompt action against employees who are found violating any human rights. We also respect the right of employees to form trade unions.

SKILL DEVELOPMENT

In this fast-paced world, there is a constant need to upgrade the skills and efficiency of our employees. We endeavor to provide appropriate training to our employees by conducting regular training sessions. The company has adopted an institutionalized training calendar which consists of behavioral, technical and safety training modules. These training sessions are conducted by our in-house trainers and external faculty. We encourage our employees to take online trainings which are available on different online platforms and extensively use these massive open online courses (MOOCS) to upgrade their skills.

For freshers, we conduct on-the-job knowledge sharing sessions which is organized by their peers. During these training sessions, we put our emphasis on quality management and rejection analysis and control.

We have collaborated with IIT Roorkee for knowledge transfer, joint research and employee training. APL Apollo launched sales training module named Junoon. This module focuses on educating our field force on the art of marketing and the finer nuances of sales. We have also sent our sales team to IMT Ghaziabad to attend the 'Effective Selling Skill Program'.

Our HR team have also revisited its Learning and Development framework. They have introduced an intensive monthly training structure where inhouse faculty members would impart knowledge to other team members.

During FY'20, 8,525 hours of training was imparted to our employees and 7,099 hours in FY'21. The reduction in hours was mainly due to the impact of Covid.

Provide 4 hours of training to permanent employees per year

| TOTAL TRAINING HOURS | FY'20 | FY'21 |
|--------------------------|-------|-------|
| Management Employees | 41 | 18 |
| Non-Management Employees | 2,069 | 958 |
| Permanent Workmen | 4,485 | 3,849 |
| Contract Workers | 1,930 | 2,274 |

| TOTAL TRAINING HOURS PER EMPLOYEE FOR PERMANENT EMPLOYEES | FY'20 | FY'21 | TOTAL TRAINING HOURS PER EMPLOYEE FOR CONTRACTUAL EMPLOYEES | FY'20 | FY'21 |
|---|-------|-------|---|-------|-------|
| | 3.03 | 2.42 | | 1.49 | 1.90 |

HEALTH AND SAFETY

A healthy and safe workforce is a happy workforce. It falls under our purview to provide our employees and workers with the best in class protection equipment and a safe working environment as per international best practices.

The process of steel tube manufacturing involves dealing with heavy equipment and hazardous substances on a regular basis. We make sure that all our employees follow a strict protocol laid down by the management and that every worker has received adequate amount of hands on training before starting work on the shop floor.

Employee health & safety is of utmost importance to us and occupational health & safety parameters are monitored regularly and reviewed by EHS team at the

site as well as corporate. We work hand in hand with workers to determine, manage, mitigate and eliminate any current or future risk/hazard that could prove fatal. Our production plants confirm to the international standards such as OHSAS 18001/ISO45001 along with a strict adherence to the internal Safety Manual. The safety manual also lays down the standard operating procedures for all production plants and corporate office and steps to report any accident or injury.

We also regularly schedule safety committee meetings in which workers also take part to constantly stay in touch with their latest perceptions and to meet any requirements they feel are necessary for their safety. We are committed to maintain high health and safety standards. For the same, we have taken targets and recorded our current performance, as presented below.

Zero incidents and zero harm

Provide 4 hours of safety training (per employee) to site employees per year

Provide 2 hours of safety training (per employee) to corporate employees per year

| TYPES OF INJURIES | UNIT | FY 19-20 | FY 20-21 |
|-----------------------|------|----------|----------|
| Permanent Employees | | | |
| Fatalities | Nos. | 0 | 0 |
| LTIs | Nos. | 57 | 36 |
| LTIFR | Nos. | - | 7.80 |
| First Aid Cases | Nos. | 153 | 230 |
| TRIFR | Nos | - | 56.28 |
| Contractual Employees | | | |
| Fatalities | Nos. | 0 | 0 |
| LTIs | Nos. | 141 | 17 |
| LTIFR | Nos. | - | 5.57 |
| First Aid Cases | Nos. | 238 | 146 |
| TRIFR | Nos | - | 53.41 |

| NEAR MISS INCIDENTS | FY'20 | FY'21 |
|---------------------|-------|-------|
| | 192 | 41 |

FIRST AID AND FIRE FIGHTING TRAINING

In the month of March 2021, we carried out voluntary firefighting training and first aid training at our production facilities to sensitize our employees and to equip them with knowledge on how to deal with a different scenario



CORPORATE SOCIAL RESPONSIBILITY

We are committed to create shared value for all our stakeholders. We continuously strive towards improving the quality of life for everyone including the communities around our production plants.

We have spent over INR 53 Mn under CSR activities during FY'21. Our community is an indispensable stakeholder and we constantly endeavor to strengthen our 'social license to operate' through mutually beneficial interventions. We aim to deliver projects that are socially measurable and foster sustainable impact. We are committed towards the upliftment of the marginalized local communities residing in and around APL projects, as we recognize their contribution in our growth story. Our holistic approach in social development projects ensures that all key elements in the lives of these communities are addressed. In that, we have integrated aspects related to education, healthcare, women empowerment, disaster management, social infrastructure and environmental preservation.

The organizations that we have been collaborating for the year are: Vardan Sewa Sansthan, Bharat Lok Shiksha Parishad, JSW Foundation, Earth Saviours Foundation and World Hope Foundation. The proposed agreement with JSW Foundation is for part financing the construction of 'Museum of Solutions' (MuSo) to be opened in Mumbai which is a world class educational landscape with a building having over 60000 sqft area spread over 8 storeys. The MuSo has been conceptualized based on the UN Sustainable Development Goals and the new National Education Policy with an aim to cultivate the knowledge, skills, and actions kids need to solve the challenges they see around them and make progress based on creative thinking, interactive learning and innovative problem solving skills.

Moving forward, we are also developing our CSR strategy to support our communities in need.

Formalize CSR strategy by 2025

COVID-19 SAFETY MEASURES

To deal with the ongoing pandemic, we also established COVID-19 safety measures at all our production plants and corporate office. We regularly communicated awareness and precaution measures, set up infrared scanning and fumigation/sanitization for employees entering the premises, compulsory masks, social distancing, staggered employee shifts and canteen timings. We also provided PPE's to staff and restricted the entry of visitors to a bare minimum



GRI INDEX

| GRI Standards: Core option | | | |
|-----------------------------------|--|----------------------------|---------|
| GRI Standard | Title | Reference Section | Pg. No. |
| General disclosures | | | |
| Organizational Profile & Strategy | | | |
| 102-1 | Name of the organization | About the Report | 9 |
| 102-2 | Activities, brands, products, and services | Segments and Products | 14 |
| 102-3 | Location of headquarters | About APL Apollo | 12 |
| 102-4 | Location of operations | Business Reach | 17 |
| 102-5 | Ownership and legal form | About APL Apollo | 12 |
| 102-6 | Markets served | Business Reach | 17 |
| 102-7 | Scale of the organization | About the Report | 12 |
| 102-8 | Information on employees and other workers | Caring about people | 43 |
| 102-11 | Precautionary Principle or approach | Effective Risk Management | 29 |
| 102-14 | Statement from senior decision-maker | Address by Leader | 3 |
| 102-15 | Risks and opportunities | Effective Risk Management | 29 |
| Ethics and integrity | | | |
| 102-16 | Values, principles, standards, and norms of behaviour | Philosophy | 10 |
| Governance | | | |
| 102-18 | Governance structure | Corporate Presence | 28 |
| Stakeholder engagement | | | |
| 102-40 | List of stakeholder groups | Stakeholder Dialogue | 18 |
| 102-41 | Collective bargaining agreements | Employment Profile | 43 |
| 102-42 | Identifying and selecting stakeholders | Stakeholder Dialogue | 18 |
| 102-43 | Approach to stakeholder engagement | Stakeholder Dialogue | 18 |
| 102-44 | Key topics and concerns raised | Stakeholder Dialogue | 18 |
| Reporting Practice | | | |
| 102-46 | Defining report content and topic boundaries | Report Period and Boundary | 9 |
| 102-47 | List of material topics | Materiality Assessment | 20 |
| 102-48 | Restatements of information | Reference Standard | 9 |
| 102-49 | Changes in reporting | Report Period and Boundary | 9 |
| 102-50 | Reporting period | Report Period and Boundary | 9 |
| 102-51 | Date of most recent report | Report Period and Boundary | 9 |
| 102-52 | Reporting cycle | Release Cycle | 9 |
| 102-53 | Contact point for questions regarding the report | Contact Information | 9 |
| 102-54 | Claims of reporting in accordance with the GRI Standards | Reference Standard | 9 |
| 102-55 | GRI content index | GRI Index | |
| Specific disclosures | | | |
| GRI 200 Economic Topics | | | |
| 103 | Management Approach | Growing Business for Good | 26 |
| GRI 201 Economic Performance | | | |
| 201-1 | Direct economic value generated and distributed | Economic Integrity | 27 |
| GRI 300 Environmental Topics | | | |

| | | | |
|---|---|---------------------------------|----|
| 103 | Management Approach | Acting on Climate Change | 33 |
| GRI 301 Materials | | | |
| 301-1 | Materials used by weight or volume | Resource Utilization | 35 |
| GRI 302 Energy | | | |
| 302-1 | Energy consumption within the organization | Energy Consumption | 36 |
| 302-4 | Reduction of energy consumption | Energy Consumption | 36 |
| GRI 303 Water | | | |
| 303-3 | Water withdrawal | Water Stewardship | 39 |
| 303-4 | Water discharge | Water Stewardship | 39 |
| 303-5 | Water consumption | Water Stewardship | 39 |
| GRI 305 Emissions | | | |
| 305-1 | Direct (Scope 1) GHG emissions | Climate Change | 38 |
| 305-2 | Energy indirect (Scope 2) GHG emissions | Climate Change | 38 |
| 305-7 | NOX, SOX & other significant air emissions | Pollutant Emissions | 40 |
| GRI 306 Effluents and Waste | | | |
| 306-3 | Waste generated | Waste Management | 41 |
| GRI 307 Environmental Compliance | | | |
| 307-1 | Non-compliance with environmental laws and regulations | Regulatory Compliance | 30 |
| GRI 400 Social Topics | | | |
| 103 | Management Approach | Caring about People | 42 |
| GRI 401 Employment | | | |
| 401-1 | New employee hires and employee turnover | Employment Profile | 44 |
| 401-2 | Additional benefits provided to full-time employees | Employment Profile | 44 |
| GRI 403 Occupational Health and Safety | | | |
| 403-9 | Work related injuries | Health and Safety | 47 |
| GRI 404 Training and Education | | | |
| 404-1 | Average hours of training per year per employee | Skill Development | 46 |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | Skill Development | 46 |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | Employment Profile | 45 |
| GRI 405 Diversity and equal opportunity | | | |
| 405-1 | Diversity of governance bodies and employees | Employment Profile | 43 |
| GRI 408 Child Labour | | | |
| 408-1 | Operations and suppliers at significant risk for incidents of child labour | Employment Profile | 45 |
| GRI 409 Force or Compulsory Labour | | | |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labour | Employment Profile | 45 |
| GRI 413 Local communities | | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | Corporate Social Responsibility | 49 |
| GRI 419 Socioeconomic Compliance | | | |
| 419-1 | Non-compliance with laws and regulations in the social and economic area | Regulatory Compliance | 30 |