




PPAP Automotive Limited

SUSTAINABILITY REPORT

2019 - 20



A photograph of a forest floor. In the foreground, there are several plants with large, dark purple leaves and bright pinkish-red edges. Behind them is a dense carpet of green ferns. A tree trunk is visible in the upper left background.

*The first rule of sustainability
is to align with natural forces,
or at least not try to defy them.*

— Paul Hawken

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ABOUT THIS REPORT

This report is the First Sustainability Report of PPAP Automotive Limited, hereinafter referred to as PPAP, which provides an overview of our approach and achievements in the Fiscal Year 2019-2020, outlining the actions across the unit to achieve our mission to be a global excellence automobile component company.

REPORTING SCOPE AND BOUNDARY

The report is structured with the material issues identified in the materiality matrix and divided under Governance, Environment, Occupational Health & Safety, Employment and Corporate Social Responsibility for the Fiscal Year 2019-2020. This report is limited to the disclosure of data for a model plant, Plant II, located in Noida, along with the Corporate Office of PPAP.

Sustainability Cell identified materials topics in consultation with department heads based on rating on behalf of external stakeholders.

The identification of material issues was rated considering their importance and impact on business and stakeholders.

The aspect boundaries and content were defined using reporting principles prescribed in the GRI Sustainability Reporting Standards (GRI Standards) of the Global Reporting Initiative. We have followed the approach described in the GRI implementation manual for designing the report content. The materiality matrix brings out the material aspects present in the report. The Management Approach in the current report describes the Company's approach to the subjects relevant to it and the indicators provide details on performance on the specific topics.

It defines our approach and disclosure towards the triple bottom line - People, Planet and Profit for the Fiscal Year 2019-2020. **'This report has been prepared in accordance with the GRI Standards: Core option.'**

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OVERVIEW

PPAP AUTOMOTIVE AT A GLANCE

PPAP Automotive Limited (PPAP) is a diversified leading manufacturer company in the automobile sector. The Company produces Automotive Sealing Systems, Interior and Exterior Automotive parts. The Company's principal business activity is the Manufacturing of Automotive Parts, which contributes 100% to the Company's total turnover. The Company headquarters is in Noida, Uttar Pradesh, India.

PPAP CORE MISSION

To be a global level excellence company, with an inspiring work culture, for serving our customers and our society, by exceeding the expectations, of all our stakeholders.

We endeavour to be the industry leader in customer satisfaction, sales growth, product performance, financial strength and profitability and strive to develop a mutually rewarding relationship with customers, employees and suppliers.

To accomplish the mission, we continuously evaluate and mitigate risks involved in the sustenance of the Company's business, properly comply with all the regulations in letter and spirit and achieve exemplary corporate governance. Apart from this, we support the local communities in education, cleanliness and beautification.

PPAP aims to be a green company that operates in harmony with nature and improves the ecosystem.



PPAP MANAGEMENT PRINCIPLES

- Take the initiative for continuous improvement through change and challenge
- Foster corporate culture that enhances individual creativity and values cooperation and teamwork
- Passionately satisfy the customer through the attractive quality of products and services
- Dedicate yourself to achieve the highest standards in all activities
- Preserve the environment and maintain harmony with society

PPAP CORE VALUES

The Values which guide us at PPAP are:

Trustworthiness: Every employee in PPAP takes appropriate actions to earn the trust of all the team members, customers and suppliers. It requires dealing with one another with complete honesty and truthfulness. Being trustworthy creates goodwill and acts as a catalyst for enjoying work with dignity and pride.

Mutual Respect: Treating every person with courtesy, respect and dignity. It includes Junior, Senior, Customer, Supplier, Rich, Poor, all company employees / team members, all visitors. We respect their ideas, views, suggestions and deal with people fairly and honestly.

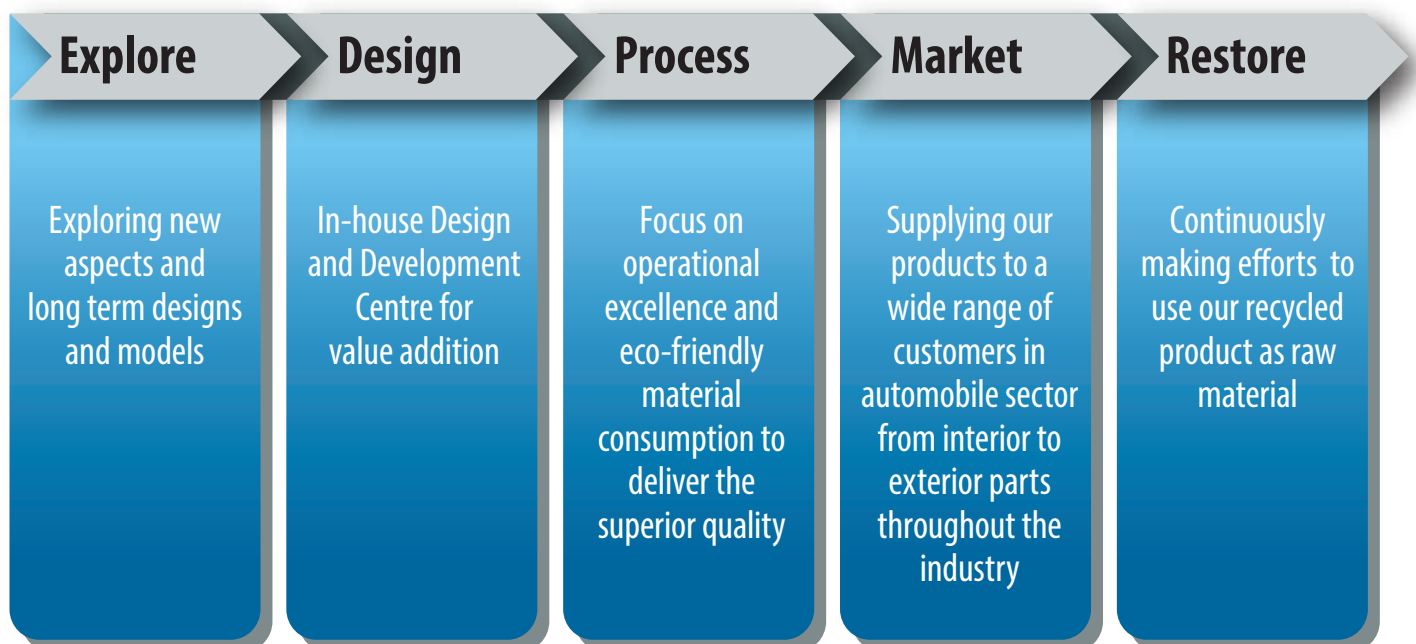
Creativity: Employees indulge in new, different and better innovating work every day to survive in this competitive business environment. New ideas, suggestions and kaizens must always be an important part of daily activity.

Cooperation: Employees have the attitude to cooperate with everyone. Everyone means – Junior / Senior, Customer / Supplier and all company team members. We achieve maximum transparency and honesty in our dealing with all our team members. Our behaviours are such that we voluntarily help and support each other, to do a better job. Cooperation divides the task and multiplies the success.

Excellence: It is a quality of work or effort which surpasses the usual standard. Every activity done by every team member must be to the best of his/her ability and every action should be better than competitors. We achieve excellence in quality, cost, delivery, safety, morale, engineering and customer delight.

PPAP VALUE CHAIN

Developing Automotive Body Sealing systems and Interior and Exterior Injection moulded parts for various OEMs across the country are PPAP's core competence. Over the years, PPAP has engaged in building and providing better products to the customers by creating value in record time and manageable cost and adding products for its ever-expanding customer base. The Company commits to provide valuable solutions to exceed its customer expectations.



PPAP APPROACH TOWARDS SUSTAINABILITY

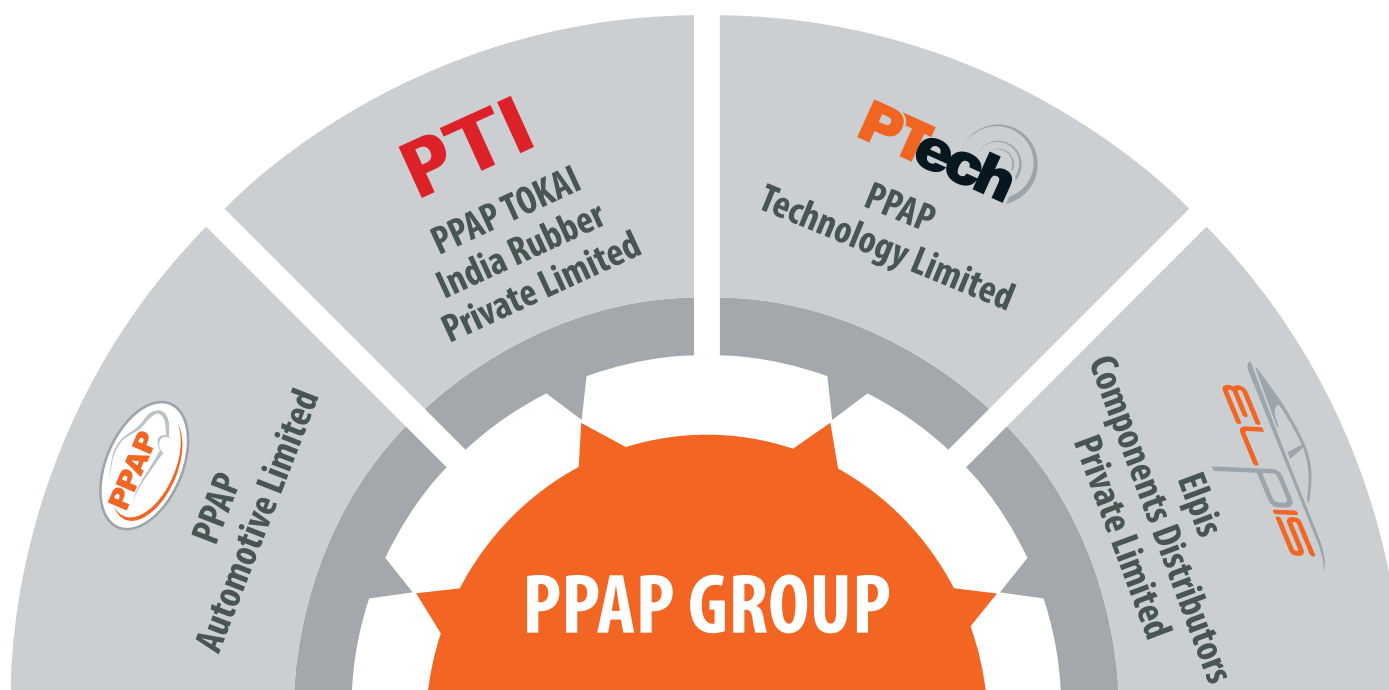
PPAP endeavours to protect the environment and the planet by combining modern ways of living with a deeper understanding of nature. PPAP continuously ensures that the environment in all its Plants and surroundings is safe and healthy for everyone. The Company is undertaking numerous environment management programs and projects to minimise environmental footprint, energy, water consumption and waste generation from manufacturing operations.

The key focus areas are:



PPAP has aligned with the Sustainable Development Goals (SDGs) set in 2015 by the United Nations General Assembly. We strongly believe that SDGs are the blueprint for achieving a better and more sustainable future for all. We are contributing to 8 out of 17 SDGs which are as follows:

- Industry, Innovation and Infrastructure
- Decent Work and Economic Growth
- Reduced Inequalities
- Affordable and Clean Energy
- Clean Water and Sanitation
- Partnership for the Goals
- Life on Land
- Climate Action



PPAP GROUP STRUCTURE

The principal business activities of the Company comprise of manufacturing of automotive parts. PPAP Group consists of one JV and two subsidiary companies.

The Company has ventured into EPDM rubber-based automotive sealing systems by establishing a Joint Venture (JV) viz. PPAP Tokai India Rubber Private Limited (PTI) with its technology partner Tokai Kogyo Co. Limited, Japan. The Company will continue to grow the current business focusing on adding new customers in new geographies.

However, separate teams would focus on scouting opportunities in non-automotive segments and the accessories business.

The Company will also focus on developing products for the two-wheelers, three-wheelers and electric vehicles, starting with Lithium-Ion Battery packs. These battery packs would be extended to energy storage applications as well. The Company is commercialising its tooling facilities and scouting opportunities to develop and sell plastic injection moulding toolings. The Company is investing in new-age technologies and machines to enhance its manufacturing and technology development capabilities.

Given this, the Company has established two wholly-owned

subsidiary companies, viz. Elpis and PPAP Technology Limited. Elpis Components Distributors Private Limited will focus on accessories business. PPAP Technology Limited will develop Lithium-Ion Battery packs to build 2 and 3 Wheeler electric vehicles and energy storage applications.

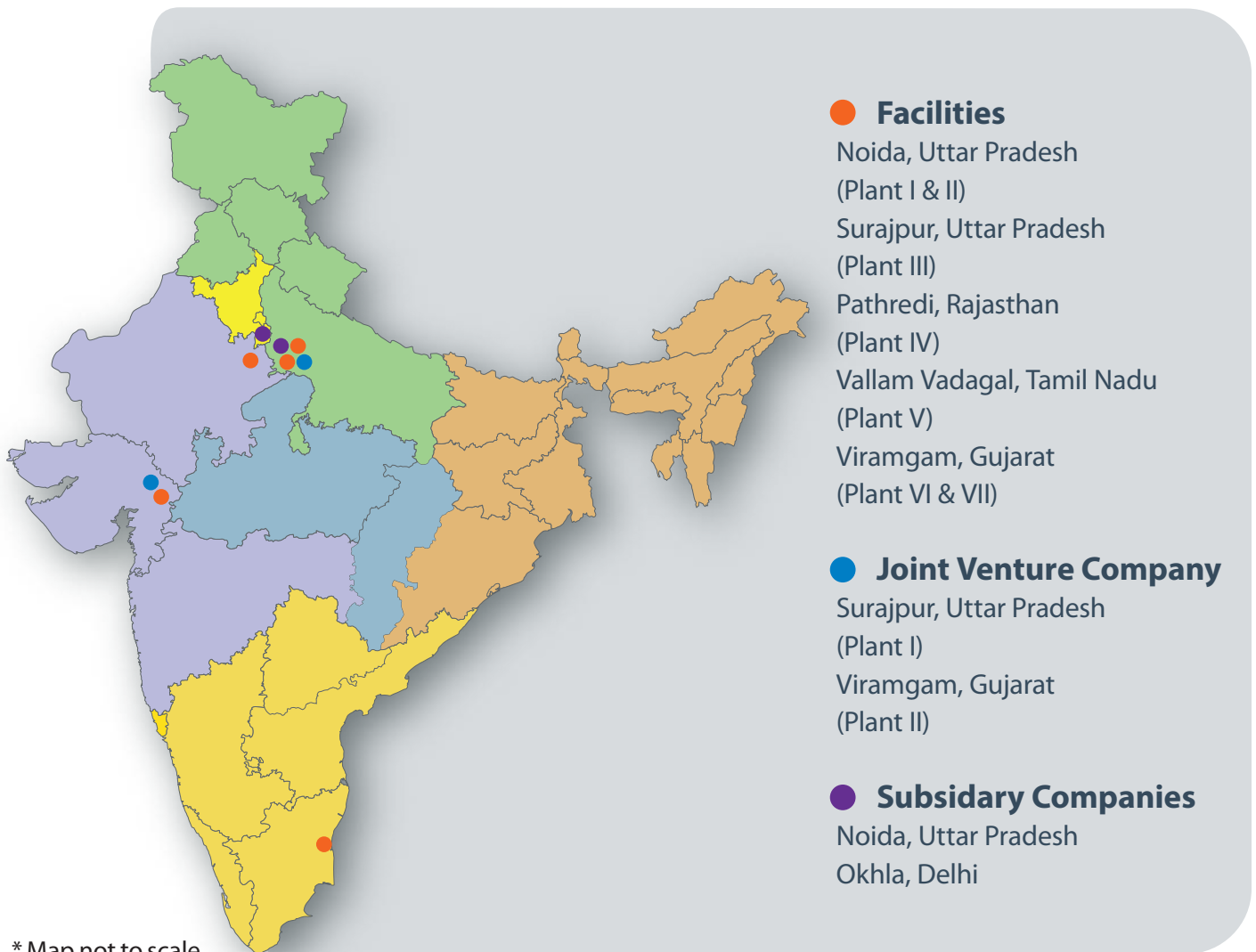
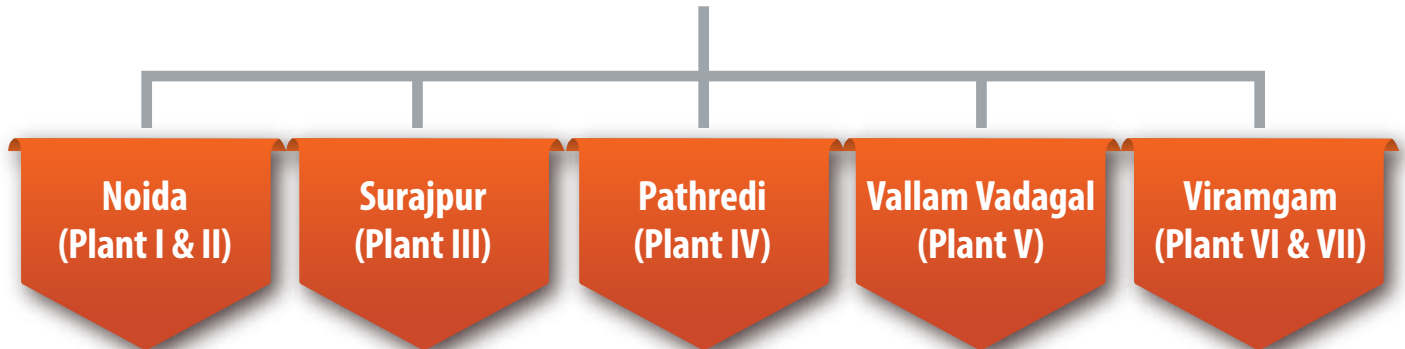
PPAP FACILITIES

The Company's operations are located in New Delhi, Noida, Greater Noida, Rajasthan, Tamil Nadu and Gujarat and it provides products and services to customers all over India. The Company is a crucial supplier to all the major automotive manufacturers in India. The Company also caters to the CKD parts export requirements of its customers. In addition, the Company also caters to the needs of their respective Tier 1 suppliers.

PPAP's customers' profile includes all the major car manufacturers like Maruti Suzuki India Limited, Honda Cars India Limited, Toyota Kirloskar Motor Private Limited, Renault Nissan Automotive India Private Limited, Tata Motors Limited, Ford India Private Limited, Mahindra and Mahindra Limited, SML Isuzu Limited, Isuzu Motors Limited, Hyundai Motor India Limited, Suzuki Motor Gujarat Private Limited and two-wheeler manufactures viz. Suzuki Motorcycles India Private Limited. During the previous year, the Company expanded its customer portfolio with MG Motor India Private Limited.

PPAP Automotive Limited
has state of the art manufacturing facilities at six locations
across the country's Automotive manufacturing hubs

PPAP Automotive Limited



* Map not to scale

For sustainability reporting, this report is limited to Plant II, Noida, Uttar Pradesh



PPAP PRODUCTS

Plastic Extrusion

PVC / TPO / PP
(with / without metal insert)

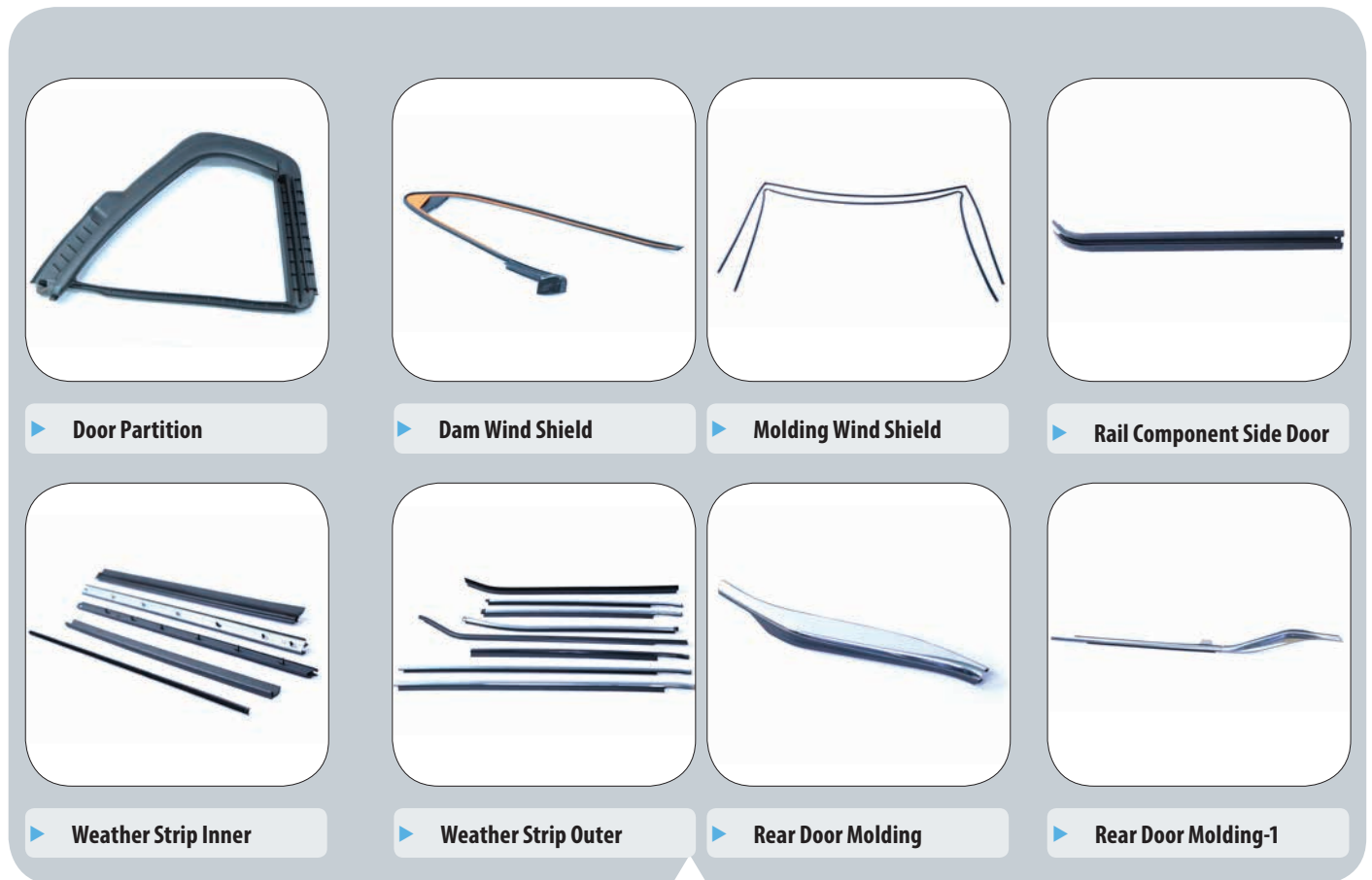
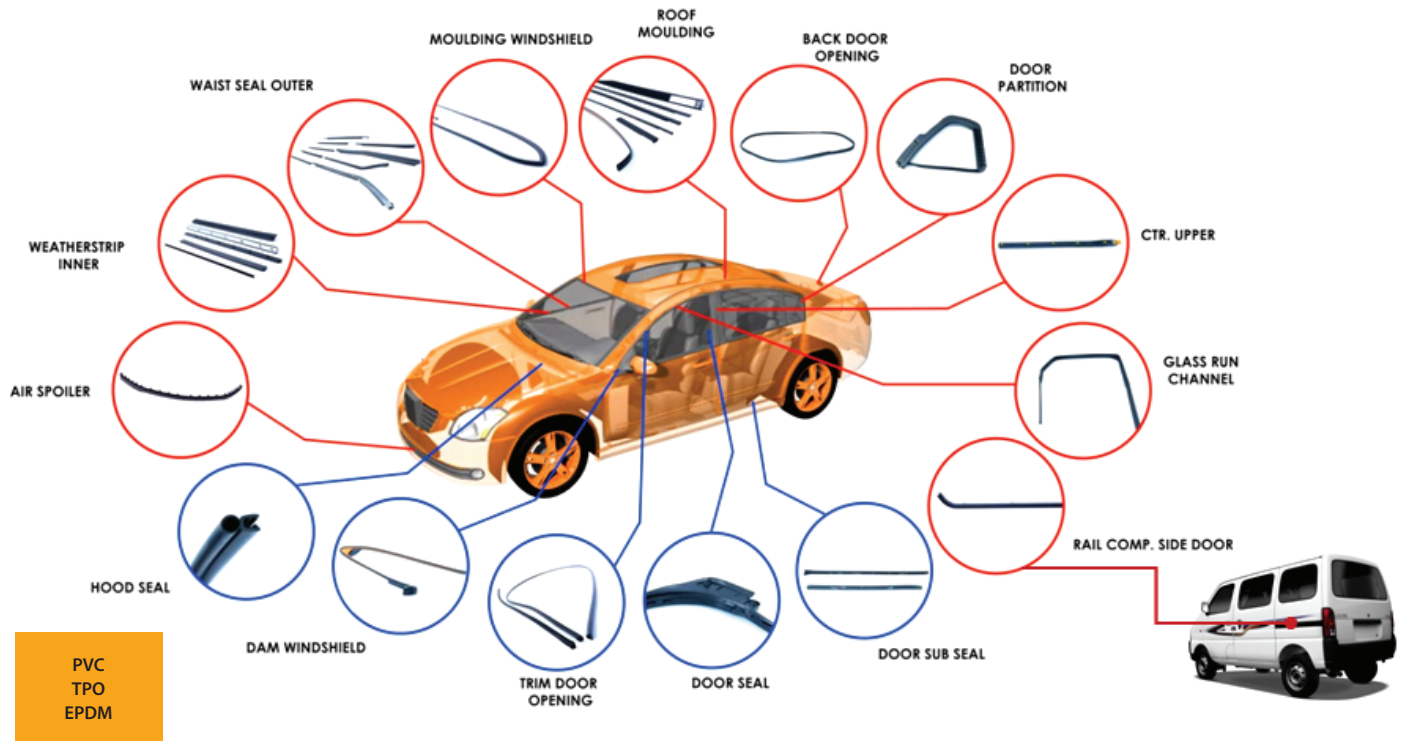
Extrusion Products

- ▶ Weather Strip Outer
- ▶ Weather Strip Inner
- ▶ Molding Roof
- ▶ Molding Windshield
- ▶ Air Spoiler
- ▶ Trim Door Opening
- ▶ Rail Component Side Door

EPDM Rubber and TPV Extrusion

EPDM Rubber
(with / without metal insert)

- ▶ Trim Door Opening
- ▶ Back Door Opening
- ▶ Weather Strip Trunk Lid
- ▶ Door Seal
- ▶ Secondary Seal
- ▶ Hood Seal
- ▶ Air DAM
- ▶ Seat Liners
- ▶ Glass Run Channel



PPAP has an in-house Design and Development Centre for products, mould, machines & fixtures

17 PARTNERSHIPS FOR THE GOALS



- PPAP has supplied products to the customers which have been exported to other countries.
- PPAP will further contribute to this SDG by increasing their productivity in the market.

Injection Molding Products

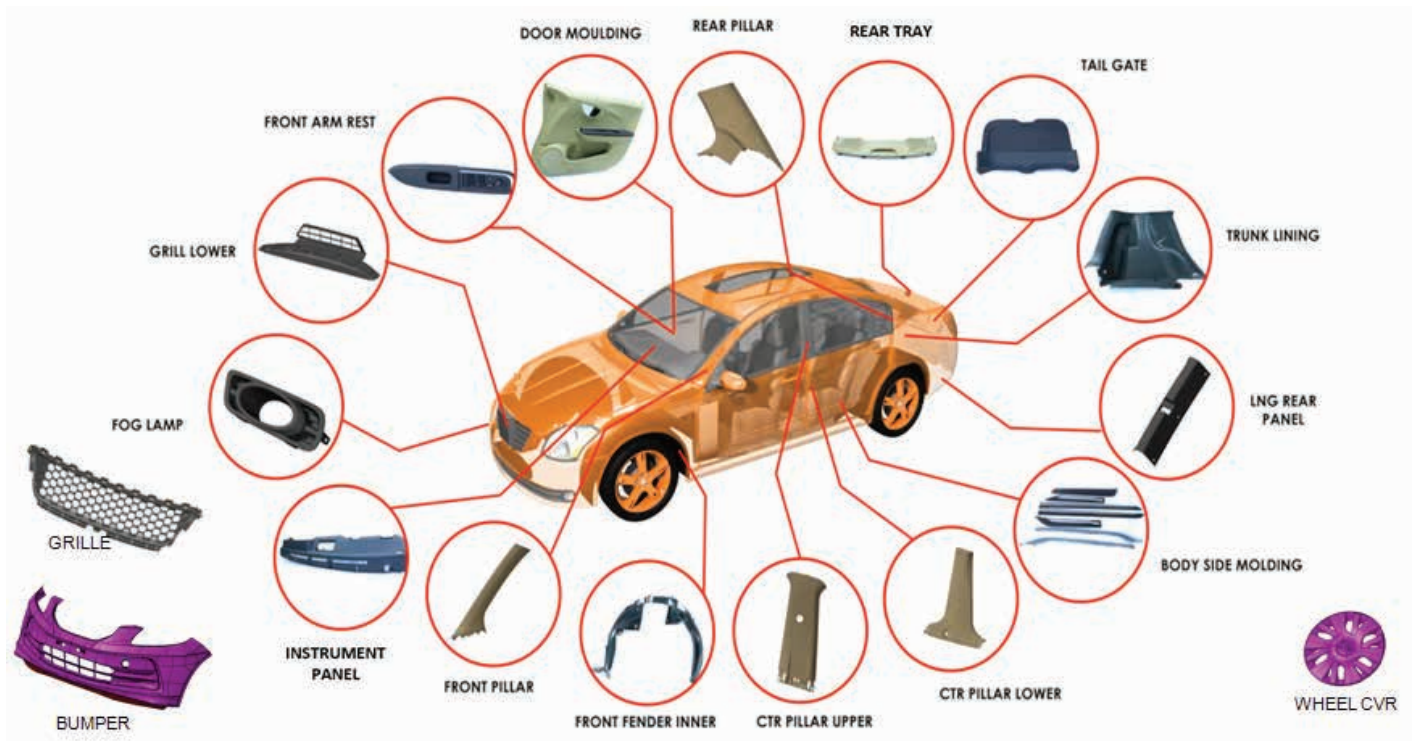
Interior Parts

- Door Trims
- Pillar Garnishes
- Lining Rear Panel
- Rear Tray, Trunk Side
- Tail Gate
- Weather Strip Partition
- Instrument Panel
- Cover Engine Upper / Under
- Cover ECU
- Box Battery
- Molding Hood
- Fender Inner
- Splash Guard
- Duct Cooling
- Fuel Pipe

Exterior Parts

- Bumper
- Fog Lamps Garnish
- Radiator Grill Garnish
- Body Side Molding
- Rear Bumper Garnish
- Wheel Cover
- Door Sash

Injection Molding products are manufactured in Surajpur, Uttar Pradesh (Plant III) and Pathredi, Rajasthan (Plant IV)



Arm Rest



Garn Rear Bumper



Cover Engine Under



Rear Parcel Tray



Front Door



Front Fender Inner



Rear Parcel Tray- 1



Instrument Panel

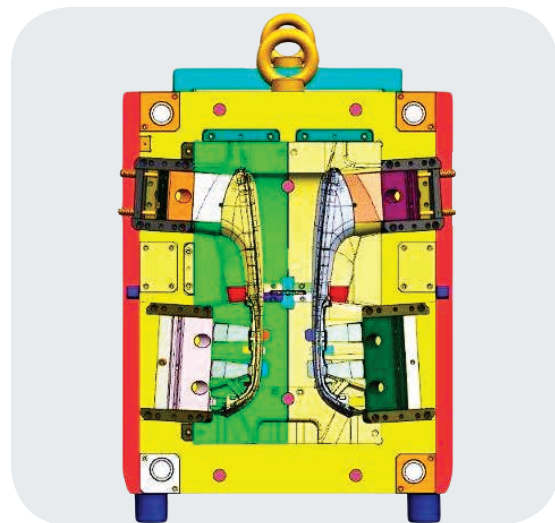
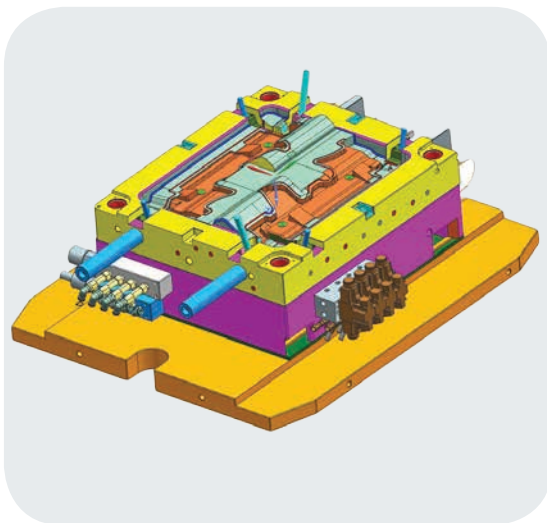
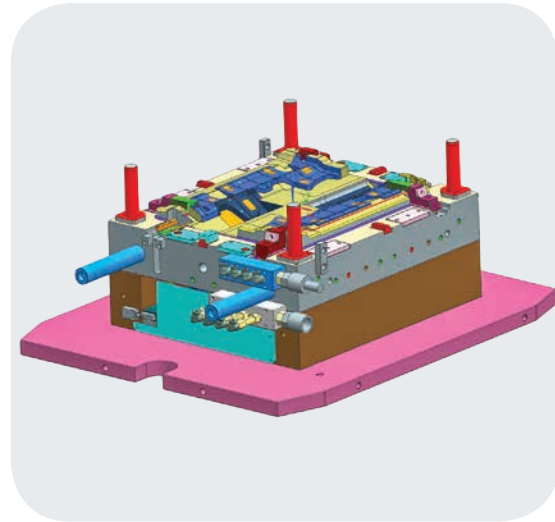
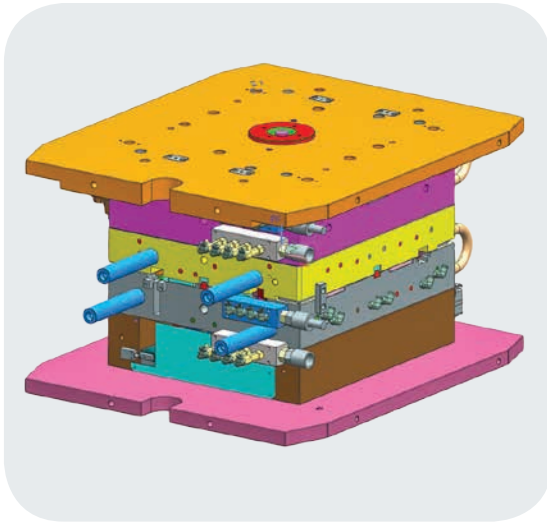


CABIN INSTRUMENT PANEL
INJECTION MOULDING & SUB-ASSEMBLY



PPAP has an in-house mould manufacturing and testing facility to provide an end-to-end solution to the customers

Injection Molding Tooling



MEMBERSHIP OF ASSOCIATIONS

PPAP regularly engages with industry bodies, expert agencies and contributes to the policy-making process. An indicative list of the Company's main memberships are:

- Automotive Component Manufacturers Association of India (ACMA)
- Confederation of Indian Industries (CII)
- Society of Manufacturers of Electric Vehicles (SMEV)
- Honda Cars India Supplier's Club
- Toyota Kirloskar Suppliers Association (TKSA)
- Maruti Suzuki Supplier Welfare Association (MSSWA)
- Bhiwadi Manufacturers Association (BMA)
- Tools and Gauge Manufacturers Association of India (TAGMA)
- India Energy Storage Alliance (IESA)

MESSAGE FROM CHAIRMAN & MANAGING DIRECTOR



Dear Stakeholders,

It is my privilege to present 'First Sustainability Report' of PPAP Automotive Limited.

I congratulate PPAP Team for their contribution towards achieving this very special feat.

In an increasingly complex and changing world, businesses are constantly facing new challenges and risks, which are evolving due to climate change, environmental degradation, loss of biodiversity, rising inequality, increasing expectations from local communities and associated regulatory changes.

PPAP is committed to preserve 3Ps (People, Planet and Profit). We have a robust Governance Structure in place to take care of socio-economic and environmental aspects of our business. We are strengthening efforts to align ourselves with 'United Nations' 17 Sustainable Development Goals (SDGs). This year, we have touched upon 8 SDGs for which the references have been made in our sustainability report.

"Creating the greener world for our children" we continue to serve our society through our CSR initiatives. PPAP continues its CSR mission through its non-profit Trust "Vinay and Ajay Jain Foundation". The trust works in areas of environment, education and healthcare. The Trust has planted more than 50,000 native trees and shrubs in various Biodiversity Parks. Trust also works for their continued sustainability and will be taking care of this plantation for 5 – 6 years or till such time they can survive without human support.

We strongly believe that sustainability is a journey, and we need to constantly keep working on it. Whatever, we do is little as the task ahead of us is gigantic. We believe that sustainability is dear to all our stakeholders; from employees to customers to business partners to investors, etc. and it is an important guide for decision making. With a strong SDG culture and the values guiding our business actions, we are strongly committed to move in mission mode and work for providing greener tomorrow and a better world for the coming generations.

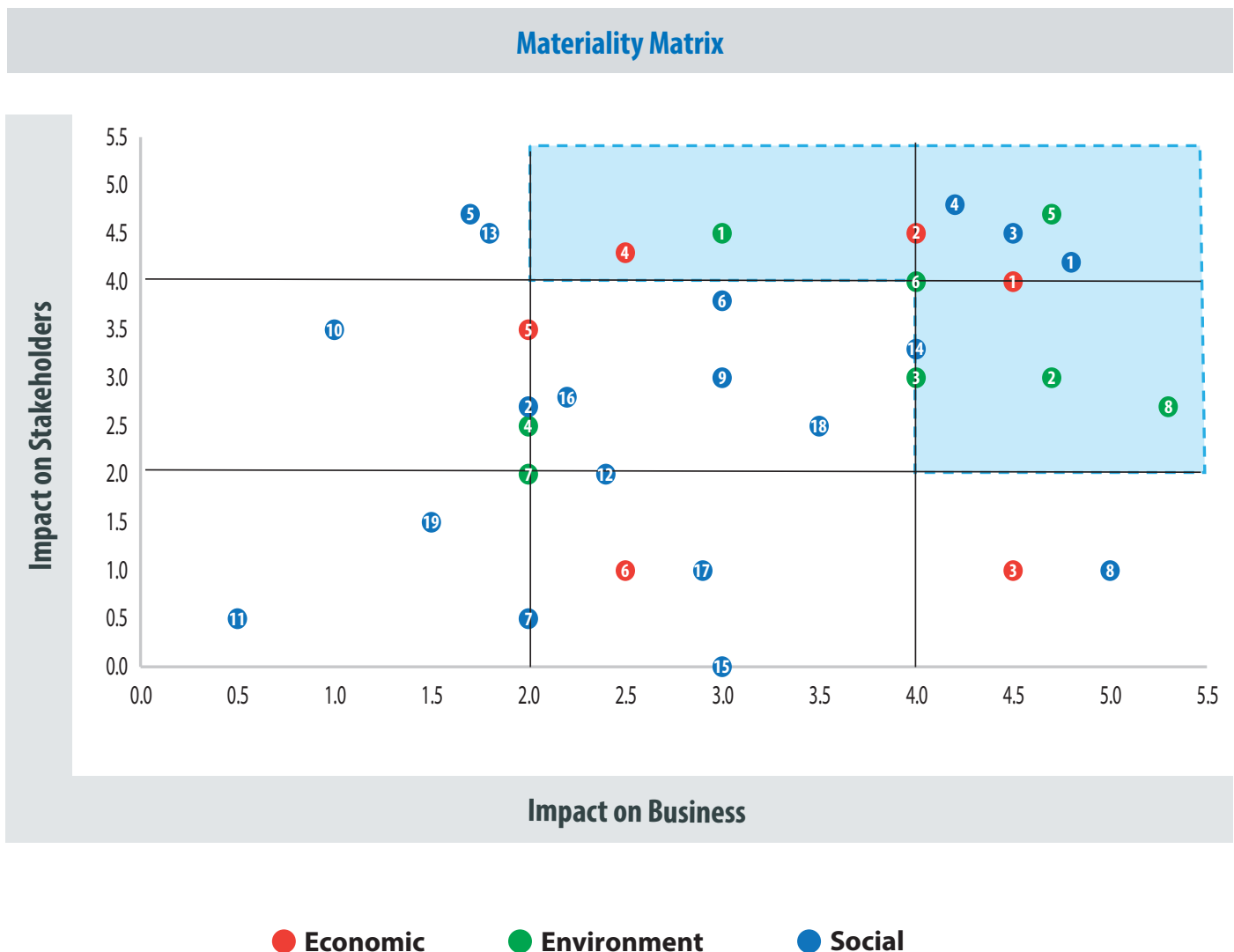
PPAP SUSTAINABILITY CONTEXT

The automotive component manufacturing industry is quite significant in terms of its impact on the economy and technology. The automotive sector is considered one of the most important for a country's economy and trade as it shapes the industry, the cities, public and individual life. The sustainability context continues to take attention in the automobile industry. Companies need to periodically examine their business model and ensure that they address the issues that may present a risk to the business or where new opportunities may also have envisaged.

The greater integration of suppliers and assemblers into product development activities has made it possible to reduce the complexity of the design, shorten the development time and the engineering hours required. It has also helped renew more frequently both the product and the technology used, with lower costs and shared responsibilities and sustainable practices.

PPAP is committed to the adoption of sustainable strategies at all plants and all its processes. PPAP Plant II is IATF 16949, ISO 14001, ISO 45001 and ISO 50001 certified.

MATERIALITY MATRIX



The materiality assessment process is in line with Global Reporting Initiative (GRI) standards.

It is reviewed and approved by Steering Committee.

High importance	Medium Importance	Low Importance
ECONOMIC		
1 Economic Performance	3 Indirect Economic Impacts	6 Anti-Competitive Behavior
2 Market Presence	5 Anti-Corruption	
4 Procurement Practices		
ENVIRONMENT		
1 Materials	4 Biodiversity	
2 Energy	7 Environmental Compliance	
3 Water and Effluents		
5 Emissions		
6 Effluents and Waste		
8 Supplier Environmental Assessment		
SOCIAL		
1 Employment	2 Labor/Management Relations	7 Freedom of Association and Collective Bargaining
3 Occupational Health & Safety	5 Diversity and Equal Opportunity	10 Security Practices
4 Training and Education	6 Non-discrimination	11 Rights of Indigenous Peoples
14 Supplier Social Assessment	8 Child Labor	15 Public Policy
	9 Forced or Compulsory Labor	17 Marketing and Labelling
	12 Human Rights Assessment	19 Socio-economic Compliance
	13 Local Community	
	16 Customer Health & Safety	
	18 Customer Privacy	

We are continuously making efforts to improve our sustainability performance concerning the identified key issues in the materiality matrix

GOVERNANCE

PPAP philosophy for governance aims to achieve the highest standards of corporate governance, accountability, sustainability and compliance of all the laws in the letter and spirit.

We continuously identify and implement good national and international corporate governance practices to achieve a global level of excellence. The Company is committed to providing long-term value to its stakeholders and our society.

Good corporate governance is essential for protecting shareholder value and delivering sustainable growth and

underpins our strategic objectives. PPAP strongly believes that effective and good corporate governance practices build a strong foundation of trust and confidence, attracting human capital, leading to sustainable and superior performance.

PPAP continuously endeavours to improve all aspects of the business and adopt innovative approaches for leveraging our resources. It aims at converting challenges into opportunities through empowerment and motivation of human resources, thereby enabling them to take the Company on the growth trajectory.



BOARD OF DIRECTORS



MR. AJAY KUMAR JAIN
Chairman and Managing Director



MR. BHUVAN KUMAR CHATURVEDI
Independent Director
Chairman of Audit Committee



MR. ASHOK KUMAR JAIN
Independent Director
Chairman of Corporate Social Responsibility Committee
(till 28th September 2020)



MR. ABHISHEK JAIN
Chief Executive Officer
and Managing Director



MR. PRAVIN KUMAR GUPTA
Independent Director
Chairman of Nomination &
Remuneration Committee
Stakeholders Relationship Committee



MRS. CELINE GEORGE
Independent Director
(w.e.f. 16th April 2020)

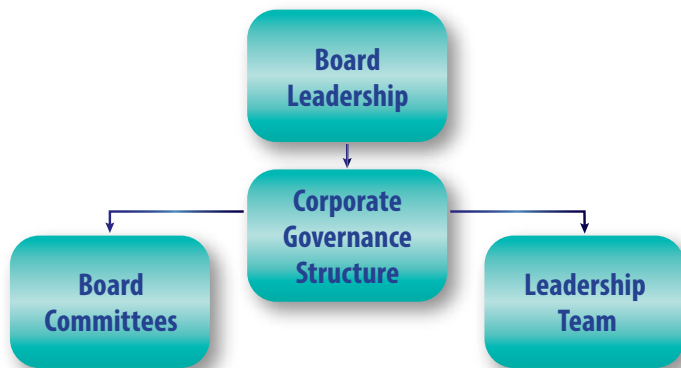


MRS. VINAY KUMARI JAIN
Non-Executive Director

COMPOSITION OF BOARD

PPAP's governance practices are deeply embedded in our value system and based upon self-performance and self-governance by all employees, depicting our culture of trust. The Board of Directors drive and set the direction of the Company. They align the Company's purpose of existence with the expectations of its shareholders and its stakeholders.

PPAP has formed three tiers of corporate governance structure:



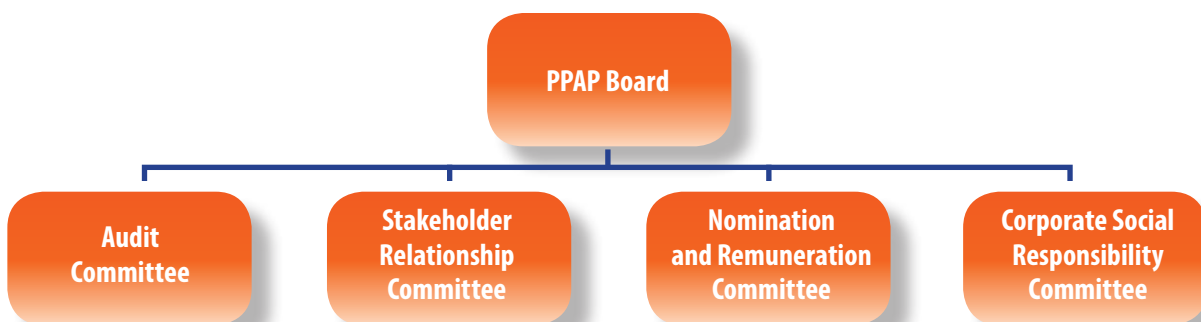
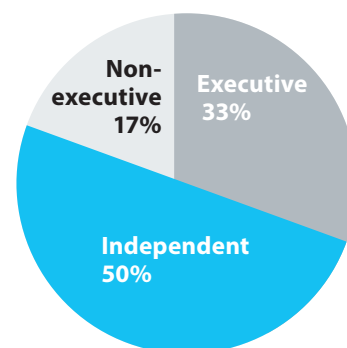
The Board of Directors provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to the highest standards of corporate ethics, transparency, professionalism and disclosure, which drive the Company to excel in performance.

The Board of Directors takes an active part in the Board and Committee meetings and is committed to driving the Company's superior performance. The composition of the Board of Directors of the Company is governed by the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations". The Board comprises an optimum mix of Executive and Non-Executive Directors. As of 31st March 2020, the Board has one woman Director and half of the Board comprises Independent Directors. The Company has appointed an independent woman Director on its Board on 16th April 2020.

Category of Directors	Number of Directors	Percentage of total number of Directors
Executive	2	33
Independent	3	50
Non-executive	1	17
Total	6	100

Category of Directors (%)

- Non- Executive
- Executive
- Independent



Along with its sub-committees, the Board reviews the performance of the Company periodically and guides the management. The Board has established a framework of prudent and effective controls, which enable our risks to be assessed and managed. The Board oversees how management and the leadership work in teams according to the culture of the Company. The Board acts as a mentor to our management and gives valuable insights to achieve challenging results and outperform the competition.

The Leadership Team of our Company percolates the directions set by the Board throughout the organisation, through policy deployment, accountability and responsibility, daily work management, etc. This structure ensures that the entire organisation aligns with the common goal of challenging the status quo to achieve breakthrough results.

The Board has constituted a set of committees with specific terms of references and ensures expedient resolution of diverse matters and achieve objectivity. Above committees at the board level are focused on reviewing the financial controls and results, audit and internal controls, compliances of various laws in letter and spirit, ensuring the highest standards of corporate governance, the appointment of Directors and the leadership team and their remuneration, strategising CSR and monitoring its progress, as well as, review of various risks associated with the operations of the Company.

These committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas and activities which concern the Company and need a closer review.

Sustainability Governance Structure

Corporate Sustainability Cell

Drives Sustainability through awareness and knowledge building across the Group. Makes all external disclosures.

Top Management

- ▶ Sets Direction for Promoting Sustainability Agenda across the Organization
- ▶ Provides Resources and Designs Incentives for Employees
- ▶ Periodically Reviews Progress Report Submitted by Steering Committee

Steering Committee

- ▶ Implements Guidelines Issued by Top Management
- ▶ Ensures Integration of Social, Economic and Environment Parameters into Business and Operations
- ▶ Frequently Reviews Implementation Status of Sustainability Agenda and Progress of New Initiatives

Working Committee

- ▶ Ensures Data Capturing as per GRI Standard
- ▶ Identifies New Initiatives / Projects and takes approval from Steering Committee for Execution
- ▶ Drives and Monitors Implementation of Sustainability Agenda and Reports Progress to Steering Committee

SUSTAINABILITY MANAGEMENT FOR THE LONG TERM

PPAP provides goods and services that are safe and contribute to sustainability throughout their life cycle. PPAP's Code of Business Conduct & Ethics, organisational structures, processes, policies and people form part of our internal control systems, which govern conducting business and managing associated opportunities and risks in the present and future.

The Company has procedures / practices and standard operating procedures in place, which are being communicated to the team and periodically reviewed for adherence by the Board of Directors and respective business heads.

During the formulation of these policies and processes, the stakeholders, to the extent possible, were consulted and regulatory provisions, wherever applicable & industry standards, as deemed appropriate, were considered.

Most of our policies are aligned to various standards such as IATF 16949 (Quality Management System), ISO 14001 (Environment Management System), ISO 45001 (Occupational Health & Safety Management System) & ISO 50001 (Energy Management System). It allows our management to focus on the long-term agenda and

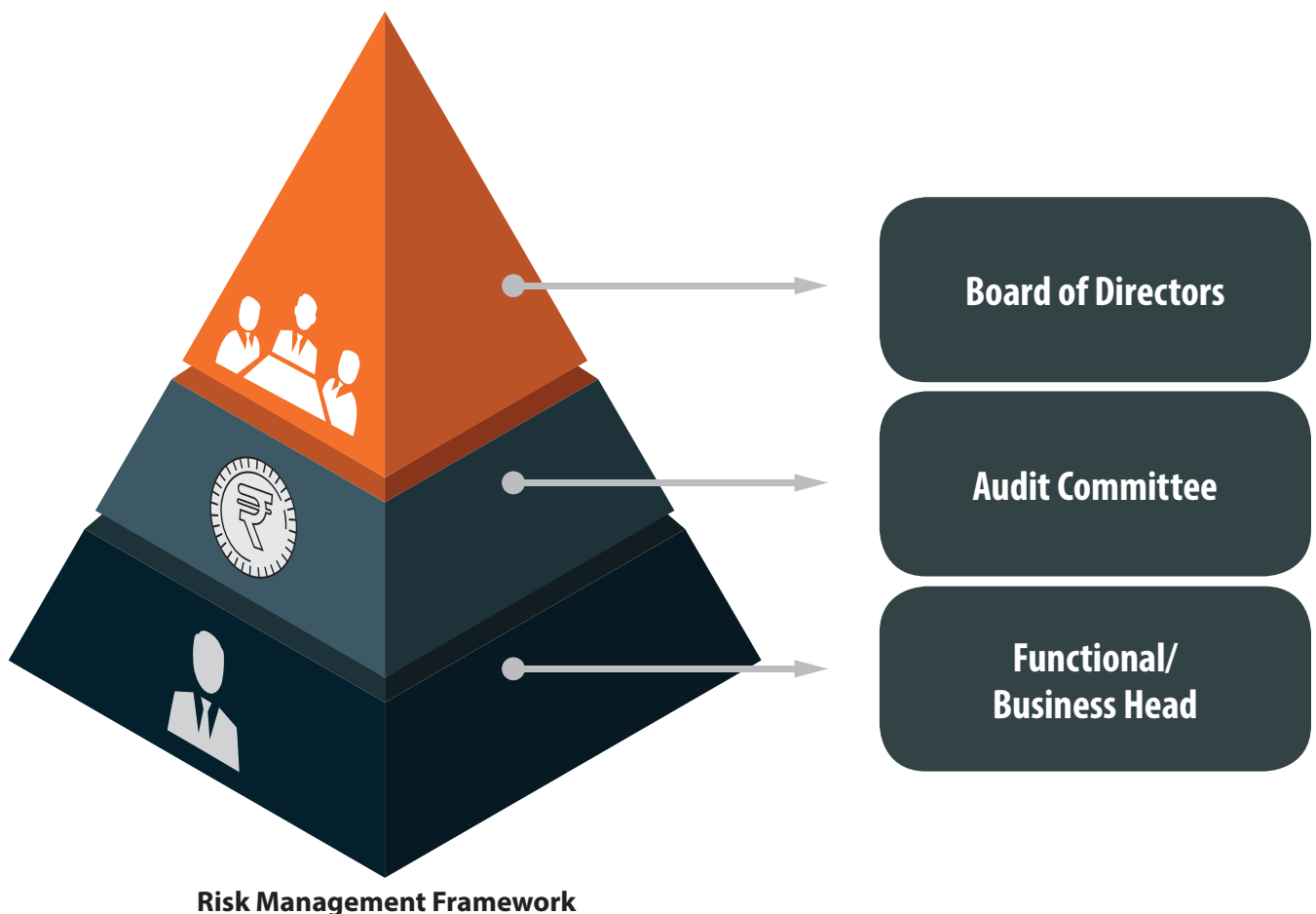
ensure that sustainability principles are part of the decision-making criteria.

RISK MANAGEMENT FRAMEWORK

PPAP has established a risk management framework that enables regular and active monitoring of business activities to identify, assess and mitigate potential internal or external risks.

The respective functional / business head(s) are entrusted with identifying, mitigating and monitoring risk in their respective areas. The approach to manage and identify risk is through interaction and involvement across the businesses, which helps our Company explore new opportunities and ideas.

Risk management forms an integral part of the management and is an ongoing process integrated with the operations. The Company's risk management processes focus on ensuring that these risks are promptly identified and mitigation action plans are timely executed. There are no risks that threaten the existence of the Company in the opinion of the Board. The Audit Committee of the Board is responsible for evaluating internal financial controls and risk management systems.



PPAP SUSTAINABILITY MANAGEMENT APPROACH

Our goal is to create long-term value for all our stakeholders. To deliver on this promise, we have constituted the Corporate Sustainability Cell that enables our business units to adopt sustainable business principles into their systems and processes.

We have taken initiatives to contribute to society's harmonious and sustainable development by integrating sustainability into our business activities. PPAP recognises that natural resources are finite and therefore need to be conserved and recycled. We remain focused on reducing resources in manufacturing products with a sustainable life cycle through innovations to provide safe, comfortable, and environment-friendly products for the vehicles. We continue to evaluate opportunities for upgradation of technologies and processes, water conservation, waste reduction and alternate energy sources.

CODE OF BUSINESS CONDUCT & ETHICS

Ethics and integrity are material issues for both the stakeholders and management. The core values and principles are summarised in the PPAP Code of Conduct Policy. We have a zero-tolerance approach towards fraud, bribery and corruption. The Company has a code of conduct for all employees, including the Board and senior management personnel. All members of the Board and Senior Management personnel have affirmed compliance with the said code of conduct. The Code guides and accounts for all the stakeholders, including but not limited to employees, customers, value chain partners, joint venture partners, financial stakeholders and guides towards the highest moral and ethical standards.

POLICIES AND STANDARDS

A workplace that protects workers from harm and promotes worker health and well-being will enhance employee satisfaction, raise productivity and ensure we attract and retain the best talent.

With PPAP QEHS policy, we seek to embed health and safety as a value across the Company. The management and technical standards support this policy that guides our workforce into implementing safe operations.

Grievance Handling

An employee who gets dissatisfied or has any issue must express their views verbally to their team leaders. The Team Leader immediately listens to the employee, addresses the issue and tries to resolve it within 24 hours. If things are

beyond their scope, they immediately report the matter to their Group leader. If required, Group Leader investigates the issue, listens to the aggrieved team member and resolves the issue within 24 hours. Simultaneously, he/she should inform his department / manufacturing head. If the issue is still not resolved, then he/she should escalate the issue to the grievance committee.

Prevention of Sexual Harassment

This policy applies to all company employees, including permanent management and workers, temporary trainees and contractual employees. The Company has zero tolerance for sexual harassment.

The Company has instituted an Internal Complaints Committee ("the Committee") for redressal of Sexual Harassment complaint and for ensuring time-bound treatment of such complaints. Any aggrieved person may make, in writing, a complaint of Sexual Harassment at the workplace to the Committee giving details of the sexual harassment meted out to her/him.

Whistle Blower Policy

PPAP is committed to the highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a whistle-blower policy that complies with Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The whistle-blower policy provides a vigil mechanism for the Director/employee to report, without fear of victimisation, any unethical behaviour suspected or actual fraud, violation of the Company's code of conduct, etc., which are detrimental to the organisation's interest and reputation. The mechanism protects whistle-blower from discrimination, harassment, victimisation or any other unfair employment practice. The Directors and employees in appropriate or exceptional cases have direct access to the audit committee chairman.

Transparency

Transparency leads to trust and trust leads to a better relationship with all the stakeholders. Trust is one of the core values of PPAP. We actively foster a culture of transparency while interacting and encouraging an open dialogue, ensuring mutual trust and respect. Transparency is also a key element in reporting. It helps the investors, shareholders and other stakeholders make informed decisions about our operations and other affairs. We bring out our annual reports periodically to inform and assist all our stakeholders.

ECONOMIC

At PPAP, we focus on sustainable economic growth with a commitment to giving back to the stakeholders who play a vital role in powering our growth. In addition to this, we believe in reducing the gap between social and economic development by adding value to the economy, distributing wealth, creating direct or indirect employment, investing in employees and empowering the local community through our CSR initiatives which are the key elements to the sustainability framework. In this section, we address our management approach and key economic performance data.

MANAGEMENT APPROACH

The economic dimension of sustainability concerns our impacts on the economic conditions of our stakeholders and economic systems locally, nationally and globally. We ensure compliance with all the applicable laws & regulations that govern shareholder rights. Further, we also maintain proper records of our activities & disclose them under applicable laws & industry standards.

Direct Economic Value Generated and Distributed			
Economic Performance	FY 2017-18	FY 2018-19	FY 2019-20
	INR (Crores)		
Economic Value Generated	409.73	411.82	360.34
Economic Value Distributed	342.03	359.37	326.47
Operating Costs	249.15	261.68	242.29
Employee Wages and Benefits	63.23	71.33	68.62
Payments to Providers of Capital	9.67	10.35	9.28
Payment to Government by Country	19.61	15.24	5.36
Community Investment	0.37	0.77	0.94
Economic Value Retained	67.7	52.45	33.85

The above data is provided for PPAP Automotive Limited as there is no procedure for mapping the data at Plant level.

Gratuity and Leave Encashment liability	
Year	INR (Crores)
2017-18	6.22
2018-19	6.73
2019-20	8.59

Further, the government provided financial assistance to the organisation in the form of subsidy.

Financial Assistance from Government (Subsidy)	
Year	INR (Crores)
2017-18	0.28
2018-19	6.82
2019-20	2.12

STAKEHOLDER ENGAGEMENT

PPAP has identified its stakeholders as entities or individuals that can reasonably be expected to be significantly affected by the organisation's activities, products or services. Stakeholders are also those whose actions can reasonably be expected to affect the ability of the organisation to implement its strategies or achieve its objectives.

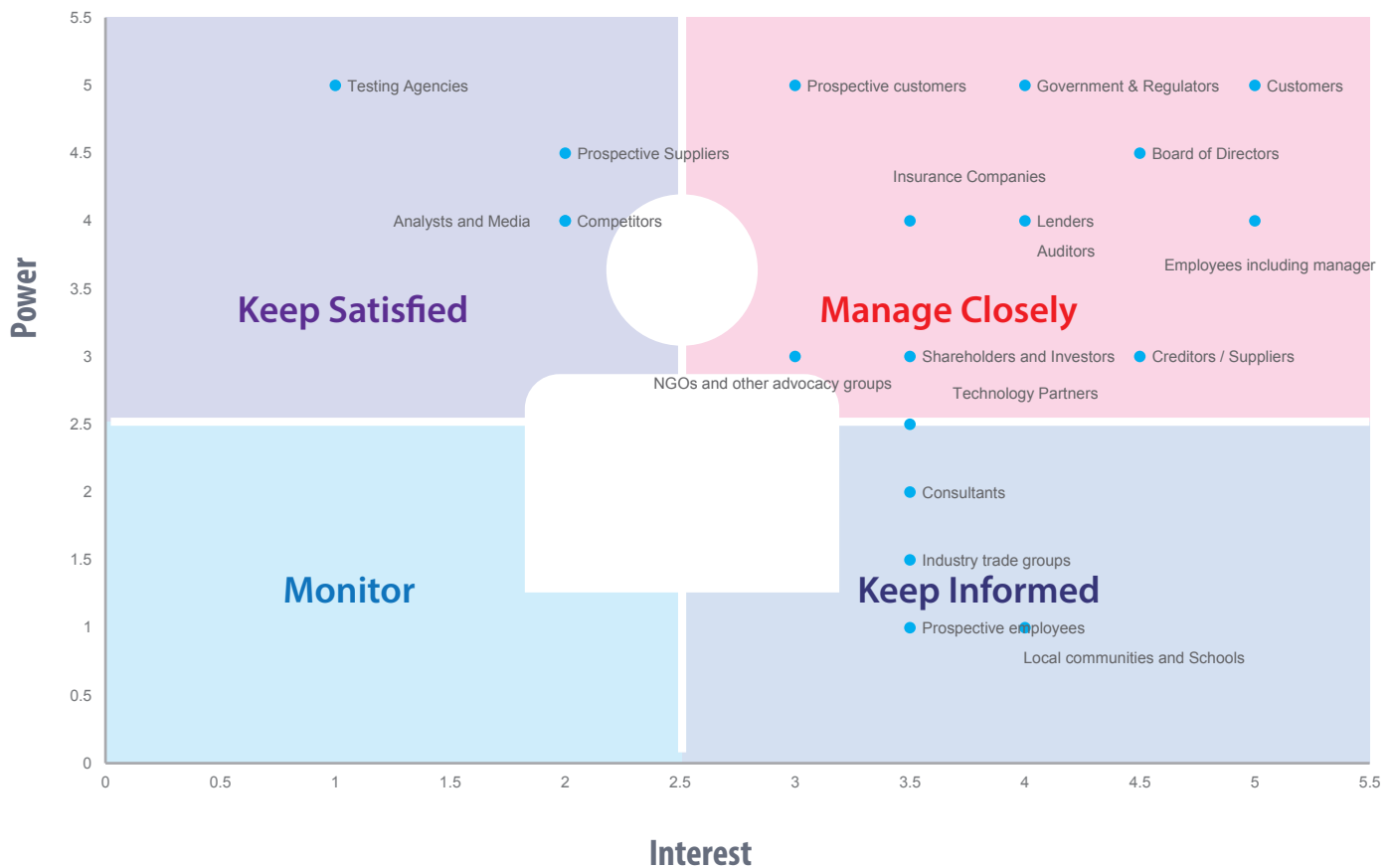
PPAP believes that the stakeholder engagement process serves as a tool for understanding the reasonable expectations and interests of stakeholders and their information needs.



PPAP Automotive Limited has a system of interaction between management and workers in town hall meeting on a monthly frequency



Power-Interest Grid



PPAP has categorised stakeholders based on their power or influence and interest in the Company in consultation

with business heads, department heads, leadership team and employees from various departments.

Approach to Stakeholder Engagement

Stakeholder group	Purpose of engagement	Approach to engagement	Frequency
Customers	Key account managers interact with customers to retain and capture more business	Call, mail, one-to-one meetings, tech shows, conference, technical spec meetings, trials and events, personal visits	Need-based, daily interaction, weekly, annually, twice a year, as and when required
Prospective customers	Insights, market news, exploring new business opportunities	RFQs & RFIs, public forums, personal meetings, virtual meetings	Situation based
Employees including manager	Employee engagement activities, suggestions, EOB, motivational schemes, celebrations, gauging motivation levels	Open house / town hall, suggestions, award functions, DWM, awards ceremonies, celebrations, plant genba	Monthly, yearly, daily, weekly, once a month
Lenders	Lending, funding, support in daily transactions	Reports, call, mail, meeting	Weekly, monthly, quarterly
Shareholders and investors	Dividend declaration, shareholders' approval, to attract good quality investors	Call, mail, meeting, AGM	Quarterly, annually, need-based
Government & Regulators	Renewing consent orders, show cause notice, new projects, online application, returns, challans, etc.	Reports, notices, submission & inspection, assessment, meetings	Monthly, annually, need-based
Insurance companies	Insuring company assets against fire, earthquake, claim settlement, premium payment, etc.	Interaction through consultants & brokers - email & phone calls, mails, plant visits	Monthly, quarterly
Auditors	Legal requirement, audit of financial reports	Face-to-face interactions, auditing of processes, meetings, visit	Quarterly, monthly as per schedule
NGOs and other advocacy groups	Engagement letter, external members required for ICC committee	Meeting	Requirement based, annually
Board of directors	Compliance of law, major decisions, day-to-day functioning	Board meetings, one-to-one meetings	Quarterly, twice or thrice a year, daily basis
Suppliers	Abnormality management, NG material & product performance, auditing of suppliers, verification and closure of a problem, raw material for tooling, steel, aluminium, building & construction, monitoring schedule and actual, negotiation & lead time reduction, job work, data and machining, CNC, quality, heat treatment	Meeting, mail, call & visit, face-to-face discussions, plant audits, PO inspection, telephonic discussions, buyer net, internet, networking, exhibition	Daily, need-based, half-yearly, once a quarter, yearly, monthly, weekly, based on requirement
Technology partners	Technical, new technology related, new products and projects, etc.	Telephonic, skype conference, meeting, visits, mails	Fortnightly, yearly, daily

ENVIRONMENT

PPAP aims to achieve excellence in sustainable production practices that avoids or mitigates any environmental risks. We are focused on transformative practices and investing in technologies to optimise water consumption, reduce emissions & energy consumption, minimising impacts on air quality and waste generation.

MANAGEMENT APPROACH

PPAP is dedicated to reducing the environmental footprint through an efficient and process-oriented approach. It includes addressing the environmental issues at the plant that may impact the environment, evolving the old strategy, introducing new designs with new technology and ensuring new operations are as efficient as possible by design.

PPAP is committed to sustaining the natural environment for future generations. The development of new generation automobile components, efforts on energy efficiency, recycling and reuse will further help us reduce CO₂ emissions and serve as a driver of truly sustainable development. Thus, we will continue to contribute to a better future for all humankind through our total commitment to a sustainable environment.

Our sustainability approach through corporate sustainability cell includes introducing and implementing policies, standards and best practices to manage environmental impacts rigorously. Furthermore, considering the environmental importance of materiality topics, we will develop specific objectives and targets and periodically review performance against these issues.

Plant II is ISO 14001 certified. The ISO 14001 accreditation helps us regularly review the Environmental Management System, with programs to mitigate the identified environmental impacts of our processes.

ENERGY AND EMISSIONS

Using energy more efficiently and opting for renewable energy sources is essential for combating climate change and lowering an organisation's overall environmental footprint. As part of the sustainability approach, PPAP Plant II efficiently prioritises energy consumption towards renewable sources by adopting solar power. In addition, to reduce the non-renewable energy consumption, PPAP Plant II has commissioned an 80 KWp rooftop solar plant and a further 400 KWp capacity expansion is planned.

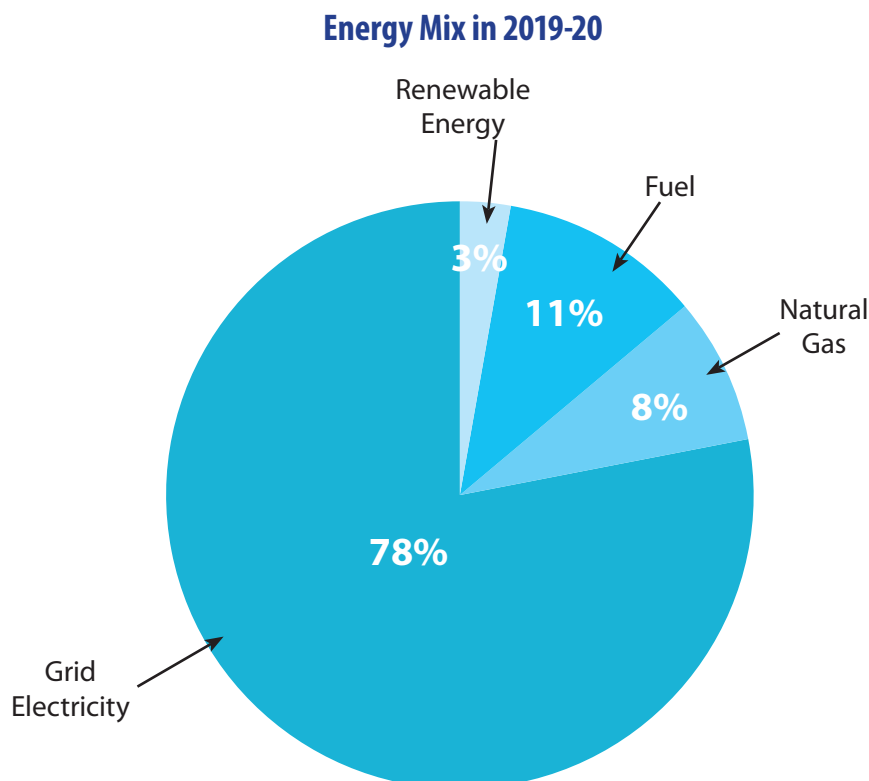
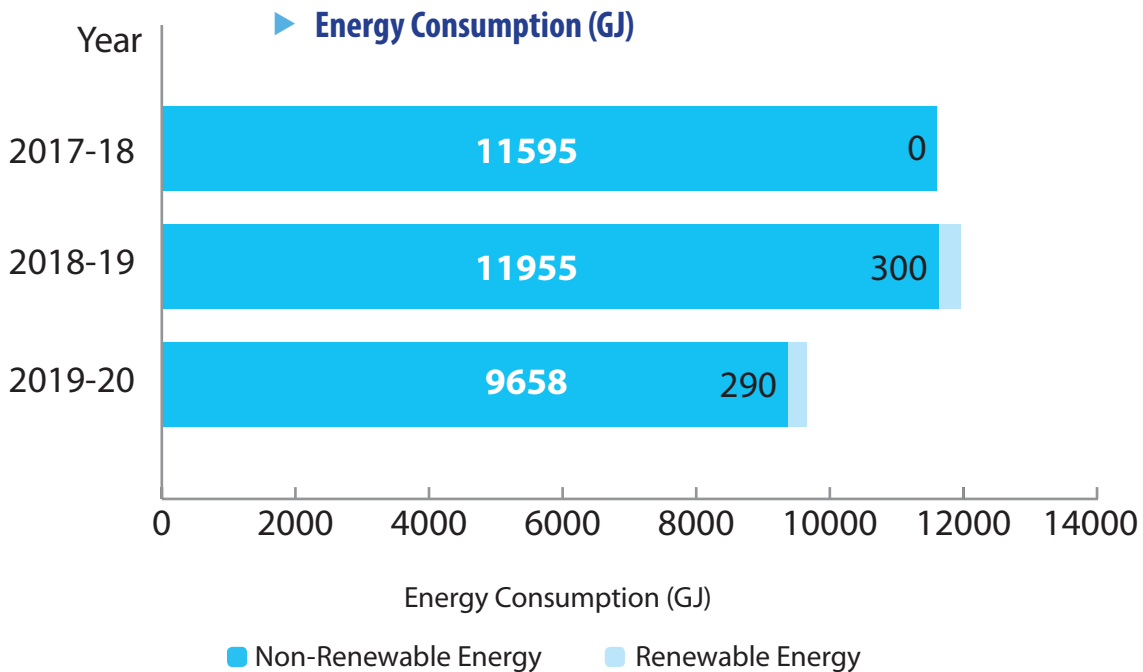
PPAP Plant II is ISO 50001 certified. The Energy Management System (EMS) and strategies towards enhancing energy efficiency are adopted periodically through various energy conservation techniques.

Energy Consumption

Year	Renewable Source of Energy	Non-Renewable Source of Energy	Total Energy Consumption
	GJ		
2017-18	0	11595	11595
2018-19	300	11955	12255
2019-20	290	9658	9948

There is a reduction in Energy Consumption in FY 2019-20 due to low production compared to FY 2018-19.

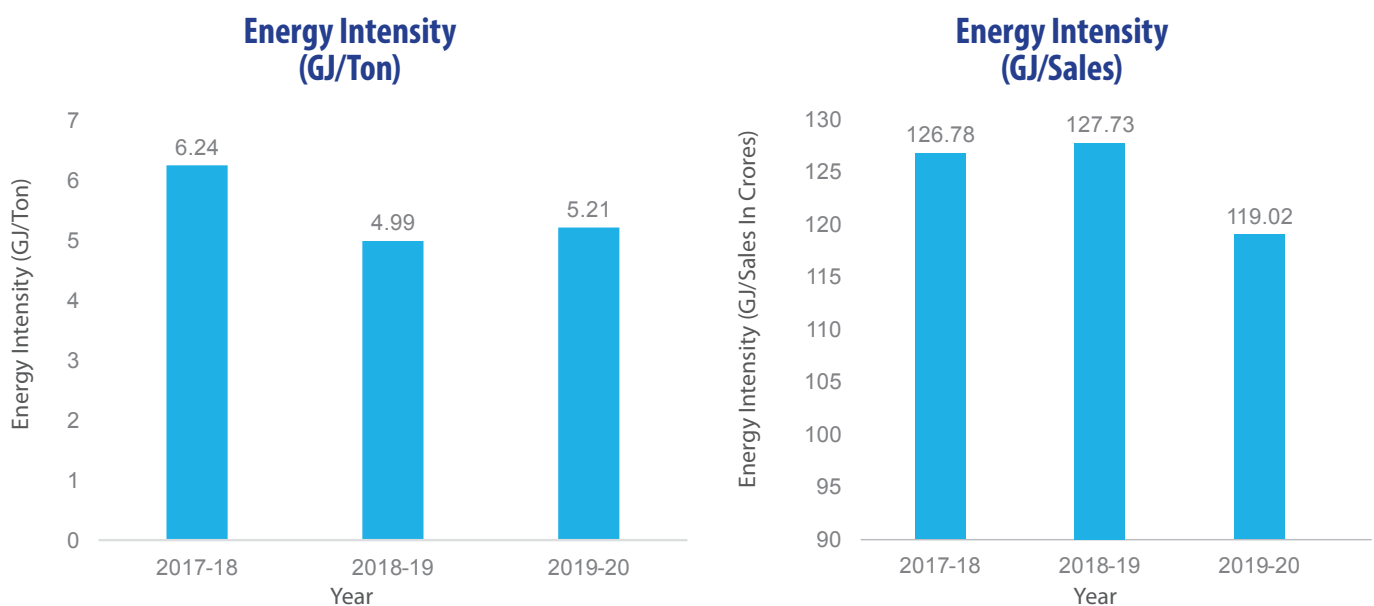
The total energy consumption for FY 2019-20 is 9948 GJ which includes fuel consumption, electricity consumption and renewable energy consumption. The rooftop solar power was commissioned in 2018 in Plant II, which has helped us reduce non-renewable electricity consumption in the last two years. Renewable energy sources include rooftop solar power generation, whereas Non-renewable energy sources include Diesel, Petrol, PNG & Grid Electricity.



Energy Intensity

An energy management system was introduced during the reporting period and thus, it changed the way of measuring according to the EnPi energy efficiency indicator.

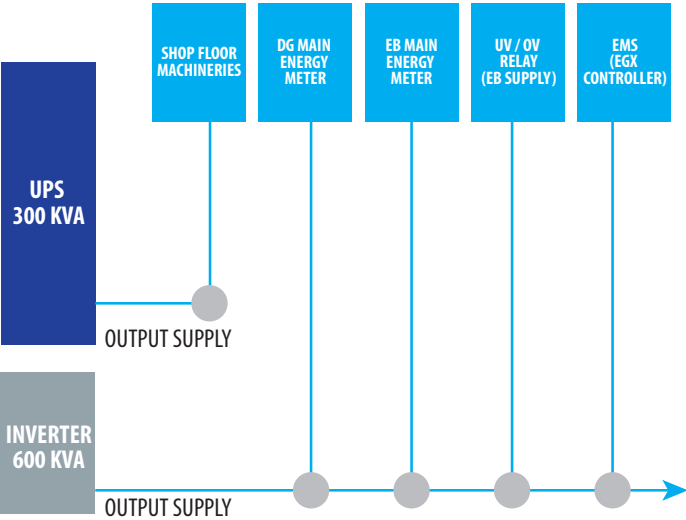
Year	Energy Intensity (GJ/Ton Product)	Energy Intensity (GJ/Sales in Crores)
2017-18	6.24	126.78
2018-19	4.99	127.73
2019-20	5.21	119.02



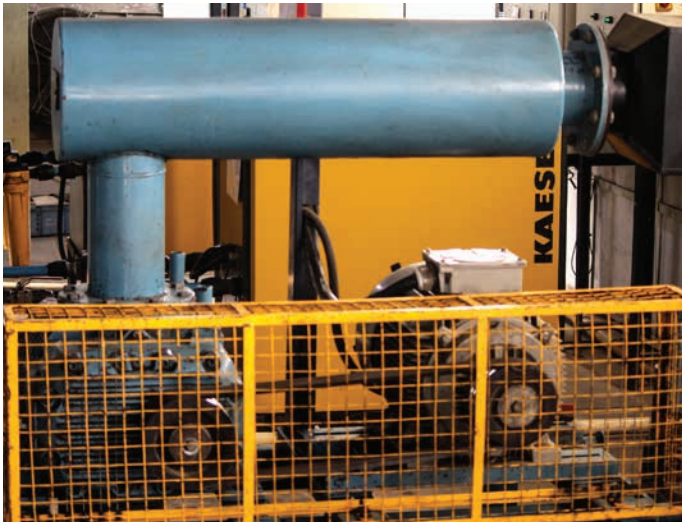
Some of the energy conservation measures include:

- Introduction of separate 30 KVA inverter for energizing other equipments only enables shut-offs of 300 KVA during block closures. It saves 9216 KWH of units per year and a cost of INR 73728 per year.
- Installation of 80 KWp rooftop solar power plant generates 1.0 lakh KWH units per year, saving INR 9.6 lakh per year of conventional energy consumption.
- Provision of root blower with lower capacity (100 m3/hr in place of 1000 m3/hr) saves the extra consumption of 5760 kWh per year and saves the additional cost of INR 46080 per year.
- Usage of new technology in shop floor lighting applications - LEDs save an extra 5400 kWh per year, saving INR 43200 per year.
- Replacement of high capacity motors with energy-efficient motors of lower capacities (2 HP motor with 1 HP motor) saves the energy consumption of 4800 kWh per year and a cost of INR 38400 per year.
- Real-time-based operation of exhaust fans in which the exhaust fans switch off automatically and save energy consumption of 6000 kWh per year and a cost of INR 48000 per year.

Glimpses of Energy Conservation Initiatives:



▶ Introduction of separate 600 KVA inverter



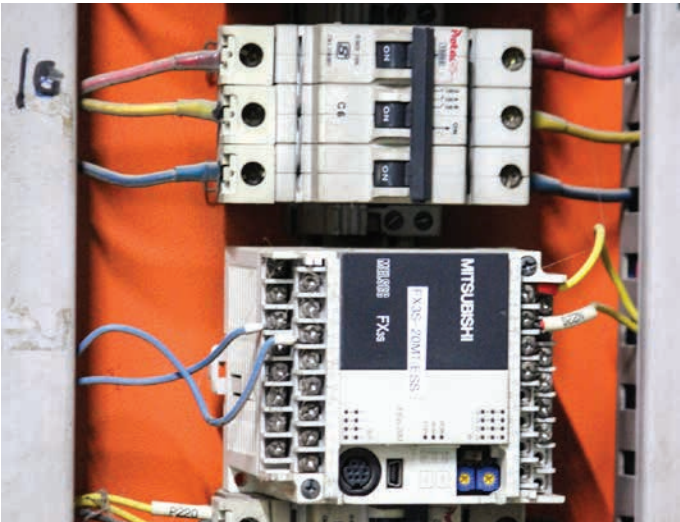
▶ Provision of root blower with lower capacity



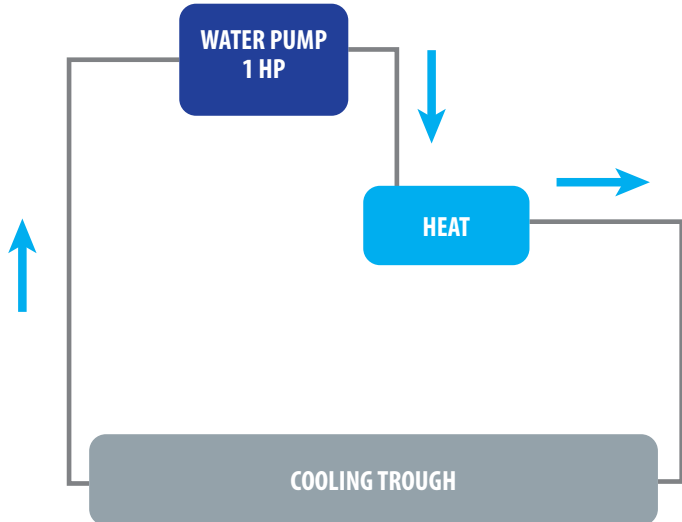
▶ 80 KW Rooftop solar power plant



▶ Usage of new technology in shop floor lighting applications



▶ Real-time automatic operation of exhaust fans



▶ Replacement of high capacity motors with energy-efficient motors of lower capacities



PPAP has invested in rooftop solar power and introduced new technologies for improving energy productivity and conservation.

Further, PPAP will expand infrastructure and upgrade technology to provide clean and more efficient energy which will encourage growth and help the environment.

PPAP is providing lasting solutions to both economic and environmental challenges, will provide new jobs and promote energy efficiency.



PPAP has been taking initiatives for reducing energy consumption and GHG emissions by installing rooftop solar and introducing various energy efficient technology.

GHG Emissions Performance

As part of the nation's initial commitment to the Paris Agreement, India plans to reduce its carbon emissions intensity by 33-35% from 2005 levels by 2030. We understand our responsibility towards national commitment to reduce emissions. Being a responsible organisation, we focus on having a low carbon value chain from planning and designing to procurement and manufacturing.

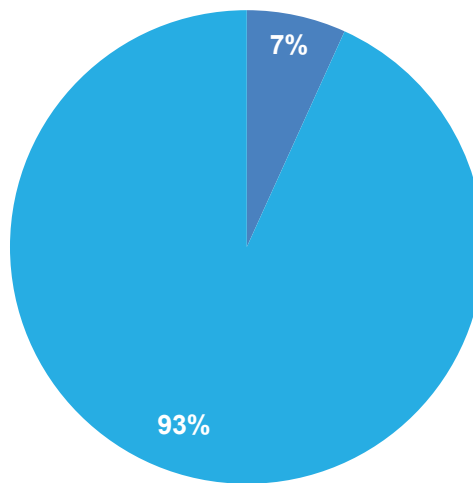
We calculate and report Greenhouse Gas (GHG) inventory, i.e. Scope 1 (process emissions and other direct emissions) and Scope 2 (purchased electricity) as defined under the World Business Council for Sustainable Development (WBCSD) and World Resource Institute (WRI) GHG Protocol.

Direct greenhouse gas emissions are the consequences of the combustion of energy sources, which involves fuel oil and natural gas combustion. In contrast, indirect emissions come from the consumption of electric energy used to run machinery and equipment in the manufacturing plants and the operation of the equipment designed to cool the work premises and process requirement.

GHG Scope I & II Emissions

Year	Scope I Emissions	Scope II Emissions	GHG Emissions (Scope I + Scope II)
	tCO ₂ e		
2017-18	104.83	2217.99	2322.82
2018-19	155.74	2026.69	2182.43
2019-20	114.13	1569.74	1683.87

GHG Mix in 2019-20

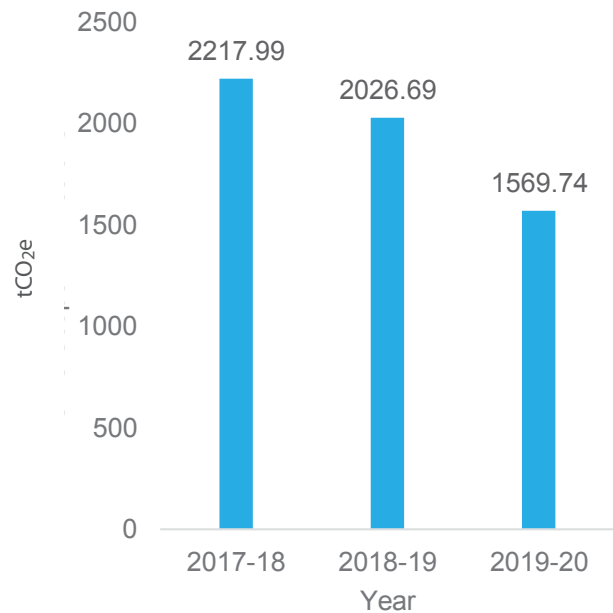


■ Direct (Scope 1) GHG emissions ■ Energy indirect (Scope 2) GHG emissions

GHG Scope I Emissions



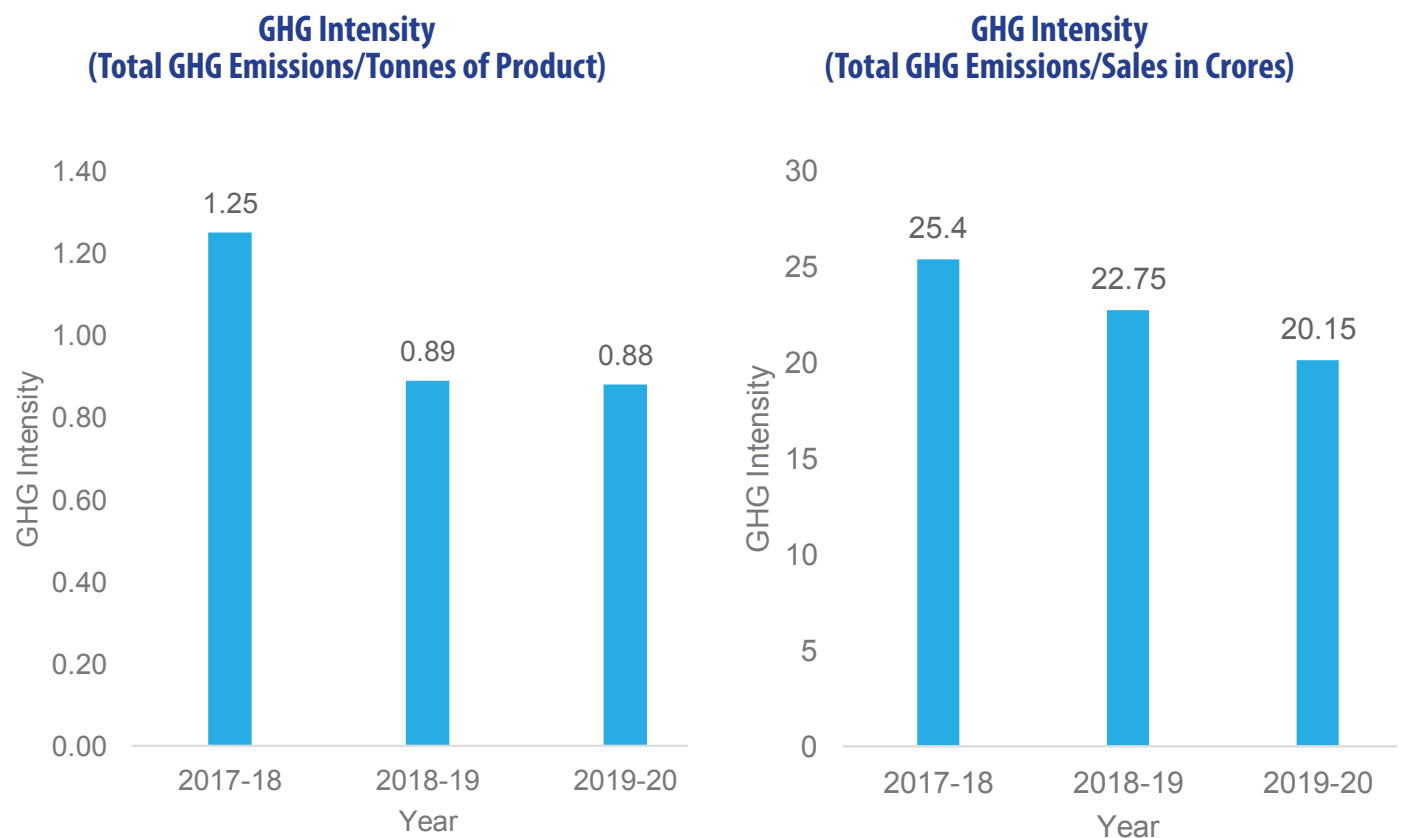
GHG Scope II Emissions



The energy conservation techniques adopted as mentioned above helped us reduce Scope II GHG Emissions during FY 2018-19 despite increased production. However, due to reduced demand, the production also declined in FY 2019-20, resulting in a sudden drop in emissions.

GHG Intensity at PPAP Plant II

In context with the intensity ratios for defining GHG emissions level w.r.t the organisation-specific metrics, PPAP has significant tracking criteria for evaluating environmental performance to identify intensity ratios, often called normalised environmental impact data. GHG emissions intensity expresses GHG emissions per unit of activity, output or any other organisation-specific metric. Thus, GHG emissions intensity helps to contextualise the organisation's efficiency, including with other organisations.

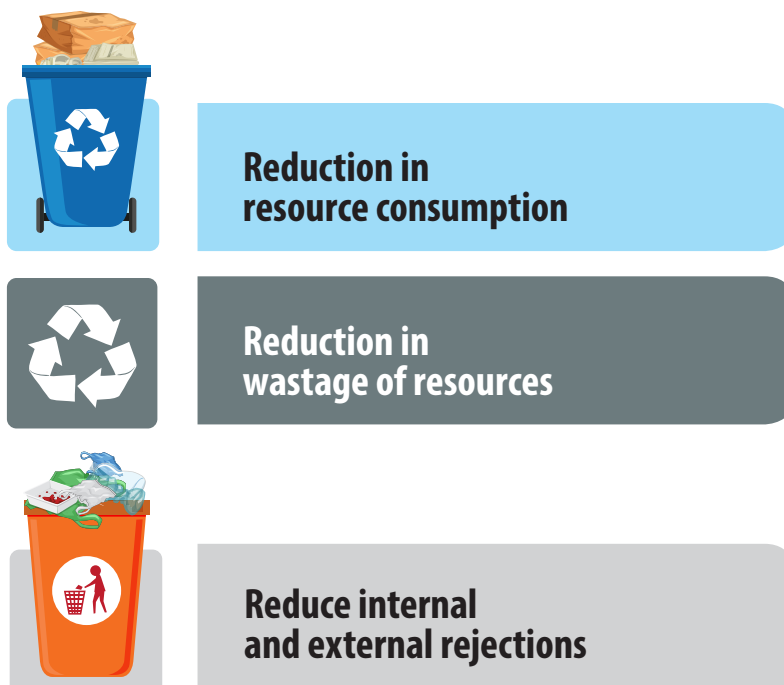


Year	GHG Intensity	
	(Total GHG Emissions/ Tonnes of product)	(Total GHG Emissions/ Sales in Crores)
2017-18	1.25	25.40
2018-19	0.89	22.75
2019-20	0.88	20.15

WASTE MANAGEMENT

PPAP is committed to improve waste management practices at the plant continually. The safe and responsible management of hazardous, non-hazardous and high-volume low-toxicity waste is crucial for our business.

The objective of PPAP to manage waste:



Key Initiatives in Waste Management

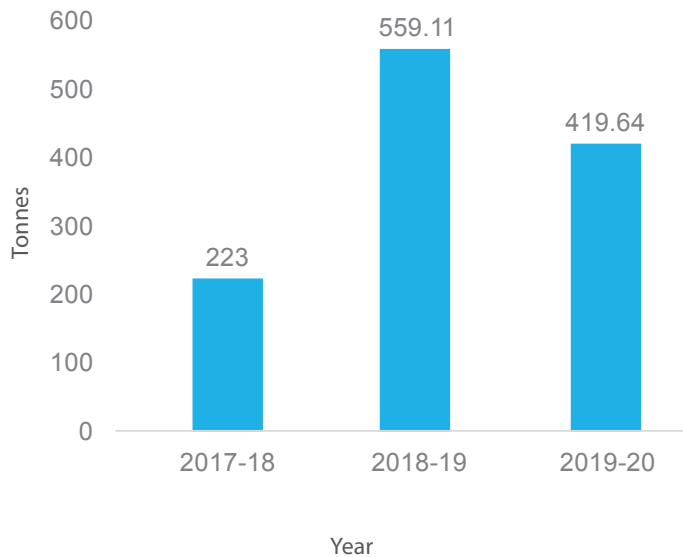
PPAP dispose of waste in compliance with operating permits and Hazardous Waste Authorisations. The hazardous waste is sent for disposal to the Treatment, Storage and Disposal Facility (Bharat Oil and Waste Management Limited), authorised by Uttar Pradesh State Pollution Control Board. E-Waste is sent for processing to authorised agency (NAMO eWaste) as per government guidelines. Non-hazardous waste is being given to the scrap dealers. A bio composter is installed at the plant to treat domestic waste, producing organic manure as the final product used in horticulture.

Waste Generation

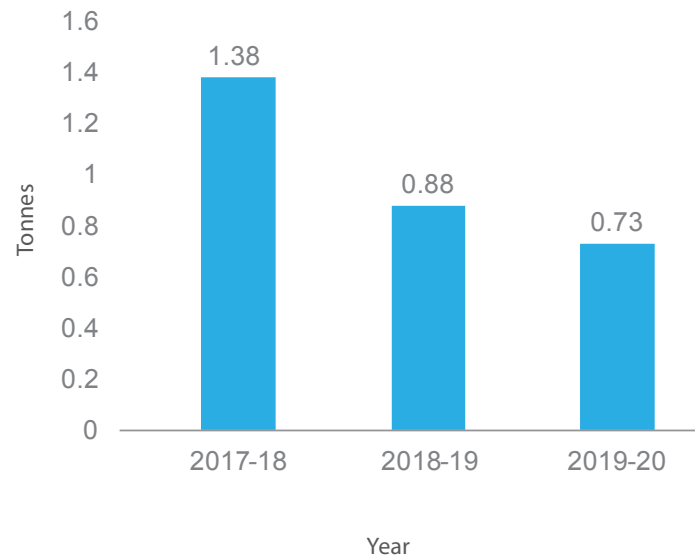
The type of Hazardous Waste generated in PPAP Plant II is categorised as Waste Oil, Discarded Containers, Sludge & Filter, ETP Sludge, Cotton Rags, E-Waste. The type of non-hazardous waste generated in plant II is categorised as Empty Tin, Foam, Cardboard, Iron, Plastic, PVC, Steel, Wooden, Paper and Canteen Waste.

Year	Hazardous Waste	E-Waste	Non-hazardous Waste
	Tonnes		
2017-18	1.38	0.37	223.00
2018-19	0.88	0.55	559.11
2019-20	0.73	0.48	419.64

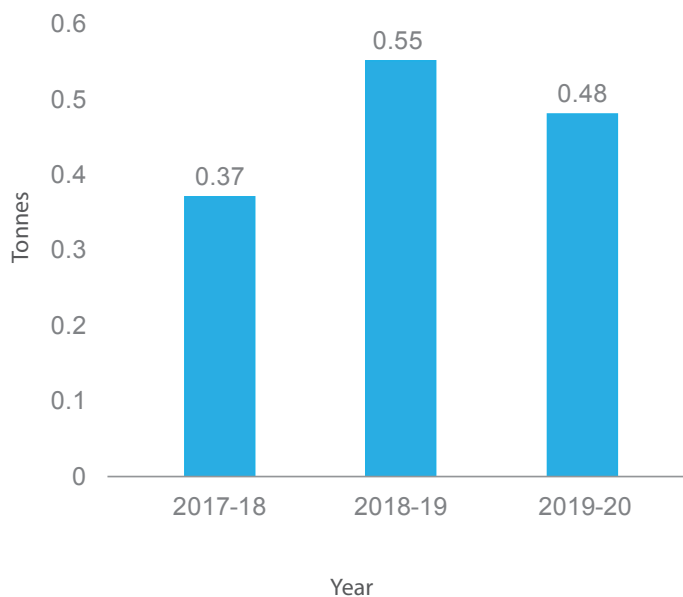
Non-hazardous Waste



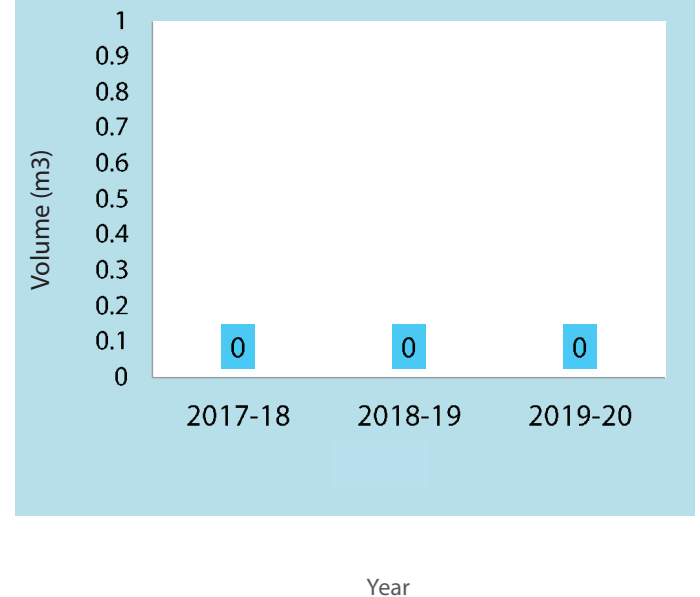
Hazardous Waste



E-waste



Significant Spills

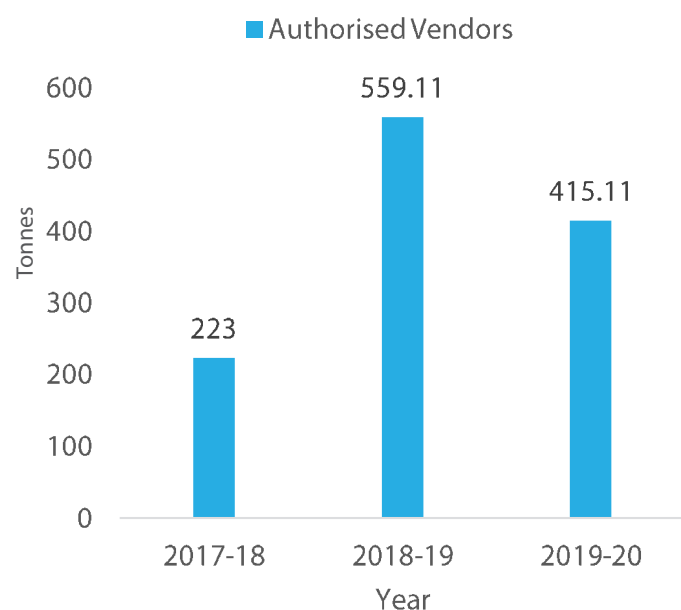


Hazardous & Non-Hazardous Waste Disposal

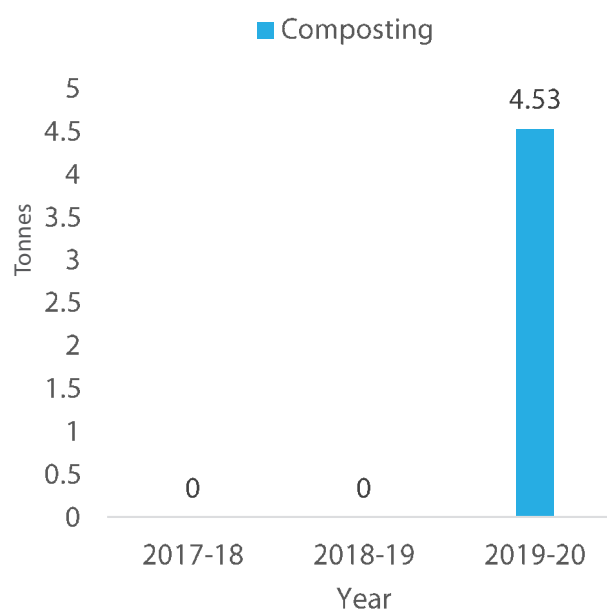
All the hazardous waste and e-waste generated at the site is disposed of to the Treatment, Storage and Disposal Facility (Bharat Oil and Waste Management Limited) and authorised agency (NAMO eWaste) respectively. Non-hazardous waste is being sold to scrap dealers for recycling. In addition, an organic bio composter is installed at the plant to treat domestic waste, which prepares manure as the final product used in gardening.

Year	Non-hazardous Waste		Hazardous Waste	
	Composting	Authorised Vendors	Quantity sent to TSDF (BOWML)	E-Waste sent to Authorised Agency (NAMO eWaste)
	Tonnes			
2017-18	0	223.00	1.38	0.37
2018-19	0	559.105	0.88	0.55
2019-20	4.53	415.11	0.73	0.48

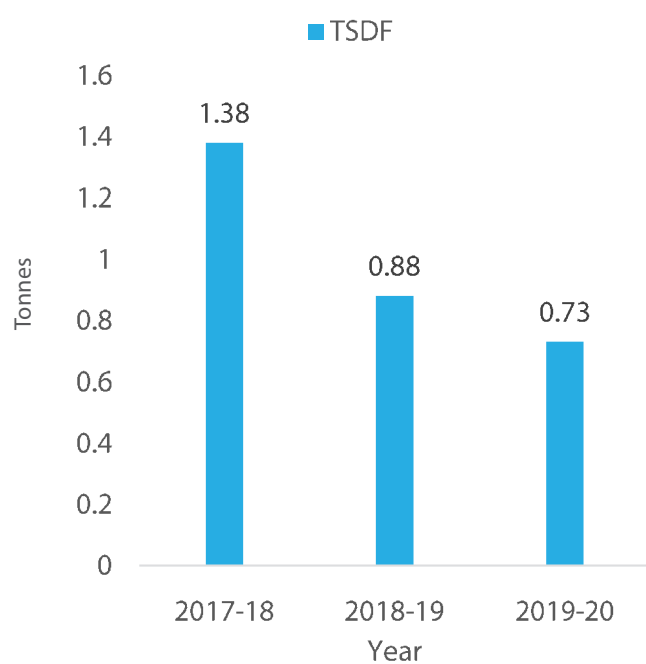
Non-hazardous Waste



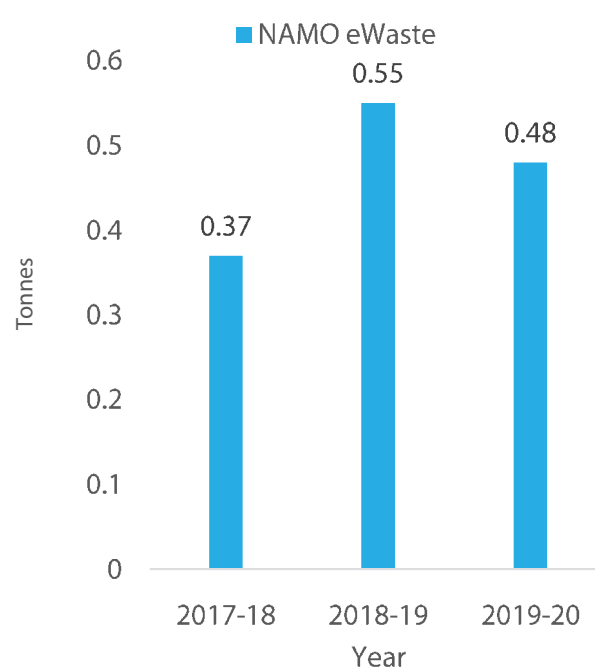
Non-hazardous Waste



Hazardous Waste



E-waste



WATER RESOURCE MANAGEMENT

With water posing a social issue worldwide, water resource management has become vital for the Company. The water is required at the manufacturing plant for industrial process, domestic and gardening purposes. We aim to reduce water consumption and continuously attempt to improve our efficiencies.

We carry out water resource management by adopting the following practices-

- Use of Technology for Effluent Management
- Implementation of water conservation initiatives
- Training & Awareness Programs for water resource management

Water Risk Assessment

We have taken Water Risk Assessment at Plant II located in Noida. This determined water risk is based on the water stress information available in global and public databases and site-specific measurements. For example, according to the World Resources Institute's Aqueduct Water Risk Atlas, PPAP Plant II falls under the water stress area.

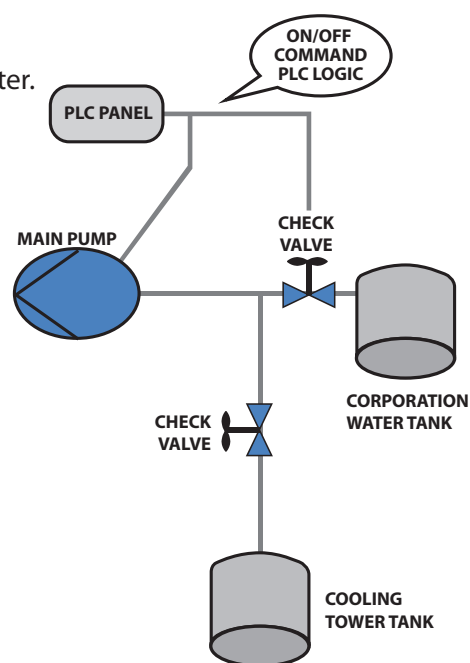
As per the Risk assessment, we have adopted initiatives viz. zero groundwater withdrawal, water recharge and conservation measures at the plant.

Key Initiatives in Water Conservation for Plant II

- No Ground Water is being used for any of the plant activity or process. Water from Noida Authority is used for domestic, gardening and industrial process.
- Water-free urinals used in Plant II, due to which around 100 KL per year of water is saved in each urinal.
- Water is being reused from the cooling extrusion for the greenbelt development.
- An automated filling system is provided for the cooling tower tank & corporation water tank, leading to zero water wastage and saving around 1.3 KL after adopting the said technique.
- Two Rainwater harvesting tanks are installed to recharge the groundwater.



▶ Waterless Urinals



Automated filling system



PPAP has provided sanitation and hygiene facilities separately for men and women at the plant. Also, it has initiated efforts for conservation of water as mentioned above in key initiatives.

PPAP has also improved the onsite waste-water treatment facility at the plant.

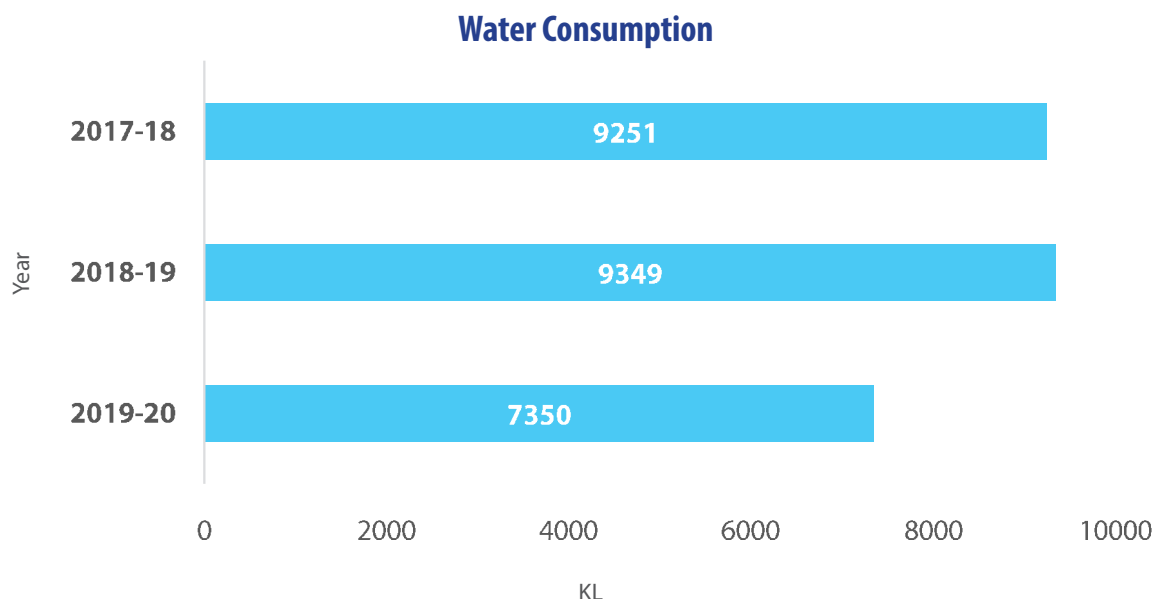
Water Sourcing

We rely on water from municipal supply availed through Noida Authority. We emphasize reducing our usage of fresh-water and groundwater through rainwater harvesting and water conservation measures.

The water consumed at our Plant II is primarily sourced from Municipal Supply (Noida Authority). During FY 2019-20, our total water withdrawal was 7350 KL. There is a downward trend in water consumption from 2018-19 with a difference of around 2000 KL from the previous year. From 2019-20, we have started using wastewater coming from the cooling tower for gardening, which was earlier drained out in municipal drains, which resulted in significant water demand reduction.

The water consumption for FY 2019-20 has been reduced due to low production and water conservation measures taken in the reporting period.

Year	Water Consumption
	KL
2017-18	9251
2018-19	9349
2019-20	7350



Water Discharge

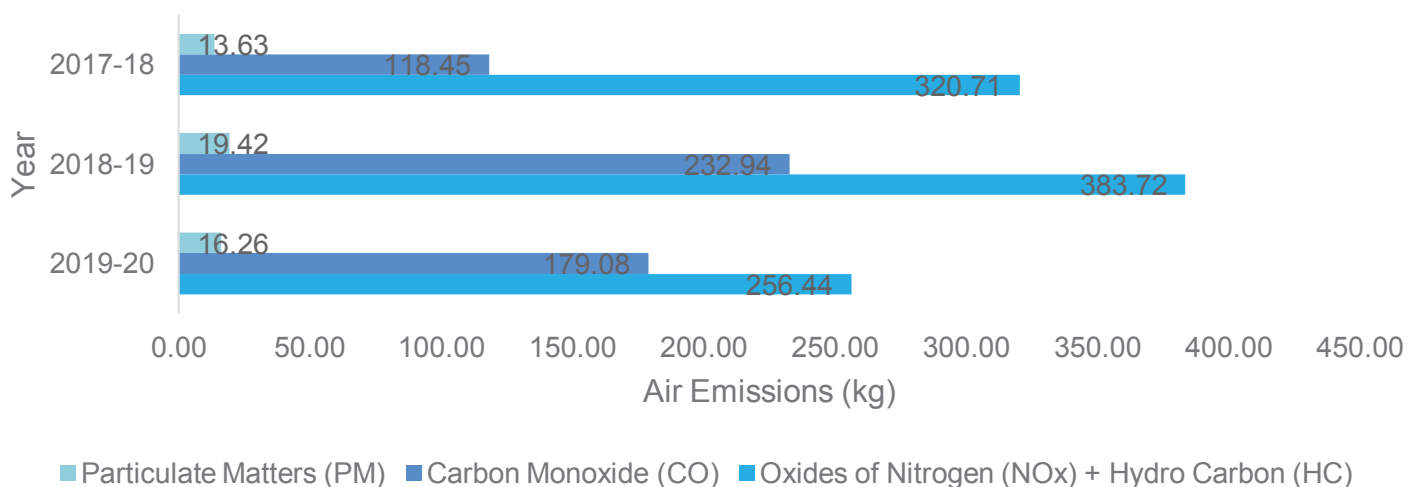
The wastewater generated from cooling towers was previously drained out in municipal drains, but from FY 2019-20, it is being stored in underground storage tanks and then used for gardening. The sewage generated from the domestic water use is being disposed of into municipal drains.

AIR QUALITY AND EMISSIONS CONTROL

Clean air is essential for the health and well-being of everyone on the planet. We monitor significant air emissions parameters, such as Particulate Matter (PM), Carbon Monoxide (CO), Oxides of Nitrogen (NOx) and Hydro Carbon (HC) as well as ambient air quality periodically to ensure compliance with applicable standards and continuous improvement. VOC (volatile organic compound) is not emitted as we do not have a paint shop or painting process. Therefore, all of our emissions generated from plant II are in line with the regulatory requirements.

Year	Particulate Matters (PM)	Carbon Monoxide (CO)	Oxides of Nitrogen (NOx)+ Hydro Carbon (HC)
	KG		
2017-18	13.63	118.45	320.71
2018-19	19.42	232.94	383.72
2019-20	16.26	179.08	256.44

PM, CO and NOx + HC Emissions



MATERIALS

In the long term, the cost of material resources is expected to rise as resources deplete and consumption increases. Therefore, it creates opportunities for us to relook at our manufacturing processes and come up with solutions.

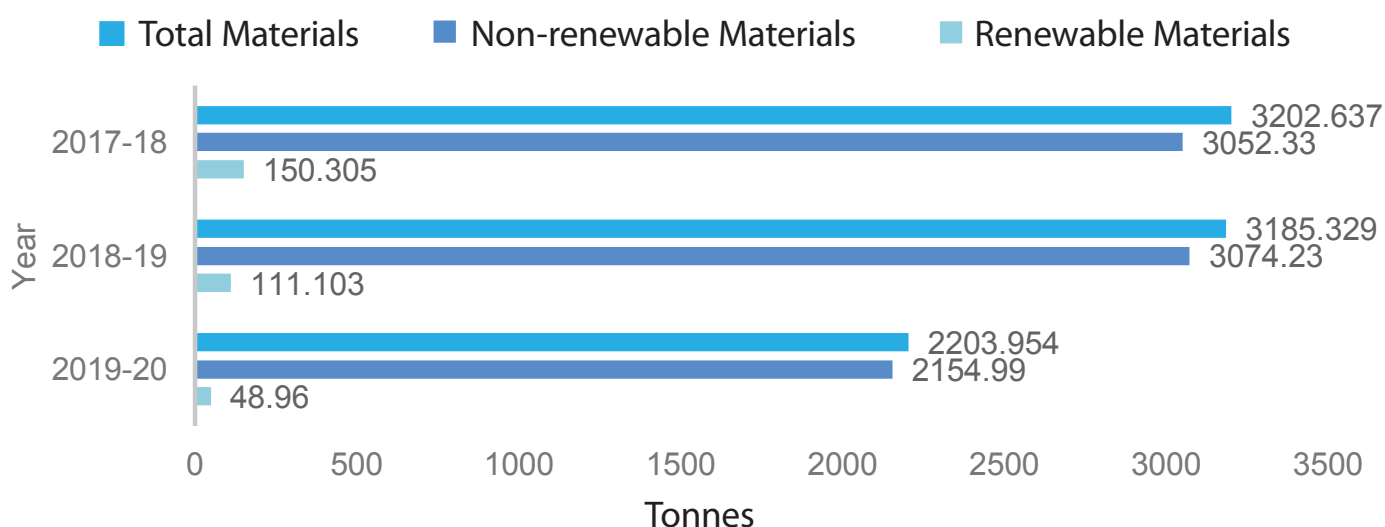
PPAP uses raw materials such as plastic (PVC, TPO, PP and Engg. Plastic), Nylon Flock, steel, adhesive and packaging materials corresponding to a total volume of approximately 2200 tonnes per year.

Material Consumption

The material consumption is classified into renewable and non-renewable materials, where the renewable material consists of raw material corrugated box, other packing material and paper. In contrast, the non-renewable material consists of PVC, TPO, PP, Nylon Flock, Engg Plastic, Master Batch, Trial Material, Foam Sheet and Bags, Polythene Bags, Non-woolen fabric, cushion, EPT sealer, tab tape, bins, Al steel, CRC-steel, Stainless Steel, Steel, wire, adhesive tape, chemical, coolant, oil(diesel), grease, etc.

Year	Renewable Materials	Non-renewable Materials	Total Materials
	Tonnes		
2017-18	150.305	3052.33	3202.637
2018-19	111.103	3074.23	3185.329
2019-20	48.960	2154.99	2203.954

Materials used by weight



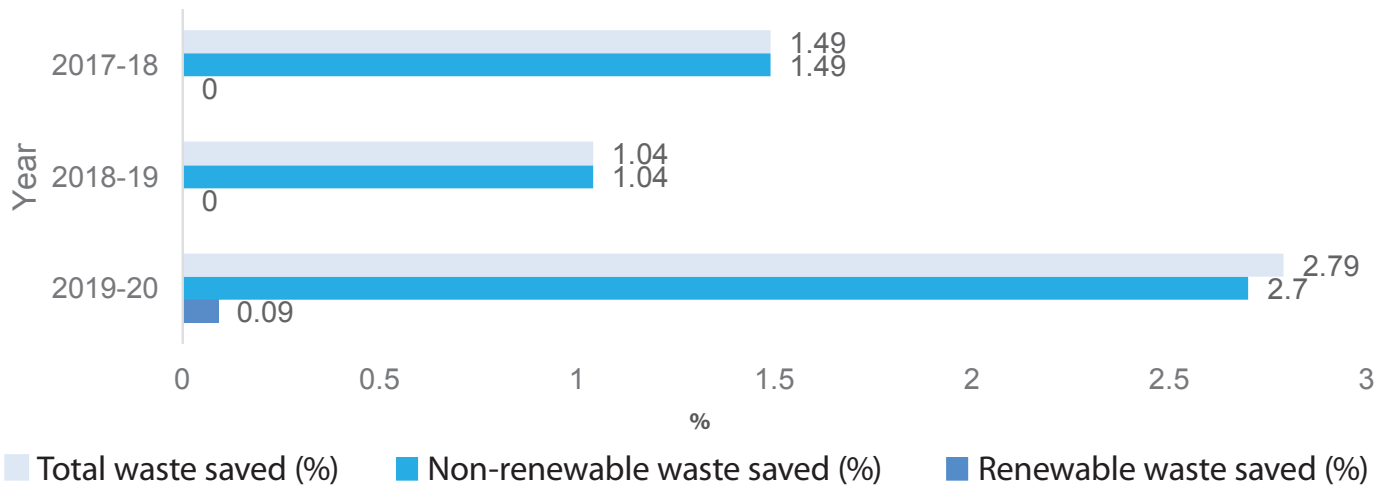
The material consumption is less due to lower production during the reporting period. Going forward, we are planning to maximise renewable, recycled and reclaimed material for production and packaging.

Waste Saved

The left-over waste is being used again which leads to reduction in consumption of natural resources.

Year	Renewable waste saved (%)	Non-renewable waste saved (%)	Total waste saved (%)
2017-18	0	1.49	1.49
2018-19	0	1.04	1.04
2019-20	0.09	2.7	2.79

Waste saved



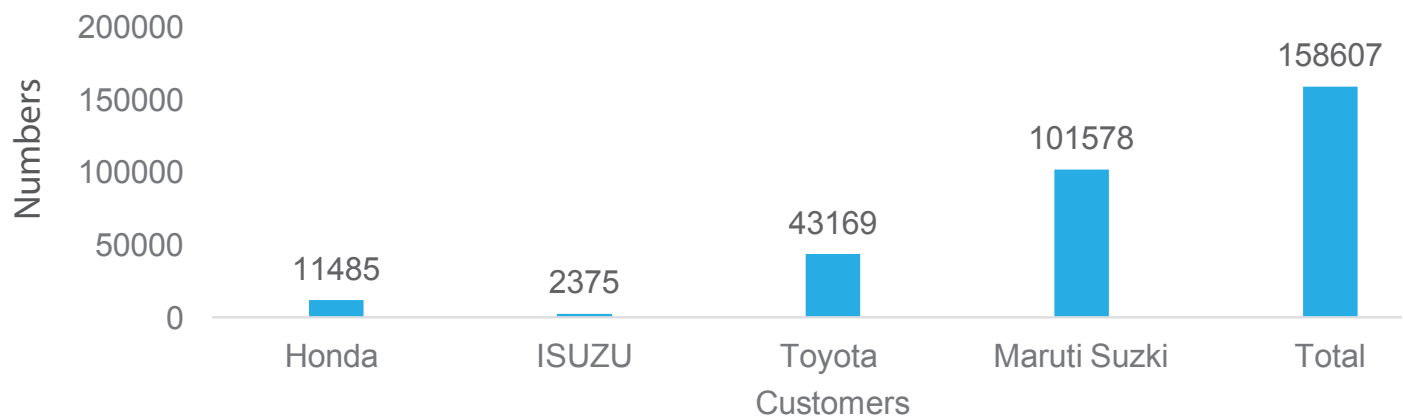
The waste and packaging material are being reused to eliminate MUDA.

Reclaimed products and their packaging material

The reclaimed packaging materials are considered the number of bins at the plant level that will return from the customer, eliminating the need for packaging material. The same bins will be reused until the end of their lifecycle. In case the bins are broken, then only they will be replaced. Further, final products are supplied to the customers in the same bins as and when required by the customer. To provide detailed reclaimed data, the number of times bins are used is provided for different customers in the reporting period.

Customers	Reclaimed products (Number of bins reused)
Honda	11485
ISUZU	2375
Toyota	43169
Maruti Suzki	101578
Total	158607

Reclaimed product numbers



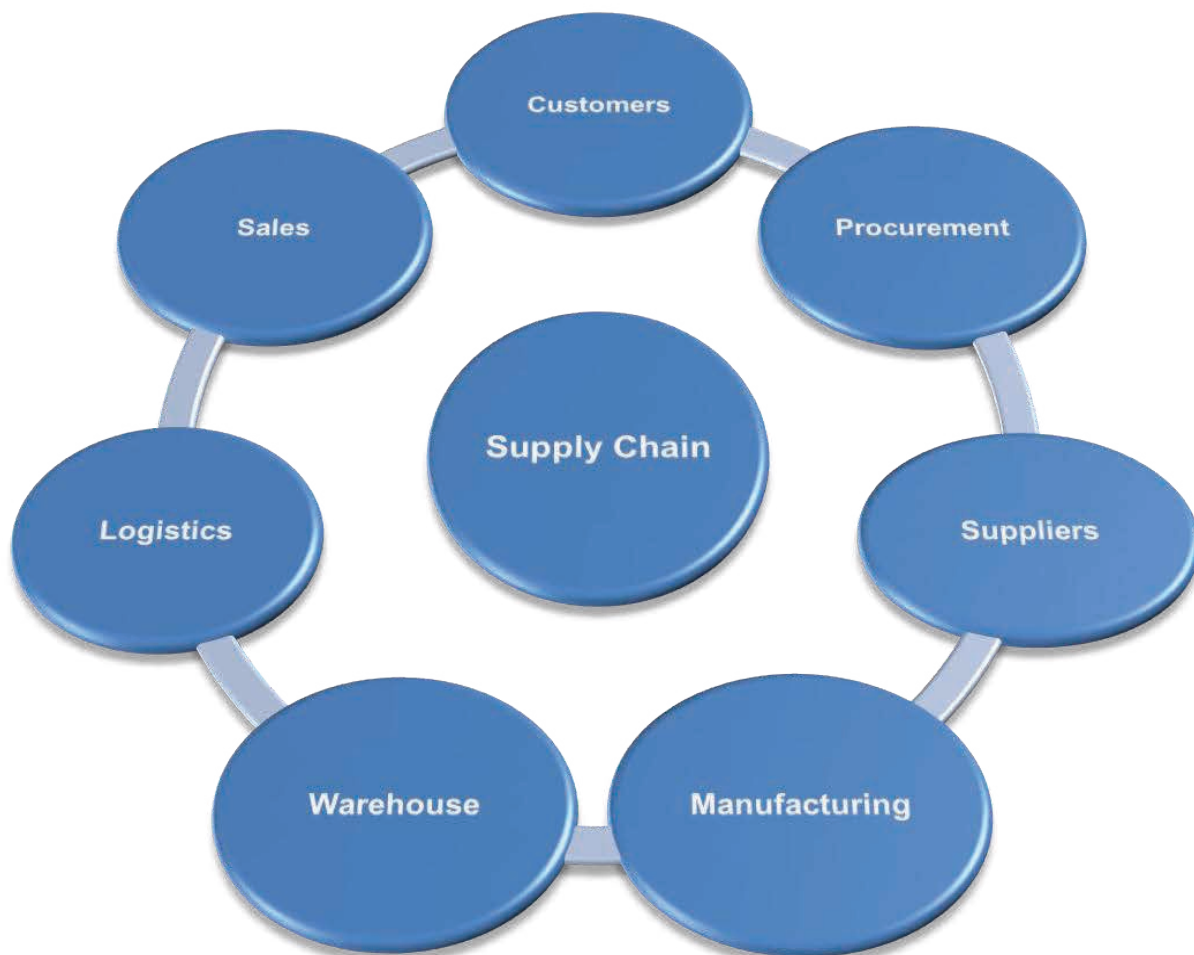
VALUE CHAIN SUSTAINABILITY

Raw material suppliers, bought-out parts suppliers, packaging and consumable suppliers, general item suppliers and logistic service providers are the different types of suppliers engaged by the organisation. We engaged approximately 426 suppliers in the supply chain during the reporting period. The supply chain of PPAP is spread across India and other countries like Japan, Thailand and China. Approximately INR 200 cr was spent as payments to suppliers throughout the supply chain during the reporting period. The supply chain of PPAP as a whole is more labour-intensive and less capital-intensive in general.

New suppliers will be screened considering the environmental and social criteria in sustainable growth, who would be rated according to the environmental and social impact. We will identify the significant actual and potential adverse environmental and social impacts in the supply chain. Then, appropriate actions to prevent, mitigate or remediate the impacts will be adopted as a part of the sustainability value chain.

We are also assessing and auditing current suppliers and their products and services using environmental and social criteria. Suppliers will be evaluated for various environmental and social standards such as impacts related to water, emissions, energy, diversity, human rights, child labour, etc.

We are diligent in preventing and mitigating environmental and social impacts in the supply chain function. These include the impacts the organisation either causes or contributes to or directly linked to its activities, products or services by its relationship with suppliers & service providers.

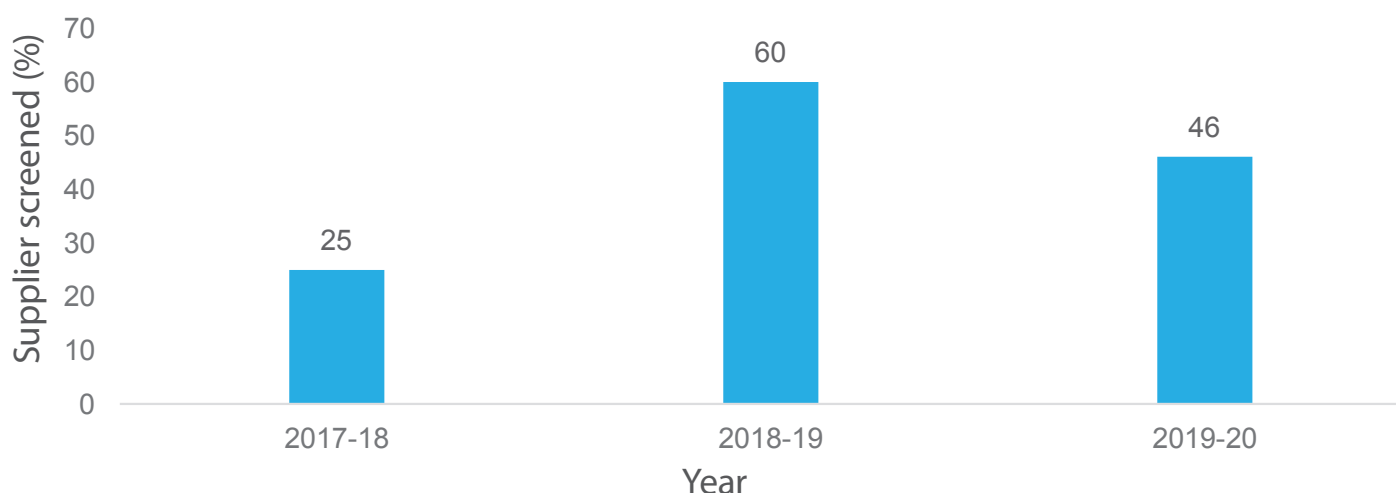


New Suppliers screened using Environmental and Social criteria

The suppliers selected or contracted are engaged for due diligence processes for environmental and social impacts. We work with our supplier so that impacts can be prevented or mitigated at the stage of structuring contracts or other agreements, as well as through ongoing collaborations with suppliers.

Suppliers are assessed for a range of environmental and social criteria, including human rights (such as child labour and forced or compulsory labour), employment practices, health and safety practices, industrial relations, incidents (such as abuse, coercion or harassment), wages, compensation and working hours.

New supplier screening as per EMS criteria (%)



Year	Percentage of new suppliers screened (%)	Number of new suppliers screened (nos.)	Total number of new suppliers (nos.)
2017-18	25	1	4
2018-19	60	3	5
2019-20	46	6	13

There is a decrease in Supplier Assessment as per EMS criteria due to the increase in customer's pre-approved suppliers. However, for the selection criteria of suppliers and vendors, a new check sheet for sustainability assessment of new suppliers has been prepared, which will help undertake their assessment.

We have taken the target for assessment of 27% (30 nos.) suppliers as per the new environmental and social criteria in the reporting period of FY 2020-21. Plant II procured nearly 70% of raw material used from the local suppliers during the reporting period

SOCIAL

MANAGEMENT APPROACH

The organisation performs work under the following policies or practices:

- An open-door policy for all employees and workers
- Undertaking work within institutional and legal frameworks
- Providing social and labour protection measures entitled by national labour laws
- Ensuring work undertaken in the entire supply chain is adequately remunerated
- Building a capable and agile workforce to achieve business objectives
- Nurturing and promoting talent from within the organisation to create a healthy and vibrant work culture
- Encouraging employees to participate in various safety activities, indulging in effective and regular communication with the employees about safety and health
- Training and development of employees and labour periodically
- Making a lasting impact towards creating a just, equitable, human and sustainable society

PPAP is committed to constantly improve employee development in the skill & talent management cycle from employment, growth and retention through training & user-friendly technology.

OCCUPATIONAL HEALTH & SAFETY

PPAP is committed to providing a safe, secure and healthy workplace. Occupational Health & Safety (OHS) is one of the primary focus areas. Safety is treated as the first step in every activity for the Company. The Company has a well-defined safety organisation responsible for carrying out safety, electrical and fire audits, risk assessment, safety meetings and taking necessary safety measures to identify unsafe conditions and acts (Hiyari Hatto Points).

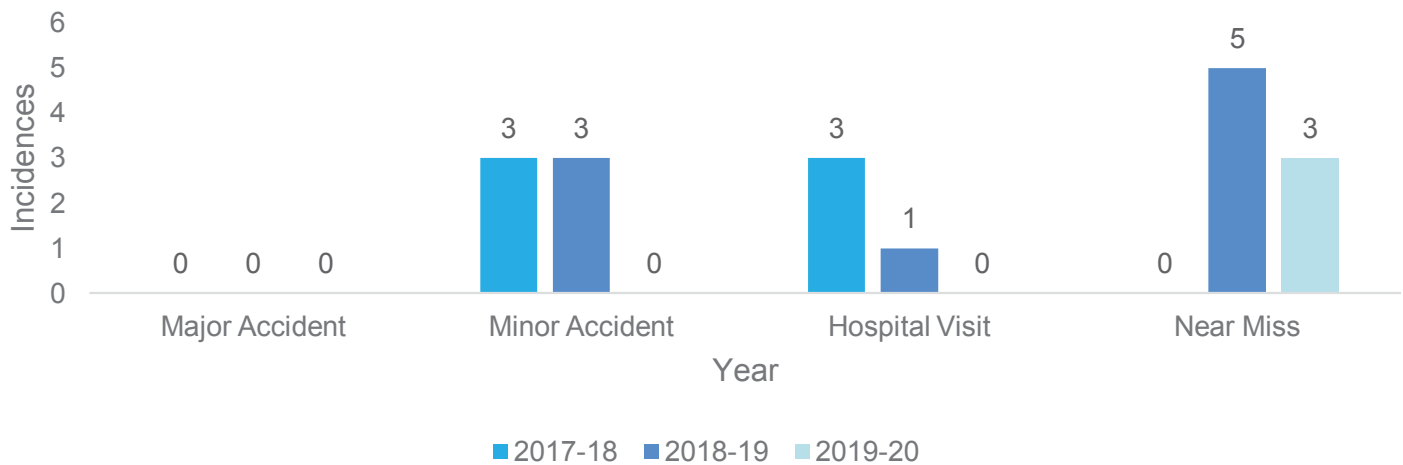
Any unsafe act or condition is eliminated with the hierarchy of control, i.e., hazard elimination, substitution, engineering control, administrative control and provision of personal protective equipment. The safety team conducts mock drills and provides training to employees from time to time. The Company ensures that the safety standards and norms adequately comply.

Plant II has a well-organised Occupational Health & Safety management system that is implemented and maintained as per company procedures and legal requirements. The role and responsibility are defined and regular monitoring is carried out through management reviews. Further, Plant II is OHSAS 45001 certified.

We are grateful that no fatal or major injury happened in the last three financial years.

Incidences	2017-18	2018-19	2019-20
Major Accident	0	0	0
Minor Accident	3	3	0
Hospital Visit	3	1	0
Near Miss	0	5	3

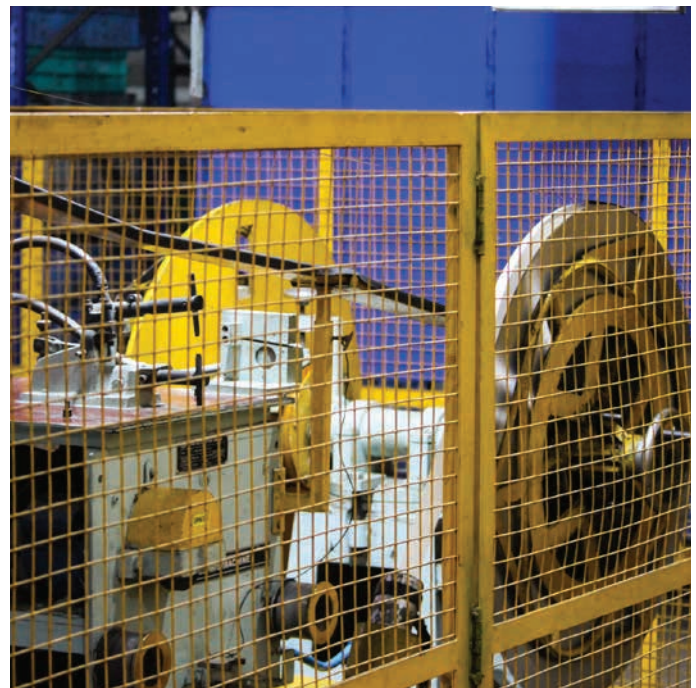
Safety Performance



Safety Initiatives adopted for Plant II:



► Fencing for uncoiler



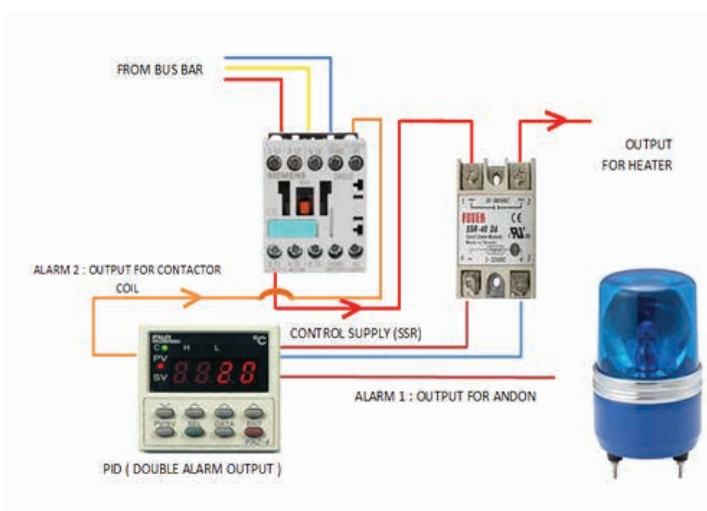
► Fencing for spot welding section



► Cover to prevent metallic chips impact



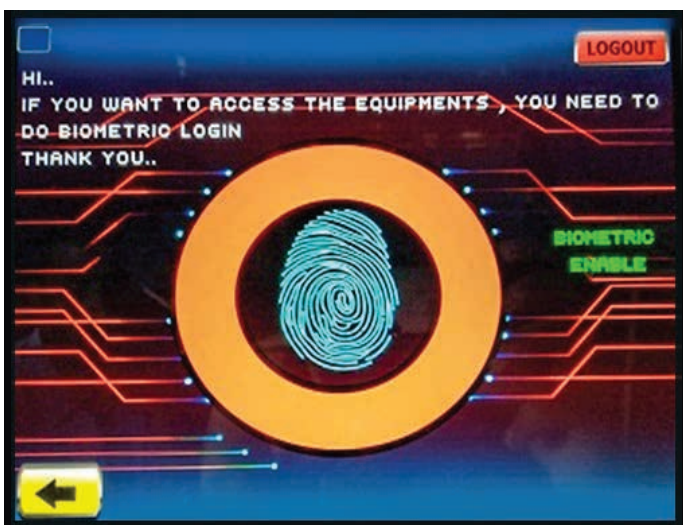
► Safety cover to prevent damage



► A PID with two alarm outputs automatically shuts off the main contactor in case of over temperature (+ 20°C by set value)



► Photosensor (transmitter reflector type) in place of the limit switch



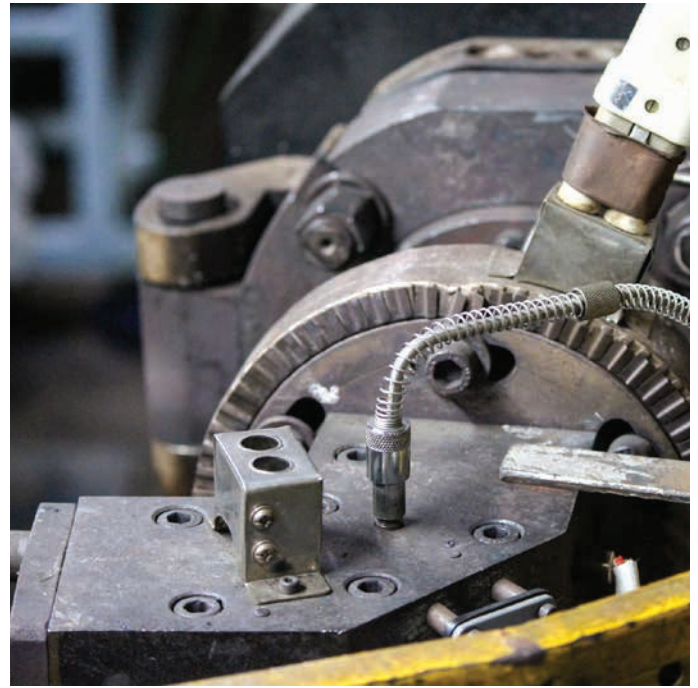
► Biometric system for user login purpose to ensure only authorised access



► Nut & lock pin to prevent an unsafe condition



- ▶ Panel AC- 3 nos. to maintain panel temperature < 30°C, to prevent equipment failure



- ▶ Thermocouple design change to prevent abnormal conditions



- ▶ Fire Kodokan (Fire Prevention & Awareness Display)

TRAINING AND DEVELOPMENT

PPAP's basic policy for training and development is cultivating the "Teach and be Taught" culture and passing on this knowledge and skills to the next generation. Immediate senior plays a leading role in developing this culture. We have developed a vibrant work culture by adopting the "learn, perform and drive" thinking way. Training and development enable employees to expand their knowledge, acquire new skills, sharpen existing ones, perform better, increase productivity and become better leaders.

"Training is based on 70-20-10 principle"

10% of the time of trainee goes in the classroom, 20% learning is supported by the coach and 70% action on projects which enable an employee to complete the learning cycle and understand the processes, in-depth.

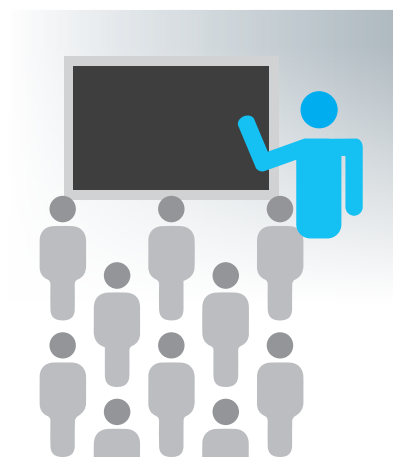
We impart induction training to all fresh recruits to ensure that they work to achieve Company's goals and be a part of the journey to take the organisation to new heights. Refresher training is also imparted to existing employees as per requirement. In addition, we promote a self-learning culture in which subordinates are encouraged to have reading habits of various books, reports and articles on the latest trends and global practices. Employees are encouraged to share learnings with their peers.

We constantly engage employees in various learning and development programs like TBP projects (systematic problem-solving skills and drive & dedication), Jishuken, Quality circle, Interplant quiz competition and Kaizens, etc. These programs helps to improve work efficiency, build collective skill and intelligence.

The team members are continuously trained at the shop floor for SOP adherence, quality and technical aspects viz. Advanced Product Quality Planning, Production Part Approval Process, Failure Mode and Effects Analysis, Measurement System Analysis, Statistical Process Control, PROQAC, etc., on system needs and safety. At the shop floor level, a unique Ownership Development Programme is practised in which high potential blue-collar employees are identified and groomed for upward mobility.

Every year we send few employees for one-year training at Toyota Kirloskar Motor, Bangalore, for learning Toyota Production System (TPS). Employees also get trained at Maruti Suzuki Centre for Excellence (MACE). In addition, the Company has a **"DOJO Centre"** to ensure zero defects for its customers.

Over the years, we have made considerable efforts to ensure that our entire workforce has proper training so that their actions result in a safe workplace. The training includes programmes to help employees make better risk decisions, understand our safety standards and share learnings and best practices across the organisation. In addition, Occupational Health & Safety is a mandatory module in our induction and refresher training programme.



► Training Hours (Plant II) 16159 hours



► Average Training Hours Per Year Per Employee 45.26 hours

A glimpse of the training at Plant

Fire Fighting Training



Safety Training- E Module



KYT Activity



Hazard Identification & Risk Assessment (HIRA)

Occupational Health & Safety hazard and risk are identified for all the activities and control measures are in place as per procedures. No work is started without risk assessment and any non-routine or dangerous work is being initiated only after issuance of Permit to Work (PTW). A well-defined Emergency Preparedness Plan is available in the plant. Training and awareness for occupational health & safety aspects are being conducted for recruits. Further, refresher training for all employees is being organised from time to time.

The process of Hazard Identification and Risk Assessment is being implemented for all routine and non-routine activities regularly. Hierarchy of control such as Hazard elimination, substitution, engineering control, administrative control and provision of PPE is in place at the plant. In addition, the certified internal auditors organise internal audits and management reviews at the plant to ensure the quality of these processes. These processes are controlled as per the CPN of activity in HIRA to determine control, corrective and preventive action.

The workers are protected through hazards via the following activities:

- Training & awareness
- Provision of PPE
- Engineering control, Kaizen and Poka-yoke

Policies such as QEHS policy, HIRA and SOPs are available for the workers for awareness w.r.t. hazards risk and injury or ill health while working. Work-related incidents are investigated via accident and investigation procedure.

All occupational health & safety impacts on business are addressed in risk management and associated hazards are managed as per the hierarchy of control. Internal and external audits verify the same.

Occupational Health Services

The doctor's visits are conducted twice a week in the plant. The first aid room is also available, equipped with all first aid facilities and trained first aiders. The first aid box is also available in different places on the shop floor. Also, an annual health check-up is conducted for all the employees and workers. No work-related health issues were reported during the reporting period.



SAFE MAN HOURS

1135664

Monitoring, Evaluation and Leadership Accountability

Over the years, PPAP is continuously monitoring and putting efforts to improve safety performance. PPAP's monitoring framework is well-established and encompasses checks across all levels of organisational hierarchy - from the team members to the business head.

Job risk assessments, permit-to-work checks, toolbox talks and weekly status checks are conducted at the unit level to ensure that safe work practices and learnings are being applied consistently. The Audit Committee meeting has also identified EHS as a key risk area for the organisation and mitigation actions are evaluated by the Committee. Regular and Contractual Employees are covered under PPAP Occupational Health & Safety management system. The final review of the PPAP Occupational Health & Safety management system takes place at the Committee meetings.

Plant Head and EHS head are answerable for Safety Performance



WORKFORCE



PPAP believes in building a capable and agile workforce to achieve its business objectives. The Company motivates its employees to work according to its purpose and its values. It prepares its people for the changing market scenario to maintain its competitive edge and unleash their full potential. PPAP has a legacy of nurturing and promoting talent within the organisation to create a healthy and vibrant work culture. The Company believes in enhancing employees' everyday experiences and in building meaningful workplace relationships. The Company relies on leveraging the skills and expertise of the people available within the organisation. We continuously identify the capabilities for long-term sustainable performance and prepare successors for the next generation.



Employee – Plant II
357

EMPLOYEE WELFARE INITIATIVES

The Company takes initiatives like regular health check-ups, conduct health awareness sessions, hygienic food, yoga sessions, meditation sessions, spirituality sessions, cultural programs, etc., for our employees' better mind and health. In addition, the Company encourages the employees to participate in various safety activities to create awareness to achieve our mission of "Zero Accident".

The Company has channelised its communication processes so that the voice of the management reaches the last employee and the voice of the last employee reaches the top management. Thus, it ensures harmony, focused working and enables the Company to achieve impossible tasks.

The Company emphasises employee communication through town hall meetings, the celebration of festivals, leadership interactions and organising various recreational activities to align with the Company's Mission.

■ Health & Well Being



■ Group Leader Development Training



■ Women's Day Celebration



■ Multi skilling theme based activity



■ Inter-Plant Quiz Competition



■ Recreational Activities



■ Employee of the Month Recognition



■ Wedding Gifts



8 DECENT WORK AND ECONOMIC GROWTH



PPAP promotes gender diversity and has hired women at shop floor as well as Corporate office.

10 REDUCED INEQUALITIES



PPAP is committed to adopt innovative technologies and has created new business lines in Automotive Component Manufacturing Industry which will also increase employment generation opportunities.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

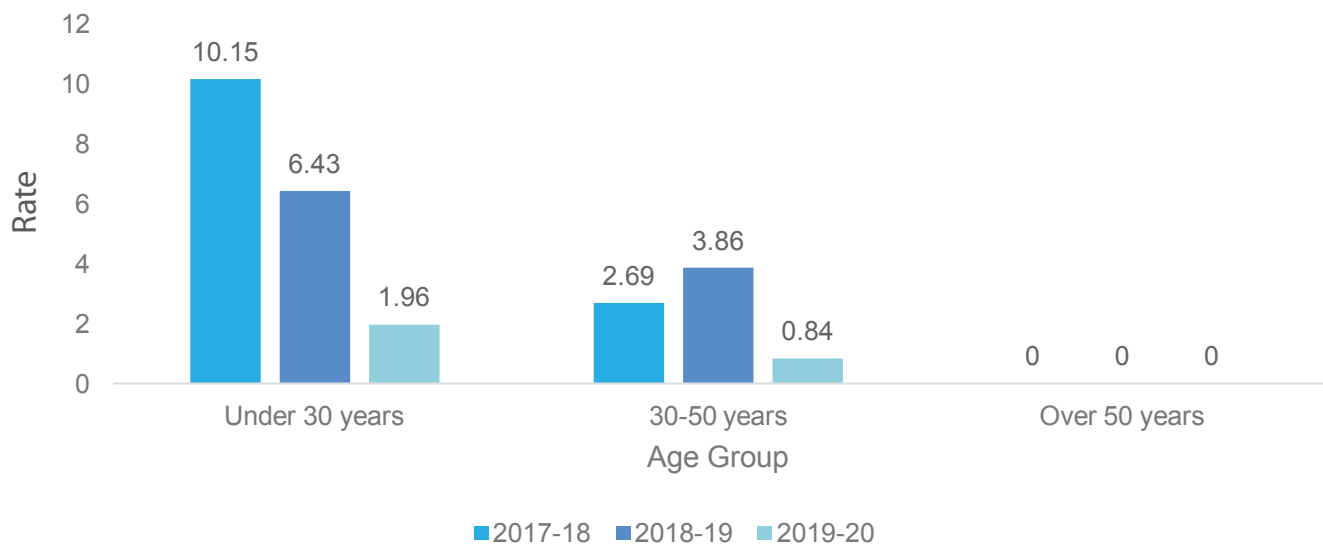


EMPLOYMENT BREAKUP

New Employee Hires

Year	Under 30 years		30-50 years		Over 50 years	
	(nos.)	(rate)	(nos.)	(rate)	(nos.)	(rate)
2017-18	34	10.15	9	2.69	0	0
2018-19	25	6.43	15	3.86	0	0
2019-20	7	1.96	3	0.84	0	0

Rate of new employee hires

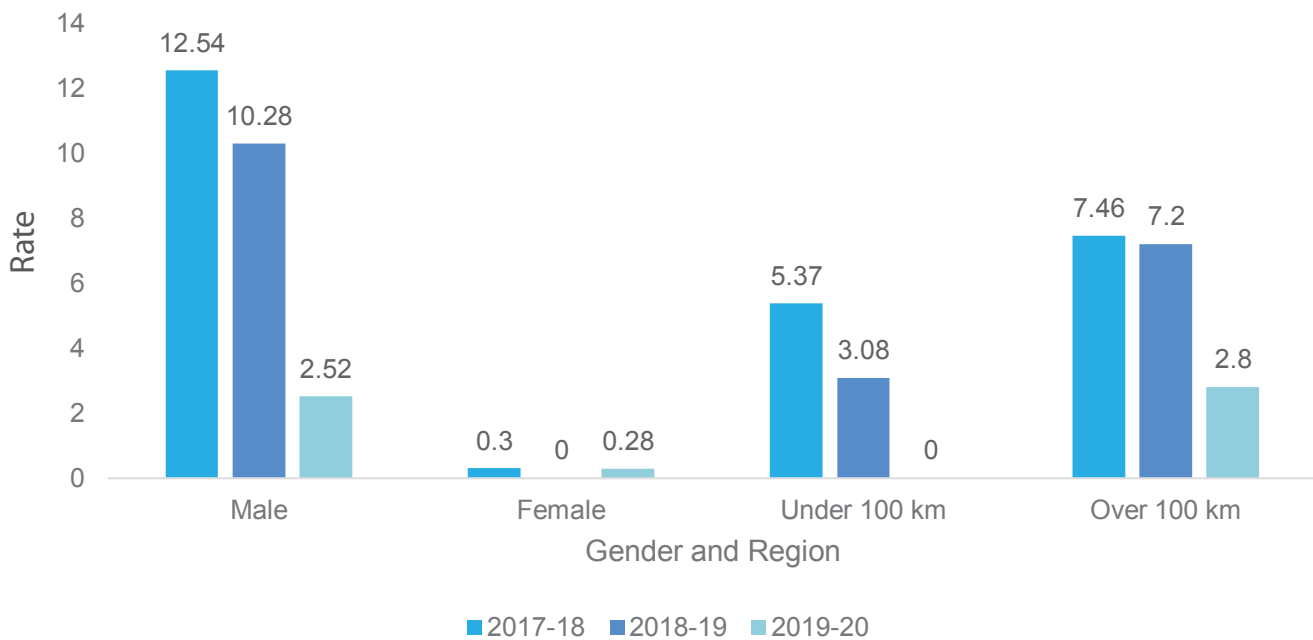


Gujarat plant was established in the year 2017-18. During the year lot of manpower was hired in Plant II and later shifted to Gujarat Plant.

New Employee Hires by Gender and Region

Year	Male		Female		Under 100 km		Over 100 km	
	(nos.)	(rate)	(nos.)	(rate)	(nos.)	(rate)	(nos.)	(rate)
2017-18	42	12.54	1	0.30	18	5.37	25	7.46
2018-19	40	10.28	0	0	12	3.08	28	7.20
2019-20	9	2.52	1	0.28	0	0	10	2.80

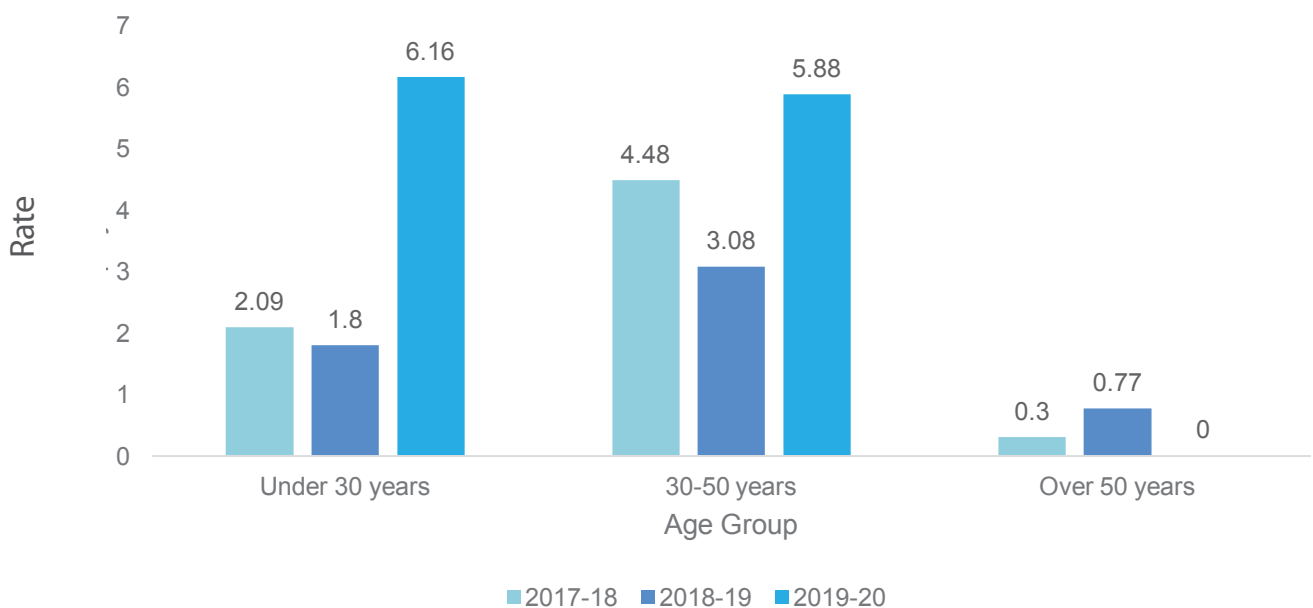
Rate of employee hires by gender and region



Employee turnover by age group

Year	Under 30 years		30-50 years		Over 50 years	
	(nos.)	(rate)	(nos.)	(rate)	(nos.)	(rate)
2017-18	7	2.09	15	4.48	1	0.30
2018-19	7	1.80	12	3.08	3	0.77
2019-20	22	6.16	21	5.88	0	0.00

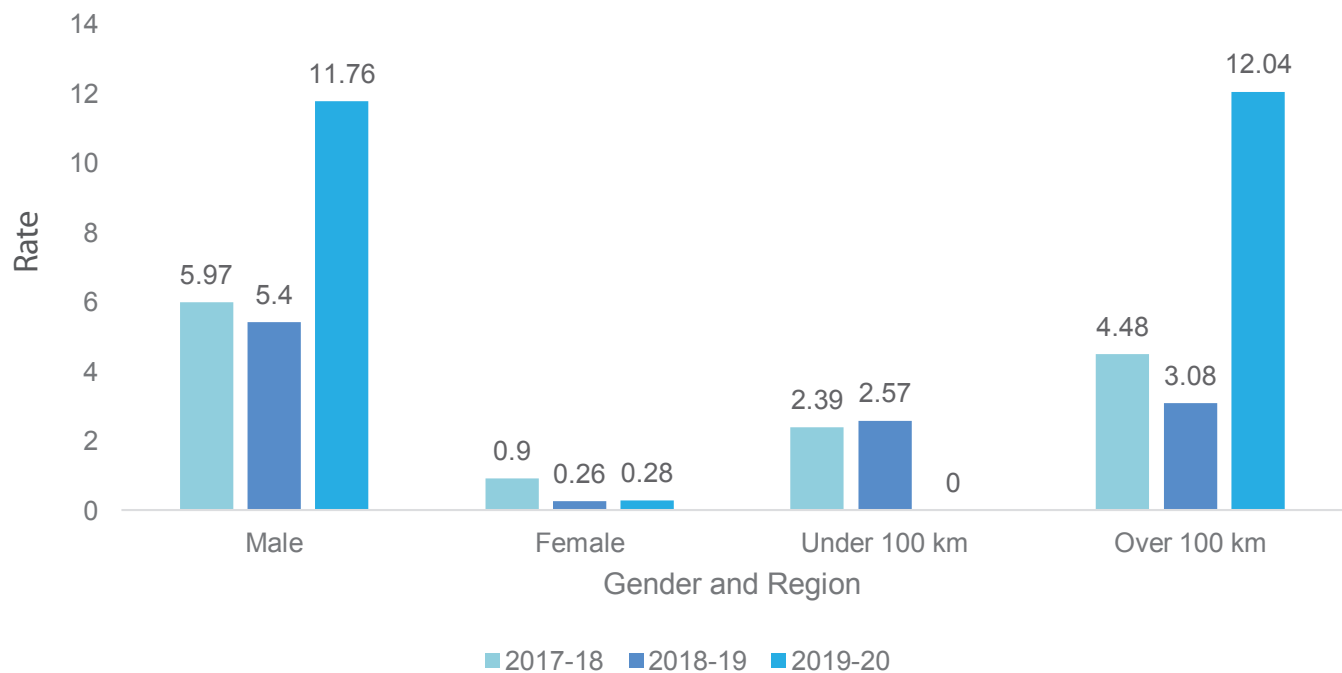
Rate of employee turnover by age group



Employee turnover by gender and region

Year	Male		Female		Under 100 km		Over 100 km	
	(nos.)	(rate)	(nos.)	(rate)	(nos.)	(rate)	(nos.)	(rate)
2017-18	20	5.97	3	0.90	8	2.39	15	4.48
2018-19	21	5.40	1	0.26	10	2.57	12	3.08
2019-20	42	11.76	1	0.28	0	0	43	12.04

Rate of employee turnover by gender and region



Ratios of standard entry level wage by gender compared to local minimum wage

The company provides wages above the minimum wage to contribute to the economic well-being of employees performing the organization's activities. The distribution of wages is crucial for eliminating inequalities, such as wage gap differences between women and men or nationals and migrants. The ratio of the entry-level wage to the minimum wage for both on-roll as well as off-roll employees is 1:1 irrespective of their gender. We ensure that same salary is provided at entry-level to male as well as female employees and there is no discrimination in wages based on gender.

Regular Performance and Career Development Review

Year	Percentage of total employees who received a regular performance and career development review			
	Male	Female	Staff	Team members
2019-20	94	100	83	94

Benefits

PPAP strongly believes that employees are the backbone of the Company. Benefits are provided to full-time (permanent) employees as well as part-time (temporary) employees. The policy of maternity leave is applicable for both full-time and part-time employees. Retainership Policy is available for certain employees who have reached retirement age as part of the transition assistance programme. In addition, the benefits such as Mediclaim, Provident fund, ESIC, Bonus and Canteen facility are provided to both full-time and part-time employees.

Parental leave

Year	Employees entitled		Employees that actually took leave		Employees that returned to work in the same year	
	Male	Female	Male	Female	Male	Female
	nos.	nos.	nos.	nos.	nos.	nos.
2017-18	0	0	0	0	0	0
2018-19	0	0	0	0	0	0
2019-20	0	1	0	1	0	1

Year	Employees that returned to work after parental leave ended that were still employed 12 months after their return to work		Return to work rates of employees that took parental leave		Retention rates of employees that took parental leave	
	Male	Female	Male	Female	Male	Female
	nos.	nos.	rate	rate	rate	rate
2017-18	0	0	0	0	0	0
2018-19	0	0	0	0	0	0
2019-20	0	1	0	100	0	100

COMMUNICATION & FEEDBACK

People love to work for organisations that value their contribution, listen to their viewpoints and engage with them formally and informally. At PPAP, we endeavour to create an inclusive culture that rewards good performance, provides forums for two-way interaction and generates good vibes.

The various internal channels of communication are:

- Annual Function
- Townhall meetings
- Daily work management meeting
- Daily leadership update forums
- Sustainability Steering and Working Committee meetings
- Employee engagement surveys

We have an effective interaction and communication mechanism that allows us to engage with and provide feedback to our employees consistently.





CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is strongly connected with the principle of sustainability. An organisation should make decisions based not only on financial factors but also by duly considering the social and environmental impacts. As responsible corporate citizens, we try to contribute to social and environmental causes regularly by providing food, clothing, etc., to the needy and keeping the environment clean and safe for society. To succeed, an organisation must maintain the highest standards of corporate behaviour towards its employees, consumers and communities in which it operates.

PPAP aims to develop society through a range of social and environmental interventions, enhancing skills and building social infrastructure to improve their livelihood. Our Company is devoted to develop communities around the vicinity of the plants by improving education, health, hygiene and environment. Our focus is on the upliftment of the economically weaker sections of society.

During the year, we have made efforts to constantly contribute towards the betterment of the local community in which we operate and the upliftment of the marginalised section of our society through "Vinay and Ajay Jain Foundation". It is a registered trust for focused implementation of CSR activities of the Company, majorly in the field of Environment, Education and Healthcare.

CSR Mission

To contribute meaningfully to the social transformation of the communities in which PPAP operates. In doing so, build a better, humane, sustainable and equitable way of life for the marginalised sections of our society and raise society's development index.

PPAP CSR Vision

- Develop meaningful and effective strategies for engaging with all stakeholders
- Consult local communities to identify effective and culturally appropriate development goals
- Partner with credible organisations like trusts, foundations, etc. including non-government organisations for social causes
- Ensure efficient use of energy and environment-friendly technologies

Corporate Social Responsibility Committee

PPAP has constituted a Corporate Social Responsibility Committee (hereinafter referred to as the "CSR Committee") chaired by an Independent Director, to inter alia, carryout the following functions:

- Formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken
- Recommend to the Board the CSR projects / activities to be undertaken by the Company
- Recommend to the Board the amount of expenditure to be incurred on the CSR projects / activities
- Monitor the Corporate Social Responsibility Policy of the Company from time to time

The CSR Committee shall meet at least twice a year or as and when deemed necessary.

**At PPAP, we spent a total amount of INR 94.18 lakhs
on CSR activities during the reporting year**

CSR Activities

- A joint initiative with DDA to plant and maintain saplings in urban areas and undertake plantation activities in Biodiversity parks and native species afforestation at Tughlaqabad Biodiversity Park.



DDA and Vinay & Ajay Jain Foundation organizes plantation drive

Staff Reporter
New Delhi:

In a constant endeavor to contribute towards the social and economic development of local communities, Vinay & Ajay Jain Foundation, a PPAP Automotive Limited trust undertook a tree plantation drive at Tuglakabad Biodiversity Park, Delhi. With the mission of creating a greener future for our children and to intensify the green quotient of the NCR, 10,000 saplings of native species were planted.

The National Capital Region of Delhi has the highest annual carbon footprint in the country. Delhi's annual CO₂ emission of 69.4 million tonnes. As per the Central Pollution Control Board data (2018) areas surrounding the Tuglakabad Biodiversity Park like Shadipur, Gurgaon, Mundka, Wazirpur, AnandVihar, Okhla, Bawana and Mathura Road were among the top polluted areas. Regional weather forecasting centre in New Delhi reported the NCR cities primarily receive westerly and north-westerly winds during the winter, while the cities mostly receive easterly and south-easterly winds during the summer season.



On an average a tree seizes a rate of 34.6 pounds of Carbon. The 10,000 native plant species that are planted, have been selected on the basis of the soil and weather conditions, to maximize the effect of large-scale plantation in reducing the carbon footprint. The Tuglakabad Biodiversity Park spread across over 200 acres plays a significant role in the conservation of NCR's environment by recharging the ground water, improving the local weather, providing recre-

ational value and revive the flora and fauna.

While inaugurating the plantation drive, Mr. Ajay Kumar Jain, Trustee, Vinay & Ajay Jain Foundation said "Our aim is to contribute meaningfully to the social transformation of the communities in which we operate. We hope that the society along with corporates come together to build a better, humane, sustainable and equitable way of life for the marginalized sections of our society and in-

spire people to make a conscious decision to plant trees and also transform the area to bring back the forests that once existed."

On this occasion the Chief Guest, Ramesh Kumar, Chief Engineer, DDA shed light upon the environmental stress and explained the importance of the green cover to tackle this issue. He gave an assurance of DDA's commitment to make Delhi green through Biodiversity Parks. Addressing the gathering, renowned environmentalist

Prof. C.R. Babu, Emeritus, Delhi University expressed his thoughts on the native species which were planted and how these saplings will support the environment by providing us with clean air to breathe and also clean water through an intensified water cycle.

Arbind Kumar, SE, DDA gave an affirmation that DDA will be extending all support needed in development of Biodiversity Parks.

Sanjay Yadav, Scientist In-charge of Yamuna Biodiversity Park, who graced the event highlighted the need of supporting and protecting the planted saplings so that they grow into trees which will contribute to our greener future.

Dr. Faiyaz Khudsar, Scientist In-charge of Yamuna Biodiversity Park, explained the importance of community involvement in conservation of the green cover and construction of biodiversity parks.

To ensure successful completion of this initiative, Dr. Vivek Chaudhary, Scientist In-charge at Tuglakabad Biodiversity Park promised to nurture the planted saplings.

15 LIFE ON LAND



PPAP has planted more than 50000 saplings as a part of its CSR activity.

Further, PPAP will also take initiatives to reduce loss of natural habitats and biodiversity.



- The Foundation has adopted two schools where the foundation contributes to the education of the underprivileged students, providing school fees, dresses, books and stationery Items.



- Organising Health care camps for the underprivileged sections of the society and supporting local villages by constructing toilets. Our target is to provide healthcare services, including surgeries, to the underprivileged section of society in FY 2020-21.





■ Environment Month Activities on the theme - Bringing Back Birds, Butterflies and Bees in our neighbourhood



AWARDS AND ACCOLADES

Zero Defect Supplies

By Toyota Kirloskar Motor Private Limited

Achieving Quality Target Award

By Toyota Kirloskar Motor Private Limited

Appreciation Award for Partnership

By Hyundai Motor India Limited

Award for Quality

By Toyota Kirloskar Motor Private Limited

Award for On Time Development

By ISUZU Motors India Private Limited

Award in Category of Productivity (SME)

By The Machinist Super Shop Floor Awards 2019

Zero PPM Award

By Toyota Kirloskar Motor Private Limited

Fire Safety Management Award 2019

By Toyota Kirloskar Motor Private Limited



ANNEXURES



Sustainability Assurance Statement Report

“Independent Sustainability Assurance for PPAP Automotive Limited
Plant II”

for

Reporting Period:

April 2019-March 2020

Report No. 4153504527

23-03-2021

TÜV SÜD South Asia Pvt. Ltd.
Environmental Technology
G-11, Sector-11, 1st Floor, Noida,
Gautambudh Nagar, Uttar Pradesh-201301, INDIA



South Asia

Sustainability Assurance Statement Report

INTRODUCTION

TÜV SÜD South Asia Pvt. Ltd. (hereinafter referred as TÜV SÜD) was engaged by PPAP Automotive Limited ('the Company' or 'PPAP') to provide an independent and assurance limited for PPAP Plant II Sustainability Report (hereinafter referred as 'Report') for FY 2019-20 ('the Report'). The Report is based on Global Reporting Initiative (GRI) Standards for Sustainability Reporting.

The onsite verification of the Sustainability practices adopted by Plant II and review of documents and disclosures was conducted in January 2021 as a part of sustainability assurance. The Assurance was limited to PPAP Plant II only. The development of Report, its content, identification of key material topics and related impacts, engaging with stakeholders is the sole responsibility of the management of the Company. TÜV SÜD responsibility is to provide limited assurance on the Report content as described in the scope of assurance.

PPAP Plant II applies its sustainability performance reporting criteria based on Sustainability Reporting Standards of Global Reporting Initiative (GRI Standards).

ASSURANCE STANDARDS USED

TÜV SÜD conducted limited sustainability assurance in accordance with the requirements of Account Ability's AA1000 Assurance Standard 2020 (AA1000AS v3 (Type I, High level)). Under this standard, TÜV SÜD have reviewed the information presented in the report against the characteristics of inclusivity, materiality, responsiveness and impact.

SCOPE, BOUNDARY AND LIMITATIONS OF ASSURANCE

The Assurance has been provided for selected sustainability performance disclosures as presented in the Sustainability Report. The reporting boundary included data and information for the period 01 April 2019 to 31 March 2020 for PPAP Plant II, based on Global Reporting Initiative's (GRI) Standards.

The assurance included verification of the sample data and information on selected material topics reported at **PPAP Plant II in Noida**.

The Scope of Sustainability Assurance includes:

- Undertaking Sustainability Assurance in accordance with selected sustainability performance disclosures presented by PPAP Automotive Limited. The reporting boundary included data and information for the reporting period at respective operations, based on Global Reporting Initiative's (GRI) Standards
- Verification of the sample data and information on selected material topics reported at Plant II of PPAP Automotive Limited for the defined reporting period
- The Company's adherence to GRI disclosures
- The General and topic specific disclosures subject to assurance

TUV SUD scope has not considered the below data as a part of sustainability assurance:

Prepared By: Tomar, Abhishek; Gupta, Shweta	Approved By: Gupta, Nishtha	Page 2 of 21
Sustainability Assurance	Version 00/2021-03-23	TÜV SÜD South Asia Pvt Ltd



South Asia

Sustainability Assurance Statement Report

- Information apart from the defined reporting period and boundary
- Data related to financial performance of PPAP Automotive Limited
- Compliance to any legal issue related to the company
- Any of the statement related to company aspect or reputation

The Universal and Topic Specific Standard Disclosures subject to assurance were as follows:

General Disclosures

- Organizational Profile (102-1 to 102-11, 102-13)
- Strategy (102-14 to 102-15)
- Ethics and Integrity (102-16 to 102-17)
- Governance (102-18 to 102-34)
- Stakeholder Engagement (102-40, 102-42 to 102-44)
- Reporting Practice (102-45 to 102-56)

Topic Specific Standard Disclosures

Economic

- Market Presence (202-1)
- Procurement Practices (204-1)

Environment

- Materials (301 to 301-3)
- Energy (302-1, 302-3)
- Water and Effluent (303-1 to 303-5)
- Emissions (305-1, 305-2, 305-4, 305-7)
- Effluents and Waste (306-1 to 306-5)
- Supplier Environmental Assessment (308-1 to 308-2)

Social

- Employment (401-1, 401-2, 401-3)
- Occupational Health and Safety (403-1 to 403-10)
- Training and Education (404-1, 404-2, 404-3)
- Supplier Social Assessment (414-1 to 414-2)

METHODOLOGY ADOPTED FOR ASSURANCE

TÜV SÜD sustainability assurance process involve specified procedures to obtain evidences about the reliability of the data provided from the identity. The nature, timing and extent of procedures selected depend on the data and evidences provided, including the verification of the associated risks with the material topics of the selected sustainability disclosures and their relevance. While assessing the associated risks, internal strategy is being considered during preparation of the report to design the assurance procedure and validating their appropriateness to the possible extent.

As per the scope of the assurance, sample evidence, information and explanations that were considered necessary in relation to the assurance scope were considered and accordingly conclusions have been made as mentioned below:

Prepared By: Tomar, Abhishek; Gupta, Shweta	Approved By: Gupta, Nishtha	Page 3 of 21
Sustainability Assurance	Version 00/2021-03-23	TÜV SÜD South Asia Pvt Ltd



South Asia

Sustainability Assurance Statement Report

- Assessing that the report is prepared in accordance with the Sustainability Reporting Standards based on Global Reporting Initiative (GRI Standards) applicable on operation of PPAP Automotive Limited Plant II
- Understanding the appropriateness of various assumptions used for estimation of data by PPAP Automotive Limited for Plant II
- Reviewing the Report to ensure that there is no misrepresentation of disclosures as per scope of assurance and findings
- Reviewing the materiality matrix and stakeholder engagement framework deployed at PPAP Automotive Limited Plant II
- Assessing the systems used for data compilation and reporting on the basis of Universal Disclosures and Topic Specific Disclosures of material topics as listed in the assurance scope above
- Verifying systems and procedures used for quantification, collation and analysis of sustainability performance disclosures included in the Report
- Discussions with officials at plant II and PPAP corporate office in order to understand the risks and opportunities from a sustainability perspective including the strategy that PPAP Automotive Limited has adopted to address the same
- Assessing the month wise data considering the similarity, reliability and accuracy
- Verifying select key performance data through site visits to PPAP Plant II:
 - Testing reliability and accuracy of data on a sample basis
 - Assessing stakeholder engagement process through interactions with relevant internal stakeholders and review of related documentation
 - Limited review of the materiality assessment process
 - Reviewing the processes deployed for collection, compilation and reporting of sustainability performance disclosures
 - Gap assessment of the present Sustainability Reporting at PPAP w.r.t. GRI Standard framework
 - Discussions with stakeholders, review of stakeholder identification and selection process
 - Classifying observations and findings and issuance of Assurance Statement

Appropriate data was collected in order to support TÜV SÜD conclusions on the verified information and data. However, documents which are collected due to the company's security purpose was only reviewed at the location during the assurance Visit at Plant II.

CONCLUSIONS

Sustainability report of PPAP Automotive Limited Plant II is reviewed based on the scope of the assurance as per the GRI Standard framework and it is concluded that few gaps are identified in the sustainability data for Plant II, however, information presented in their first report in relevance with the Sustainability Reporting standards of the Global Reporting Initiative (GRI Standard) is proper, adequate and maintained in accordance with procedure adopted in the Plant II premises in line with the material topics.

The observations on identified gaps and areas for improvement in the sustainability data is provided to the PPAP separately which has no relevance with the conclusion provided for the Report.

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South Asia

Sustainability Assurance Statement Report

RESPONSIBILITIES

The Sustainability Report is prepared internally by Sustainability Team of PPAP Automotive Limited. PPAP is completely responsible for the Report contents, identification of material topics, and data reporting structure. The Assurance statement is provided within the scope of assurance. Apart from this, this assurance is limited to the PPAP Automotive Plant II and no other plant or entity related to PPAP Automotive Limited is being considered in this statement.

The said assessment is properly based on the assumption that the data and information provided in respect of Plant II and sustainability report is proper and without any discrepancy. TÜV SÜD shall not be held liable or responsible for any type of decision a person or entity would make based on this assurance statement. While reading the assurance statement, stakeholders shall recognize and accept the limitation and scope as mentioned above.

Nishtha Gupta
Head-Environmental Consultancy



Date: 23/03/2021



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GRI CONTENT INDEX

GRI Content Index			
GRI Standard	Disclosure	Particulars	Page Number
GRI 101: Foundation 2016 (GRI 101 does not include any disclosures)			
General Disclosures			
GRI 102: General Disclosures 2016	Organisational Profile		
	102-1 Name of the organisation	Overview (PPAP Automotive at a glance)	2
	102-2 Activities, brands, products and services	Overview (PPAP Facilities; PPAP Products)	5,7
	102-3 Location of headquarters	Overview (PPAP Automotive at a glance)	2
	102-4 Location of operations	Overview (PPAP Facilities)	6
	102-5 Ownership and legal form	Overview (PPAP Group structure)	5
	102-6 Markets served	Overview (PPAP Facilities)	5
	102-7 Scale of the organisation	Overview (PPAP Facilities; PPAP Products); Governance (Economic); Employment (Workforce)	5,7,25,55
	102-8 Information on employees and other workers	Employment (Workforce)	55
	102-9 Supply chain	Overview (PPAP value chain); Value Chain Sustainability	3,41
	102-11 Precautionary Principle or approach	Overview (PPAP Management Principles)	3
	102-13 Membership of associations	Overview (Membership of associations)	12
	Strategy		
	102-14 Statement from senior decision-maker	Overview (Message from Chairman & Managing director)	13
	102-15 Key impacts, risks and opportunities	Annual Report of PPAP Automotive Limited (2019-20) – Management Discussion & Analysis Section ; page 73 (available at https://www.ppapco.in/)	-

Ethics and Integrity		
102-16 Values, principles, standards and norms of behaviour	Overview (PPAP Core Mission & Core Values)	2,3
102-17 Mechanisms for advice and concerns about ethics	Governance (Policies and Standards)	21
Governance		
102-18 Governance structure	Governance	16
102-19 Delegating authority		
102-20 Executive-level responsibility for economic, environmental and social topics		
102-21 Consulting stakeholders on economic, environmental and social topics		
102-22 Composition of the highest governance body and its committees		
102-23 Chair of the highest governance body		
102-24 Nominating and selecting the highest governance body		
102-25 Conflicts of interest	During the reporting year, no such issues were reported	-
102-26 Role of highest governance body in setting purpose, values and strategy	Governance	19
102-28 Evaluating the highest governance body's performance	Governance	19
102-29 Identifying and managing economic, environmental and social impacts	Governance (Risk management Framework)	20
102-30 Effectiveness of risk management processes		

	102-31 Review of economic, environmental and social topics	Governance (PPAP Board)	17
	102-32 Highest governance body's role in sustainability reporting	Governance (Corporate Sustainability Cell)	19
	102-33 Communicating critical concerns	Governance (Code of Business Conduct & Ethics; Whistle Blower Policy)	21
	102-34 Nature and the total number of critical concerns	No critical concerns were reported for the reporting year	-
	102-35 Remuneration policies	Annual Report of PPAP Automotive Limited (2019-20); page 48 (available at https://www.ppapco.in/)	-
	102-36 Process for determining remuneration		
	102-37 Stakeholders' involvement in remuneration		
	102-38 Annual total compensation ratio		
	102-39 Percentage increase in annual total compensation ratio		
	Stakeholder Engagement		
	102-40 List of stakeholder groups	Stakeholder Engagement	25
	102-42 Identifying and selecting stakeholders	Stakeholder Engagement	25
	102-43 Approach to stakeholder engagement	Stakeholder Engagement (Approach to Stakeholder Engagement)	25
	102-44 Key topics and concerns raised	Stakeholder Engagement	25
	Reporting Practice		
	102-45 Entities included in the consolidated financial statements	Overview (PPAP Group Structure)	5

	Disclosure 102-46 Defining report content and topic boundaries	About this Report	1
	Disclosure 102-47 List of material topics	Overview (Materiality Matrix)	14
	Disclosure 102-48 Restatements of information	This is PPAP's Plant II first sustainability report	-
	Disclosure 102-49 Changes in reporting		
	Disclosure 102-50 Reporting period	FY 2019-20	-
	Disclosure 102-51 Date of the most recent Report	First Sustainability report	-
	Disclosure 102-52 Reporting cycle	Annual	-
	Disclosure 102-53 Contact point for questions regarding the report	Feedback on the report	-
	Disclosure 102-54 Claims of reporting following the GRI Standards	This report has been prepared following the GRI Standards	-
	Disclosure 102-55 GRI content index	GRI Content Index	70-78
	Disclosure 102-56 External assurance	Assurance Statement	65-69

Material Topics

Economic Performance

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Governance (Economic; Management Approach)	16,21
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		

GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Governance (Economic)	22
	201-3 Defined benefit plan obligations and other retirement plans	Employment (Benefits)	57
	201-4 Financial assistance received from government	Governance (Economic)	22
GRI 202: Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Employment	56
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	Value Chain Sustainability	41
Material Topics			
Energy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Energy & Environment	26
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Energy & Environment	26
	302-3 Energy intensity	Energy & Environment	28
Water and Effluents			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Resource Management	39
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Resource Management	36
	303-2 Management of water discharge-related impacts		
	303-3 Water withdrawal		
	303-4 Water discharge		
	303-5 Water consumption		

Emissions			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Energy & Environment	32
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy & Environment	31
	305-2 Energy indirect (Scope 2) GHG emissions		
	305-4 GHG emissions intensity	Energy & Environment	32
	305-7 Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions	Air Quality & Emissions Control	38
Effluents and Waste			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Waste Management	33
	103-2 The management approach and its components		
GRI 305: Effluent and Waste	103-3 Evaluation of the management approach		
	306-2 Waste by type and disposal method		
	306-3 Significant spills		
	306-4 Transport of hazardous waste		
Supplier Environmental Assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Value Chain Sustainability	41
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria		
	308-2 Negative environmental impacts in the supply chain and actions taken		

Materials			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Environment (Materials)	38,39
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 301: Materials 2016	301-1 Materials used by weight or volume		
	301-2 Recycled input materials used		
	301-3 Reclaimed products and their packaging materials		
Material Topics			
Employment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Social (Management Approach)	43
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employment (Employment Breakup; Benefits)	54,57
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		
	401-3 Parental leave		
Training and Education			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Training & Development	47
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		

GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Training & Development	47
	404-2 Programs for upgrading employee skills and transition assistance programs		
	404-3 Percentage of employees receiving regular performance and career development reviews	Employment	62
Occupational Health & Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Occupational Health & Safety	43
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 403: Occupational Health & Safety 2018	403-1 Occupational Health & Safety management system	Occupational Health & Safety	44
	403-2 Hazard identification, risk assessment and incident investigation		
	403-3 Occupational health services		
	403-4 Worker participation, consultation and communication on Occupational Health & Safety	Occupational Health & Safety (Safety Initiatives adopted for Plant II)	43
	403-5 Worker training on Occupational Health & Safety		
	403-6 Promotion of worker health	Governance (Policies and Standards)	21
	Disclosure 403-7 Prevention and Mitigation of Occupational Health & Safety Impacts directly linked by business relationships	Occupational Health & Safety	44
	Disclosure 403-8 Workers covered by an Occupational Health & Safety management system		

	Disclosure 403-9 Work-related injuries	Occupational Health & Safety	44
	Disclosure 403-10 Work-related ill-health	Occupational Health & Safety	44
Supplier Social Assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Value Chain Sustainability	41
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 414: Supplier Social Assessment 2016	Disclosure 414-1 New suppliers that were screened using social criteria	Value Chain Sustainability	41
	Disclosure 414-2 Negative social impacts in the supply chain and actions taken		



This is to certify that **PPAP Automotive Ltd.** has successfully completed the assessment conducted by Great Place to Work® Institute, India, and is certified as a great workplace.

This certificate is valid from **August 2019** till **July 2020**.

A handwritten signature in black ink, appearing to read 'Prasenjit Bhattacharya', is written over a thin diagonal line.

Prasenjit Bhattacharya
Chief Executive Officer
Great Place to Work® Institute, India



*Being green is more than
just buying 'eco'.
It is an unshakable commitment
to a sustainable lifestyle.*

– Jennifer Nini





For further information and feedback on this Report please contact:

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