



**PPAP AUTOMOTIVE LIMITED**



# Sustainability Report

2021-22

**TAKING CHALLENGES, TOGETHER**



# 2021 Asia Sustainability Reporting Awards

## CATEGORY

Asia's Best Sustainability Report (First Time)

## FINALIST

**PPAP Automotive Limited**

Presented on  
4 April 2022  
Place: Singapore

  
**Rajesh Chhabara**  
For Asia Sustainability Reporting Awards

Organised by  
**CSR Works**

Proud to be a part of  
**SGUK**  
SGUK

[www.csrworks.com/asra](http://www.csrworks.com/asra)



## CONTENTS

### Introduction

About the Report.....	2
Who we are.....	4
Message from CMD.....	10
Sustainability Highlights.....	12
Business Continuity.....	13
Awards & Recognition.....	15

### Sustainability Approach & Strategy

Approach & Strategy.....	16
Stakeholder Engagement.....	19
Materiality Assessment.....	21
Sustainability Roadmap.....	23

### Environment

Introduction.....	24
Energy consumption.....	27
GHG emission.....	29
Waste Management.....	31
Water Management.....	34
Air Emission.....	35
Raw Material Consumption.....	36
Value Chain Sustainability.....	38

### Social

Introduction.....	40
Occupational Health & Safety.....	43
Training & Development.....	46
Diversity & Inclusion.....	49
Community Development.....	53

### Corporate Governance

Introduction.....	56
Risk Management.....	62
Economic Performance.....	63

### Annexures

Performance Table.....	65
Independent Assurance Statement.....	69
GRI Content Index.....	72

## ABOUT THE REPORT

### ■ APPROACH TO REPORTING

**PPAP believes that sharing insights into our progress, milestones, challenges and prospects with all our valued stakeholders is very crucial in our journey towards building a sustainable future for all.**

This report is the second Sustainability Report of PPAP Automotive Limited. It marks the continuation of a formal process to communicate our sustainability commitment and progress on material issues with our various stakeholders, including employees, investors, consumers, business partners, suppliers, the community, and the Government. The Sustainability Report for FY 2021-22 is an annual publication and supplies material information relating to our sustainability strategy, operating context, material aspects, performance, prospects, governance and outlines our actions and achievements across all the units to achieve our mission to be a global level excellence company.

We strive for transparent, accountable, and structured communication with our stakeholders, and this report provides them with non-financial information as well as outline and show how we create long term value for our stakeholders while achieving consistent organizational growth through a well-defined business model.

### ■ REPORTING SCOPE & BOUNDARY

The report is structured with the material issues identified in the materiality matrix and divided under Economics, Environment and Social for the Financial year 2021-2022. It defines our approach and disclosure towards the triple bottom line - People, Planet and Prosperity for the reporting period of this report. The report is confined to PPAP Automotive Limited (Plant II, Plant III, Plant IV, Plant V & Plant VI). This report has been prepared in accordance with the "Global Reporting Initiative (GRI) Standards: Core Option." The aspect boundaries and content were defined using reporting principles prescribed in the GRI

Sustainability Reporting Standards 2021 and follow the principles of comprehensiveness, materiality, sustainable context, and stakeholder inclusion.

Sustainable Business Development Division identified materials topics in consultation with department heads based on rating on behalf of external stakeholders and was rated considering their importance and impact on business and stakeholder's interests. Based on the material topics, we present the associated performance of this reporting year. We uphold and follow the principles of the UN Global Compact, the Global Reporting Initiative, the UN Sustainable Development Goals, and the Indian National Voluntary Guidelines. When presenting information on the GRI indicator standards, we have clarified whenever needed the underlying presumptions and/or exclusions.

In keeping with sustainable development, PPAP is committed to produce the sustainability report henceforth, aligning it to the extent possible with its reporting cycle.

### ■ PARTICIPATION IN SUSTAINABILITY & ESG INDEXES

We are pleased to share our efforts that top assessment agencies in the industry have acknowledged us in sustainable development.

#### Asia Sustainability Reporting Award:

We have been the finalist in the category of Asia's best sustainability report (first time reporting) in the Asia Sustainability Reporting Award 2021 by CSRWorks International for our first sustainability report FY 2019-20.

#### EcoVadis:

We are awarded a bronze medal with a score







of 55 out of 100 in recognition of our performance in sustainability, placing us in the 69th percentile, we identified material issues that had an impact equal to that of 69 percent of all the companies EcoVadis rated. We also rank among the top 25% of the companies assessed by EcoVadis.

### SAQ (Supplier assessment Questionnaire):

We are awarded a score of 99% in SAQ by NQC with respect to supplier performance on CSR and sustainability.

### ■ ASSURANCE

We ensure the accuracy of the information in this Report though an extensive and robust internal and external assurance conducted by an independent third-party assurance firm, M/s Grant Thornton LLP.

### ■ FEEDBACK

**Your feedback will help us in further improving our report. For further information and feedback on this report, please contact our Sustainable Business Development Division at [sustainability@ppapco.com](mailto:sustainability@ppapco.com)**



PPAP AUTOMOTIVE LIMITED

### Dashboard

DUNS 918430591

**Questionnaires**

Search  
Search name or description

Questionnaire	Status	Sort by
SAQ 5.0	Completed	Most recent updates first

**HQ: PPAP AUTOMOTIVE LIMITED, Noida** **COMPLETED**

Location (Completed SAQ 4.0: SAQ 5.0)

DUNS	918430591
Address	B-206A, Sector 61, Phase II, Noida 201305, UP, Noida, Uttar Pradesh, India, 201305
Country	India
Rating	U99
Last updated	02/12/22 17:50

## WHO WE ARE

PPAP Automotive Limited, herein referred to as PPAP is a diversified leading manufacturer company in the automobile sector. The Company manufactures parts and accessories for automotive vehicles which contributes to the Company's total turnover. The Company headquarters is in Noida, Uttar Pradesh, India.

To accomplish our 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, cleaning, plantation and beautification.

At PPAP, we aim to consistently deliver superior value to our shareholders while being environment-friendly through our robust Environmental, Social, and Governance practices and inclusive growth strategy.



### VISION

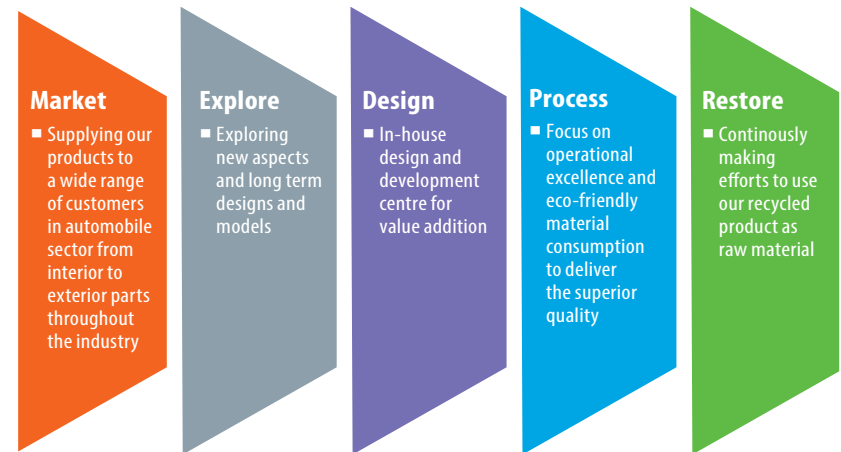
**To be our customer's  
No. 1 supplier**



### 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.**

## ■ VALUE CHAIN



## ■ PPAP VALUES

The values of our organization strengthen our strategic objectives and business activities. These values inspire us to lead the way in achieving our business objectives through our strategies. The values which guide us at PPAP are:



**Trustworthiness:** Being trustworthy fosters goodwill and serves as a motivation for taking pride and enjoyment in one's work. At PPAP, each employee treats another with utmost candor and sincerity.



**Mutual Respect:** At PPAP, everyone is treated with respect and dignity irrespective of their caste, gender, religion etc.



**Creativity:** To foster a creative workplace environment, PPAP encourages its employees to indulge in creative and innovating activity every day to survive in this competitive business environment.



**Cooperation:** Cooperation divides the task and multiplies the success. We achieve maximum transparency and honesty in our dealing with all our team members with the help of mutual support and cooperation



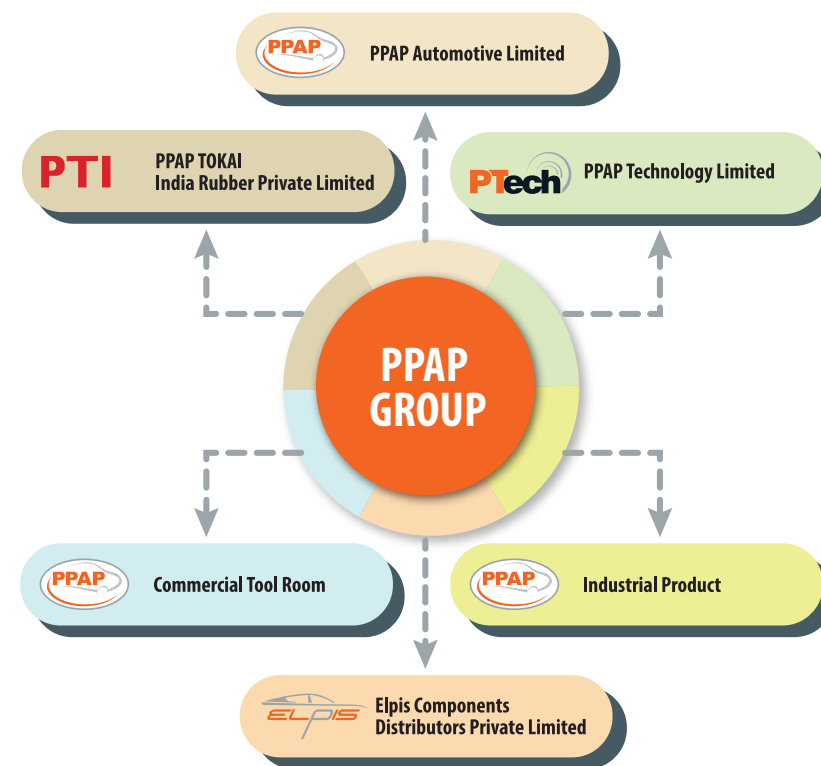
**Excellence:** It is a quality of work or effort which surpasses the usual standard. Every activity done by every team member must be to the best of his/her ability and every action should be better than competitors. We strive to achieve excellence in quality, cost, delivery, safety, morale, engineering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

### ■ MANAGEMENT PRINCIPLE

- 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.
- Ideas, suggestions, kaizens must always be an essential part of daily activity.

### ■ PPAP FACILITIES

PPAP's operations are 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 OEMs.



The principal business activities of the Company comprise of manufacturing of automotive parts with core competence in developing Automotive Body Sealing systems and Interior and Exterior Injection molded parts. PPAP Group consists of one joint venture 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.

PPAP is also commercializing its tooling facilities and scouting opportunities to develop and sell plastic injection molding tooling. The company is also investing in new-age technologies and machines to enhance its manufacturing and technology development capabilities.



PPAP 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.

## ■ PPAP'S CUSTOMER BASE

The Company also caters to the CKD parts export requirements of its customers. In addition, we also cater to the needs of their respective Tier 1 suppliers. PPAP's esteemed clientele includes all major OEM vehicle manufacturer and Tier-1 suppliers of OEM.

Passenger vehicles clientele includes Maruti Suzuki India Limited, Honda Cars India Limited, Toyota Kirloskar Motors, Hyundai Motors

India Limited, Toyota Boshoku, Kia India Private Limited, Volkswagen, Renault Nissan Automotive, ISUZU, Mahindra, Magna Corp, Hyundai Mobis, Motherson, Unitex, TS Tech Limited, Asahi India Glass Limited, Saint-Gobain, Polyplastics Industries Private Limited etc.

Commercial vehicle clientele includes SML ISUZU, ISUZU, Faurecia. Two-wheeler clientele includes Suzuki, UNO Minda, Motovolt, Sankei Pragati India Private Limited, JRG Automotive Industries India Private Limited, etc. Tooling clientele includes IAC, Amber, Havells, Aisin Group, etc. Industrial product clientele includes Dayal Group, MD Biocoals Private Limited.

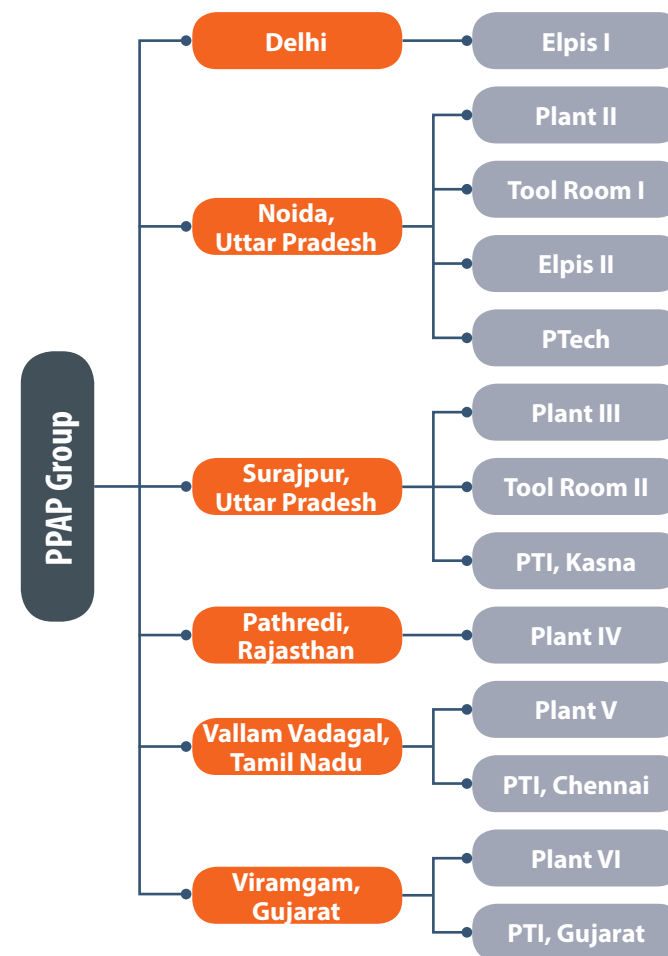
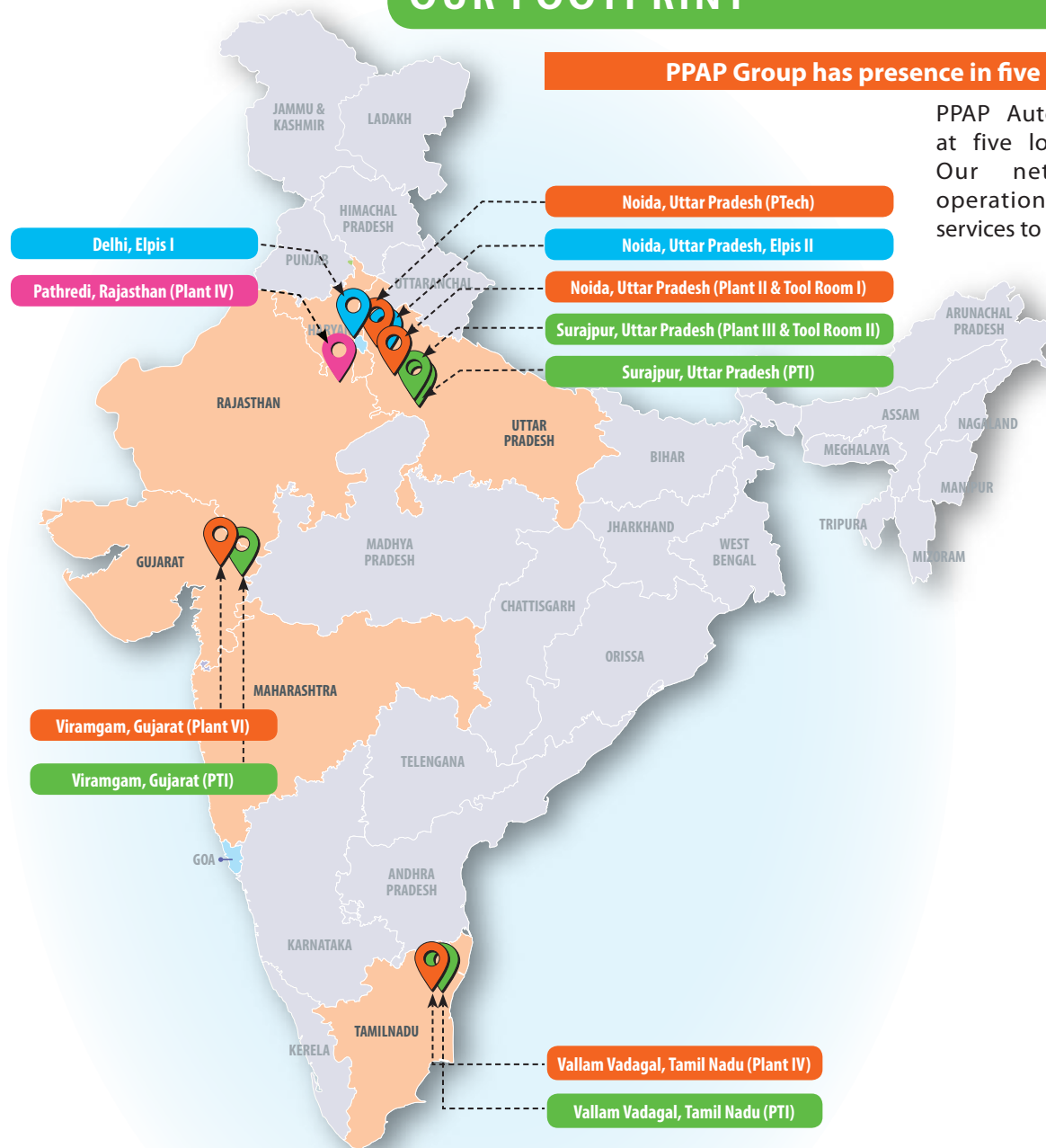




## OUR FOOTPRINT

**PPAP Group has presence in five automotive manufacturing hubs across the country**

PPAP Automotive Limited has state of the art manufacturing facilities at five locations across the country's automotive manufacturing hubs. Our network of 4 business development offices and 5 operational facilities enables us the reach and scale to offer services to business partners.



## PRODUCT PORTFOLIO

### Extrusion Products

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>Drain Hose</li> <li>Sunroof Seal</li> <li>Weatherstrip Outer-Blacktype with bending</li> <li>SUS Weatherstrip Outer-Bending</li> <li>Hood seal</li> <li>Air Spoiler</li> <li>Molding Windshield</li> <li>Weatherstrip Dam Windshield</li> <li>Weatherstrip Inner</li> </ul> | <ul style="list-style-type: none"> <li>Trim Door Opening</li> <li>CTR Upper Right</li> <li>SUS STEEL Weatherstrip Outer-Straight/Bending Type</li> <li>SUS Weather Strip Outer-Straight</li> <li>Partition</li> <li>Glass Run Channel</li> <li>Roof Molding</li> <li>Slide Rail- Total/Partial Black type</li> </ul> |
|--|--|

### Injection Molding Products

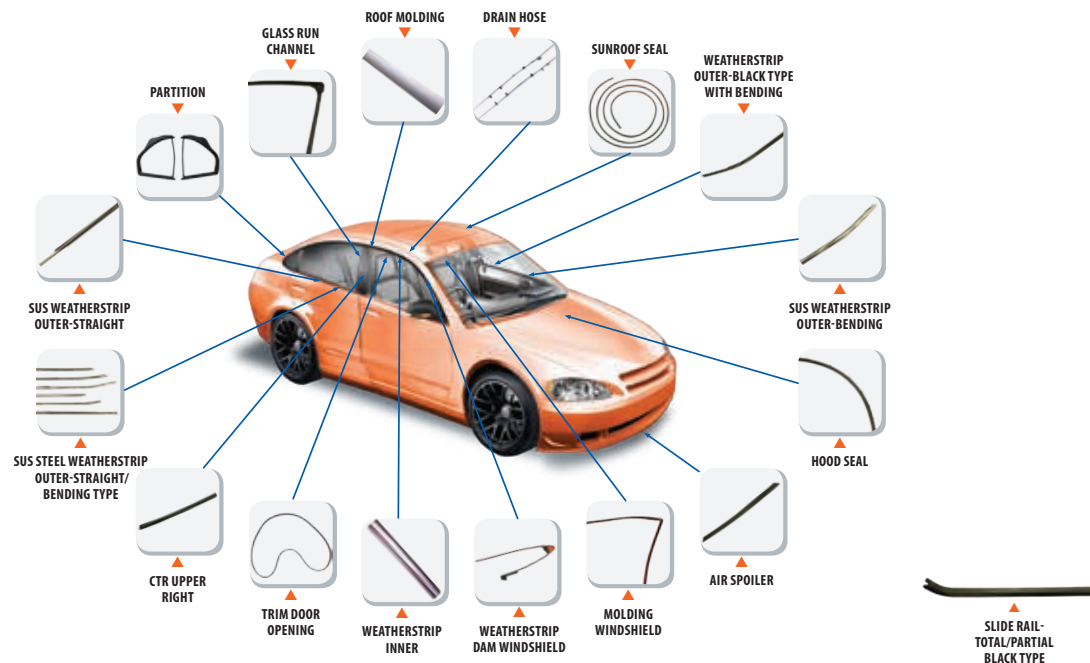
#### 4 Wheeler/Passenger Vehicle

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>Cluster Instrument Meter</li> <li>Boot Comp Shift Lever</li> <li>Cover Front Fender</li> <li>Bezel Switch</li> <li>Glove Box</li> <li>Panel Instrument Cluster</li> <li>Guide Grill Air</li> <li>Garnish Cowl Top</li> <li>Splash Guard</li> </ul> | <ul style="list-style-type: none"> <li>Door LNG</li> <li>Garn CTR Pillar Lower</li> <li>Garn CTR Pillar Upper</li> <li>Body Side Molding</li> <li>Trim Comp, Quarter Lower</li> <li>Cover Strg Column Hole</li> <li>Rear Tray</li> <li>Cluster Instrument Center</li> </ul> |
|---|---|

#### 2 Wheeler Vehicle

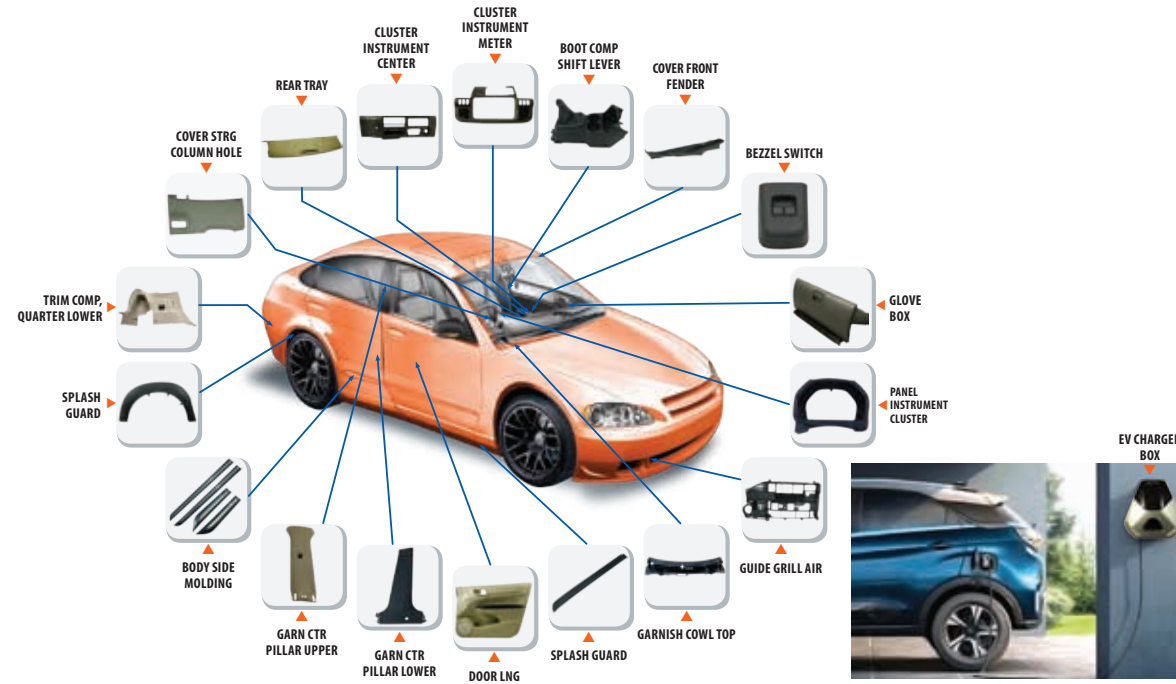
- Fender Rear, Upper
- Fender Rear, Lower
- Molded Seat Base
- Shield, Leg Front
- Cover Handle, Front
- Air connecting Tube
- Cover Leg, Shield
- Shield Leg Lower
- Foot Board Leg Shield
- Cover, Under

### EXTRUSION PRODUCTS





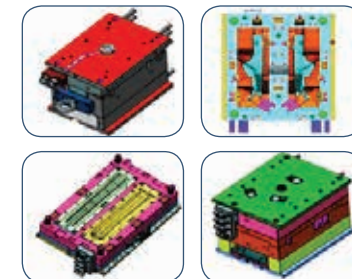
## INJECTION MOLDING PRODUCTS - 4 WHEELER/PASSENGER VEHICLE



## INJECTION MOLDING PRODUCTS - 2 WHEELER VEHICLE



## INJECTION MOLDING TOOLS



CABIN INSTRUMENT PANEL



COMMERCIAL VEHICLE

## MESSAGE FROM CHAIRMAN AND MANAGING DIRECTOR



*Let's nurture,  
the nature  
for our  
better future.*

### ***My Dear Stakeholders,***

I hope you and your families are safe and healthy!

It is my pleasure to present the 'Second Sustainability Report' of PPAP Automotive Limited. I congratulate the PPAP Team for their accrescent efforts enabling us to become a global ESG performer.

2020 and 2021 have been amongst the most challenging years. The unprecedented health crisis caused by the novel coronavirus had adverse effects on humans, as well as, economies, globally. At PPAP, we acted speedily with a meticulous COVID-19 response plan. We ensured sanitization, safety protocol, regular health screening across all plants and organized work from home wherever possible, putting in place the required health & safety measures to safeguard our employees, and assured supplies to our customers and extended critical support and assistance to our local communities. Vaccination drives were conducted for employees and their families for Dose 1 & 2, and the booster dose.

PPAP, as a responsible organization has always been purpose driven and committed to bringing about positive change. Our future growth strategy is built on several initiatives such as green energy, technology & innovation, environmentally responsible practices, corporate governance, and talent management. We consider these activities to be critical to the long-term sustainable growth of our organization.

### **Only one Earth**

50 years on, the motto is as pertinent as ever. It is our only home, and we must safeguard its finite resources. It calls for our collective and transformative changes in policies and choices to enable cleaner, greener, and sustainable activities and living in harmony with nature. In the current scenario, we must develop a robust program that is a true reflection of our commitment towards Clean & Green sustainable future. Hence, we all must act (boldly), innovate (broadly) and implement (equitably).

PPAP is committed to protect 'Only One Earth' by working in harmony with nature. As a purpose-driven organization, sustainability resides at





the core of our vision, values, and corporate culture. We have incorporated the needs of our employees, communities and the environment into the ever-changing scenarios and showing our resilience for creating a sustainable future or all. I believe that by providing products that solve environmental challenges, we can contribute to a more sustainable society while also growing our organization.

At PPAP, we are directing our efforts to address and incorporate Environmental, Social, and Governance (ESG) for pursuance of global concerns identified in the United Nation's Sustainable Development Goals (SDGs) for assessing and managing risk, and opportunity. We are continuously embracing efforts to report and disclose our performance to stakeholders in a robust, consistent, and a meaningful way. On the environment front, we are perpetually pursuing our mission to maintain global standards by integrating sustainability into our business activities. We have always pioneered in undertaking numerous environment management programs and projects to minimize our environmental footprint, energy and water consumption, and waste generation from the manufacturing operations. On the social front, safety, good health, and well-being of our employees has always been our topmost priority. We are continuously making PPAP a diverse, fair and inclusive workplace. We are focused on increasing the women workforce in our facilities. Training & Development along with employee engagement has also been an important aspect in PPAP's growth. On the governance front, we strive to incorporate global best practices in all our business operations in our effort to act with integrity, uphold high ethical standards, protect fundamental human rights, information security, transparency and accountability in our business.

### **Creating Greener World for our Children**

We must also understand that the way to restore earth is by preserving its lungs, the trees. Protecting and enhancing these natural carbon sinks and capture CO<sub>2</sub>, utilization, and storage are conducive to mitigating climate change. I am pleased to share that PPAP has been able to successfully plant and sustain 90,000 saplings on 70 acres of land at the historical Tughlaqabad Fort Biodiversity Park using 125 biodiverse native species trees.

PPAP intends to sustainably grow in future, contributing positively to the economy, the environment, and the society. I am enthusiastic about PPAP's coming years in sustainability. As we continue to create solutions to combat climate change, we are making consistent efforts to play a significant role in assisting the world to meet the net zero goal. We will continue to monitor, evaluate, and disclose our sustainability performance.

I would like to thank all our stakeholders for their continuous assistance to accomplish our objectives. As you read this report, I hope you will enjoy the progress we have achieved so far and the opportunities that await us on our sustainability journey.

**Chairman & Managing Director,**

**Ajay K Jain**



## SUSTAINABILITY HIGHLIGHTS



### PEOPLE



**GREAT  
PLACE  
TO WORK**  
Certified



**100%**  
Employees  
Vaccinated

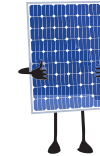


**28.82  
HOURS**  
Training Imparted  
Per Employee



**ZERO**  
No Major  
Accidents  
& Fatalities

### PLANET



**2071 GJ**  
Renewable Energy  
(Solar)



**63341 KWH**  
Energy Saving  
due to process  
efficiency



**ISO 14001,  
45001 &  
50001**  
Certified



**90,000  
SAPLINGS**  
Planted and  
sustained at  
Tughlqabad  
Biodiversity Park

### PROSPERITY



**411.06 CR**  
Total Revenue  
generated



**59 LACS**  
Total CSR  
contribution



**69.62 CR**  
Employee Wages  
& Benefits



**ANNUAL**  
Training on  
human rights



## BUSINESS CONTINUITY

### ■ RESPONSE TO COVID 19

COVID-19 has had an enormous impact on the entire world, negatively affecting people's lives, upsetting businesses, and generating an unforeseen worldwide economic crisis. Everyone has been affected by the pandemic, from families to towns to nations, from consumers to businesses and entire industries. The virus has had an enormous impact on the financial consequences for businesses and the global economy have been equally devastating.

PPAP has efficiently adapted to the pandemic's problems owing to its culture of adaptation, resilience, and innovation. Our topmost priority has been and continues to be the safety of our employees. In

response to the pandemic, the PPAP workforce has come together as one family, working together to monitor and evaluate to combat the challenge. Our management diligently worked with division heads to implement COVID regulations across all facilities to safeguard people's safety. Safety precautions such as body temperature checks, extensive cleanliness, and social distancing have been implemented at all PPAP plants across India. Considering the severity of the pandemic, additional precautions for members of the PPAP family have been necessitated. Employees, for example, are required to make self-declarations on the Kushal Mangal app stating that they do not have any COVID-19 symptoms and have not visited epidemiologically high-risk areas and have had no contact with subjects who tested positive for COVID-19 every day.

PPAP  
is committed  
to provide its  
employee  
a safe and  
healthy  
environment



Daily sanitization of facility



Markings for social distancing



COVID 19 help desk & Isolation center



COVID-19 Vaccination for employee families



Hospital Team for COVID19 Vaccination



Table partitioning in canteen



COVID 19 Vaccination Awareness Billboard

Other initiatives included the following:

- Focus on regular sanitization, personal hygiene.
- Staggered employee entry, partitioning and markings to maintain social distancing.
- Minimizing unnecessary movement within company premises.
- Awareness trainings were provided.
- Isolation and emergency preparedness, oxygen concentrators and cylinders were also availed to the employees.

- Regular health screening across all plant sites and work from home wherever possible.
- Vaccination drives were conducted for employees and their families for Dose 1 & Dose 2 and the booster dose.

Regional Standard Operating Procedures (SOPs) were developed to enforce all safety protocols in accordance with regional regulatory bodies and governments.



## AWARD & RECOGNITION



**Comprehensive Excellence**  
By Maruti Suzuki



**Achieving Quality Targets**  
By Toyota Kirloskar



**Fire Safety Management**  
By Toyota Kirloskar



**Achieving Zero PPM**  
By Toyota Kirloskar



**Appreciation for Partnership**  
By Hyundai Motor



**Excellence in Best Quality**  
AIS Supplier Award  
By AIS Auto Glass



**On Time Development**  
By ISUZU Motors



**Excellence in Automotive**  
By The Economic Times



**Excellence in Maintenance  
& Super Shopfloor**  
By The Machinist Super Shopfloor  
(SME)



**Excellence in Automotive-Interior**  
By The Economic Times  
Polymers Award



**Excellence in Productivity category**  
By The Machinist Super Shopfloor  
(SME)

## SUSTAINABILITY APPROACH & STRATEGY

### ■ OUR COMMITMENT TOWARDS SUSTAINABILITY

PPAP's sustainable business strategy comprises three vital aspects: **People**, **Planet**, and **Prosperity**, centered with robust **Corporate Governance**.

These three aspects comprise our 6 key areas of emphasis. We are dedicated to making our sustainability vision a reality. As part of our Sustainability Strategy, the commitment will be spiraled down through all levels of the Company and across our supply chains, providing the driving force to develop, implement, and maintain the systems and structures that will not only deliver on our Sustainability Strategy in the short term but deeply embed it into our long-term operations.

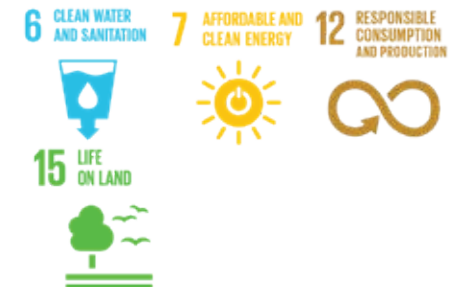


### OUR 6 FOCUS AREAS OF SUSTAINABILITY

#### Act for **climate**-positive world



#### Be **resource** efficient



#### Live up to our **principles & values**



#### Create **equal** opportunities



#### Harness the **power** of all generations



#### **Empower** local communities





At PPAP, a well-established sustainability framework is used across all group companies. This approach allows us to continuously ensure that the critical aspects of our strategy, as well as the significant sustainability concerns affecting our locations and organizations, are managed consistently and efficiently.

### ■ ALIGNING SDGs WITH OUR SUSTAINABILITY FRAMEWORK AND FOCUS AREAS

PPAP's sustainability strategy is closely 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. The UN SDGs provide an ambitious, urgent call to action as well as a realistic framework for businesses to map their sustainable journey.

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).

### ■ SUSTAINABILITY GOVERNANCE

Our sustainability governance serves as a foundation for our sustainability strategy and goals. Our goal is to maximize economic value while also meeting environmental and social standards. As a result, robust profitability is essential for continuing to invest in environmental and social factors, which contribute to long-term value creation. To deliver on our promise of long-term value for all our stakeholders, we have constituted the Sustainable Business Development Division which 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.

## Sustainability Governance Structure

### 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

**SUSTAINABLE BUSINESS DEVELOPMENT DIVISION**  
Drives Sustainability through awareness and knowledge building across the Group.  
Makes all external disclosures.





## ■ SUSTAINABILITY MANAGEMENT FOR THE LONG TERM

PPAP recognizes 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 up-gradation of technologies and processes, water conservation, waste reduction, and alternate energy sources. It allows our management to focus on the long-term agenda and ensure that sustainability principles are part of the decision-making criteria.

### Sustainability Strategy

#### Baseline emissions

**Determination & Measurement of how and when carbon is emitted in our organization based on our Scope 1 and 2 emissions, using GHG Protocol.**



#### Sustainability Framework

**Identifying and embedding a right sustainability framework is intrinsic to how we operate. It acts as a bridge where we are right now and where we want to go.**



#### Implementation of central database to track and compare data

**Centralization of data helps us to streamline processes around reporting, measure and to identify the opportunities to improve our performance.**



#### Refine KPIs to achieve maximum impact

**KPIs and target setting helps us measure and leverage where our efforts are most needed and to take action.**

## STAKEHOLDER ENGAGEMENT

### ■ CREATING LONG-TERM RELATIONSHIP

Stakeholder engagement is crucial to our investments in innovation. We define stakeholders as entities or individuals that can be expected to be significantly affected by the organization's activities, products, or services. Stakeholders are also those whose actions can be expected to affect the ability of the organization to implement its strategies or achieve its objectives.

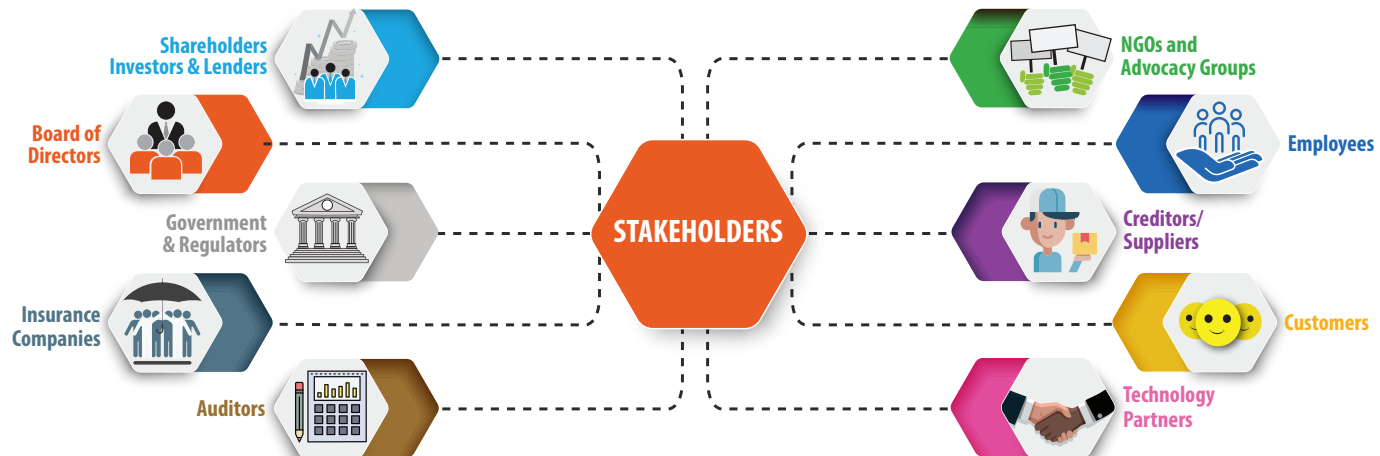
We are well cognizant that, while our company has a plethora of information about sustainability, we do not know everything. As a result, each aspect of our business is required to identify and then engage with a diverse range of people and organizations with an interest in our activities - our stakeholders. The goal is to obtain an awareness of the many demands and expectations that our stakeholders may have from us and then design a plan that meets them successfully.

We engage with our stakeholders periodically. We consult extensively with all stakeholders and potential value creators. We recognize that there is a higher risk factor involved when organizations do not analyze or consider their long-term consequences. Businesses can anticipate

risks and plan for potential disruptions by effectively engaging with their stakeholders. Healthy stakeholder relationships also assist us in communicating how corporate decisions, activities, and results are likely to be of great interest. We can reliably map stakeholder expectations owing to our thorough stakeholder engagement methodology. Their concerns and expectations are given consideration and are reflected in our business decisions.

The engagement process helps us to continuously improve and follow our mission to deliver value to our stakeholders. To ensure prompt dissemination of accurate and pertinent information to each stakeholder group and constant interaction with them, a planned system of engagement has been put in place. We engage with our stakeholders to investigate all elements of economic, environmental, and societal challenges. While we value all our stakeholders, we have outlined the modalities of involvement and critical problems for core stakeholder groups.

Concerns raised during stakeholder engagements are seen by the Company as opportunities. We devise ways to manage risks and capitalize on opportunities that arise.



## APPROACH TO STAKEHOLDER ENGAGEMENT

Stakeholders	Purpose of engagement	Mode	Frequency
<b>Shareholders, Investors &amp; Lenders</b>	Dividend Declaration, Shareholder's Approval	Call, Mail, Meeting, AGM	Quarterly, annually
	To attract excellent quality investors	Calls, mail, meetings	Quarterly, need-based
	Lending, Funding and support in daily transactions	The report, Call, Mail, Meeting	Weekly, monthly, quarterly
<b>Board of Directors</b>	Compliance with the law, Major decisions, day-to-day functioning	Board Meetings, One-to-one meetings, emails and phone calls	Quarterly, twice or thrice a year, daily basis
<b>Government &amp; Regulators</b>	Renewing consent orders, show cause notices, new projects, online applications, Returns, Challengans, license renewal, statutory compliance, Companies Act, GST, IT Assessment, GST Assessment, submitting Return of Income, answering questions, litigation in case of conflict, filing returns based on factory act, Greenfield projects, norms change, compliance of by-laws	The report, Notices, submission & inspection, assessment, meetings	Monthly, annually, need-based
<b>Insurance Companies</b>	Insuring Company Assets against Fire, Earthquake, claim settlement, premium payment, Audit of plants, showing best practices related to safety, rating of plants	Interaction through consultants & brokers - Email & Phone calls, Mails, Plant visits	Monthly, quarterly
<b>Auditors</b>	Legal Requirements, Audit & Financial Reports	Face-to-face interactions, Auditing of processes, meetings	Quarterly, as per the schedule
	Audit, Planning, Closure	Call, Mail, Audit and Visit	Quarterly, monthly
<b>NGOs &amp; advocacy groups</b>	Engagement letter, external members required for ICC Committee	Meeting	Requirement-based, annually
<b>Employees including manager</b>	Employee engagement activities, suggestions, Execution of Business Objectives, Capital item requirement of different departments, Purchase requisition and installation, project status and pending projects, Motivational Schemes, Celebrations, Gauging motivation levels	Open house/town hall, suggestions, award functions, annual functions, quarterly get-togethers, DWM, calls, emails, meetings, Awards ceremonies, celebrations, Plant Gemba, Town hall meetings	Monthly, yearly, daily, weekly, once a month
<b>Creditors / Suppliers</b>	Abnormality Management, NG Material and Product Performance, Auditing of suppliers, verification and closure of a problem, Raw material for tooling, steel, aluminum, Building & construction, Monitoring schedule and actual, Negotiation & lead time reduction	Meeting, mail, call & visit, Face-to-face discussions, Plant Audits, Buyer Net, Internet, Networking, Exhibition	Daily, need-based, half-yearly, monthly, weekly, once a quarter
<b>Customers</b>	Key Account managers interact with customers to retain and capture more business, corporate gifting, Vendor Conference, Tech Shows, CE Programs, Zero Defect and other initiatives, Testing and validation, Technical and business discussion, Data sharing, fitment & fixture, quotation & negotiation, Performance related to quality, delivery and new business, running projects, updating, problems of customers	Call, Mail, One-to-one meetings, tech shows, conferences, technical spec meetings, trials and events. Personal visits	Need-based, daily interaction, weekly, annually, twice a year, as and when needed
Technology Partners	Technical, modern technology related, new products and projects, document and practical experience sharing, buying technology and aid, best practices, tool design and process development advise and support	Telephonic, Skype conferences, meetings, visits, mails	Fortnightly, yearly, daily



## MATERIALITY ASSESSMENT

The materiality assessment process helps us to identify, prioritize, and report on the critical challenges affecting our operations in the environment, social, and governance sectors. We identify, assess, and manage risks, and one of the key components of our sustainability strategy is identifying and prioritizing issues for various stakeholder groups.

We recognize sustainability as an essential part of our basic business objectives. To secure long-term success, we have always prioritized addressing key material issues such as environmental management, community involvement, and employee welfare & engagement.

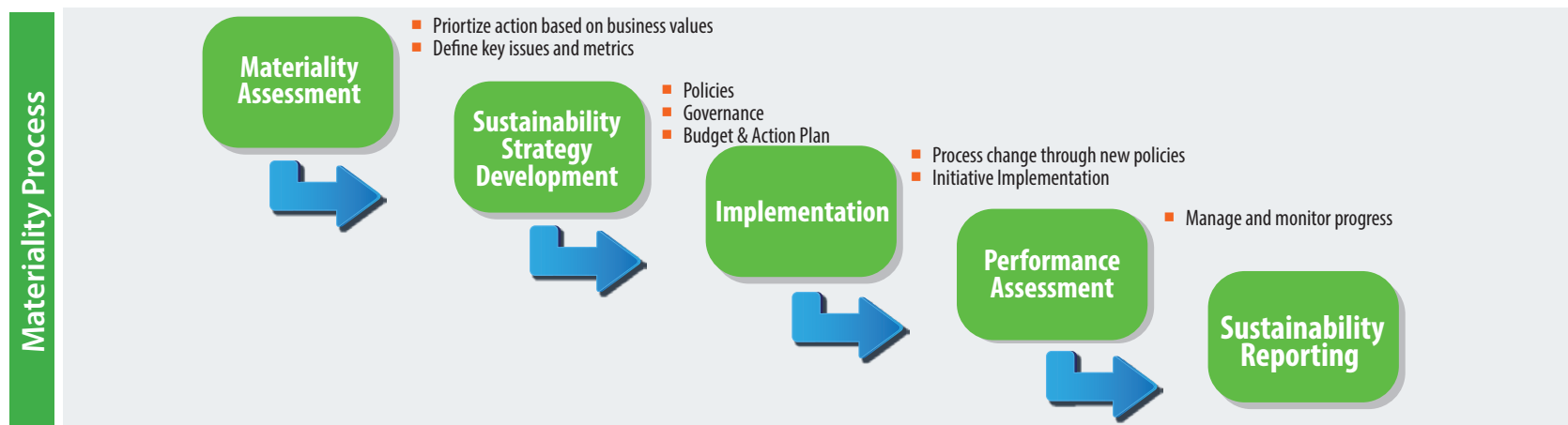
At PPAP, we envisaged ourselves as an organization dedicated to addressing climate change, striving for carbon reduction through the deployment of numerous innovative solutions. We had also begun our journey to design a supply chain sustainability model to manage supplier risks. We identified top sustainability challenges and built a strategy to address them using a thorough materiality assessment approach. We continue to assess our progress on current sustainability concerns and identify new ones.

During the uncertain times that the world experienced for most of the fiscal year, it has become critical that we conduct frequent re-as-

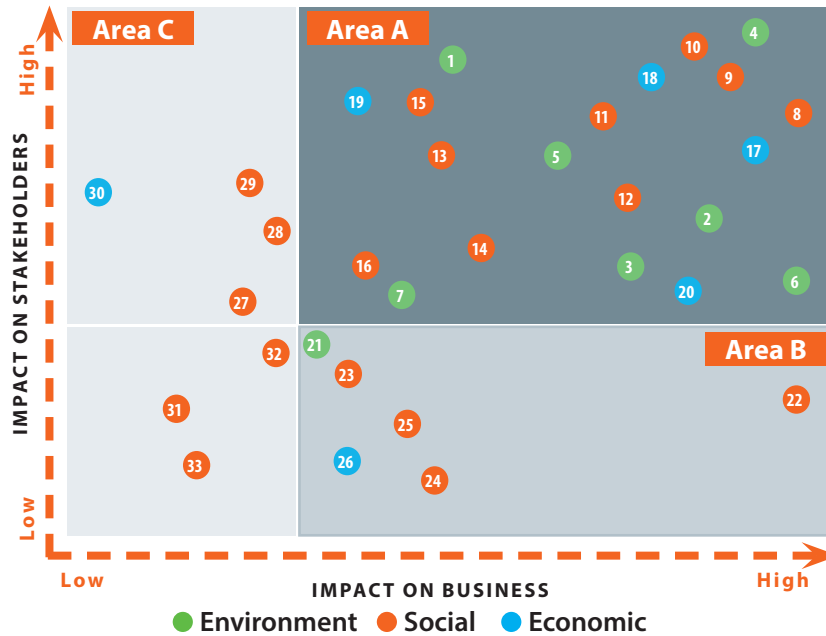
sessments of each of our material topics, as well as analyze initiatives to manage them on a regular basis.

We conducted our first materiality assessment survey during FY2020 to determine these concerns, in which we examined how important they were to stakeholders and how substantial they were in terms of PPAP's economic, environmental, and social implications.

This survey considered important concerns derived from international reporting regulations, such as the Global Reporting Initiative (GRI), comparing our approach to that of peer companies. We then categorized these issues (as 'low' and 'high') to reflect their importance to PPAP and our internal and external stakeholders.



## MATERIALITY MATRIX



**Area A:** Important to both internal & external stakeholders

**Area B:** Important to internal stakeholders

**Area C:** Important to external stakeholders

### Area A

1. Materials
2. Energy
3. Water and Effluents
4. Emissions
5. Effluents and Waste
6. Supplier Environmental Assessment
7. Environmental Compliance
8. Employment
9. Occupational Health & Safety

10. Training and Development
11. Diversity
12. Supplier Social Assessment
13. Non-Discrimination
14. Forced or Compulsory Labor
15. Local Community
16. Customer Health & Safety
17. Economic Performance
18. Market Presence
19. Procurement Practices
20. Indirect Economic Impacts

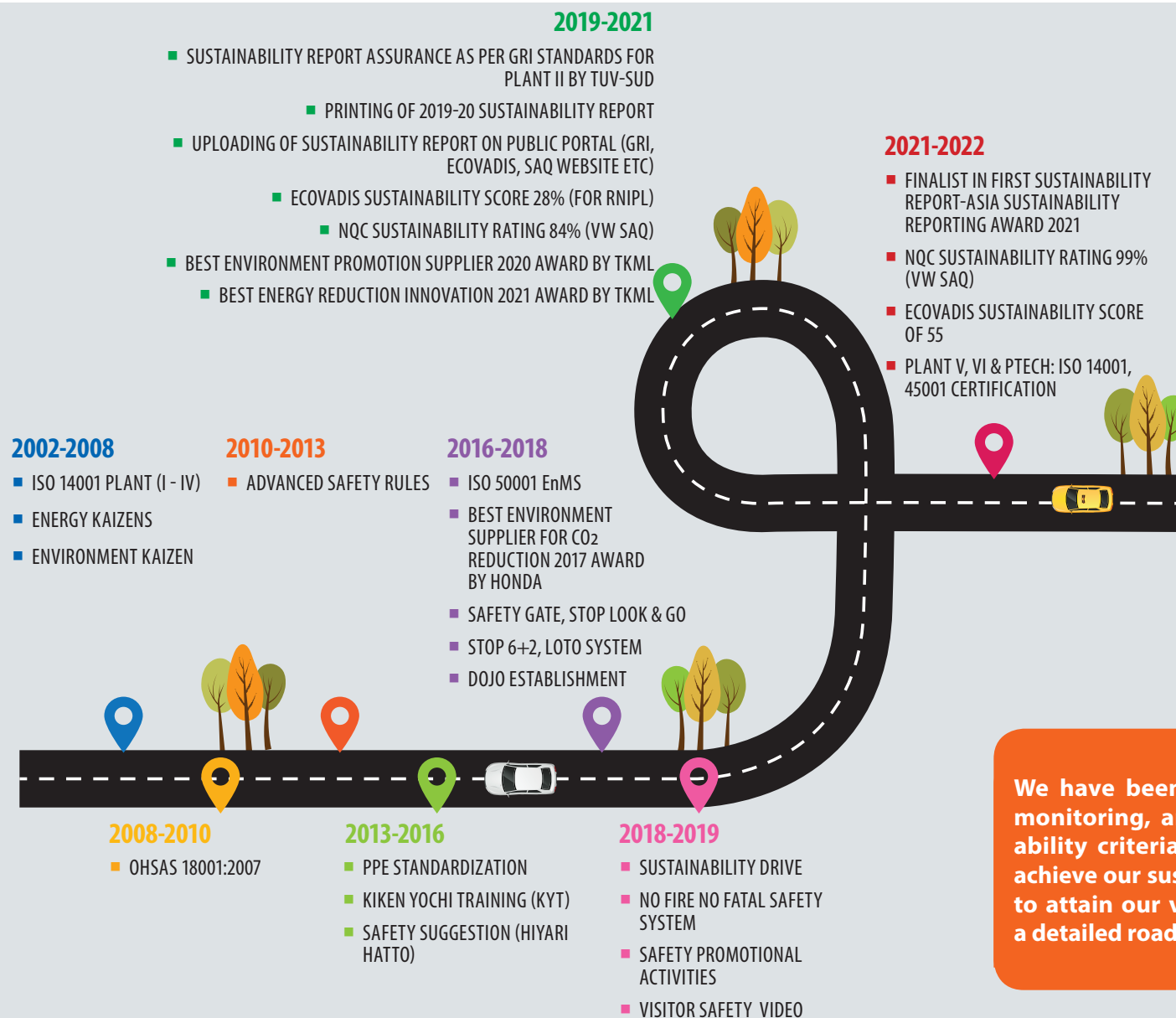
### Area B

21. Biodiversity
22. Child Labor
23. Human Rights Assessment
24. Public Policy
25. Marketing and Labeling
26. Anti-Competitive Behavior

### Area C

27. Labor/Management Relations
28. Security Practices
29. Rights of Indigenous People
30. Anti-Corruption
31. Customer Privacy
32. Socio-Economic Compliance
33. Freedom of Association and Collective Bargaining

## SUSTAINABILITY ROADMAP



We have been meticulously calculating, monitoring, and enhancing our sustainability criteria for the past few years to achieve our sustainability vision. Intending to attain our vision, we have established a detailed road map.



## ENVIRONMENT



PPAP is committed to minimizing its impact on the environment through an effective and process-focused strategy. We have taken initiatives to contribute to SDGs by integrating sustainability into our business activities.

PPAP is working on reduction of GHG emissions by improving energy efficiency, recycling, and reuse, as well as making investments in R&D & CAPEX to adopt the best available technologies to attain maximum effectiveness in our business operations and to reduce our dependency on non-renewable energy sources.

**63341 kWh** Energy  
saved by kaizens and  
energy efficient  
technologies

**2071.43 GJ**  
renewable energy  
used

**100%**  
new suppliers as-  
sessed on EMS criteria

**269 ton**  
recycled  
material  
used



**As our company grows, we will continue to prioritize environmental concerns, and we will work hard to reduce our operating effect. We are always working on programs to conserve natural resources and minimize emissions. Our Environmental Management System ensures that we follow national and international requirements.**

We consider climate change as one of the most critical matters of our time. The two most important requirements of the present are to protect the environment from further deterioration and to preserve our natural resources. To improve our environmental performance, we are constantly striving to build best-in-class infrastructure and invest in upgrading our existing operational facilities. When it comes to integrating sustainability into our business operations, we make educated decisions and operate ethically and efficiently to produce value for all our stakeholders.

We have established goals to reduce our freshwater usage, energy consumption, and waste creation, and we are working tirelessly to lessen our environmental footprint. The methods are reviewed and updated on a regular basis to examine our environmental monitoring and management strategies. We recognize our responsibility to work to reduce the risks of climate change and have been addressing numerous difficulties that have arisen. PPAP has invested in total INR 3.80 Crores on the installation of solar panels out of which 1.80 crores were invested in Plant IV (Pathredi) in FY 2020-21 and 2 crores were invested in Plant II (Noida) in FY 2021-22.

This alignment has aided us in managing our environmental performance and improving on the most important concerns. We are committed to addressing climate threats and have taken the necessary steps to become a low-carbon organization.

We aim to gain an understanding of the scale and nature of our carbon footprint. We accomplish this by assessing the carbon footprints of all our plant locations. The assessment is also done on an annual basis to determine how we are progressing. While we strive to reduce these emissions and work within the relevant legislative frameworks for carbon management and climate change, we recognize that there is a moral, social, and economic imperative to do much more.

All our plants are committed to operating in a way that maximizes energy efficiency and complies with all legal and statutory energy management standards. Our efforts to improve plant dependability and efficiency are guided by energy conservation, best resource utilization, and minimized environmental consequences.



## Contributing to a sustainable environment

Response to  
climate change

**3** GOOD HEALTH  
AND WELL-BEING



**7** AFFORDABLE AND  
CLEAN ENERGY



**13** CLIMATE  
ACTION



Water & Waste reduction

**3** GOOD HEALTH  
AND WELL-BEING



**6** CLEAN WATER  
AND SANITATION



**15** LIFE  
ON LAND



Sustainable  
procurement of  
raw material

**11** SUSTAINABLE CITIES  
AND COMMUNITIES



**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



Biodiversity  
Preservation

**15** LIFE  
ON LAND



**9** INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



Innovation  
and R&D for  
environment  
sound product



**SUSTAINABLE  
DEVELOPMENT  
GOALS**



## ENERGY CONSUMPTION

Each PPAP plant has ISO 50001 certification. Through a variety of energy conservation techniques, the Energy Management System (EnMS) and strategies for improving energy efficiency are periodically adopted.

For an organization to combat climate change and reduce its overall environmental impact, it must use energy more prudently and choose renewable energy sources. Being a resource-intensive industry, we have placed a major emphasis on maintaining our natural resources. We have maintained a consistent focus on raw material sustainability and resource conservation.

As a responsible organization, we are aware of the environmental implications that the manufacturing of our products has on the environment, and we have worked hard to reduce our environmental footprint across all our operations. Energy efficiency is a critical issue for our company, which has been rapidly expanding in recent years. We have implemented a variety of policies and procedures to reduce energy usage and maximize energy efficiency. We are also planning to take into account our energy consumption outside the organization in the coming years.

The electricity (83%) from the grid is our primary source of energy. The remaining power is derived from conventional sources, i.e.,

non-renewable fuel and renewable energy (RE) obtained through third-party and in-house arrangements, respectively. We recognize that the consumption of indirect energy contributes to our carbon footprint, so our major goal is to reduce these indirect emissions. To that end, we are increasingly relying on renewable energy at our important locations. Solar energy provided about 4% (2071.43 GJ) of the electricity consumed on our three sites during the reporting period.

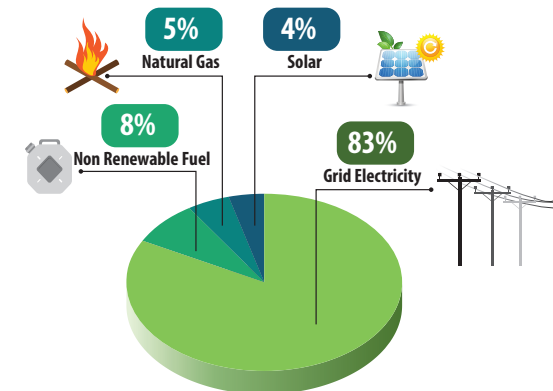
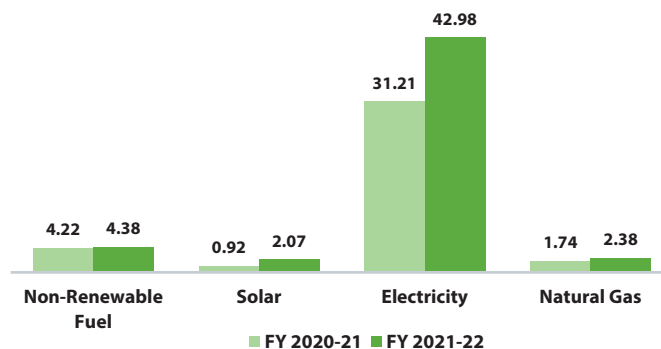
All PPAP Plants effectively prioritize energy consumption towards renewable sources by implementing solar power as part of the sustainability approach. Additionally, to reduce the use of non-renewable energy, PPAP Plants II, III, and IV currently have rooftop solar power projects totaling 837 kWp, and plans call for an additional 737 kWp capacity expansion in Plants V and VI. In comparison to FY 2020-21, our RE sourcing has increased by 2% in FY 21-22.

**2%**



**Increase In Renewable Energy  
from FY 2020-21 to FY 2021-22**

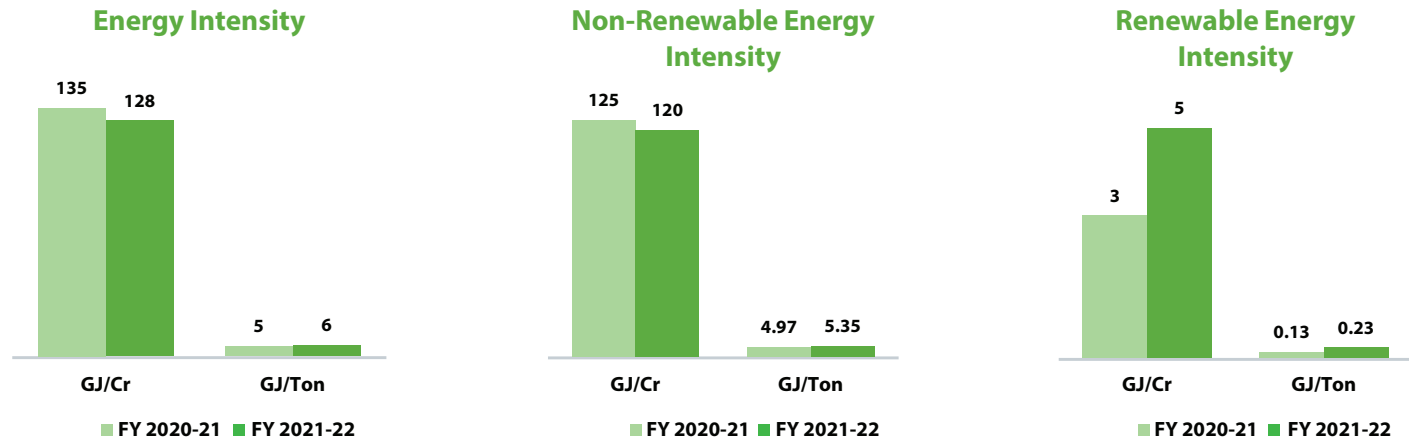
**Energy Consumption (TJ)**



## ENERGY INTENSITY

As our company grows, so does the demand for electricity. Because of the increased need for energy, initiatives to save energy have been expedited. We measure our energy initiatives in accordance with the

EnPI energy efficiency indicator. We calculate the intensity in terms of total OEM revenue (in INR Crores) and production (in tons).



## ENERGY CONSERVATION INITIATIVES

We are equally mindful of our carbon footprint and have taken measures to reduce CO<sub>2</sub> emissions by deploying state-of-the-art technologies, improving the performance of the existing equipment and installing energy-efficient lighting systems across all our plants and facilities.

We also regularly conduct awareness sessions to imbibe energy-saving practices among our employees across all business units. Following were the energy conservation measures for FY 2020-21:

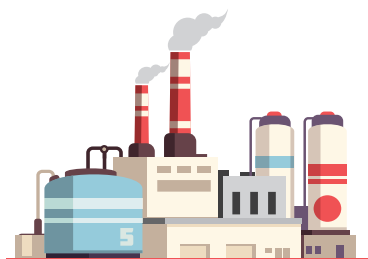
- Various energy efficient technologies have been installed inside the existing machines saving 267959 kWh units per year of energy consumption.
- Smart control over air conditioners (timer provided) saving 2592 kWh units per year of energy consumption.

- Timer provided for streetlights & canteen cooler saves 288 kWh units per year of energy consumption.
- In FY 2021-22, numerous energy efficient technologies have been installed inside the existing machines saving 63341 kWh units per year of energy consumption.

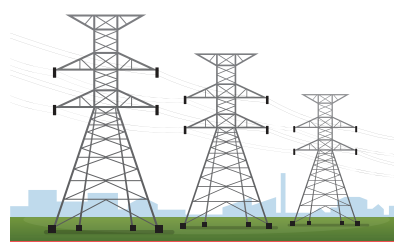


## GHG EMISSION

India aims to decrease the intensity of its carbon emissions and achieve net zero emissions by 2070 as part of the nation's commitment to UN COP 26. We are cognizant of our responsibility to uphold the nation's commitment to reducing emissions. Being a responsible company, we are making continuous efforts into creating a value chain with a low carbon footprint, from planning and designing to purchasing and manufacturing.



**Scope 1 Emission**  
423 tCO<sub>2</sub>



**Scope 2 Emission**  
9432 tCO<sub>2</sub>

We calculate and report greenhouse gas (GHG) inventories in accordance with Scope 1 (process emissions and other direct emissions) and Scope 2 (purchased electricity) GHG Protocols established by the World Business Council for Sustainable Development (WBCSD) and the World Resource Institute (WRI). In FY 2021-22, PPAP accounted

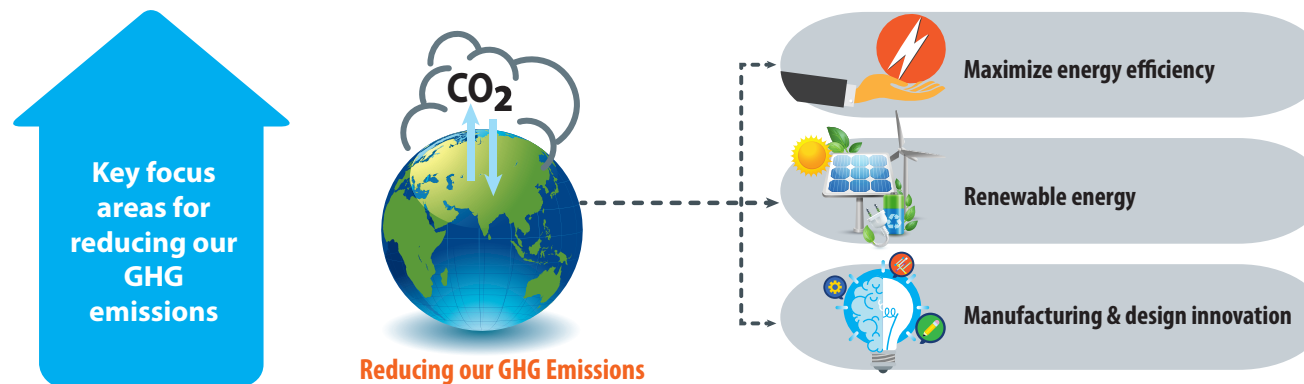
for 423 tCO<sub>2</sub> Scope 1 emission & 9432 tCO<sub>2</sub> Scope 2 emission. We are planning to take into account our Scope 3 emissions in the coming years.

The energy conservation techniques adopted as mentioned above helped us reduce Scope 2 GHG Emissions up to a certain level. The emission during FY 2020-21 was lower than that in FY 2021-22 due to decreased production. However, due to an increase in demand in FY 2021-22, production also increased, resulting in a slight rise in emissions. Numerous energy saving initiatives have enabled us to reduce 50 tCO<sub>2</sub> of our Scope 2 GHG emission.

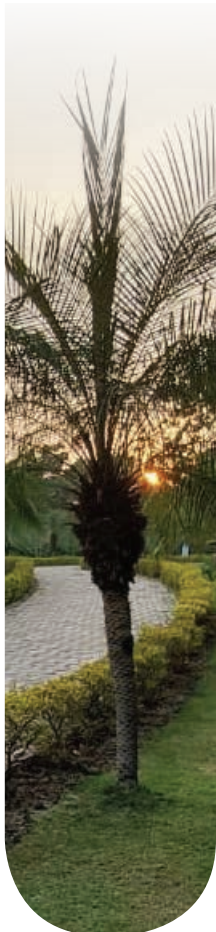
### ■ GHG INTENSITY

In context with the intensity ratios for defining GHG emissions level w.r.t the organization-specific metrics, PPAP has a significant tracking criterion for evaluating environmental performance to identify intensity ratios, often called normalized environmental impact data.

GHG emissions intensity expresses GHG emissions per unit of revenue and production. The GHG emissions intensity helps us to manage, monitor and implement GHG reduction activities to minimize our overall footprint.

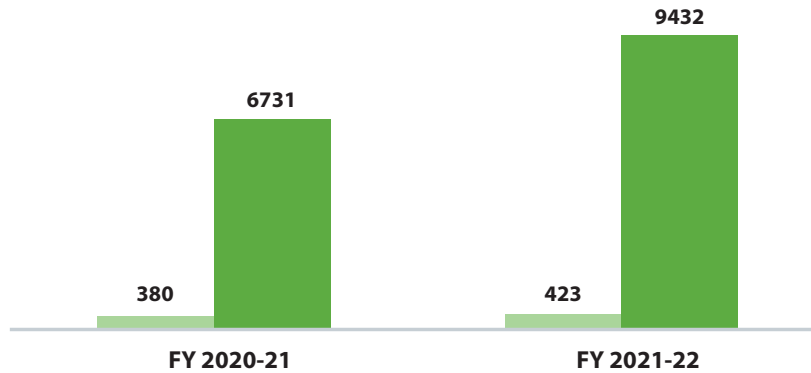




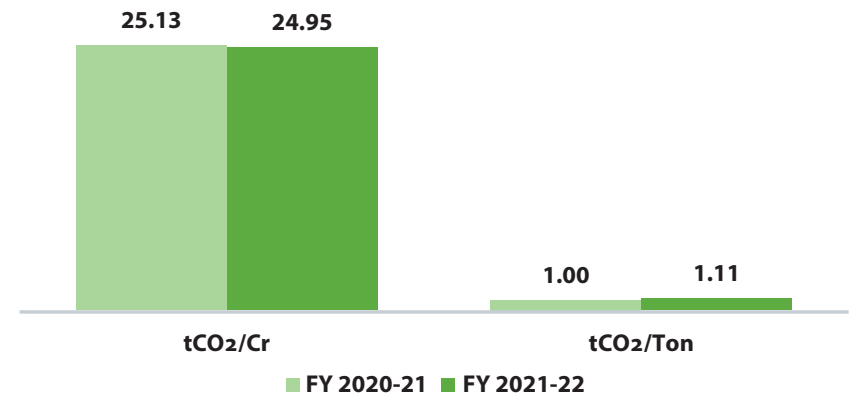


### GHG Emission (tCO<sub>2</sub>)

■ Scope 1 ■ Scope 2



### GHG Emission Intensity



## WASTE MANAGEMENT

PPAP has established an effective waste management system for both hazardous and non-hazardous wastes. We have taken a hierarchical approach to waste management, aiming to refuse, reduce, reuse, re-cycle, and recover as much as possible using suitable technology. Our waste management system involves waste segregation at the source

as well as waste disposal based on waste classification. We also use effective and environmentally friendly disposal solutions to reduce the environmental impact of waste generation. We also reduce the amount of waste that ends up in landfills.



**Reduction in resource consumption**



**Reduction in wastage of resources**



**Reduce and recover internal & external rejections**

### ■ WASTE GENERATION

In our operations, we categorize waste as non-hazardous and hazardous waste. The non-hazardous waste consists of aluminum, empty tin, foam, cardboard, iron, plastic, PVC, steel, wooden, paper and canteen waste generated and can be easily recycled.

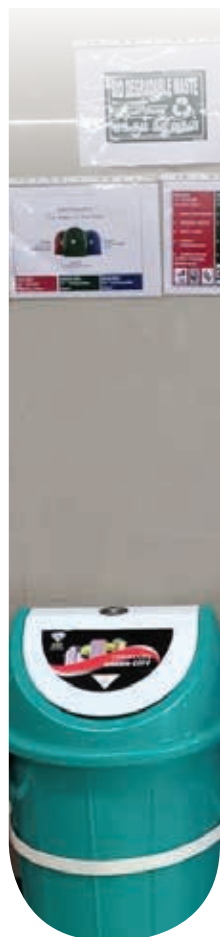
Hazardous waste generated from high-end equipment to operate our facilities, require authorized treatment procedures. The type of Hazardous Waste generated across all PPAP units is categorized as waste oil, discarded containers, sludge & filter, ETP Sludge, oil-soaked cotton rags and e-waste generated by equipment such as desktop computers, laptop computers, and other office and IT equipment. During the collection and management of such hazardous waste, we provide sufficient storage with secondary containment.

**7ton**

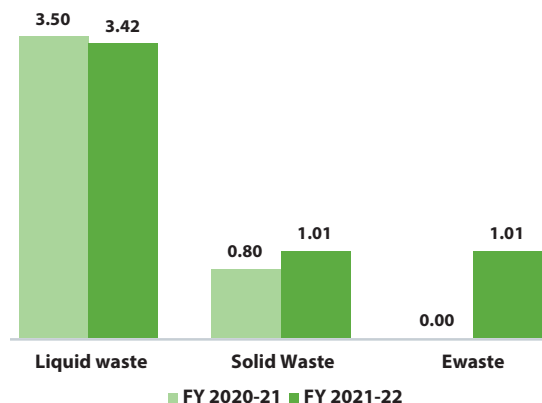


**Food waste  
composted in-house**

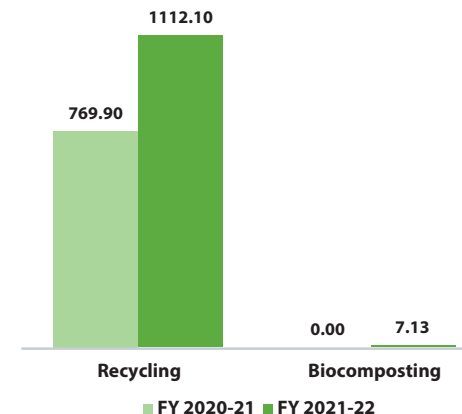




**Hazardous Waste (ton)**



**Non Hazardous waste (ton)**

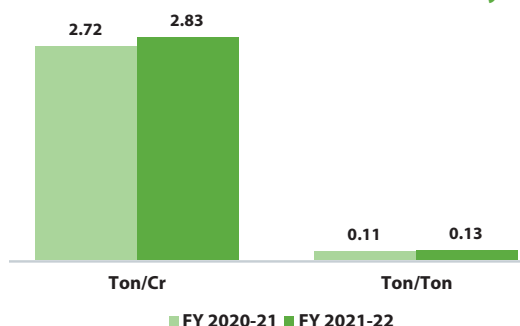


## WASTE DISPOSAL

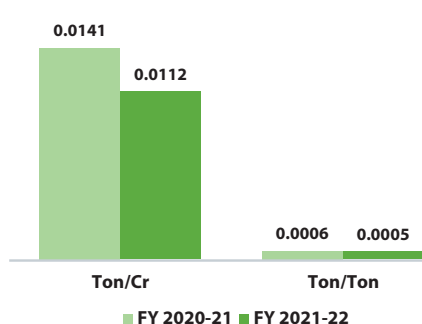
PPAP disposes of waste in compliance with operating permits and Hazardous Waste Authorizations. The hazardous waste is sent for disposal to the Treatment, Storage, and Disposal Facility (Plant II & III: Bharat Oil and Waste Management Limited; P-IV: Eco Management and

Protection Services; PVI: Capital Petroleum), authorized by respective state pollution control board. E-Waste is sent for processing to the authorized agency (NAMO e-waste) as per government guidelines. Non-hazardous waste is being given to scrap dealers. An organic bio composter is installed at the plant to treat domestic waste, preparing manure as the final product used in gardening.

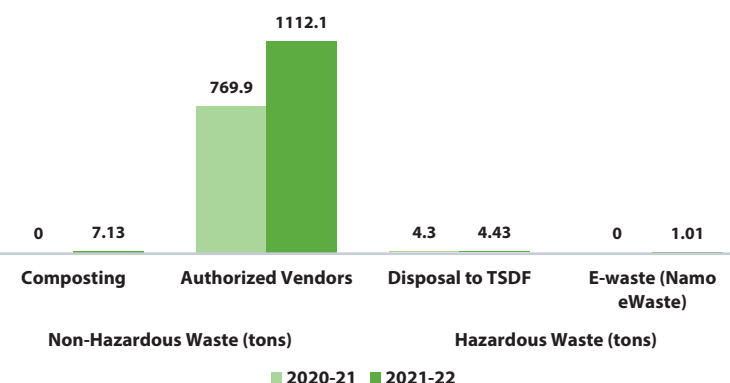
**Non - Hazardous waste intensity**



**Hazardous waste intensity**

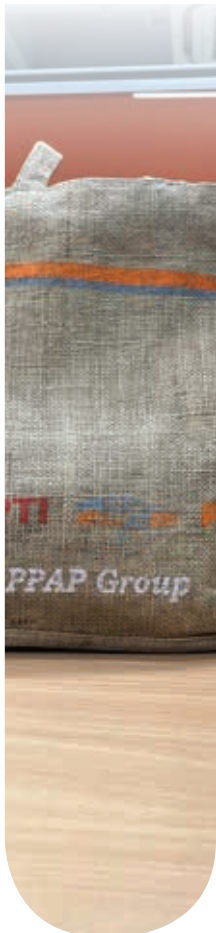


**Waste Disposal**



Intensity has been calculated in terms of total OEM revenue (in Crores) and production (in tons)





#### ■ AWARENESS OF “BAN ON SINGLE USE PLASTIC”

In accordance with the government's ban on single-use plastic, with effect from July 1, 2022, our sustainable business development division has been working on raising awareness of the harmful impacts of single-use plastic through training online webinars, etc., and put a prohibition on the use of plastic products.

To ensure zero plastic waste in our workplaces across all PPAP units, we are working towards the implementation of the ban on using single-use plastic and replacing it with eco-friendly alternatives such as jute bags, steel water bottles, glass tumblers, etc.





## WATER MANAGEMENT

Since a long time ago, PPAP has recognized the crucial significance of water for the manufacturing process, employees, neighborhood communities, and the well-being of all life forms. The company intends to become water positive through systematic and consistent efforts and is working hard to continue improving. PPAP has put in place an integrated water resource management plan to achieve this goal. Rainwater harvesting, recycling, and reusing of treated water are some of the important aspects.

We typically optimize water use in our facilities through technological interventions. Keeping track of water usage using innovative technology and equipment effectively increases water savings. To reduce water consumption, we have placed sensor-based water taps in all our key facilities' toilets and cafeterias.

### ■ WATER MANAGEMENT STRATEGY

We are committed to reducing our water footprint throughout our operations by optimizing water use and expanding our recycling capacity while adhering to the 3Rs (Reduce, Reuse, and Recycle).

#### ■ CONSUMPTION, MONITORING, AND EDUCATION

- A monthly water report is generated for water tracking and monitoring to lower our water footprint across our operations.
- All internal stakeholders are educated on the significance of water sustainability inside the organization.

#### ■ ALLOCATION OF RESOURCES

- Whenever possible, we determine the share of freshwater and reused water in our overall water consumption based on our water management goal.

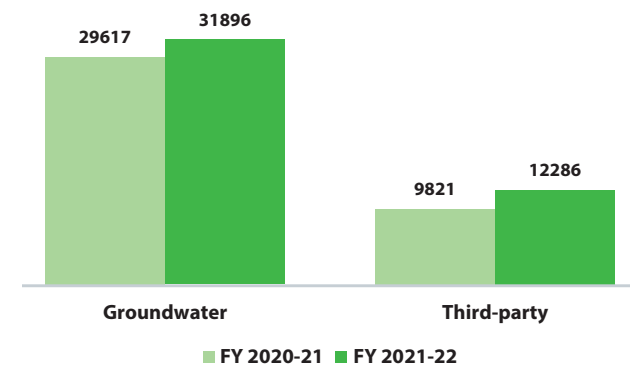
#### ■ MINIMIZE WATER LOSS

- To reduce water loss, regular checks of water lines and leak detection are performed.
- Preventive maintenance (visual inspection) of water lines is performed to guarantee the line is free of water loss.

#### ■ WATER WITHDRAWAL

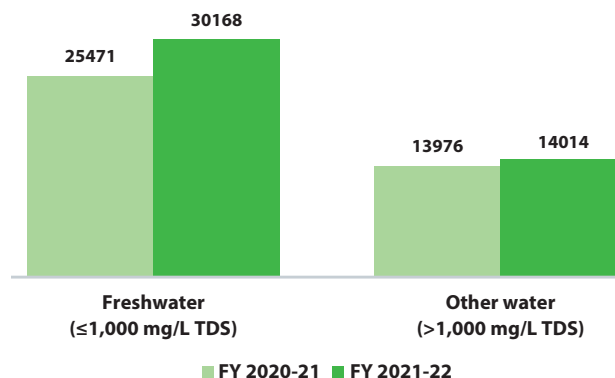
We rely on groundwater and water from a third party i.e., municipal supply depending on the location of our manufacturing units. We emphasize reducing our usage of freshwater and groundwater through rainwater harvesting and water conservation measures. The water consumed at our Plant II & V is primarily sourced from Municipal Supply (Noida Authority & Tamil Nadu Authority) and for our plants III, IV & VI are sourced from groundwater. 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. During FY 2021-22, our total water withdrawal was 44182 KL.

Source of water withdrawal (KL)





### Water withdrawal (KL)



### ■ WATER DISCHARGE

PPAP has implemented a mechanism for Zero Liquid Discharge. The wastewater generated from cooling trough of extrusion was previously drained out in municipal drains, it is currently being stored in underground storage tanks and then used for gardening. The wastewater is recycled in-house and reused from the cooling extrusion for the greenbelt development and horticulture. 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. Rainwater harvesting tanks are installed to recharge the groundwater.

### ■ AIR EMISSION

India has taken several steps to address concerns about rising air pollution, including enacting stricter emissions standards for industries and improving vehicular emissions standards. India has also created its own Air Quality Index (AQI) that includes important pollutants such as nitrogen dioxide (NO<sub>2</sub>), sulfur dioxide (SO<sub>2</sub>), carbon monoxide (CO), ozone (O<sub>3</sub>), ammonia (NH<sub>3</sub>), lead (Pb), and particulate matter (PM). Despite the Government's efforts, air pollution remains a problem, three of our sites are in cities falling into the severe air quality category.

PPAP's approach to energy conservation and increasing the use of energy from other sources, such as solar, helps to reduce air pollution. Lowering our plants' atmospheric emissions is an ongoing endeavor for our plant and facility planning teams, as well as our everyday operations.

Although, we do not have any furnace or process stack, we continue to monitor significant air emissions parameters, such as Particulate Matter (PM), Carbon Monoxide (CO), Oxides of Nitrogen (NO<sub>x</sub>) and Hydrocarbon (HC) as well as ambient air quality periodically.

We get our DG sets tested quarterly by third-party testing agencies to ensure compliance with applicable standards and continuous improvement. Our process or product do not emit any ozone depleting substance.



## RAW MATERIAL CONSUMPTION

We track material usage, waste reduction, and improve the utilization of recycled material with a view to maximizing resource management. We identify the key concerns shaping the current market landscape as well as obstacles that may affect our organization in the long run.

We recognize that the price and availability of raw materials are affected by a variety of circumstances, including supplier shortages, demand, transportation costs, and so on. Therefore, it creates opportunities for us to relook at our manufacturing processes and produce solutions.

Our expectations from our suppliers are laid down in our supplier code of conduct and responsible sourcing of raw material documents. At PPAP, we encourage and promote the sustainable procurement of materials across all our business operations. We have undertaken the 5R concept, "Refrain, Reduce, Reuse, Recycle and Recover", to ensure the optimal management of our material resources. We are continually working to reduce the resources consumed in the production of our products, for example, by using more efficient methods, innovative technologies, and renewable and recycled raw materials.

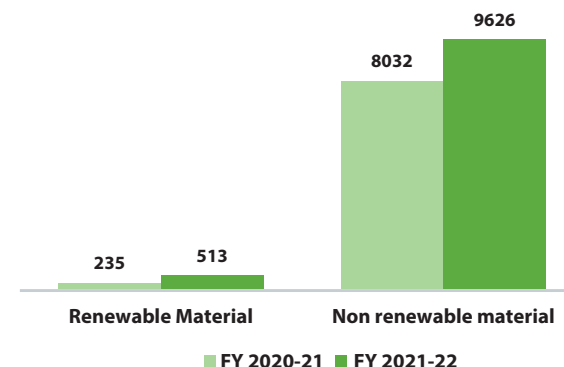
### ■ MATERIAL CONSUMPTION

We have classified our material consumption into renewable and non-renewable materials. The renewable material consists of raw materials corrugated boxes, other packing materials and paper. The non-renewable material consists of PVC, TPO, PP, Nylon Flock, Engineered Plastic, Master Batch, LLDPE, Foam Sheet and Bags, Polythene Bags, Other Packing Material, 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.

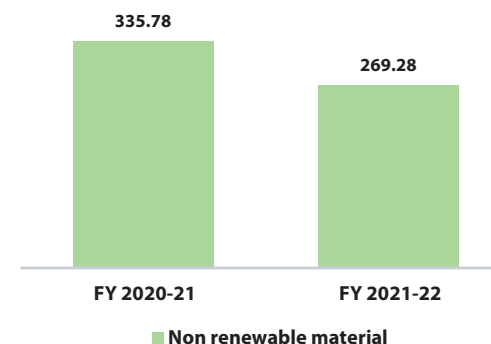
### ■ RECYCLED INPUT MATERIAL

The waste material is being recycled and used again to its potential extent leading to a reduction in the consumption of natural resources. The waste is being reused as packaging material as well to eliminate MUDA (waste). Moving forward, we are planning to maximize the recycled input material for production and packaging as well.

#### Raw material used (ton)



#### Recycled input material used (ton)



**7,35,040**



## Plastic bins reclaimed from customers

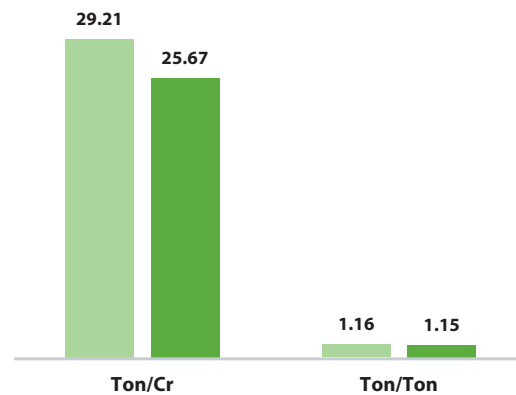
### ■ RECLAIMED PRODUCTS

The reclaimed packaging materials are the number of bins & trolleys at the plant level that is returned from the customer, eliminating the

need for extra packaging material. The same bins are reused until the end of their life cycle. Only the defective bins are replaced and considered not good 'NG' for further use. Further, final products are supplied in the same bins as and when required by the customer.

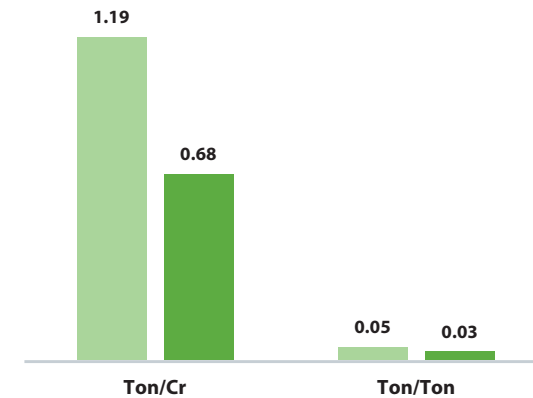
#### Material Consumption Intensity

■ FY 2020-21 ■ FY 2021-22



#### Recycled input material intensity

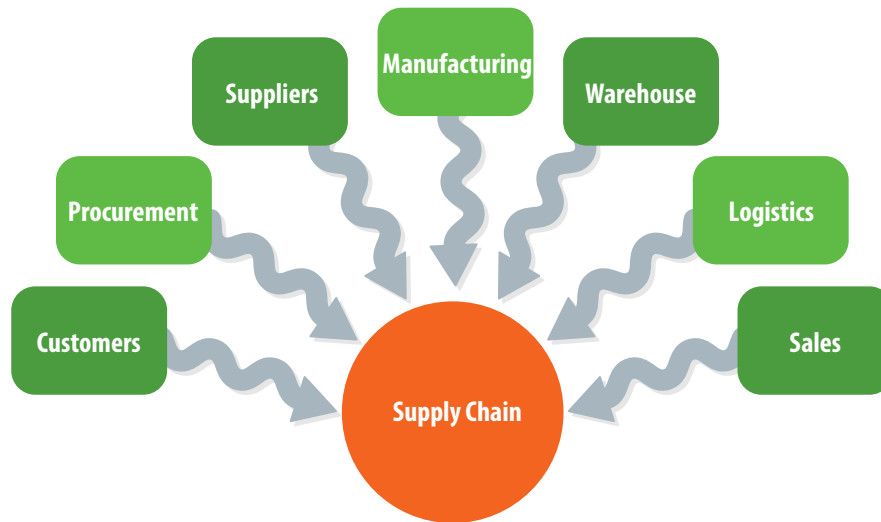
■ FY 2020-21 ■ FY 2021-22



## VALUE CHAIN SUSTAINABILITY

### ■ VALUE CHAIN SUSTAINABILITY

We at PPAP view suppliers as partners in our growth and view their position as being of utmost importance. We constantly strive to build a relationship based on trust and close ties among our suppliers because the proper identification of an adequate supplier base is crucial to our business demands. We engage with our suppliers on a regular basis and communicate our objectives and challenges. To assess and manage risks throughout the supply chain, we maintain a fair selection process for suppliers, contractors, and service providers that is free from any outside or internal interference.



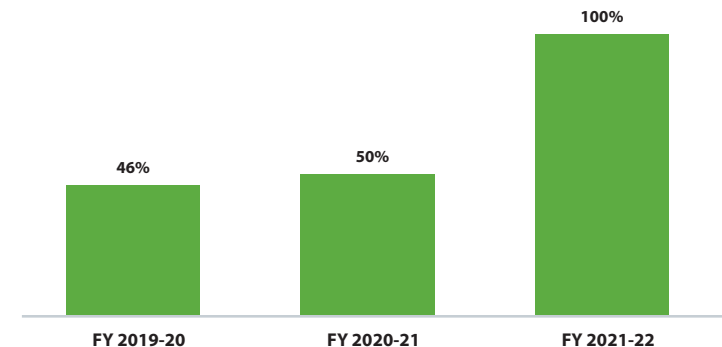
We continuously strive to fulfill our commitment towards sustainability throughout our value chain. We encourage all our suppliers to uphold the PPAP's Supplier Code of Conduct along with the Responsible sourcing of raw materials. One of our principal areas of emphasis is the notion that continuous engagement is the best strategy for creating a long-lasting, open, and reliable relationship to manage the operations of our supply chain.

PPAP engages with a variety of suppliers, including raw material suppliers, purchased parts suppliers, packaging and consumable suppliers, general item suppliers, and logistic service providers. During the reporting period, we engaged with 117 suppliers throughout the supply chain. PPAP's supply chain spans India and other nations such as Japan, Thailand, and China. In general, PPAP's supply chain is less capital-intensive and more labor-intensive.

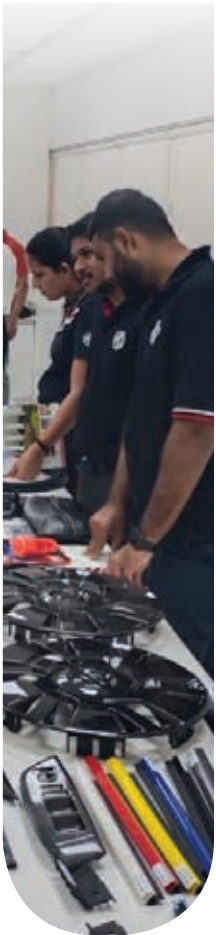
### ■ NEW SUPPLIERS SCREENED USING ENVIRONMENTAL AND SOCIAL CRITERIA

New suppliers will be screened for environmental and social criteria in sustainable growth, and their environmental and social impact will be rated. We will assess the supply chain's actual and prospective negative environmental and social repercussions. Then, as part of the sustainability value chain, relevant actions to prevent, reduce, or remediate the consequences will be implemented. The suppliers selected or contracted are engaged in due diligence processes for environmental and social impacts. We work with our suppliers 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.

% of new supplier screened as per the EMS criteria





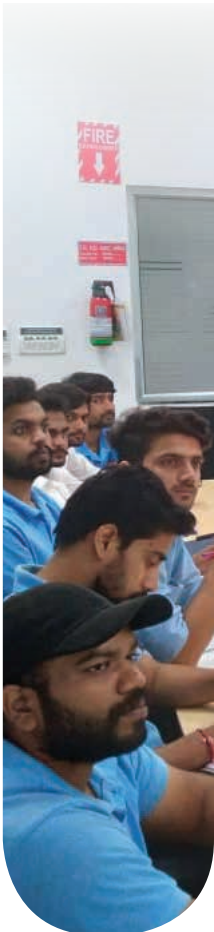


In addition, we are also evaluating and auditing current suppliers and their products and services based on environmental and social standards. Suppliers will be examined for a variety of environmental and social norms, including water, emissions, energy, diversity, human rights, child labor, and so on. We are diligent in preventing and

mitigating environmental and social impacts in the supply chain function. These include the impacts the organization either causes or contributes to or is linked to its activities, products, or services by its relationship with suppliers & service providers.



## SOCIAL



Our employees drive our business with their dedication, passion and innovation, which is reinforced by a congenial and inclusive workplace. We remain dedicated to the well-being of the communities in which we operate.

Through our efforts, we hope to make a positive difference in the lives of our customers, partners, employees, and the community at large, promoting inclusion and growth. At PPAP, we prioritize our people, society, and consumers.

**100%**  
employees COVID 19  
vaccinated

**28.8 hrs**  
average  
training hours per  
employee

**100%**  
employee  
facilitated with more  
than  
minimum wages

**11%**  
procurement from  
MSME suppliers



**PPAP places a high emphasis on our relationships and strive to safeguard the needs and interests of all our key stakeholders.**

Since our inception, we have focused on social development as it is one of the essential components for long-term, sustainable business growth. At PPAP, we prioritize social growth and community involvement in our business goals. We define social development as an increase in a population's quality of life. We consider that through contributing to social development and increasing community involvement, we can help to create employment, introduce and expand education and skills development programs, provide and promote community health services and initiatives, and conserve local culture and arts. Such donations generate the wide community benefits that are essential for long-term sustainable development.

Our consistent emphasis on encouraging innovation and entrepreneurship has resulted in a work environment that delivers business value while keeping the team cohesive, engaged, and committed. For employee benefits and engagement, we regularly gather feedback from our 1000+ employees to establish robust procedures, policies, and projects. The emphasis on employee involvement at PPAP begins on day one, with induction training as the first step. From there, we employ a variety of engagement strategies, such as town hall meetings and events. All our workplaces are ergonomically constructed with the workforce's comfort, safety, and security in mind. In addition to pantry and break-out areas, most of our facilities feature resting areas, medical rooms, and visiting doctor services. Our activities are aligned with the UNGC 10 human rights principle and OECD guidelines.

We also have in place compensation and employee benefit practices. The benefits include group medical insurance, group personal accident insurance, maternity leave, employee awards, and retirement benefits for our permanent and other than permanent employees, which include Provident Fund, Gratuity, Medisclaim, ESIC, Bonus, employee transportation, uniform provisioning and canteen facility. Retainership policy is available for certain employees who have reached retirement age as part of the transition assistance programme. We also make certain

that we always meet or exceed salary and working hour guidelines. We ensure that the same salary is provided at entry-level to male and female employees and there is no discrimination in wages based on gender.

We have paved our way to becoming a socially responsible organization in a pragmatic and socially responsible manner by complying with existing laws and regulations and incorporating a community engagement, Corporate social responsibility, zero-tolerance policy into our systems against any non-compliance.







## Contributing to social development

Occupational  
Health & Safety

**3** GOOD HEALTH  
AND WELL-BEING



**8** DECENT WORK AND  
ECONOMIC GROWTH



Promotion of  
Human Rights  
and Diversity

**5** GENDER  
EQUALITY



**10** REDUCED  
INEQUALITIES



Training &  
Development

**4** QUALITY  
EDUCATION



**8** DECENT WORK AND  
ECONOMIC GROWTH



Enhanced  
customer  
satisfaction

**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



**16** PEACE AND JUSTICE  
STRONG INSTITUTIONS



**17** PARTNERSHIPS  
FOR THE GOALS



Community  
Development

**1** NO  
POVERTY



**2** ZERO  
HUNGER



**3** GOOD HEALTH  
AND WELL-BEING





## OCCUPATIONAL HEALTH & SAFETY

We at PPAP are dedicated to being recognized as an organization that prioritizes the health, safety, and overall well-being of our employees. Our EHS policy, objectives, standards, and working practices are all aimed at making PPAP a very safe and healthy place to work. We are also committed to fostering a safe and ethical working environment at all our manufacturing plants. We have been working towards achieving 'safe workplace' and have set a target of attaining zero reportable incidents across all our operations. Our goal of "safe workplace" entails "Zero Accident and Zero Incident" for all PPAP premises.

At PPAP, safety is the primary step in any action. We have a well-defined safety organization that oversees performing safety, electrical, and fire audits, risk assessments, safety meetings, and implementing appropriate safety measures to identify unsafe conditions and acts (Hiyari Hatto Points).

The hierarchy of control is used to eliminate any harmful conduct or condition, which includes hazard removal, substitution, engineering

control, administrative control, and the provision of personal protective equipment. The safety team periodically conducts simulated drills and gives training to personnel. PPAP ensures that all safety regulations and norms are met.

For our safety management, we strictly adhere to international safety standards and enhance our systems on a proactive basis. As a responsible organization, we regard health and safety standards as key components of our development. We have also built a rigorous approach to addressing safety risks to eliminate occupational hazards and workplace injuries for our permanent and other than permanent employees that work on our premises. The job and responsibilities are defined, and management reviews are used to conduct regular monitoring. We are diligently working to strengthen our safety management system, which is based on the globally recognized OHSMS 45001:2018 standard. All PPAP plants are OHSMS 45001:2018 certified.



**Note:** \*\*Cases of Work-related injury [Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked), Total recordable work-related injuries, No. of fatalities, High consequence work-related injury or ill-health (excluding fatalities)] were zero.

\*\*However, 4 first aid cases were reported during the reporting period.



## ■ HAZARD IDENTIFICATION & RISK ASSESSMENT (HIRA)

For all operations, occupational health and safety risks and hazards are identified and assessed, and control measures are established in accordance with guidelines. No work is undertaken without a risk assessment, and any non-routine or risky activity is started only when a Permit to Work (PTW) is issued. The plant has a well-defined Emergency Preparedness Plan. Recruits are being trained during the induction period and made aware of occupational health and safety issues. Additionally, refresher training for all personnel is scheduled on a regular basis.



The Hazard Identification and Risk Assessment procedure are implemented on a regular basis for all routine and non-routine activities. The plant has a control hierarchy in place that includes hazard removal, substitution, engineering control, administrative control, and the provision of PPE. Furthermore, the plant's certified internal auditors organize internal audits and management reviews to assure the quality of these processes.

These processes are controlled in HIRA according to the CPN of activity to define control, corrective, and preventative action. Employees are safeguarded from risks by the following activities:

- Training & Awareness
- Provision of PPEs
- Engineering control, Kaizen and Poka-yoke

Employees have access to policies like the QEHS policy, HIRA, and SOPs to enable them to become aware of the risks of injury or illness at work. Accident and investigation procedures are used to investigate work-related events. Risk management addresses all occupational health and safety implications on the company, and associated risks are addressed in accordance with the hierarchy of control.

## ■ 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 various places on the shop floor. Also, an annual health check-up is conducted for all the employees. No work-related health issues were reported during the reporting period.



## ■ MONITORING, EVALUATION AND LEADERSHIP ACCOUNTABILITY

PPAP has consistently monitored and strived to enhance safety performance over the years. The monitoring framework at PPAP is well-established, and it includes checks at all levels of the organizational hierarchy, from the shop floor to the business head.

To ensure that safe work practices and training are being used consistently, the unit conducts job risk assessments, permit-to-work inspections, toolbox talks, and weekly status checks. The Audit Committee meeting also recognized EHS as a critical risk area for the firm, and the Committee is evaluating mitigation strategies. Permanent and Other than Permanent employees are covered under the PPAP Occupational Health and Safety management system.

### Kaizens & Poka-Yoke



Acrylic sheet safety covers with interlocking system to avoid accident



Fencing around uncoiler

### Fire Safety equipment



### Use of PPE kits



## TRAINING & DEVELOPMENT

The talents and skills of our talented employees have been key factors in our success and market leadership. Through numerous learning and development programs, the leadership continually delivers effective skill development opportunities for employees.

The core principle of PPAP's training and development program is to foster a culture of "Teach and be Taught" by passing on information and skills to the succeeding generation. The immediate senior has a key role in shaping this culture. We have created a vibrant work culture by thinking in terms of "learn, perform, and drive." Employees can benefit from training and development by expanding their knowledge, learning new skills, honing current ones, performing better, increasing productivity, and becoming better leaders.

### ■ TRAINING CULTURE

Our training culture comprises continual, purposeful learning that helps employees reach their full potential through excellent learning programs and growth opportunities.

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

**10%** of the time of trainee goes in the classroom, **20%** of 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 organization 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.

### Firefighting Training





## Training on Safety and Environment Basic & Advance



We constantly engage employees in various learning and development programs like TBP projects (systematic problem-solving skills and drive and dedication), Jishuken, Quality circle, Interplant quiz competition and Kaizens, etc. These programs help improve work efficiency and build collective skills 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 practiced in which high-potential blue-collar employees are identified and groomed for upward mobility.

**100%**

**Employees trained on human rights**

**100%**

**Employees training on health & safety**

## SIS Training



## KYT Training



## Technical Trainings



## Hiyari Hatto Training



## POSH Training



**28.82 hours**

**Average training imparted per employee**

Every year we send few employees for one-year training at Toyota Kirloskar Motor, Bengaluru, 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 programs to help employees make better risk decisions, understand our safety standards, and share learnings and best practices across the organization. In addition, Occupational Health & Safety is a mandatory module in our induction and refresher training programme.

We are constantly eager to include innovative ideas to achieve training compliance, 100% participation, and suggestions in building successful training modules to satisfy on-the-job objectives.



## DIVERSITY & INCLUSION

**One of our primary goals as an organization is to foster a creative, inclusive, and diverse environment within PPAP.**

We proactively seek out diversity and engage with it rather than merely incorporating it. We execute this to enhance the business's cohesive strength as it endeavors to establish an inclusive culture for all that is also rooted in performance, merit, and potential. Furthermore, we assure adherence to relevant statutory compliances while providing a flexible working environment and valuing diversity and inclusion. We do not discriminate based on race, caste, religion, color, ancestry, marital status, gender, sexual orientation, age, nationality, or any other factor.

We employ the best talent in the country and consider it an honor to collaborate with them. Our employees are the most important contributors to our sustained success, and we are dedicated to their general well-being. They have helped to make our company a 'Great Place to Work' for the third time in a row.

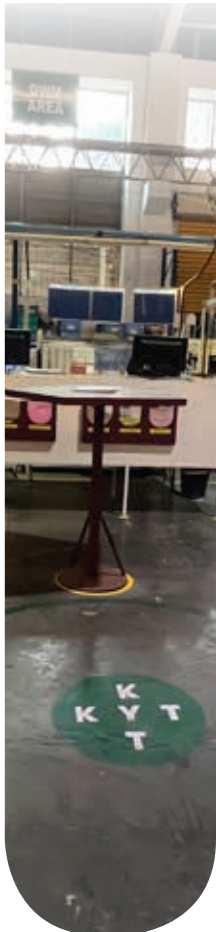
We believe that an inclusive work atmosphere motivates individuals to perform better, resulting in increased business success. We are aware that a high-quality, engaged workforce is the key to achieving

our strategic goals. We provide innovative people practices in a manufacturing environment with opportunities for employees at all levels.

We are specifically engaged in employee management, employee communication, and learning and development. We also provide the appropriate platform for our employees to develop their skills, competence levels, and experience, which contributes to our organizational strength.

### ■ TALENT ACQUISITION & PERFORMANCE MANAGEMENT

PPAP has a streamlined talent acquisition and performance management procedure. Our employment methods are focused on attracting and retaining the best employees based solely on performance and potential. We consistently play a vital role in preserving and expanding our knowledge base. Our primary goal is to make sure that our employees are motivated, safe, and secure enough to do their jobs effectively and efficiently.



**Great  
Place  
To  
Work®**

**Certified**  
NOV 2021–NOV 2022  
INDIA



**1027**

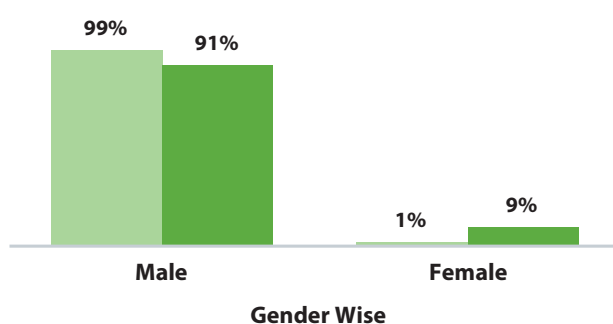
## Total permanent employee strength

Our induction and the welcome process begins the day an employee joins the organization. The initial communication is from the MD in the form of a personally signed welcome letter, which is followed by a welcome mail from the HR representative, which is followed by a session on PPAP's value system and culture, which provides the employee a better understanding of PPAP's identity.

An HR representative ensures that all arrangements are made for the new employees' smooth onboarding and induction process, ensuring that the new employee has a productive day. Our talent attraction process focuses on evaluating an employee based on their ability to perform and grow within the organization. We impart knowledge about our businesses, explain the important success criteria for each

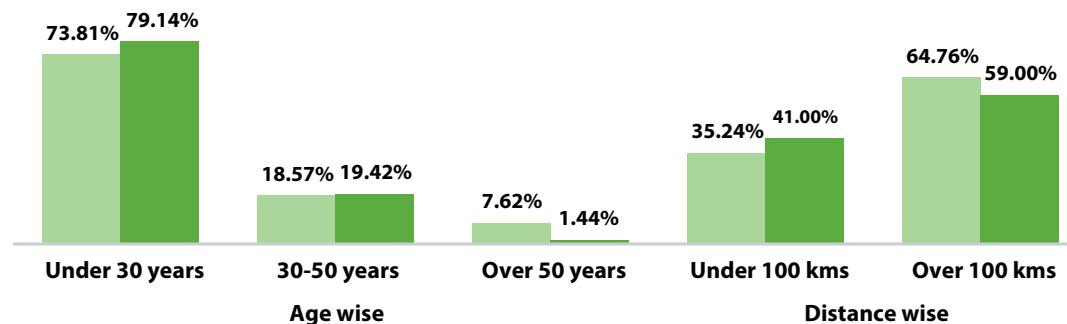
business, familiarize the employee with our workplace environment, educate them on technical challenges that each business faces, and provide a quick overview of each business vertical at the time of onboarding. We make certain that the entire recruitment procedure is non-discriminatory. We have increased our efforts to build an inclusive and diverse workplace culture. We put forth all effort to attract, engage, develop, and retain talented employees who will become our most significant assets in the future. We frequently review our employees' performance at all levels and provide incentives, prizes, and recognition for deserving performances and contributions. We have also established goals for a single-digit attrition rate, improved female representation, and expanded career options for everyone.

### New Employee Hire Rate (Gender wise)



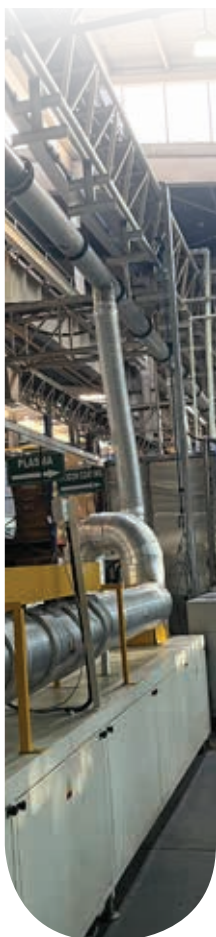
■ FY 2020-21 ■ FY 2021-22

### New Employee Hire Rate (Age and Distance wise)

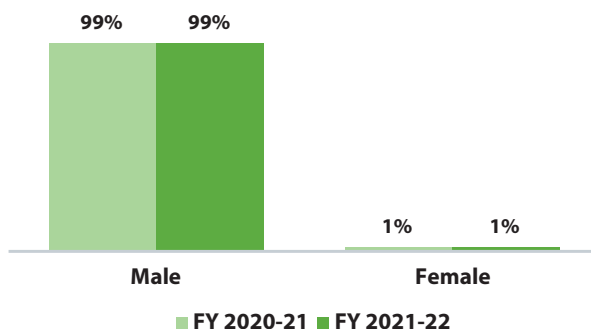


■ FY 2020-21 ■ FY 2021-22

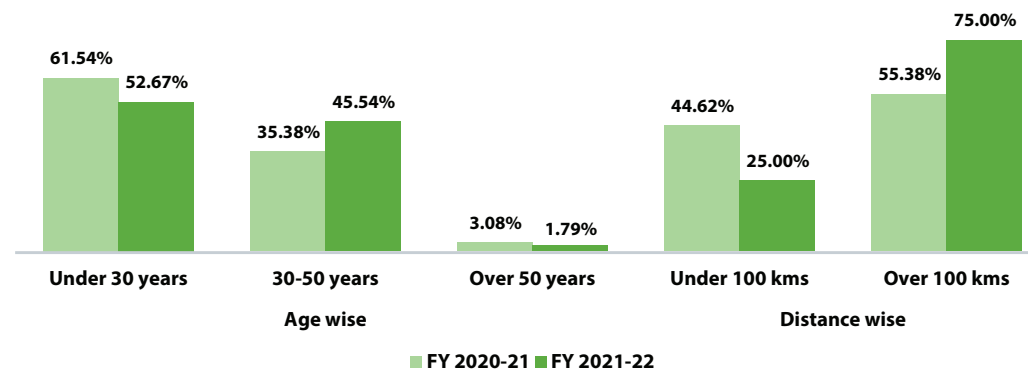




### Employee Turnover Rate (Gender wise)



### Employee Turnover Rate (Age and Distance wise)



### ■ EMPLOYEE WELFARE INITIATIVE

People enjoy working for companies that appreciate their contributions, pay attention to their opinions, and interact with them both formally and informally. At PPAP, we strive to foster an inclusive culture that recognizes and promotes superior performance, gives opportunities for two-way interaction, and generates positive energy.

There are several internal communication channels, including annual functions, town-hall meetings, daily work management meetings, daily leadership update forums, meetings of the sustainability steering and working committees, employee engagement polls. We have an effective interaction and communication structure in place that allows us to continuously engage with and provide feedback to our staff.

#### Employee Appreciation & Recognition Awards







**Women's Day Celebration**



**Townhall Meeting**



**World health day celebration by blood donation camp**



**Environment Day Celebration**



**Independence Day Celebration**



**COVID 19 Vaccination**



**International Yoga Day Celebration**





## COMMUNITY DEVELOPMENT

PPAP is actively engaged in its CSR activities and community development through its trust "Vinay and Ajay Jain Foundation" (VAJF).



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 developing communities around the vicinity of the plants by improving education, health, hygiene and the 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 marginalized section of our society through "Vinay and Ajay Jain Foundation" (VAJF). VAJF is a registered trust for focused implementation of CSR activities of the Company, majorly in the field of Environment, Education and Healthcare.

### ■ 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 organizations like trusts, foundations, etc. including non-government organizations, for social causes
- Ensure efficient use of energy and environment-friendly technologies

### 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 marginalized sections of our society and raise society's development index."**



## ■ 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, conduct the following functions:

- Formulate and recommend to the Board a Corporate Social Responsibility Policy that 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

**59 lacs**

**Spent on CSR activities in FY 21-22**

**\*\*Note:** Kindly refer annual report FY 21-22 for further details on CSR expenditure.

## ■ CSR INITIATIVES

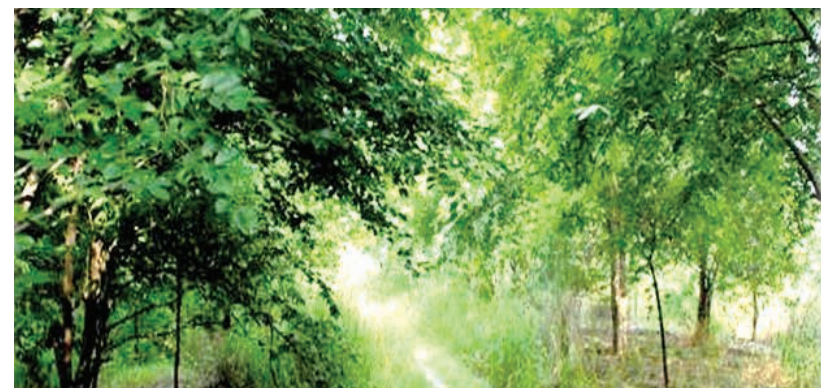
In 2019, PPAP commenced its journey of afforestation using self-created SOPs in the degraded forest around the 600-year-old Tughlaqabad Fort. With our 5 decades of industrial experience, we decided to make it a showcase model, which is sustainable, biodiverse, scientific, efficient, and cost-effective.

Using 125 different native species trees, we were able to successfully conduct a plantation drive on 70 acres of land at Tughlaqabad Biodiversity Park because of our initiative. We had planted 90,000 saplings since July 2019.

**Before**



**After**



However, over three years, 30,000 saplings perished due to a variety of factors, including disease, extreme weather, vandalism, etc. despite trained staff, daily watering, supervision & PDCA. We hence created some inventive ideas, such as a modified portable water pump with four extension pipes for gathering water, we identified plants that were not devoured by Nilgai and planted them and protected them with chicken mesh and bamboo sticks to avoid harm from monkeys or Nilgai. For pits, we utilized an 8-foot-long gauge to indicate equal distances and motorized





earth augers to dig pits. We sprayed saplings with in-house formulated Jeevamrit (organic plant nutrient; an excellent source of NPK nutrients) on a quarterly basis to promote rapid growth. To prevent any mental or physical strain on the workforce, we built huts at every 25 acres that were equipped with necessary amenities.

Numerous advantages resulted from our afforestation activities, including but not limited to the sequestration of roughly 1364 tCO<sub>2</sub> per year, contributing to keeping the earth's average temperature

below 1.5° C, and climate stabilization, bringing breathable oxygen to Delhi NCR to make it a livable city while improving the water table and hydrological cycle, Urban forests are bringing in a wide variety of native species trees and shrubs in Delhi NCR, creating employment (gender diversity - greater women involvement) in nursery and biodiversity park, creating awareness and engaging staff, volunteers, and associations for a contribution towards SDGs. These urban forests are also attracting birds, bees, butterflies, and insects to maintain biodiversity and natural harmony.



With our sustainable afforestation drive, we have touched upon 7 out of the 17 SDGs. From an environmental standpoint, we can touch upon on SDG 3: good health & well-being, SDG 11: Sustainable cities & Communities, SDG 13: Climate Action, SDG 15: Life on Land. From a social standpoint, we can touch upon the SDG 4: Quality Education, SDG 5: Gender Equality, SDG 17: Partnerships for the goals.

Our nursery near Dera Mandi





## CORPORATE GOVERNANCE



PPAP believes that corporate governance is a vital element in the creation and enhancement of long-term sustainable value for all our stakeholders.

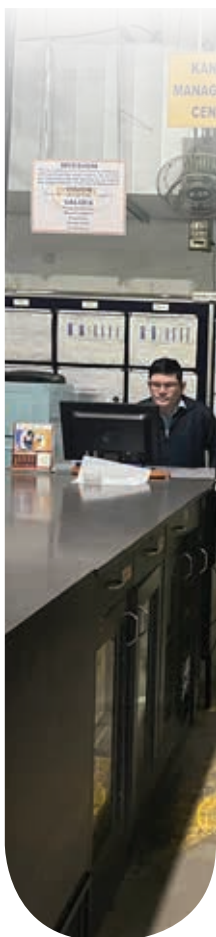
PPAP is committed to keeping a high level of corporate governance framework, policies, and practices. We strive to strengthen aspects of its operations, reinforcing its focus on better governance by ensuring long-term value creation for all of its stakeholders.

**33%**  
**women**  
**executive in board**

**Zero**  
**finances or**  
**monetary sanctions**  
**for non-compliance**

**Zero**  
**cases of**  
**corruption**

**Zero**  
**breaches on**  
**customer privacy**  
**issues**



A sustainable organization will always have a robust corporate governance framework. A strong emphasis on good governance further demonstrates our capacity to manage risks appropriately. Our collaborative and moral leadership is the foundation of our success. Corporate governance, which includes our employees, investors, customers, suppliers, service providers, and the public is one of the primary enablers in the creation and enhancement of long-term sustainable value for our stakeholders.

We believe that improving and enhancing corporate governance with the goal of guaranteeing sound and efficient company management is

critical to attaining long-term growth. Based on this, we are developing and sustaining fair and transparent management and organizational structures capable of precisely responding to environmental changes.

PPAP strongly believes that successful corporate governance processes provide a solid foundation of confidence and trust, attract human resources, and produce long-lasting, superior performance. PPAP always seeks to enhance every aspect of its operations. By empowering and motivating human resources, it aims at transforming obstacles into opportunities so that they may guide the organization on a growth trajectory.

### Promotion of governance across entire PPAP group

#### Organizational Governance and Fair Business Activities

**8** DECENT WORK AND  
ECONOMIC GROWTH



**16** PEACE AND JUSTICE  
STRONG INSTITUTIONS



**17** PARTNERSHIPS  
FOR THE GOALS



#### ■ COMPOSITION OF BOARD

We are led by a Board that comprises 6 individuals. It comprises qualified members from the industry, with diverse experience and credentials, selected for their acumen and ability to challenge, and add value to the organization. Our Board members exemplify good governance by bringing forward the required skills, competence, depth of experience which allows the Board to take effective decisions and guide the management to achieve the Company's objectives and enhance stakeholder's value.

Our Board of Directors and management team are committed to up-

holding high governance standards while serving the interests of the Company and its shareholders. This ensures that our business operates fairly, transparently, and ethically, which motivates the Company to perform at its highest level.

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 2022, the Board has two women Directors and half of the Board comprises Independent Directors.



## BOARD OF DIRECTORS

**MR. AJAY KUMAR JAIN**  
Chairman and Managing Director



**MR. BHUVAN KUMAR CHATURVEDI**  
Independent Director



**MR. PRAVIN KUMAR GUPTA**  
Independent Director



**MRS. CELINE GEORGE**  
Independent Director

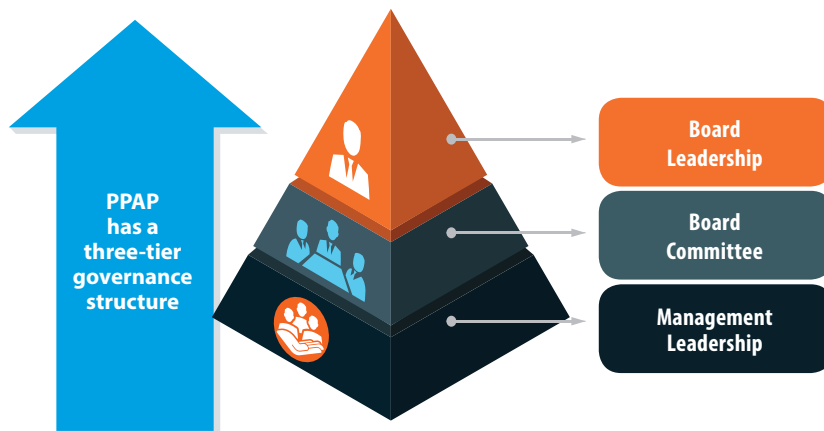
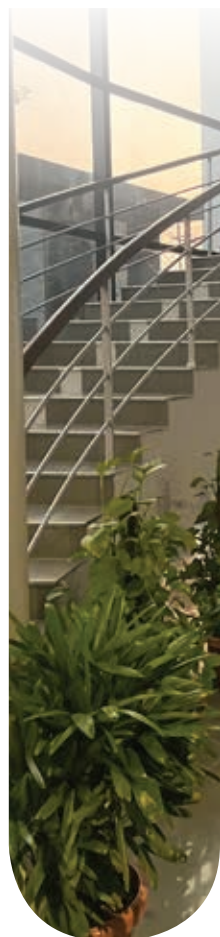


**MRS. VINAY KUMARI JAIN**  
Non-Executive Director



**MR. ABHISHEK JAIN**  
Chief Executive Officer and Managing Director

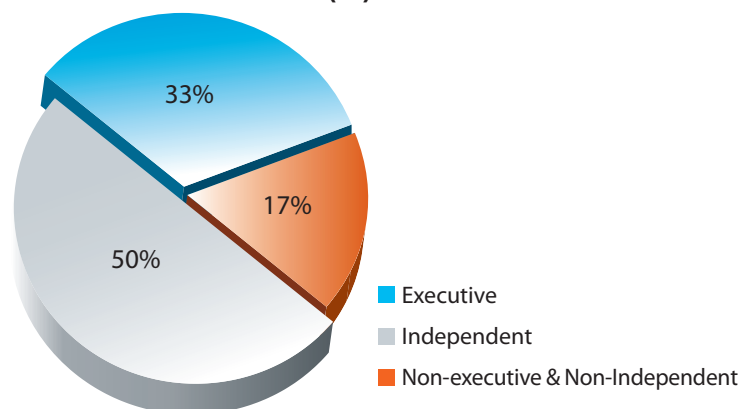




## ■ BOARD COMMITTEE

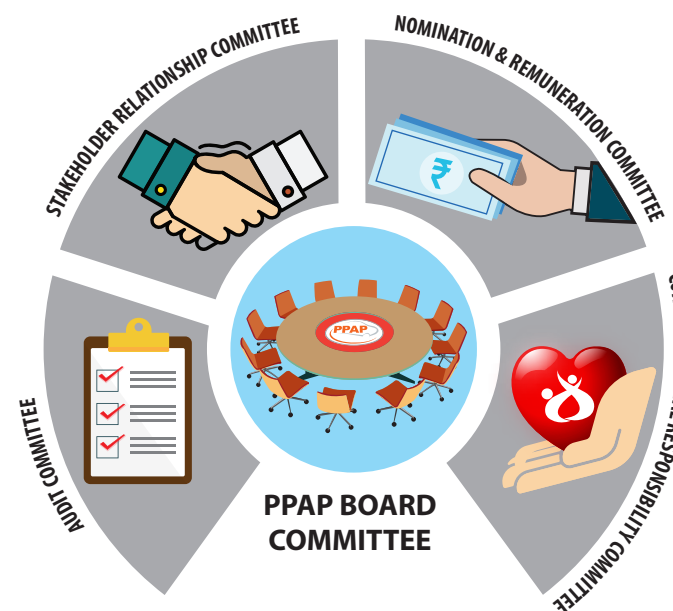
The Board has established a set of committees with specialized mandates to ensure the timely resolution of various issues and the attainment of objectivity. PPAP board committees are focused on reviewing financial controls and results, audit and internal controls, letter and spirit compliance with various laws, ensuring the highest

**CATEGORY OF DIRECTORS (%)**



standards of corporate governance, the appointment of Directors and the leadership team and their remuneration, strategizing CSR and monitoring its progress, and reviewing various risks associated with the Company's operations.

The Board of Directors meets on a regular basis to discuss all areas of strategic, operational, and financial matters. The Board also develops a fantastic culture in which it evolves and adheres to not just the specified corporate governance rules, but also global best practices. Our Board of Directors, key management, and employees all share the same high standards of transparency, individual accountability, and ethical behavior in all our business interactions. The Leadership Team of our Company percolates the directions set by the Board throughout the organization through policy deployment, accountability and responsibility, daily work management, etc. This structure ensures that the entire organization aligns with the common goal of challenging the status quo to achieve breakthrough result.





## ■ BUSINESS ETHICS

PPAP has imbibed a culture where decisions are governed by its values and beliefs. Driven by a strong value system at the core, each employee abides by the organizations' policies and procedures. The Code of Conduct & Ethics aims at maintaining uniformity, transparency, and fairness in dealing with its stakeholders. In addition to the code of conduct, PPAP has implemented various other policies including Whistle Blower policy, Corporate Social Responsibility Policy, Quality, Environment, Occupational Health & Safety and IT policy, etc. as a measure to strengthen its governance system and to conduct its business with high ethical standards.

Ethics and integrity are material issues for both our stakeholders and the management. PPAP has a zero-tolerance approach towards fraud, bribery and corruption. The code of conduct & ethics applies for all the 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 & ethics. 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

PPAP has established a code of conduct & ethics policy, code of fair disclosure policy and grievance handling mechanism for the

expression of concerns and grievances. This policy is consistent with PPAP's dedication to the highest possible standards of ethical, moral and legal business conduct with commitment to open communication. PPAP ensures the time bound review as well as resolution of the grievance raised by our employees.

### 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 victimization, any unethical behavior suspected or actual fraud, violation of the Company's code of conduct, etc., which are detrimental to the organization's interest and reputation. The mechanism protects whistle-blower from discrimination, harassment, victimization or any other unfair employment practice. The Directors and employees in appropriate or exceptional cases have direct access to the audit committee chairman.

### Prevention of Sexual Harassment

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. PPAP has in place a policy on prevention of sexual harassment at workplace. This policy is in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has constituted Internal Complaints Committees at various locations as per requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 for redressal of complaints relating to sexual harassment against woman at workplace.



## Transparency

Transparency leads to trust and trust leads to a better relationship with all the stakeholders. Trust is one of the values of PPAP. We actively foster a culture of transparency while interacting and encouraging

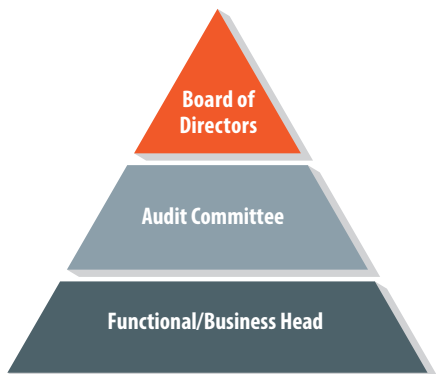
an open dialogue, ensuring mutual trust and respect. Transparency is also a key element in reporting. It helps the investors, shareholders and other stakeholders make informed decisions about our operations and other affairs. We bring out our annual reports periodically to inform and assist all our stakeholders.





## RISK MANAGEMENT FRAMEWORK

Risk management is critical to the Company's strategy and operations. Our risk management system has been created in such a way that it ensures awareness of the risks that threaten the attainment of objectives. PPAP has been proactive in identifying various risks associated with its business, both internal as well as external, and has created a risk management system that allows for the regular and active monitoring of business activities in order to identify, assess, and reduce potential internal or external risks.



The Board of Directors has defined the roles and responsibilities along with a delegation to monitor and review the risk management plan to the Committee. As a precautionary measure, a risk management system has been put in place to minimize risks every proposal of

significant nature is screened and evaluated for the risks involved in it and then approved at various levels in the organization before implementation. The respective functional / business head(s) are entrusted with identifying, mitigating and monitoring risk in their respective areas. The approach to managing and identifying risk is through interaction and involvement across the businesses, which helps our Company explore new opportunities and ideas.

We regularly engage with our strategic stakeholders and domain experts to identify and understand global risk trends and their impacts. Consequently, we also update our business models, execution strategies and risk profiles in a periodic manner. The respective functional / business head(s) are entrusted with the responsibility of identifying, mitigating and monitoring of risk in their respective areas. 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 risks are identified promptly, and mitigation action plan is formulated and executed timely.

### RISK MANAGEMENT PROCESS



## ECONOMIC PERFORMANCE

Economic sustainability is an integral component of sustainability and implies that we must use, protect, and sustain resources (both human and material) to develop values that are long-lasting and sustainable. PPAP is committed to delivering long-term economic growth while also giving back to the stakeholders that are critical to our success.

Furthermore, we believe that by the economy, distributing wealth, generating direct or indirect employment, investing in employees, and empowering the local community through our CSR initiatives, which are the foundational components of the sustainability framework, we can narrow the gap between social and economic development. In this section, we discuss our management strategy and important economic performance data during the reporting period.

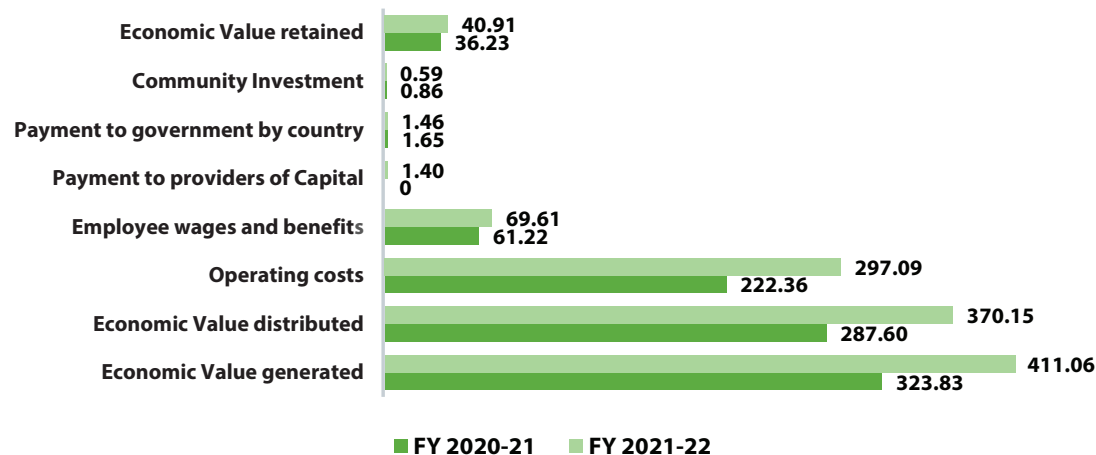
The economic aspect of sustainability is concerned with our effects on the financial standing of our stakeholders and the local, national, and international economic systems. We ensure that all applicable laws

and rules governing shareholder rights are followed. In addition, we keep accurate records of our activities and disclose them in accordance with legal requirements and professional standards.

### Direct Economic Value Generated and Distributed (INR Crores)

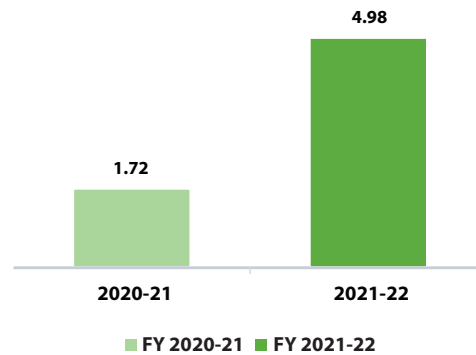
	FY 2020-21	FY 2021-22
<b>Economic Value generated</b>	<b>323.83</b>	<b>411.06</b>
<b>Economic Value distributed</b>	<b>287.60</b>	<b>370.15</b>
<b>Operating costs</b>	<b>222.36</b>	<b>297.09</b>
<b>Employee wages and benefits</b>	<b>61.22</b>	<b>69.61</b>
<b>Payment to providers of Capital</b>	<b>-</b>	<b>1.40</b>
<b>Payment to government by country</b>	<b>1.65</b>	<b>1.46</b>
<b>Community Investment</b>	<b>0.86</b>	<b>0.59</b>
<b>Economic Value retained</b>	<b>36.23</b>	<b>40.91</b>

### Direct Economic Value Generated and Distributed (INR Crores)

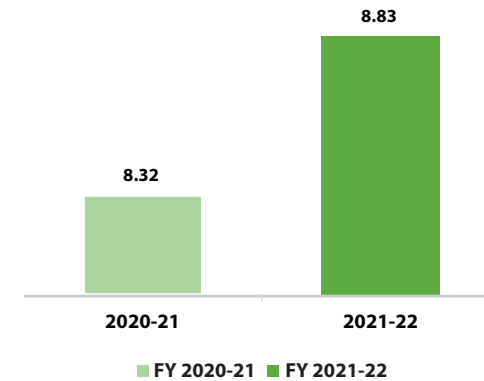




**Financial Assistance from  
Government (Subsidy) (INR- Crores)**



**Gratuity and Leave Encashment  
(INR Crores)**





## ANNEXURES

### ■ PERFORMANCE TABLE

#### Environment

##### Energy Consumption

Energy Consumption (TJ)					
	Non-Renewable Fuel	Renewable (Solar)	Grid Electricity	Natural Gas	Total Energy
2020-21	4.22	0.92	31.21	1.74	38.08
2021-22	4.38	2.07	42.98	2.38	51.81

##### Energy Intensity

Energy Intensity		
	GJ/Cr	GJ/Ton
2020-21	135	5
2021-22	128	6

	Sales (Cr)	Production (ton)
2020-21	283	7126
2021-22	395	8845

\*Note: The intensity is calculated in terms of per crore of sales and per ton of production\*

##### GHG Emission

GHG Emission (tCO <sub>2</sub> )			
	Scope 1	Scope 2	Total
2020-21	380	6731	7111
2021-22	423	9432	9855

##### GHG Emission Intensity

GHG Emission Intensity		
	tCO <sub>2</sub> /Cr	tCO <sub>2</sub> /Ton
2020-21	25	1.0
2021-22	24	1.1

##### Non-Hazardous Waste

Non-Hazardous Waste (in ton)		
	Recycling	Bio-composting
2020-21	769.90	0.00
2021-22	1112.10	7.13



## Hazardous Waste

Hazardous Waste (in ton)			
	Liquid Waste	Solid Waste	E Waste
2020-21	3.50	0.80	0.00
2021-22	3.42	1.01	1.01

## Water Withdrawal

Water Withdrawal (KL)				
	Groundwater	Third-party	Freshwater (≤1,000 mg/L TDS)	Other Water (>1,000 mg/L TDS)
2020-21	29617	9821	25471	13976
2021-22	31896	12286	30168	14014

## Social

New Employee Hire										
	Age Wise						Distance Wise			
	Under 30 years		30-50 years		Over 50 years		Under 100 kms		Over 100 kms	
	nos.	rate	nos.	rate	nos.	rate	nos.	rate	nos.	rate
2020-21	155	73.81%	39	18.57%	16	7.62%	74	35.24%	136	64.76%
2021-22	110	79.14%	27	19.42%	2	1.44%	57	41.00%	82	59.00%

	Gender Wise							
	Male				Female			
	nos.	rate	nos.	rate	nos.	rate	nos.	rate
2020-21	207	99%			3	1%		
2021-22	127	91%			12	9%		

Employee Turnover										
	Age Wise						Distance Wise			
	Under 30 years		30-50 years		Over 50 years		Under 100 kms		Over 100 kms	
	nos.	rate	nos.	rate	nos.	rate	nos.	rate	nos.	rate
2020-21	120	61.54%	69	35.38%	6	3.08%	87	44.62%	108	55.38%
2021-22	59	52.67%	51	45.54%	2	1.79%	28	25.00%	84	75.00%



Gender Wise				
	Male		Female	
	nos.	rate	nos.	rate
2020-21	193	99%	2	1%
2021-22	111	99%	1	1%

Parental Leave						
	Employees entitled		Employees that actually took leave		Employees that returned to work in the same year	
	Male	Female	Male	Female	Male	Female
2020-21	0	0	0	0	0	0
2021-22	0	1	0	1	0	1

	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
2020-21	0	0	0	0	0	0
2021-22	0	1	0	100%	0	100%

Diversity of Permanent Employees														
	Male		Female		Under 30 years		30-50 years		Over 50 years		Minority Groups		Vulnerable Groups	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
2020-21	860	99.7%	3	0.3%	288	33.4%	532	61.6%	43	5%	0	0	0	0
2021-22	1021	99.4%	6	0.6%	259	25%	687	67%	81	8%	2	0.2%	0	0.0

Diversity of Top Management								
	Male		Female		Under 100 kms		Over 100 kms	
	No.	%	No.	%	No.	%	No.	%
2020-21	4	66.7%	2	33.3%	6	100%	0	0
2021-22	4	66.7%	2	33.3%	6	100%	0	0





Workers who are not employees	
	nos.
2020-21	78
2021-22	121

\*Note: Not Employees= Workers in Canteen + Security + Material unloading persons\*

Category of Directors	No. of Directors	% of total no. of Directors
Executive	2	33
Independent	3	50
Non-Executive & Non-independent	1	17
Total	6	100

Financial Assistance from Government (Subsidy)	
Year	Economic Performance (INR- Crores)
2020-21	1.72
2021-22	4.98

Gratuity and Leave Encashment	
Year	Economic Performance (INR- Crores)
2020-21	8.32
2021-22	8.83

# INDEPENDENT ASSURANCE STATEMENT



**Grant Thornton Bharat LLP**  
Plot No. 19A, 2nd floor,  
Sector - 16A,  
Noida - 201 301  
Uttar Pradesh, India  
  
T +91 120 485 5900  
F +91 120 485 5902

Independent Assurance Statement on the non-financial performance data and information included in the Sustainability Report of PPAP Automotive Limited for the FY 2021-22

To  
**The Board of Directors**  
**PPAP Automotive Limited**  
**Noida, Delhi-NCR, India**

## Introduction

We, Grant Thornton Bharat LLP, have been engaged by PPAP Automotive Limited ('PPAP' or 'the Company') for the purpose of providing an independent assurance on selected non-financial disclosures presented in the Sustainability Report for FY 2021-22 ('the Report').

## Reporting Criteria

The Report has been developed by the Company based on the principles of the Global Reporting Initiative Framework developed by the Global Sustainability Standards Board ('GSSB'). The sustainability performance reporting criteria has been derived from the Global Reporting Initiative ('GRI') Sustainability Reporting Standards 2021 ('the GRI Standards'). In addition, the UN-Sustainable Development Goals (UNSDGs) are also considered while developing this Report.

## Responsibilities

The preparation and fair representation of the Report in accordance with the above stated reporting criteria, which is free from any material misstatement, whether due to error or fraud, is the sole responsibility of the management of the Company. This responsibility includes establishing and maintaining relevant and appropriate performance management systems and internal control framework to facilitate collections, calculation, aggregation and validation of the data with respect to management's basis of preparation and the GRI Standards.

Our report to the Company's Management/ Board of Directors is prepared only for the purpose of expressing Type 2 Moderate Assurance in relation to specified non-financial information contained in the Report and accordingly, should not be used for any other purpose without our prior written consent.

## Assurance Standards

Our assurance engagement was planned and performed in accordance with the third version of AA1000 Assurance Standard ('AA1000AS v3') issued by Accountability, a body recognized as a 'Framework Developer' by World Economic Forum's ESG Ecosystem Map.

Type 2 Moderate Assurance under AA1000AS v3 requires us to obtain evidence from internal and external sources and parties including stakeholders, and at all levels of organization to conclude on the nature and extent of adherence of the Report to the AA1000AP principles, i.e., Inclusivity, Materiality, Responsiveness and Impact including the conclusion on reliability and quality, accuracy, completeness and comparability of the information.

## Scope, Boundary and Limitations

### Scope

The Scope of Work was limited to the examination of non-financial performance data and information disclosed in the Report, for the period of 01 April, 2021 till 31 March, 2022('reporting period').

Non-financial performance disclosures subject to assurance are:

Series	Material Issue	GRI	Key Performance Indicator
GRI – 200 Economic	201 – Economic Performance (2016)	201-1	Direct economic value generated and distributed
		201-2	Financial implications and other risks and opportunities due to climate change
		201-3	Defined benefit plan obligations and other retirement plans
		201-4	Financial assistance received from government
GRI – 300 Environment	301 – Materials (2016)	301-1	Materials used by weight or volume
		301-2	Recycled input materials used
	302 – Energy (2016)	302-1	Energy consumption within the organization
		302-3	Energy intensity (on revenue)
		302-4	Reduction of energy consumption
	303 – Water and Effluents (2018)	303-3	Water withdrawal
	305 – Emissions (2016)	305-1	Direct (Scope 1) GHG emissions
		305-2	Energy indirect (Scope 2) GHG emissions
		305-4	GHG emissions intensity (on revenue)
	306 – Waste (2020)	306-3	Waste generated

# INDEPENDENT ASSURANCE STATEMENT

Series	Material Issue	GRI	Key Performance Indicator
	308 – Supplier Environmental Assessment (2016)	308-1	New suppliers that were screened using environmental criteria
GRI – 400 Social	401 – Employment (2016)	401-1	New employee hires and employee turnover (age and gender)
	403 – Occupational Health and Safety (2018)	403-9	Work-related injuries
		403-10	Work-related ill health
	404 – Training and Education (2016)	404-1	Average hours of training per year per employee
	405 – Diversity and Equal Opportunity (2016)	405-1	Diversity of governance bodies and employees (age and gender)
	414 – Supplier Social Assessment (2016)	414-1	New suppliers that were screened using social criteria

## Boundary

Boundary of the report covers PPAP's operations in India, which includes Automotive sealing parts manufacturing (Extrusion and injection moulding) plant at five locations, based out of **Noida, Greater Noida, Bhiwadi, Chennai and Ahmedabad**.

## Limitations

We have relied on the information, documents, records, data, and explanations provided to us by the Company for the purpose of our review. Data review was restricted to data provided by the Corporate Office and the plants at five locations.

The assurance scope excludes:

- Any disclosure other than those mentioned in the Scope section above
- Data and information outside the defined reporting period
- Data related to Company's financial performance, strategy and other related linkages expressed in the Report
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, forward looking statements provided by the Company and assertions related to Intellectual Property Rights and other competitive issues.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

## Assurance Methodology

Our assurance procedures involved methods to obtain evidence on the reliability of specified disclosures, that we considered necessary to provide sufficient evidence to support our assurance conclusion. The nature, timing and extent of the procedures performed were based on our professional judgment, including the assessment of the risks of material misstatement of the selected non-financial disclosures whether due to fraud or error. During the risk assessments, we have considered the internal controls pertaining to the preparation of the Report to design appropriate assurance procedures which includes:

- Physical site visit at three plants – Noida, Greater Noida and Bhiwadi for document verification
- Interviewing senior executives to understand the reporting process, governance, systems and controls in place during the reporting period.
- Reviewing the records and relevant documentation including information from audited financial statements or statutory reports submitted by the Company to support relevant performance disclosures within our scope.
- Evaluating the suitability and application of Criteria and that the Criteria have been applied appropriately to the subject matter.
- Selecting key parameters and representative sampling, based on statistical audit sampling tables and agreeing claims to source information to check accuracy and completeness of claims such as source data, meter data, etc.
- Re-performing calculations to check accuracy of claims,
- Reviewing data from independent sources, wherever available,
- Reviewing data, information about sustainability performance indicators and statements in the report.
- Reviewing of materiality assessment and awareness workshops;
- Reviewing the Company's stakeholder identification and engagement process;
- Reviewing of materiality assessments process;
- Reviewing and verifying of information/ data related to global reporting framework and standards;
- Reviewing of accuracy, transparency and completeness of the information/ data provided;
- Identification of gaps with respect to GRI framework and other global standards.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

## Findings and Recommendations

- Through the process of review and assurance, multiple observations were made on the data collection, evidence gathering and disclosure format. Materials used for production is a critical topic and it was observed that data management was not robust across all sites, leading to different approaches of data consolidation at different sites, which leads to difficulty in gathering of evidence and establishing data trail. It is recommended to have a sustainability data collection SOP in place, which standardizes the units of conversion, material classification and its measurement of various types of materials used for production.
- Currently, the KPIs are manually collected through logbooks for water, diesel, electricity and waste. To make the data collection more robust and free from minute variation which were observed in the review, the company should explore using enterprise resource planning (ERP) software to gather



## INDEPENDENT ASSURANCE STATEMENT

their data through the established SOPs. Similarly, the training data has been recorded manually and documented in physical copies, it is advisable to make a similar shift to an ERP software.

- It was also observed that the current HR information management system is not capturing the Date of Birth (DOB) and age of the employees, the company may incorporate these data points in the existing MIS, in order to enable proper disclosure and validation of data collection.

### Conclusions

Based on the procedures performed as above, evidences obtained and the information and explanations given to us along with the representation provided by the management and subject to inherent limitations outlined elsewhere in this report, in our opinion, PPAP's non-financial performance data and information for the reporting period included in the Report, is, in all material respects, in accordance with the Type 2 Moderate Assurance of AA1000 Assurance Standard ('AA1000AS v3')

Our conclusions on the Report's adherence to the AA1000 Accountability Principles of Inclusivity, Materiality, Responsiveness, and Impact including the conclusion on Reliability and Quality, Accuracy, Completeness and Comparability of the information are as follows:

- **Inclusivity:** The company has identified its key stakeholder groups based on the level of influence and impact the company has on these stakeholder groups. They have also identified and prioritized issues of various stakeholder groups.
- **Materiality:** The Company has reported on material topics across economic, environment, social and governance post stakeholder consultations through its well established materiality assessment process.
- **Responsiveness:** The company has demonstrated their commitment to stakeholder concerns through the feedback mechanism. However, the company can elaborate on the actions and impacts of the feedback mechanism.
- **Impact:** The company acknowledges its impact on the wider society and has established policies and systems to measure, monitor and evaluate the company's economic, environmental, and social impacts of select material aspects of the company. However, it should be duly noted that company refrains from reporting any negative impacts. The company communicates its performances on these impact through its sustainability report.
- **Reliability and Quality** - The data collected has been adequately recorded, compiled, analyzed and disclosed. The data when subject to examination will establish the quality and materiality of the information. The data trail has been traced up to the source of information and recording & compilation has been done with working sheets. The data has been sourced from data owners to validate the authenticity of the information.
- **Accuracy** - The data for all the KPIs has been collected through well-established SOPs and data management systems subject to our Findings and Recommendations as mentioned in section above, which are capable of replicating similar results. On analysis, the margin of error for KPIs was observed to be insignificant enough to not substantially influence the decision of the stakeholder. Assumptions, secondary data and methodologies for calculation have been clearly disclosed and validated through systematic review of evidence and other audit procedures.
- **Completeness and Comparability** - The disclosure of the KPIs were found to be consistent to Global Reporting Initiative or 'GRI' framework's disclosure requirement, making them comparable, on a year on year basis; to other organizations and other global performance benchmarks for the same GRI indicators. The reporting period and the extent of information have been consistent with no significant variations. 'GRI' is globally well accepted framework used by organizations across industries to report on their sustainability performance.

### Independence and Competencies

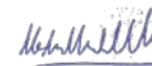
We have complied with Grant Thornton's independence policies, which are in line with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the 'IESBA Code'). The firm complies with the requirements of International Standard on Quality Control -1

('ISQC1') and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We also confirm that we have maintained our independence in the Report and there were no events or prohibited services related to the Assurance Engagement which could impair our independence.

Grant Thornton Bharat LLP is one of the largest fully integrated Assurance, Tax & Advisory firms in India. With a presence in 13 major cities of India, we have a strength of more than 6000+ competent individuals. We have member firms in over 140 countries worldwide. We are ranked one of the top six firms in 88 markets around the world and we're well established in all major business centers and emerging markets.

This assurance engagement has been carried out by a multi-disciplinary team of competent experts in the field of non-financial assurance, for both ISAE 3000 and AA1000AS v3 having significant years of experience across different industries. The team has extensive experience in conducting independent assurance on the non-financial parameters for Environmental – energy, water, air emissions etc. Social – employees, training etc, and Governance – laws, fines and penalties etc. parameters.



Abhishek Tripathi

Partner

Dated: 6<sup>th</sup> December, 2022



**AA1000**  
Licensed Report  
000-164/V3-UZWW

## GRI CONTENT INDEX

Statement of use	PPAP Automotive Limited has reported in accordance with the GRI Standards for the period 01/04/2021 - 31/03/2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	Page 4-7				
	2-2 Entities included in the organization's sustainability reporting	Page 2				
	2-3 Reporting period, frequency and contact point	Page 2-3				
	2-4 Restatements of information	No restatements of information.				
	2-5 External assurance	Page 69-75				
	2-6 Activities, value chain and other business relationships	Page 4-9				
	2-7 Employees	Page 50, 67				
	2-8 Workers who are not employees	Page 67				
	2-9 Governance structure and composition	Page 57-59				
	2-10 Nomination and selection of the highest governance body	Annual Report Page 42				
	2-11 Chair of the highest governance body	Page 58-59				
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 59				
	2-13 Delegation of responsibility for managing impacts	Page 59				

GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	Page 17				
	2-15 Conflicts of interest	Annual Report Page 68				
	2-16 Communication of critical concerns	Page 60-61, Annual Report Page 61				
	2-17 Collective knowledge of the highest governance body	Annual Report Page 66				
	2-18 Evaluation of the performance of the highest governance body	Annual Report Page 24				
	2-19 Remuneration policies	Annual Report Page 28				
	2-20 Process to determine remuneration	Annual Report Page 24, 28				
	2-21 Annual total compensation ratio	Annual Report Page 28				
	2-22 Statement on sustainable development strategy	Page 10-11				
	2-23 Policy commitments	Annual Report Page 63-64				
	2-24 Embedding policy commitments	Annual Report Page 63- 64				
	2-25 Processes to remediate negative impacts	Annual Report Page 61-62, 77, 85				
	2-26 Mechanisms for seeking advice and raising concerns	Page 60-61				
	2-27 Compliance with laws and regulations	Annual Report Page 67				
	2-28 Membership associations	Annual Report Page 85				
	2-29 Approach to stakeholder engagement	Page 20				
	2-30 Collective bargaining agreements	Annual Report Page 71				
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 19-21				
	3-2 List of material topics	Page 22				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 63				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 63				
	201-2 Financial implications and other risks and opportunities due to climate change	Page 25				



GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	Page 41				
	201-4 Financial assistance received from government	Page 64				
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 63				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Annual Report Page 77				
	202-2 Proportion of senior management hired from the local community	Page 67				
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report Page 81, 85-86			The company has not undertaken any infrastructure investment or services impacting the local community.	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Annual Report Page 81, 85-86				
	203-2 Significant indirect economic impacts	Annual Report Page 81, 85-86				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 38				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Annual Report Page 86				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report Page 67				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Annual Report Page 67				
	205-2 Communication and training about anti-corruption policies and procedures	Annual Report Page 67				
	205-3 Confirmed incidents of corruption and actions taken	Annual Report Page 67				
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report Page 62, 85				
GRI 206: Anti- competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Annual Report Page 62, 85				

Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report Page 110				
GRI 207: Tax 2019	207-1 Approach to tax	Annual Report Page 110				
	207-2 Tax governance, control, and risk management	Annual report Page 110, 130-131				
	207-3 Stakeholder engagement and management of concerns related to tax	Page 20				
	207-4 Country-by-country reporting	Annual Report Page 181, 186-187				
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 36				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Page 36				
	301-2 Recycled input materials used	Page 36				
	301-3 Reclaimed products and their packaging materials	Page 37			PPAP supplies to Original Equipment Manufacturers (OEMs) and there is no direct visibility for the end user, hence reclamation of product is not possible.	
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 27				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 27				
	302-2 Energy consumption outside of the organization	Page 27			Currently we are not measuring energy consumption outside of the organization.	
	302-3 Energy intensity	Page 28				
	302-4 Reduction of energy consumption	Page 28				
	302-5 Reductions in energy requirements of products and services	Page 27-28			During operational phase, our products require no energy.	
Water and effluents						
GRI 3: Material Topics 202	3-3 Management of material topics	Page 34				

GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 34				
	303-2 Management of water discharge-related impacts	Page 34-35			We have implemented a mechanism for zero liquid discharge.	
	303-3 Water withdrawal	Page 34-35				
	303-4 Water discharge	Page 35				
	303-5 Water consumption	Page 34-35				
<b>Biodiversity</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 53-54				
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Page 53-55				
	304-2 Significant impacts of activities, products and services on biodiversity	Page 53-54				
	304-3 Habitats protected or restored	Page 53-55				
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Page 53-54				
<b>Emissions</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 29				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 29	305-1 c	Not applicable	No combustion or biodegradation of biomass at our facilities.	
	305-2 Energy indirect (Scope 2) GHG emissions	Page 29				
	305-3 Other indirect (Scope 3) GHG emissions	Page 29			We are currently not measuring Scope 3 emissions.	
	305-4 GHG emissions intensity	Page 30				
	305-5 Reduction of GHG emissions	Page 29				
	305-6 Emissions of ozone-depleting substances (ODS)	Page 35			No production, imports and exports of ODS is taking place from our facilities.	



GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Page 35			There is no furnace or process stack emissions from our facilities.	
<b>Waste</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 31				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 31-32				
	306-2 Management of significant waste-related impacts	Page 31				
	306-3 Waste generated	Page 31-32				
	306-4 Waste diverted from disposal	Page 32			All the hazardous waste is sent to TSDf and non-hazardous to scrap dealers.	
	306-5 Waste directed to disposal	Page 32				
<b>Supplier environmental assessment</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 38				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Page 38-39				
	308-2 Negative environmental impacts in the supply chain and actions taken	Page 38				
<b>Employment</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 41, 49				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 50-51				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 41				
	401-3 Parental leave	Page 67				
<b>Labor/management relations</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report Page 65				
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Annual Report Page 65, 74				

## Occupational health and safety

GRI 3: Material Topics 2021	3-3 Management of material topics	Page 43				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 43-45				
	403-2 Hazard identification, risk assessment, and incident investigation	Page 43-44				
	403-3 Occupational health services	Page 44				
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 43-45				
	403-5 Worker training on occupational health and safety	Page 46-47				
	403-6 Promotion of worker health	Page 43-45				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 43-45				
	403-8 Workers covered by an occupational health and safety management system	Page 43-45				
	403-9 Work-related injuries	Page 43				
	403-10 Work-related ill health	Page 43				

## Training and education

GRI 3: Material Topics 202	3-3 Management of material topics	Page 46				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 48				
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 47-48				
	404-3 Percentage of employees receiving regular performance and career development reviews	Annual Report Page 72				

## Diversity and equal opportunity

GRI 3: Material Topics 2021	3-3 Management of material topics	Page 49				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 67				
	405-2 Ratio of basic salary and remuneration of women to men	Annual Report Page 77				

<b>Non-discrimination</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 49, Annual report Page 27, 78,79				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Annual Report Page 78				
<b>Freedom of association and collective bargaining</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report Page 71				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Annual Report Page 71				
<b>Child labor</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 39, Annual Report Page 77,78				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Page 39, Annual Report Page 78, 79				
<b>Forced or compulsory labor</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report Page 65				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Annual Report Page 78, 79				
<b>Security practices</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report Page 76				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Annual Report Page 76				
<b>Rights of indigenous people</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 53, 60, Annual Report Page 63				
GRI 411: Rights of Indigenous People 2016	411-1 Incidents of violations involving rights of indigenous people	Page 60, Annual Report Page 63			No Incident has been reported during the reporting period.	
<b>Local communities</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 53-55				



GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Page 53-55				
	413-2 Operations with significant actual and potential negative impacts on local communities	Annual Report Page 86				
<b>Supplier social assessment</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 38				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Page 38-39				
	414-2 Negative social impacts in the supply chain and actions taken	Page 38				
<b>Public policy</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report Page 85				
GRI 415: Public Policy 2016	415-1 Political contributions	Annual Report Page 85				
<b>Customer health and safety</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 60				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Annual Report Page 69				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Annual Report Page 86-87			No incidents of non-compliance concerning the health and safety impacts of products and services has been reported during the reporting period.	
<b>Marketing and labeling</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report Page 88				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Annual Report Page 88				
	417-2 Incidents of non-compliance concerning product and service information and labeling	Annual Report Page 87				
	417-3 Incidents of non-compliance concerning marketing communications	Annual Report Page 87				

Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report Page 87				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Annual Report Page 87				



# 30 Days Sustainability Challenge

"one step today for a sustainable future tomorrow!"

DAY 1	DAY 2	DAY 3	DAY 4	DAY 5
I will not run the tap while brushing my teeth	I will not waste food on my plate	I will use both sides of paper while taking print out	I will not litter anywhere at any time	I will always carry a handkerchief and not use tissue papers
DAY 6	DAY 7	DAY 8	DAY 9	DAY 10
I will shift to inkpen	I will not honk unnecessarily	I will reduce my shower time by 50%	I will not charge my phone overnight	I will grow microgreen plants at home and office
DAY 11	DAY 12	DAY 13	DAY 14	DAY 15
I will reuse waste water	I will switch off electric devices, chargers while not in use	I will always carry a cloth bag while out for shopping	I will reduce my internet usage by one hour today	I will have one millet based meal
DAY 16	DAY 17	DAY 18	DAY 19	DAY 20
I will avoid plastic packaged snacks	I will open windows to minimise electric fan, light use	I will buy grocery from small scale/local vendors	I will learn and practice basics of waste segregation	I will keep water bowl outside my house for birds
DAY 21	DAY 22	DAY 23	DAY 24	DAY 25
I will eat seasonal & local fruits, grains & vegetables	I will choose paperless option for bills	I will walk for 1 km of the total travel planned today	I will turn off unnecessary electric lights/fans	I will keep my mobile data and Wi-Fi off at night
DAY 26	DAY 27	DAY 28	DAY 29	DAY 30
I will be mindful of waste segregation	I will finish long leftovers in fridge & waste no food	I will reduce use of AC & keep the temp. 24 to 27 C	I will always use a reusable water bottle	I will hang dry my cloths in sunlight



For further information and feedback on this Report please contact:  
**Business Sustainability Department**



**PPAP Automotive Limited**

**Corporate Office**

B-206A Sector 81, Phase II, Noida 201305,  
Uttar Pradesh, India

Email: [sustainability@ppapco.com](mailto:sustainability@ppapco.com)

Tel: +91-120-2462552/53; Fax: +91-120-2461371

Website: [www.ppapco.in](http://www.ppapco.in)

**TAKING CHALLENGES, TOGETHER**