



# उन्नति के सफर पर।

Our ESG goals

# Growing responsibly



## ESG Purpose

Innovating a Sustainable Future



## ESG Vision

Solar is resolute to integrate sustainability in its core and is striving to focus on safety, quality, reliability along with creating a positive effect on the environment and people

### Our ESG Strategic Approach:

ESG is an emerging global megatrend, and it is imperative for organizations to integrate ESG as a strategic lever to generate new growth opportunities and create value. Our materiality analysis exercise has enabled us to identify the key focus areas crucial for our business and stakeholders.



## Innovating a Sustainable Future



## Our ESG Strategic Pillars:

### Strategic Pillar 1: Innovating Sustainable Operations

We understand that the climate change is a major threat, and we are committed to minimize our impact by lowering emissions, conserving energy, and partnering with various stakeholders. This is more than just a goal; it is our commitment to making the world a better place.

#### Focus Areas:



Climate  
Resilience



Water  
Stewardship



Waste  
Management



Biodiversity

### Strategic Pillar 2: Reinforcing Safety & Well Being

Employee health and safety is the top priority for the group with a commitment to ensuring high safety standards for our people. Furthermore, we are committed to enhance safety and reliability of our products. We create a network of business partners and customers to ensure product safety throughout the product's life cycle.

#### Focus Areas:



Product Safety  
and Ethics



Employee Health  
and Safety

### Strategic Pillar 3: Enhancing Employee Growth

We are mindful of importance of employees in organization's growth story. We are committed to enhancing our human capital through employee engagement, protecting human rights, and instilling diversity and inclusion.

#### Focus Areas:



Human Capital  
Development



Human  
Rights



Diversity &  
Inclusion

### Strategic Pillar 4: Sustaining Long Term Relationship

Stakeholder inclusiveness is one of the fundamental requisites for achieving objectives of business sustainability. We strive to collaborate with our value chain partners, local community, and other significant stakeholders to ensure inclusive and sustainable growth and development.

#### Focus Areas:



Value Chain  
Sustainability



Community  
Development



Stakeholder  
Relationship



### Materiality Assessment

Our sustainability strategy is informed by the materiality assessment. Through this assessment, we identified key environmental, social, and governance (ESG) issues that are affected by our operations most significantly and are most important to our business and our stakeholders. Our materiality assessment exercise included inputs from various stakeholders such as customers, suppliers, employees, community, shareholders and investors, and regulators.

### Our Stakeholders



We have aligned our material focus areas with United Nations Sustainable Development Goals (SDGs) to ensure long-term development and growth

Theme	Material Issues	Capital	SDGs
<b>Environmental</b>	<ul style="list-style-type: none"> <li>Climate Change, Energy and Emissions</li> <li>Environmental Risk and Compliance</li> <li>Water Conservation and Management</li> <li>Waste and Hazardous Materials Management</li> <li>Biodiversity</li> </ul>	Natural Natural Natural Natural Natural	
<b>Social</b>	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>Employee Health and Wellbeing</li> <li>Product Safety and Security</li> <li>Human Rights</li> <li>Diversity and Inclusion</li> <li>Customer Satisfaction</li> <li>Community Relations</li> <li>Skill Development</li> <li>Supply Chain Management and Materials Sourcing</li> </ul>	Human Human Manufactured Human Social and relationship Social and relationship Human Social and relationship	
<b>Governance</b>	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Business Resilience</li> <li>Regulatory Compliance</li> <li>Innovation</li> <li>R&amp;D</li> <li>Ethical Business Conduct</li> <li>Critical Incident Risk Management</li> </ul>	Financial Governance Governance Intellectual Intellectual Governance Governance	

**Key Environmental Highlights FY 2021-22**

**ZERO LIQUID DISCHARGE**

in the Environment

**29%**

Reduction in Total Energy Intensity

Key Manufacturing Sites are

**ISO 14001: 2015, ISO 45001: 2018**

Certified

**27%**

Reduction in Total Emission Intensity

**33%**

Reduction in Total Water Intensity

**Environmental Performance**



Solar Industries is aware of its environmental duties and is highly committed to environmental preservation. Our efforts are aimed at reducing our ecological footprint, conserving natural resources, and improving the ecosystem in which we operate.

Our existing policies and code of conduct gives us confidence in addressing sustainability concerns in ways that benefit our customers, shareholders, and society.

**Climate Change, Energy and Emissions**

Solar Industries aspires to be a pioneer in combating adverse impacts of climate change while attaining long-term growth. We strive to enhance our understanding of the possible effects of climate change on our business, lower GHG emissions, and outline a viable decarbonization plan to strengthen our resilience and adaptive capacity. To reduce GHG emissions from our operating activities, we have undertaken several initiatives in FY 2021-22

to embrace more possibilities for emission reduction.

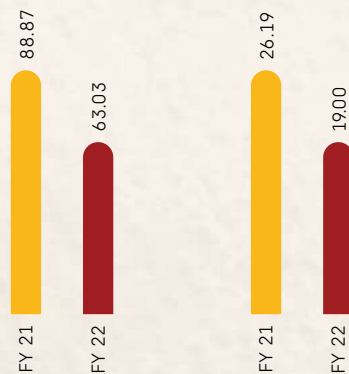
- Conversion of Chillers compressors of CFC (R22) based gases to A134.
- Installation of Online Continuous Emission Monitoring

System (OCEMS) at Boiler stack as per CPCB guidelines

- Air and stack monitoring conducted by authorised agency on quarterly basis

**Energy Intensity**  
[MWh/₹ in Cr]

**Emission Intensity**  
[[tCO<sub>2</sub>e/₹ in Cr]]



**Environmental Risk Compliance**

We consider environmental compliance as our utmost priority and strive to mitigate regulatory and legal risks in prudent manner. We are committed to adhering to regulatory requirements and improving environmental performance

For our key manufacturing sites in India, we have implemented environmental and safety management systems that are certified in compliance with recognized international standards [ISO 14001:2015 and ISO 45001:2018].

**Water Conservation and Management**

Water is invaluable and any disruption can imbalance our ecosystem. The disparity between water availability and usage is a critical problem. This issue is intensified by deforestation, land-use change, and over-abstraction of groundwater for industrial and another usage

At Solar, we have established world-class systems to ensure that

water is utilized responsibly in our operations. In FY 2021-22, we implemented the following water conservation measures at our key manufacturing facilities.

- To achieve zero liquid discharge, we have installed Multi Effective Evaporator plant (MEEP)
- Installed Effluent Treatment Plant (ETP). The treated water from the ETP is used for gardening purposes
- One of our key facilities has a Sewage Treatment Plant (STP) of 150 CMD that uses MBBR technology to handle sewage effluents.

**Water Intensity**  
[KL/₹ in Cr]]



**Waste and Hazardous Material Management**

At Solar, waste management practises are meticulously designed to reduce the environmental impact. We have established waste management mechanism to handle and dispose our explosive and non-explosive wastes. In FY 2021-22, we adopted the following waste minimisation initiatives.

- Incorporation of MEEP for reuse and recycling of effluent
- Reduction of sludge generation in ETP operation by 99% using better technology
- E-wastes generated at site are sorted and sent to authorised recyclers

Parameter	Unit	20-21	21-22
Waste Recycled/ Reused	MT	542.11	2302.88
Waste Disposed [through authorized recyclers and vendors]	MT	374.40	432.09

**Biodiversity**

We strive to minimise the impact of our operations on biodiversity. We have received environmental clearance from the Ministry of Environment, Forest, and Climate Change (MoEFCC) for our key manufacturing site in 2019. According to the Wildlife Protection Act of 1972, there are no endangered flora and wildlife species in the areas where we operate.

**Reduction of sludge generation**

**Intervention**

To overcome the issue of the large amount of sludge production from ETP, we have replaced the prevalent method by a better technology to reduce sludge development.

**Benefits**

- Complete elimination of sludge build-up
- The technology has eased handling and storage while also saving many man-hours.
- The use of filter bags is no longer required
- Less steam and Power consumption



## Social Performance

## Key Social Highlights FY 2021-22

₹ 7.37 Crore

Total CSR Spent



At Solar we have been using new technologies and innovations to improve employee performance and efficiency, as well as to create a positive work environment. At Solar, we prioritise our people in every decision we make to enable them to thrive and overcome any challenges.

### Community Relations

Our CSR initiatives are in line with our goal of contributing to the socio-economic development of the areas where we operate. Our community development projects are well-structured and carried out in compliance with our robust CSR Policy.

During the pandemic Solar has made concerted efforts to serve the society by promoting community development and welfare in multiple areas such as supply of basic food amenities and distribution of Personal Protective Equipment (PPE) kits and

development of COVID-19 care centre. Our relentless efforts in building and renovating hospitals and rehabilitation centres shows our commitment to health and hygiene.

We at Solar believe that good education is a basic human right. Economic and social empowerment emanates from education, and we are committed to educating the children from weaker sections of society. We have contributed for the construction and development of the infrastructure of the schools in the nearby districts. We are also working towards the education of underprivileged and tribal students.

### Diversity & Inclusion

Diversity and inclusion is something that we strongly believe in, and our core values and strategy are based on the similar principles. We do not discriminate against our employees, based on gender, ethnicity, age, sexual orientation, colour, religion, or other characteristics.

development, customer focus, organisational performance, innovation, EHS, and business ethics. We analyse and develop our training infrastructure, methodology, and programmes in response to evolving business needs. In accordance with our strong learning culture, we continue to deploy best-in-class learning and development programmes that are adaptable and customizable to cultivate our workers at all levels for long-term relevance, competitive advantage, and growth

### Human Rights

Our business strategy works in controlled regulatory environment. This means that we must adhere to legally obligatory rules, with a special emphasis on respect for human rights as a constitutionally protected subject. Regardless of the legislative framework, Solar places a high value on human rights. It goes without saying that we not only respect but also actively promote human rights, for example, through steps to provide equal opportunities or to enhance workplace health and safety.

### Customer Satisfaction

We strive diligently to improve the customer satisfaction by providing safety, reliability, and high-quality products that add value to our customers. We interact with our customers through a variety of channels, including client visits, technical seminars, and safety workshops. We determine the customer's needs and conduct a performance analysis to ensure

Category	Total	Male	Female
Board of Directors*	8	7	1
Key Management Personnel*	7	5	2

Category	Total	Male	Female
Total Permanent Employees*	1,272	1,195	77
Total Permanent Workers*	1,891	1,858	33

\*Details as on March 31, 2022

### Hiring and Retention

Solar Group has strong recruitment and retention policy in place a recruitment strategy in place to attract a new generation of exceptional employees, with an emphasis on vocational and university students. Our remuneration policies and procedures are in accordance

with all statutory and regulatory obligations and are strengthened by good risk management and controls, which ensure that remuneration activities are carried out responsibly.

### Training and Development

We examine workforce capability needs for skill and competence

that we provide the best in class services to our business partners.

We collect and analyse consumer feedback on regular basis. Customer complaints are handled fast and effectively, with each complaint analysed and corrective or preventative action taken. Our dedicated technical team not only addresses customer problems, but also guarantees that customers are adequately instructed on how to use the products and adhere to the statutory regulations governing their transportation and storage.

**Employee health and well being**

Our primary focus is on health and safety management, and we are committed to achieving 'Zero Harm.' We are continuing to create a variety of approaches in order to reach this goal. To achieve our safety-related goals, for example, we work on developing safety leadership capability at all levels; working with contract employees by strengthening the deployment of contractor safety management standards; improving competency and capability for hazard identification and risk management; improving road and transportation safety throughout the Company;

and establishing industrial hygiene and improving occupational health.

Our employees are at the heart of our operations. To foster performance excellence, we invest in employee well-being and satisfaction. Our work culture ensures our employees' safety, health, competency development, and general well-being. Life insurance, healthcare, disability coverage, retirement provisions, and Medclaim coverage are among the benefits provided to our employees. However, exposure to these benefits varies depending on operational region and level of employment.

**Occupational Health and Safety**

The Safety, Health, and Environment committee is in charge of our safety governance system. We try to continuously enhance our H&S system through auditing and collaboration with both internal and external stakeholders. The goal is to foster a culture in which H&S is viewed as a benefit to sound business practise, increased productivity and reliability, and a more engaged workforce. We design and operate our facilities with the goal of avoiding accidents

that could endanger our employees and contractors, as well as the surrounding community, or have a negative impact on the

environment. We will continue to foster a culture in which everyone knows their responsibility in making Solar a safer place to work.

Safety Incident/Number	Category	FY 2020-21	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) [per one million-person hours worked]	Employees	0	0
	Workers	21.09	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	2	0
High consequence work-related injury or ill-health [excluding fatalities]	Employees	0	0
	Workers	1	0





## Governance



At Solar, we make a conscious effort to incorporate our stakeholder's interests in all our operations and business discussions. We Identify ourselves as a stakeholder's centric company.

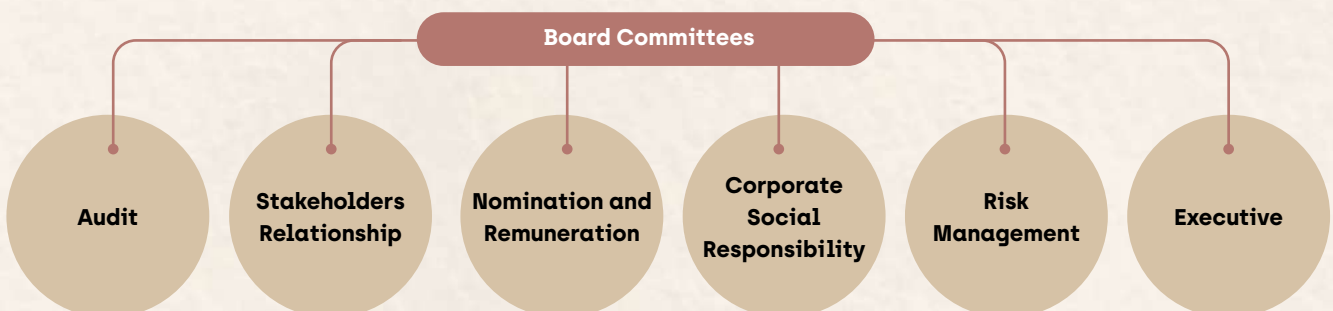
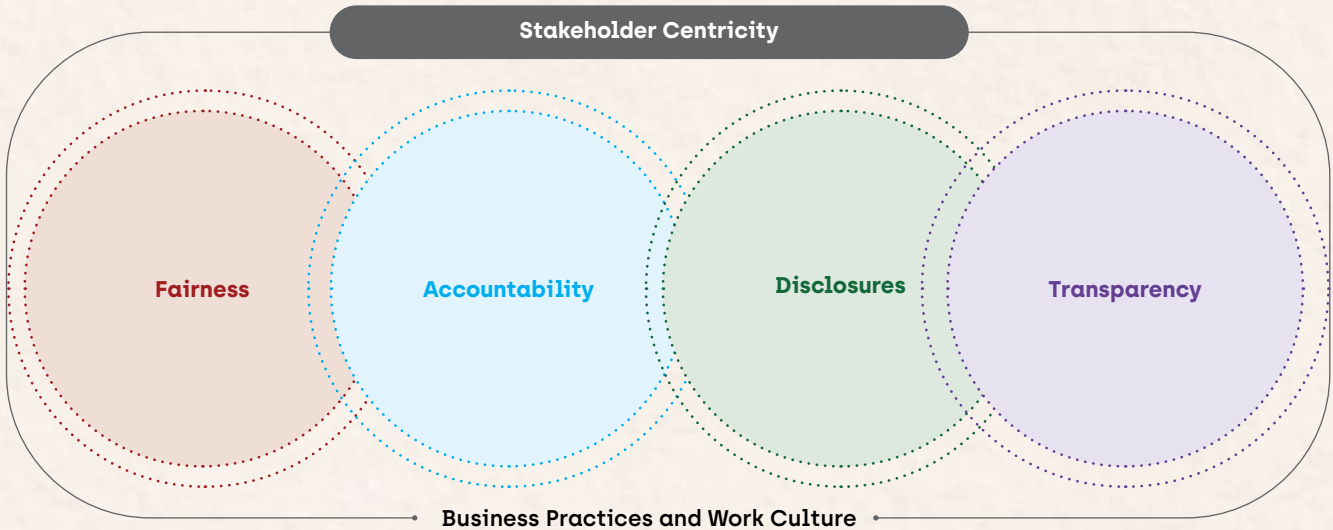
Build over the pillars of Fairness, Accountability, Disclosures, and Transparency, and integrated into our business practices and work culture our corporate governance model shows our commitment toward enhancing the good governance practice at Solar.

At solar we have six dedicated committees (namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, and executive committee.) for overseeing all the operations and implementation.

As on March 31, 2022, the Company has total eight Directors of which four are Executive Directors and four are Non-Executive Independent Directors including a

woman director. The composition of the Board is inconformity with Regulation 17(1) of SEBI (LODR) Regulation, 2015.

We have a consistent flow of feedback from all stakeholders, and it forms an integral part of our strategy for sustainable growth. As part of our long-term value-creation philosophy, we have built strong relationships with vendors, who have adopted to our requirements and modified their operations to ensure consistent quality of delivery at all times.



### Our Sustainability Policies

We have developed a comprehensive sustainability policy framework to drive our ESG agendas, in line with our mission.

Our Sustainability Policies are crafted to address the needs of the entire gamut of our business needs, and include policies on:

- **Lifecycle Sustainability**
- **Anti- Bribery**
- **Product Responsibility**
- **Environment, Health and Safety**
- **Employee Wellbeing**
- **Customer Satisfaction Survey & Monitoring Policy**
- **Corporate Social Responsibility**
- **Stakeholder's Engagement**

### Risk Management

At Solar group, we place our maximum focus on risk management, our dedicate Risk Management committee takes into consideration the nature, scale and complexity of the business while assisting the Board in ensuring that all material risks have been identified, assessed and adequate risks mitigations are in place.

### Regulatory Compliance

While we strive to meet our organizational objectives and value creation for our stakeholders, we also make sure that our operations and activities adhere to all applicable laws, rules, policies, and regulations.

In the reporting year under review, there were no adverse comments with respect to our product and service from the organisations

which directly control our organisation PESO, DGMS and Mines.

### Ethical Business Conduct

At Solar, ethical governance is of paramount importance and one of our most valued assets. We are always working toward and implementing substantial measures that are tailored to show and integrate ethical ideals and behavioural standards across all organisational levels to instil high levels of discipline and conduct. Furthermore, we are bolstering the organization's, management's, and employee's morale to ensure that our actions and operations adhere to our business ethics principles.

### Innovation

Our capacity to broaden our knowledge base and innovate our operations can go a long way. Intellectual capital is incredibly valuable in our industry. In a highly competitive environment, we differentiate ourselves by leveraging our systems, manufacturing capabilities, and insights to manage risk, supply the high-quality products, control costs, and develop our business. To increase the performance of our machinery and equipment, we are continually working to strengthen our knowledge-based capital. We will strengthen our push for operational efficiency and resource optimization by incorporating relevant technologies, integrating learnings into the organisation, and supporting an innovative culture.

Furthermore, technology and a culture of continuous improvement are essential enablers in achieving the strategic objectives of industry leadership and cost leadership. We will continue

to improve our manufacturing processes, cost competitiveness, and environmental performance by developing competencies and collaborating with technology and research partners. Despite shifting client expectations, the development of renewables, and mounting regulatory challenges, we aspire to constantly innovate and adapt to change.

### Supply Chain Management

We cultivate strong relationships with our suppliers and urge them to embrace and implement the concept of responsible supply chain.

Solar supports the purchase of goods and services from small and local businesses in the areas where our plants are located. External suppliers and contractors who work on plant operations and other projects typically hire workers from adjacent communities. We're also working to strengthen the vendors' occupational health and safety requirements in all our plants. Some of our vendors designed their procedures specifically to fit our needs and supplied products that met our specifications. Solar works closely with local vendors on its projects, ensuring a better experience in terms of acquiring supplies on time.



(CIN: L74999MH1995PLC085878)

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