APL APOLLO STEEL PIPE

# INNOVATING FOR IMPACT.

# INSPIRING CHANGE.

APL APOLLO TUBES LIMITED

Sustainability Report 2024-25



# ABOUT THE REPORT

At APL Apollo Tubes Ltd, we take pride in presenting our Fifth ESG Report for FY 2024–25, reaffirming our commitment to transparency, accountability, and sustainable growth. This report provides a comprehensive overview of our Environmental, Social, and Governance (ESG) performance, aligned with globally recognized frameworks such as the GRI Universal Standards 2021, ISSB Standards, and SEBI BRSR Core Indicators. It also includes comparative data from previous years to demonstrate our progress and continuous improvement.

Our disclosures cover 100% of the company's revenues, encompassing all activities consolidated for financial reporting purposes. This includes operations across 11 manufacturing units located in Bengaluru, Hyderabad, Hosur, Malur, Murbad, Raipur (2 plants), Sikandrabad (3 plants), and Dubai, along with our offices in Delhi and Noida. By covering these locations, we provide a holistic view of our ESG performance across the entire organization.

This year's report represents a significant advancement Compared to the FY24 ESG report. It aligns with the United Nations Sustainable Development Goals (UNSDGs), which encompass 17 key areas identified by the UN in 2015, mapped to relevant sections of this document. Every aspect of our business operations has been examined from an ESG perspective, with these elements thoroughly integrated across all activities.

We have also prepared this report in line with the IFRS Sustainability Disclosure Standards (ISSB Standards), ensuring global best practices in sustainability reporting. The document outlines our achievements alongside future goals, highlighting clear and measurable targets that emphasize our dedication to continuous improvement and sustainable practices.

## Reporting Principles and Framework

This report has been prepared with reference to the GRI 2021 Standards, while also following the guiding principles and content elements specified in the Sustainability Reporting Framework. In addition, it incorporates relevant requirements and principles from globally recognized frameworks and national guidelines, including:

- United Nations Sustainable Development Goals (UN SDGs)
- United Nations Global Compact (UNGC)
- IFRS Sustainability Disclosure Standards (ISSB Standards)
- Greenhouse Gas (GHG) Protocol, as applicable
- National Guidelines on Responsible Business Conduct (NGRBC)
- Companies Act, 2013, along with applicable rules and Indian Accounting Standards
- Securities and Exchange Board of India (SEBI) – Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015, including compliance with the Business Responsibility and Sustainability Report (BRSR) framework

## External Assurance of Sustainability Reporting

We believe that external assurance is a cornerstone of credible sustainability reporting. To uphold this principle, we engaged Sustainability Actions Pvt. Ltd., an independent assurance provider, to conduct a thorough review of our ESG disclosures for FY 2024–25. We have obtained a reasonable external assurance on SEBI BRSR Core Indicators as disclosed in the Annual Report FY 2024-25.

The assurance engagement was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000, a globally accepted framework for non-financial assurance. Sustainability Actions Pvt. Ltd. provided a declaration of independence, confirming that they had no conflict of interest in relation to the assurance engagement.

This external assurance strengthens the credibility of our ESG disclosures and aligns us with best practices in sustainability reporting. It also reinforces our commitment to transparency, stakeholder trust, and continuous improvement.

## Reporting Scope and Boundary

The ESG Report for FY 2024–25 covers the financial and non-financial performance of APL Apollo from 1 April 2024 to 31 March 2025, highlighting key achievements, goals, strategies, and our journey toward accelerating sustainable growth.

The scope of this report includes our 11 manufacturing units on a consolidated basis (including our subsidiaries) located in Bengaluru, Hyderabad, Hosur, Malur, Murbad, two plants in Raipur, three plants in Sikandrabad, and Dubai, as well as our corporate offices in Delhi, Noida, and Ghaziabad. All activities fully consolidated for financial reporting purposes are covered under this report.

To provide a comprehensive overview and demonstrate our progress over time, this report also incorporates figures for key performance indicators (KPIs) from past years, wherever available, enabling stakeholders to track improvements and assess long-term sustainability performance.

## Management's Responsibility

This Report has been thoroughly reviewed by our company's senior leadership team, including the Chairman and Managing Director, Executive Director, Chief Financial Officer, Chief Strategy Officer, Vice Presidents responsible for safety, health, and sustainability, other departmental heads, and the Company Secretary and Chief Legal Officer (Corporate and Compliance). This collaborative effort is intended to strengthen governance oversight, risk management, and overall controls.

This Report includes certain forward-looking statements that are subject to various risks, uncertainties, and other factors that could cause actual results to differ significantly from the anticipated projections. APL Apollo Tubes Ltd is not obligated to update these forward-looking statements to reflect events or circumstances occurring after the date of this report.

For any queries/feedback related to the report, please direct the same to the Corporate Communications Department by contacting any of the following:

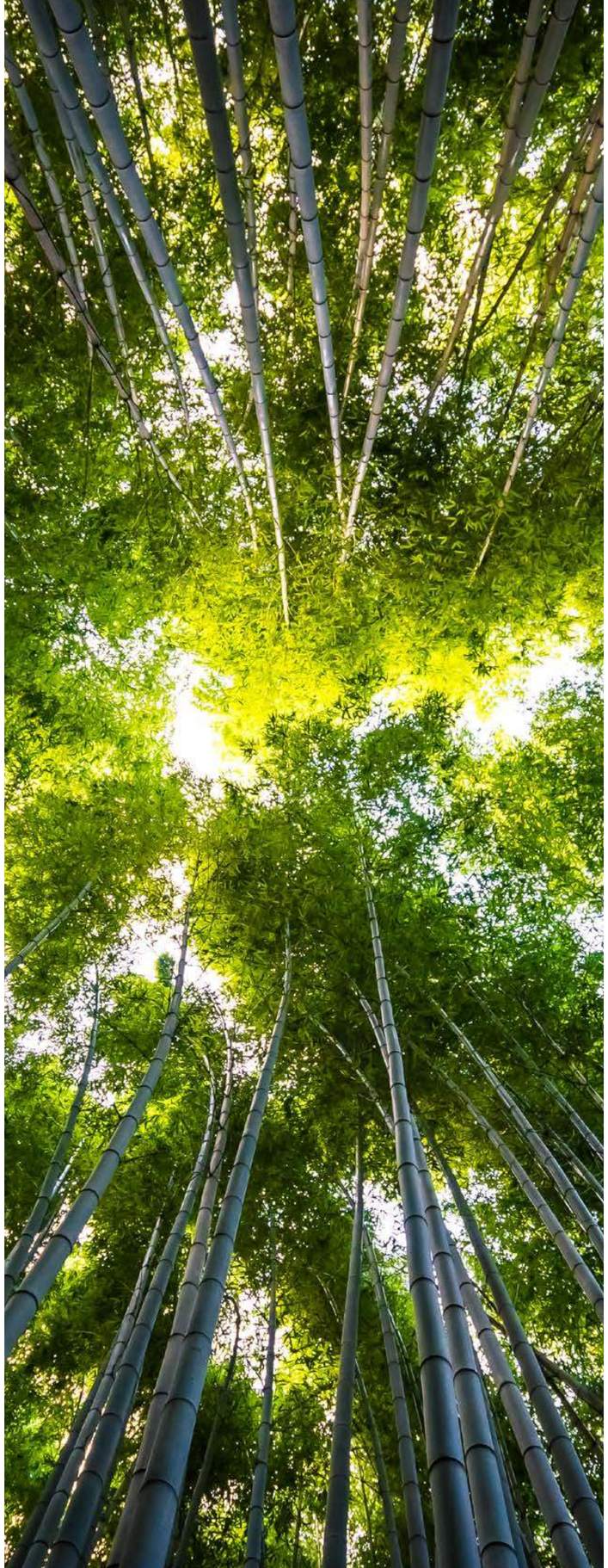

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# ABOUT APL APOLLO TUBES LIMITED

APL Apollo Tubes Ltd, founded on 24 February 1986, is a leading public limited company listed on both the BSE Limited and the National Stock Exchange of India Limited. Our registered office is located at 37, Hargobind Enclave, Vikas Marg, Delhi-110092, India. Specializing in the production of Electrical Resistance Welded (ERW) steel tubes, we are recognized as one of India's foremost steel tube manufacturers. Our reputation as the largest structural steel tubing company in India is bolstered by a well-established distribution network and an unwavering commitment to quality. Our success is driven by an efficient three-tier distribution system that caters to dealers, wholesalers, and end consumers. Our manufacturing facilities boast a production capacity of 4.5 million tons of steel tubes. We have also developed an extensive distribution network, which includes warehouses, over 800 dealers and distributors, and more than 50,000 retailers and 2,00,000 fabricators. At APL Apollo, we are guided by passionate leadership that emphasizes continuous growth. Our objectives, vision, and core values shape our business practices and goals. Over the past three decades, we have significantly expanded our production capacity, leading the way in the structural steel tube industry. We are committed to sustainable solutions and serve both domestic and international markets, offering over 3,000 varieties of structural steel tubes to 30 countries worldwide. With a dedicated and permanent workforce of 3,382 employees across 11 locations. Our net sales in the private sector reached INR 20,690 Cr. We offer an extensive product and service portfolio with over 3,000 distinct SKUs and are affiliated with industry associations and advocacy groups such as the Confederation of Indian Industries (CII) and the Federation of Indian Export Organizations (FIEO).

## VISION

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

## MISSION

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

## OUR VALUES




### Precautionary Principle

Our company operates within an environmentally friendly industry with minimal harm to the environment. Nonetheless, we have proactively embraced the most energy-efficient and environmentally sustainable technologies from around the world as part of our precautionary approach in all our operations. We consistently implement this precautionary strategy to reduce any potential adverse environmental impacts, actively striving to decrease our company's overall environmental footprint.

# LEADERSHIP MESSAGE

## Dropping Our Carbon Footprint as We Scale Volumes

I am delighted to present APL Apollo's Fifth ESG Report for FY25. Building on the strong foundation of previous years, we have continued to deliver sustainable growth while reinforcing our commitment to environmental stewardship and social responsibility.

In FY25, we achieved 21% sales volume Sales Volume Increase] growth in sales volumes 14% increase in revenue. These milestones reflect our ability to scale responsibly while maintaining focus on innovation and operational excellence.



## Strengthening Our Commitment to Reducing Environmental Footprint

Our sustainability strategy remains anchored in our ambition to achieve net-zero emissions by 2050. We have made significant progress toward this goal by increasing our renewable energy consumption in existing plants and reducing emissions through use of EV trucks at various locations. In FY25, we successfully achieved a reduction in our water consumption in existing plants, reduction in emissions and generating revenues through sustainable products, marking a substantial improvement over previous years.

Looking ahead, we are accelerating our transition to renewable energy, bringing us closer to our 2030 renewable energy objectives and remain committed to improving the environment for our people and communities.

## Becoming a People-Driven Company

Our commitment to social responsibility extends beyond compliance. We continue to foster a culture of safety, diversity, and inclusion, ensuring that our workforce remains empowered and engaged. In FY25, we conducted multiple safety programs and achieved zero fatalities at our plants, reinforcing our dedication to employee well-being.

Embedding Good Governance into Our Company Fabric

Strong governance is the cornerstone of our success. We have strengthened our risk management framework and enhanced transparency across all operations. Our Board remains actively engaged in driving ESG priorities, ensuring that sustainability is embedded into every business decision.

## On an Exciting Note

As we enter FY26, we do so with confidence and clarity. Our focus will be on unlocking sustainable and profitable growth by enhancing technology breadth, improving operating margins, and increasing asset utilization. While we anticipate certain economic and sectoral headwinds, we are prepared to offset these through volume growth and cost-improvement measures.

Thank you for your continued trust and support. Together, we will achieve new milestones and create long-term value for all stakeholders.

Warm regards,

**Sanjay Gupta**

Chairman & Managing Director





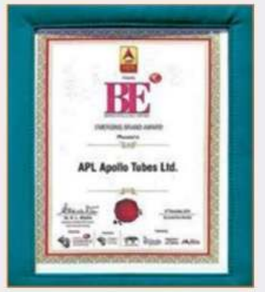

2017
India's Best Company of The Year award – 2017, by the International Brand Consulting Corporation, USA.




2018
APL Apollo Tubes being facilitated by CREDAI



2019
Times Power Icons 2019 for North region certificate of recognition received by Mr Sanjay Gupta (The Chairman, APL Apollo Tubes Ltd) for exemplary contribution in the field of excellence in the field of steel pipes and section



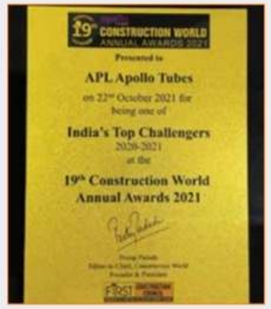

2019
Emerging Brand award for the Year 2019 from ABP news Brands Excellence Awards



2017
'India's Best Company of The Year' award received from International Brand Consulting Corporation, USA




2019
ABP BE Awards – Emerging Brand Awards




2021
Construction World Annual Awards 2021






# PERFORMANCE SNAPSHOT AND KEY HIGHLIGHTS

## Net Zero Commitment

*We have committed to become Net Zero by 2050, a target which has been validated by SBTi.*

## Renewable Energy Share

*Overall share of renewable energy stands at 52%, excluding the new plants. (31% of total consumption including new plants)*

## Water Withdrawal and Consumption

*Overall water consumption has decreased by 24.6% from last year, excluding the new plants.*

## Zero Fatality

*APL Apollo has reported 0 fatalities at its facilities for another year.*

## ISO Certification

*ISO 14001:2015, ISO 45001:2018 achieved for several plants.*

## Bribery & Corruption

*Zero cases reported for Bribery & Corruption; 100% of employees trained.*

# WE HAVE EMBARKED ON AN AMBITIOUS NET ZERO JOURNEY

## SCOPE 1 & 2 EMISSIONS REDUCTION BY 25% BY 2030; NET ZERO BY 2050

### 2022

**Aug** — *GHG Inventory calculated for Scope 1, 2 and set as baseline*

**Sept** — *Signed the SBTi commitment to be Net Zero by 2050 and reduce Scope 1 & 2 emissions by 25% by 2030, vs. FY22*

**Dec** — *New Raipur plant commissioned in Dec'22*

*Production: 17,55,000 ton*

*Revenue: INR 1,30,633 Mn*

### 2023

**Sept** — *Boundary of Scope 1 emissions expanded to include fuel such as propane and LPG*

**Dec** — *Dubai plant commissioned in Dec'23*

*Production: 22,80,000 ton*

*Revenue: 1,61,660 Mn*

### 2024

**Aug** — *Scope of Purchased goods and services expanded to include raw materials (Steel Coils)*

**Sept** — *Submission made for validation of Near-and Long-term targets by SBTi Validation to start in January 2025*

*Production: 26,18,000 ton*

*Revenue: INR 1,81,188 Mn*

### 2025

**Feb** — *SBTI validation achieved on 27th February 2025*

*Production: 31,57,978 ton*

*Revenue: INR 2,06,895 Mn*

### 2026

*Planned Initiatives:*

** RE installations in ABPL plant*

*• RE expansions in Malur plants*



# OUR TRANSFORMATIVE SUSTAINABILITY STRATEGY

Businesses today are increasingly embracing ESG principles, which emphasize human rights, ethical corporate conduct, and environmental stewardship. Adapting to these evolving trends is essential for ensuring long-term organizational sustainability. At APL Apollo, we have developed a comprehensive ESG framework aligned with these principles, reflecting our commitment to improving lives. ESG considerations are deeply embedded in our operations, supported by cross-functional governance and strong leadership.

To advance our transformative sustainability strategy, we have set ambitious goals that go beyond compliance, focusing on innovation and measurable impact. APL Apollo is committed to achieving net-zero carbon emissions by 2050, integrating renewable energy sources across our operations, and investing in cutting-edge technologies to minimize our environmental footprint.

Our focus extends to social sustainability, where we actively foster a diverse and inclusive workplace and support community development initiatives that uplift and empower underserved populations. We maintain regular engagement with stakeholders through transparent reporting and open dialogue, ensuring our sustainability efforts remain aligned with global best practices. By embedding ESG principles into our corporate culture and decision-making processes, APL Apollo is not only responding to current demands but leading the way toward a more sustainable and equitable future.



01

***ESG Vision and Mission***

*Defining an ESG-specific vision, mission, and governance structure that binds functional roles to stakeholder responsibilities.*

02

***ESG Governance***

*Assessing how well our business strategy and goals coincide with widely recognised reporting frameworks and ESG indices.*

03

***ESG Focus Areas***

*Enhancing the concept of materiality to pinpoint and concentrate on aspects that hold significance due to their direct financial influence on the organisation, as well as their environmental and social consequences.*

04

***ESG Performance Metrics and Target***

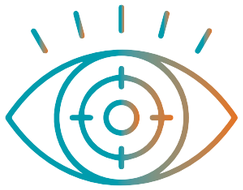
*Integrating distinct organisational objectives with a robust action plan internally.*

05

***Responsible Communication***

*To communicate this information to our stakeholders, we have prepared a report featuring Management Approach Disclosures (DMAs) on key material topics, supported by case studies and both qualitative and quantitative data.*

# ESG VISION AND MISSION



## VISION

To be the world's most trusted and sustainable structural steel solutions company, enabling stronger infrastructure, responsible growth, and a low-carbon future through innovation, efficiency, and ethical business practices.



## MISSION

1. Deliver high-quality, value-added structural steel tube solutions that enhance safety, durability, and efficiency across infrastructure, construction, and industrial applications.

2. Lead the transition to sustainable steel manufacturing by improving energy efficiency, reducing emissions, increasing circularity, and responsibly managing natural resources.

3. Create long-term value for all stakeholders—customers, employees, shareholders, suppliers, and communities—through transparent governance, integrity, and risk-aware decision-making.

4. Continuously innovate through advanced manufacturing, digitalisation, and customer-centric solutions to support India's and the world's evolving infrastructure needs.



# ESG FOCUS AREAS

o ensure effective ESG implementation and monitoring, we have established four key pillars that guide our roadmap and enable close tracking of performance improvements. These pillars systematically categorize our core focus areas, reflecting our commitment to the fundamental ESG domains. Each area is supported by defined performance indicators, measurable goals, and clear timelines for completion. This structured framework reinforces our dedication to driving comprehensive progress across all aspects of environmental, social, and governance responsibility.

### Responsible Business

We believe that responsible business contributes to the creation of customer value by effectively caring for people, ethics, fairness while running a profitable business. At APL Apollo Tubes, supplier assessment is an integral part of our ESG and responsible sourcing approach. Suppliers are evaluated during onboarding and periodically thereafter on key parameters such as quality, environmental compliance, health and safety practices, ethical conduct, and regulatory adherence, in line with our Supplier Code of Conduct. High-risk and critical suppliers undergo enhanced reviews, and ESG considerations are integrated into procurement decisions to mitigate supply-chain risks and support sustainable value creation.

### Responsible Employment

We emphasize on responsible employment because we believe that responsible employees work to advance the success of the company and strive to perform their daily duties well. responsible employees are involved in their daily activities and foster a culture that accelerates individual careers while increasing company productivity.

### Responsible Operations

We strive to deliver high-quality products in an efficient manner while maintaining a safe and healthy culture. To ensure business continuity, we manage our environmental impact and plan for adverse conditions. Operating responsibly allows us to protect our people, customers, the environment, our company, and our good reputation.

### Responsible towards the Community

We believe that striving for social responsibilities enables individuals. organizations, and governments to positively impact development and business, so we focus an being socially accountable, acting ethically, and considering ourselves responsible for the society's development.

***"BUILDING STRONGER STRUCTURES. ENABLING SUSTAINABLE FUTURES"***

*-Mr. Anubhav Gupta, Group Chief Strategy Officer*

# ESG PERFORMANCE METRICS AND TARGETS

Setting clear ESG goals and objectives allows our company to demonstrate its long-term business vision to customers, investors, and other key stakeholders. At APL Apollo, we hold ourselves accountable for sustained performance improvement, and our ESG targets reflect this commitment. We have committed to Net Zero by FY2050, validated by the Science Based Targets initiative (SBTi) in FY25, with the objective of fulfilling our obligations and establishing ourselves as a company that excels in both environmental and social performance.

| Performance Business | Responsible Operation | Responsible Employment | Responsibility towards Community |
|---|---|---|---|
| • Number of cases in violation of codes of conduct.<br>• Average training hours per employee on code on conduct. | • Number of units used from renewable energy sources (solar, wind).<br>• Number of sites where rainwater water harvesting facility have been installed.<br>• Number of sites where Zero Liquid Discharge (ZLD) Facilities have been installed<br>• Measuring GHG emissions.<br>• Air emissions<br>• Number of cases in violation of environmental regulations | • Lost time injury<br>• Average training hours per employee to site employees on health and safety<br>• Average training hours per employee to corporate employees on health and safety<br>• Regulatory compliance of labour laws<br>• Average training hours per employee on human rights<br>• Employee attrition<br>• Average training hours per employee on behaviour and technical aspects<br>• Female-to-male ratio in permanent employees | • CSR Strategy |





MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

APL APOLLO STEEL PIPES

DJSI FY2024 SCORE

APL APOLLO TUBES STANDS AT 89TH PERCENTILE

(IN THE PEER INDUSTRY COMPRISING OF GLOBAL COMPANIES)

SCORE REACHED A HIGH OF 49 POINTS

IMPROVEMENT ACROSS AREAS

Social Dimension | Governance & Economic Dimension | Environmental Dimension



# RESPONSIBLE COMMUNICATION

The primary objective of stakeholder communication is to ensure that our company's goals and priorities are clearly understood. This process also helps identify individuals or groups who may be impacted and understand how they engage with and interpret the information shared by the organization. Additionally, it provides valuable insight into potential stakeholder responses.

We are committed to actively involving stakeholders, maintaining transparent communication channels, and fostering meaningful dialogue. Through these efforts, we aim to shape perceptions and build stronger support. Our dedication to this practice is reflected in our regular disclosures on our website, which serve as a platform for sharing information with stakeholders.

To keep our employees informed about the latest developments in the sector, we have conducted ESG training sessions across our manufacturing sites and corporate offices. These sessions have covered critical topics such as climate change, energy and emissions management, water and waste management, human rights, diversity and inclusion, and good governance.

We also communicate our progress on ESG goals and targets annually through the ESG Report and the Business Responsibility and Sustainability Report (BRSR).





# RESEARCH AND DEVELOPMENT

At APL Apollo, we remain steadfast in our commitment to innovation and progress. We have earned prestigious recognitions and certifications from organizations such as Underwriter Laboratories, CE, and SGS France, and our products are endorsed by respected bodies like the Bureau of Indian Standards and British Standards, reaffirming our dedication to quality.

Our advanced DFT (Direct Forming Technology) mill products combine superior strength, durability, and quality with enhanced aesthetic appeal. These products offer high resistance to weathering and ageing, require minimal maintenance, and are impervious to water and moisture. Products manufactured using Direct Forming Technology contribute approximately 32% of the Company's total sustainable revenue, reflecting our commitment to eco-friendly manufacturing practices and sustainable growth.

We believe innovation is key for businesses to differentiate themselves. Our goal is to drive both organizational and economic growth through innovation, recognizing its critical role in succeeding in today's competitive market. This commitment is evident in our ongoing research and development initiatives. Our innovative product portfolio includes alternatives to traditional construction materials such as wood, aluminum, and concrete, as well as conventional steel angles and channels used in diverse construction applications. Currently, we have 18 approved designs for our transformative products.

Leading the adoption of advanced technologies has been central to our approach. We have embraced cutting-edge advancements such as Strip Galvanizing Lines, Cold Saws, High-Speed Mills from Europe, and the revolutionary Rotary Sizing Mills, demonstrating our commitment to producing high-quality rolled tubes. APL Apollo was the first in India to introduce Direct Forming Mill Technology and In-Line Galvanizing of Tubes, marking a new era in tube manufacturing. At the core of our production process is High-Frequency Induction Welding (HFIW) technology, fundamental to all our products. This cold forming process (non-expanded) integrates HR and HRPO strips sourced from modern hot strip mills, which pass seamlessly through the MIG welder while maintaining continuous flow via the horizontal/vertical coil accumulator—reflecting our unwavering commitment to precision. The journey begins with cold embossing, the initial step that bears the APL Apollo seal of quality and reliability, setting the benchmark for the entire manufacturing process.

We are continuously exploring ways to enhance the sustainability of our product portfolio. In 2025, we conducted a Life Cycle Assessment (LCA) to evaluate the environmental impact of our products. This assessment covered MS tubes, GI tubes, GP tubes, pre-painted alu-zinc sheets, and pre-painted galvanized sheets. The scope of the LCA extended from Cradle to Grave, encompassing raw material extraction, transportation, environmental impact across processing stages, product usage, and end-of-life considerations.

## Driving Innovation

At APL Apollo, our core focus is the manufacturing and distribution of structural tubes. Over the past decade, we have remained committed to introducing innovative products that not only expand the structural tube portfolio but also strengthen our position and influence within the sector. During the current reporting period, we invested significant sums toward improving energy efficiency, waste management, and process optimization across our operations. The share of value-added products in our overall sales has seen a significant rise.

Collaborative research between IIT Roorkee and APL Apollo has demonstrated that structural tubes can serve as highly efficient steel components, enhancing the quality and sustainability of infrastructure projects such as high-rise buildings, factories, warehouses, data centers, and medical facilities. This approach offers a viable solution for constructing durable, long-lasting, and environmentally responsible structures. Studies indicate that replacing reinforced concrete with steel structures could potentially reduce emissions by up to 60%.

## Leading the way to an environmentally sustainable future

APL Apollo has been at the forefront of developing ready-made Chaukhat, fence, plank, and head rails using steel, promoting a sustainable and eco-friendly approach to construction. This innovative solution replaces traditional wood applications in building construction, resulting in the conservation of approximately 250,000 trees annually. As we progress, our commitment to a greener planet remains unwavering, with continuous efforts to preserve even more trees. Highlighting our dedication to environmentally conscious practices, APL Apollo is the first company to introduce narrow and thicker colour-coated galvanised sheets, furthering our mission to save trees.

## Advancing the Green Steel movement

At APL Apollo, our ambition is to lead the market by championing innovative and sustainable manufacturing practices. A prime example of this commitment is APL Apollo's Tubular Steel—a groundbreaking product set to revolutionize the construction industry. Offered in both cylindrical and elongated rectangular forms, this versatile material caters to a wide range of applications, including water and gas conveyance, liquid waste management, medical and military uses, aerospace, transportation, scaffolding, and construction.

## Structural Steel paving the way towards sustainable construction

Research indicates that the construction sector contributes 30% of direct and indirect $CO_2$ emissions. Structural steel is recognized as one of the most eco-friendly construction materials, adhering to Indian Green Building Council (IGBC) standards. Steel structures provide the option of infinite recyclability, easy pre-fabrication, high volume to weight ratio while offering lighter yet strong structures allowing for better vertical gains. Structural steel also helps in avoiding extraction of groundwater for constructions, thus reducing overall dependency on water.

## Advantages of Hot Rolled (HR) Coil Tubes over Patra Iron Tubes

### HR Coil Tubes

- Crafted from premium iron ore
- Offer unmatched durability and performance, all while supporting a healthier planet
- Manufactured in blast furnaces fueled by coke contributing to lesser pollution as compared to Patra iron tubes
- Ultimate choice-engineered for excellence

### Patra iron tubes

- Made from sponge iron in induction furnace and fueled by coal
- Weaken and deteriorate over time
- Fueled by Coal in induction furnaces
- Additional costs incurred in disposing of Coal Ash



*Manufacturing of Patra Iron Tubes relies on furnaces fired by coal which contribute to emissions of toxic gases, generation of excessive ash waste leading to air pollution, and water contamination.*

| Environment | Economic | Social |
|---|---|---|
| • Zero-dust product<br>• Fewer renovations and lower lifetime maintenance<br>• Less amount of water is necessary for foundations<br>• Minimal material waste since the steel is modified to specifications throughout the manufacturing process<br>• The restriction on building activities imposed by the National Green Tribunal may not applicable if steel tubular is used<br>• 37% less environmental pollution than the RCC frame<br>• 24% less emissions generated by steel building as compared to concrete building, which has a substantial Warming Potential (GWP) | • Construction at a faster pace<br>• Modifications are possible at any point, resulting in more precise structures.<br>• Larger span structures are easily achievable with optimal material and space usage.<br>• Cost optimisation due to the symmetrical and uniform structure<br>• Structures are built on time since most of the work is done in a factory, thus weather is seldom an issue.<br>• No storage required | • High resistance to dynamic loads, making it earthquake safe.<br>• Light weight design<br>• 50% of steel produced is consumed by housing and construction sector.<br>• No leakage problem<br>• Steel quality is maintained since it is produced in a controlled atmosphere in a plant under stringent quality control.<br>• Workers are protected from respiratory infections during the manufacturing process.<br>• Six million people are directly employed in steel manufacturing.<br>• 12% less human toxicity (cancer effects and non-cancer effects) than RCC structures. |

## Apollo Chaukat

Traditionally, wood has been the preferred material for framing doors and windows in India. However, growing demands for safety, durability, and eco-friendly alternatives have shifted preferences toward steel frames, which outperform hardwood in long-term performance. In response to this trend, APL Apollo introduces Apollo Chaukhat—one of India's first closed steel door and window frames, crafted from premium steel for easy installation. Designed for housing applications such as fences, planks, and rails, Apollo Chaukhat is available in both modular and readymade styles.

This innovative product combines strength, durability, and quality with aesthetic appeal. It offers high resistance to weathering and aging, requires minimal maintenance, and is impervious to water and moisture. Manufactured using Direct Forming Technology and customizable to specific dimensions, Apollo Chaukhat promotes eco-friendly practices by reducing dependence on wood, thereby conserving trees and lowering carbon emissions.

> Structural steel is recognized as one of the most eco-friendly construction materials, adhering to Indian Green Building Council (IGBC) standards.



# STAKEHOLDER ENGAGEMENT

Stakeholders play a vital role in our success, and we are committed to enhancing the value we provide to them. We take pride in nurturing their development and actively engage with them to understand their challenges and needs, thereby strengthening our relationships. This approach deepens our insight into key issues and helps us recognize the unique attributes that make our stakeholders essential to our organization, guiding us in crafting a meaningful engagement strategy. The invaluable feedback we gather from our stakeholders allows us to prioritize challenges and align our strategic direction with their expectations.

Our stakeholder engagement process has thoroughly assessed the Environmental, Social, and Governance (ESG) issues critical for value creation, particularly in light of the evolving global sustainability landscape.

| Stakeholder Group | Importance to APL Apollo | Material Needs | Forms of Engagement | Frequency | How We Create Value |
|---|---|---|---|---|---|
| Investors | Investors are essential to the operations of APL Apollo, providing critical capital, expertise, and a sense of accountability to the company. Aligning with reputable shareholders and investors not only attracts new investments but also brings in new customers. | Sustainable growth and profitability, mitigation of all significant risks, strong governance , and transparent reporting | • Investor calls and presentations<br>• Press releases<br>• General meetings<br>• Dissemination of annual reports of our company. | • Quarterly<br>• Annually<br>• On-demand | • Sound and transparent corporate governance policies<br>• Timely engagement with the stakeholders<br>• Transparent financial disclosures |
| Employees | Employees are vital stakeholders and a valuable asset to APL Apollo. Their commitment has been the driving force behind the company's success and growth throughout the years. | Safe working environment, career growth opportunities, competitive compensation packages, skill enhancement, and a focus on diversity, equity, and inclusion. | • Trainings and coaching programmes<br>• Personal interactions<br>• Employee Portal<br>• Grievance redressal mechanism | • Quarterly<br>• Annually<br>• On-demand | • Understanding employee needs and creating a conducive work environment.<br>• Creating exhaustive learning and development strategy and operational framework.<br>• Focus on health and safety of employees in the workplace. |
| Suppliers | Due to the nature of our operations, vendors and suppliers are integral to our supply and value chain. Their contributions help streamline and enhance our business processes, supporting our commitment to sustainable development. | Supplier code of conduct, timely payments, commitment on responsible sourcing and business ethics | • Regular meetings with key suppliers by senior management<br>• Supplier visits and meets<br>• Supplier tours of manufacturing facilities | • Quarterly<br>• Annually<br>• On-demand | • Regular meeting with suppliers for product awareness<br>• Educating our suppliers on our company's code of conduct and human rights' policy. |
| Customers | Customers are of utmost importance, as they purchase and utilize APL Apollo's products and services. They generate a significant portion of the revenue that sustains our business activities. | Quality products which are affordable and reliable | • One-on-one interactions<br>• Meetings<br>• Surveys<br>• Customer hotline | • Quarterly<br>• Annually<br>• On-demand | • Developing products based on the market trends<br>• Institutionalizing the culture of qualitative perfection in the products<br>• Establishing a customer grievance redressal mechanism |
| Communities | Local communities nearby play a pivotal role in the company's ongoing success by granting us the Social License to Operate. By building stronger relationships, these communities gain better opportunities to develop employable skills and increase their income-generating potential. | Health and community welfare, giving back to the society, and enhancing the livelihood and socio-economic development of individuals. | • Need-based assessment surveys<br>• Field visits<br>• Trainings<br>• CSR initiatives<br>• Surveys | • Quarterly<br>• Annually<br>• On-demand | • Empowering communities with community welfare projects<br>• Being transparent in our environmental and social disclosures.<br>• Reducing the environmental impact of our operations. |

# MATERIALITY ASSESSMENT

In line with the GRI Guidelines, APL Apollo has embraced the principle of materiality, focusing on factors that impact the organization's ability to create, sustain, or diminish economic, environmental, and social value for itself, its stakeholders, and society at large. To gain a clearer understanding of the key ESG issues pertinent to our business and stakeholders, we undertook a thorough materiality assessment. This process is designed to pinpoint critical issues for stakeholders across short, medium, and long-term horizons. It serves to validate the effectiveness of our ESG strategy and implementation, promoting positive outcomes and risk mitigation while aligning with the priorities of our stakeholders. To facilitate this, we actively engaged a diverse range of internal and external stakeholders.

Below are the steps we adopted to conduct the Materiality Assessment:

## Process of Materiality Assessment

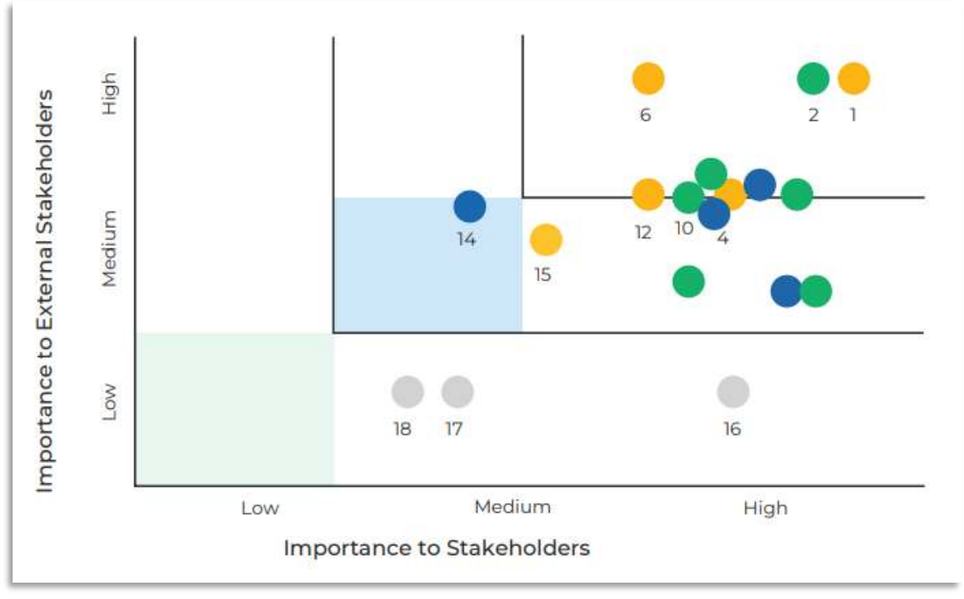
**Stakeholder Identification** ▶ **Evaluation of standards and frameworks** ▶ **Materiality survey** ▶ **Response evaluation** ▶ **Diagnostics assessment** ▶ **Final materiality assessment**

# FORMULATION OF MATERIALITY MATRIX

The Materiality Matrix offers an evaluation of our sustainability strategy and performance, providing a comprehensive overview of APL Apollo's operations. This matrix emphasizes the elements that are pivotal to our organizational management and significant to our stakeholders. Every two years, we conduct an internal review of these topics to assess progress and reprioritize initiatives.

The issues have been evaluated and ranked based on their relevance, from high to low, taking into account the perspectives of both internal and external stakeholders. Following an analysis of the matrix, we have adapted our operations to focus on the issues that are most critical to our enterprise. It is essential to acknowledge that these challenges are interconnected and should not be tackled in isolation, as they often have interrelated and negative impacts on one another.

Effectively addressing these concerns necessitates an integrated approach to sustainability management. We are committed to upholding high standards in safeguarding the health of our planet, fostering societal progress, and promoting sustainable development. The Board of Directors has reviewed and approved the materiality assessment.




| High | Medium | Low |
|---|---|---|
| • Market Presence | • Process Innovation | • Local Communities |
| • Health and Safety | • Waste Management | • Compliances |
| • Circular Economy | • Corporate Governance | • Energy Management |
| • Economic Performance | • Disclosures | • Training and Development |
| • Environmental Compliances | • Supply Chain Sustainability | • Talent and Skill Upgradation |
| • Labor Rights | • Water Management | • Diversity |

## Key Material Issues for enhancing Enterprise Value Creation

| Material Topic | Risk / Opportunity | Financial Impact | Business Case | Mitigation Strategy |
|---|---|---|---|---|
| **Health and Safety** | Risk | Negative | Prioritizing employee health, safety, and well-being is essential for organizational success. Neglecting these areas can lead to reduced productivity from lost man-hours, disrupt business operations, and negatively impact customer satisfaction and profitability. In addition, it may expose the company to legal liabilities and cause significant reputational damage. | Our safety approach aligns with global standards and encompasses contractor management, logistics safety, employee training, incident investigations, risk assessments, audits, and the use of advanced technology. The Occupational Health & Safety (OH&S) teams focus on medical fitness, appropriate job placement, first aid readiness, preventive healthcare, health education, and continuous health surveillance. These efforts are supported by 24/7 medical staff and ambulance services. All sites are equipped with drinking water facilities, canteens, rest areas, and occupational health centers. Seasonal measures, such as providing hydrating drinks during summer, are also implemented to ensure employee well-being. |
| **Environmental Compliance** | Risk | Negative | Environmental compliance poses a significant financial risk for APL Apollo due to the resource-intensive nature of steel tube manufacturing. The industry faces stringent regulations on greenhouse gas emissions, water usage, and energy efficiency. Non-compliance can lead to penalties, operational restrictions, and reputational damage. Meeting evolving standards requires substantial investments in low-emission technologies, wastewater treatment systems, and renewable energy integration. Additionally, global frameworks like the EU CBAM amplify the cost impact of carbon-intensive processes, making proactive compliance essential to avoid increased export levies and maintain competitiveness. Failure to address these areas could result in higher operating costs, supply chain disruptions, and loss of market access. | APL Apollo is implementing a comprehensive sustainability strategy focused on emissions reduction, water conservation, and energy efficiency. The company is investing in low-carbon technologies and renewable energy sources to minimize greenhouse gas emissions and align with global standards. Advanced water recycling and treatment systems are being deployed across manufacturing sites to reduce freshwater dependency and ensure regulatory compliance. Additionally, energy management initiatives, including process optimization and adoption of energy-efficient equipment, are being prioritized to lower overall consumption. These measures not only mitigate compliance risks but also enhance operational resilience and cost efficiency in the long term. |
| **Process Innovation** | Opportunity | Positive | APL Apollo's adoption of Life Cycle Assessments (LCAs) and Environmental Product Declarations (EPDs) marks a significant process innovation that strengthens its sustainability leadership. By integrating environmental considerations into product design and manufacturing, the company has demonstrated that steel structures emit 34% less $CO_2$ and consume 55% less water compared to concrete, and steel frames are 48% more eco-friendly than teak wood alternatives. The introduction of HRC Coil Tubes as a sustainable product, aligned with green steel principles, further enhances this advantage, contributing 32% of FY25 revenues. These innovations not only reduce resource consumption and emissions but also create a strong competitive edge in markets increasingly driven by ESG compliance and low-carbon solutions. Going forward, periodic LCAs and operational improvements will enable APL Apollo to capture growing demand for sustainable construction materials while improving profitability through efficiency gains. | - |

# RESPONSIBLE GOVERNANCE

## ESG Governance

At APL Apollo, ESG governance is anchored in a robust corporate governance framework founded on ethics, integrity, transparency, and responsible leadership. Oversight of ESG and climate-related matters is exercised at both the Board of Directors and management levels, ensuring clear accountability and a thorough, enterprise-wide approach. Guided by an empowered Board and an adept leadership team, we integrate ESG priorities into strategic planning and daily operations across all business units, from the corporate centre to individual business units. Our commitment to transparency and fair governance drives timely, precise disclosures on financial, operational, and sustainability performance, fostering trust and long-term value creation for stakeholders. More than compliance, our governance practices are a core principle that informs decision-making and strengthens our capacity to respond with agility to evolving market dynamics, regulatory expectations, and climate-related risks and opportunities. This disciplined approach underpins our ambition, including our pathway to net zero by 2050, and enhances organisational resilience while generating enduring value for shareholders, customers, employees, and the communities we serve.






# BOARD AND MANAGEMENT OVERSIGHT

## Board Type

APL Apollo Tubes Ltd follows a **one-tier board system**, comprising a Board of Directors responsible for strategic oversight, governance, and stakeholder accountability. The board structure is designed to ensure effective oversight, promote transparency, and uphold the principles of ethical governance.

**Board Composition (FY 2024–25)**

- **Executive Directors**: 2
- **Independent Non-Executive Directors**: 5
- **Other Non-Executive Directors**: 3
- **Total Board Size**: 10 members

This composition results in an independence ratio of **50%**, which meets the regulatory requirement of 50% independent representation for listed entities with an executive chairperson.

Independent directors play a vital role in safeguarding stakeholder interests and enhancing board objectivity. They are actively involved in key board committees such as the Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, and CSR Committee. Their independence is assessed annually in accordance with SEBI guidelines and the Companies Act, 2013.

All independent directors have no material or pecuniary relationship with the company, its promoters, or its management, apart from receiving seat fees and commission as permitted under applicable laws.

As on March 31, 2025, the Board of Directors comprised 10 (Ten) directors of which 2 (Two) are Executive Directors and 8 (Eight) are Non-executive Directors. Out of 8 (Eight) Non-executive Directors, 5 (Five) are Independent Directors. Details are as given hereunder:

| Name of Director | Category | No. of Board Meetings attended during FY 2024-25 | Attendance at last AGM held on 26 September, 2024 | No. of shares held | No. of other Directorships and Committee Memberships / Chairmanships | | |
|---|---|---|---|---|---|---|---|
| | | | | | Other Director-ships[$] | Other Member-Ships** | Other Chairman-ships ** |
| Shri Sanjay Gupta (DIN: 00233188) | Promoter & CMD | 4 | No | 4,535 | 4 | - | - |
| Shri Ashok Kumar Gupta* (DIN: 01722395) | NED | 4 | Yes | 55 | 1 | - | - |
| Shri Vinay Gupta (DIN: 00005149) | NED | 3 | No | - | 4 | - | - |
| Shri Rahul Gupta* (DIN: 07151792) | NED | 3 | No | - | 3 | - | - |
| Shri Deepak Kumar (DIN: 03056481) | ED | 4 | Yes | - | 2 | - | - |
| Shri Dinesh Kumar Mittal# (DIN: 00040000) | ID | 2 | No | - | 7 | 5 | 2 |
| Ms. Neeru Abrol (DIN: 01279485) | ID | 4 | Yes | - | 5 | 4 | 1 |
| Mrs. Asha Anil Agarwal (DIN: 09722160) | ID | 4 | Yes | - | 6 | 3 | 2 |
| Shri Rajeev Anand# (DIN: 02519876) | ID | 3 | Yes | - | 1 | 1 | 0 |
| Shri H S Upendra Kamath (DIN: 02648119) | ID | 4 | Yes | - | 6 | 4 | 2 |

## Board of Directors

| Name | Title | No. of Board Meetings attended during FY24-25 |
|---|---|---|
| AMr. Sanjay Gupta | Promoter & CMD | **4** |
| Mr. Ashok Kumar Gupta* | Non-Executive Director | **4** |
| Mr. Vinay Gupta | Non-Executive Director | **4** |
| Mr. Rahul Gupta* | Non-Executive Director | **3** |
| Mr. Deepak Kumar | Executive Director | **4** |
| Mr. Dinesh Kumar Mittal# | Independent Director | 2 |
| Ms. Neeru Abrol | Independent Director | 4 |
| Mrs. Asha Anil Agarwal | Independent Director | 4 |
| Mr. Rajeev Anand# | Independent Director | 3 |
| Mr. H S Upendra Kamath | Independent Director | 4 |

*Part of promoter group

#Shri Rajeev Anand & Shri Dinesh Kumar Mittal were appointed as Independent Directors w.e.f. May 11, 2024

## Board Metrics

**Board Age Profile**

As of FY2025, the Board's average age was 58 years, with directors ranging from 31 to 72 years. Forty percent of directors are under the age of 55

## Board Industry Experience

The average experience of the Board is ~ 35 years.

Details of Board Industry Experience are mentioned below:

| Name | Title | Industry Experience |
|---|---|---|
| Mr. Sanjay Gupta | Promoter & CMD | Shri Sanjay Gupta brings nearly 28 years of experience across various segments of the steel industry. Under his innovative and dynamic leadership, the Company has evolved from a manufacturer of structural steel tubes into a global leader in branded steel products. He has inherited exceptional entrepreneurial skills from his father, Shri Sudesh Gupta, which have contributed to the Company's ongoing growth and progress. Under Sanjay Gupta's guidance, the Company is on a trajectory towards becoming an internationally renowned organization. |
| Mr. Ashok Kumar Gupta* | Non-Executive Director | An industry veteran with over three decades of experience, Shri Ashok Kumar Gupta has held critical management positions in esteemed organizations, including SAIL, Jindal, Bhushan Steel, the L.N. Mittal Group, Apollo Pipes Ltd., and Shalimar Paints Limited. He has been a key driving force behind the Company's growth and has consistently delivered profitable results. |
| Mr. Vinay Gupta | Non-Executive Director | With over two decades of industry experience, Shri Vinay Gupta has extensive knowledge in the manufacturing and trading of pipes, tubes, sheets, and various steel products. He has been entrusted with leading the Company's initiatives in pre-galvanised products and the international market. |
| Mr. Rahul Gupta* | Non-Executive Director | Shri Rahul Gupta holds a Bachelor of Commerce (Honours) degree from Delhi University. He has also completed executive courses in management at prestigious institutions, including the London School of Economics and the Indian Institute of Management, Ahmedabad (IIMA). As a promising entrepreneur with nearly nine years of experience in the manufacturing sector of structural steel tubes, Mr. Gupta has effectively overseen operational management, marketing, and institutional sales functions. In recognition of his contributions, he was awarded the 'Young Achiever Award' for Organization Building at the Global HR Summit in 2017. |
| Mr. Deepak Kumar | Executive Director | Mr. Deepak Kumar is a distinguished member of the Institute of Chartered Accountants of India (ICAI) and has a proven track record and extensive experience of over 2 decades of exemplary career. He has adeptly managed operations, marketing and institutional sales. Additionally, he has been instrumental in formulating corporate strategy, financial planning and overseeing corporate affairs, information technology, human resources and investor relations.<br>Mr. Deepak Kumar is a Director (Operations) and Group Chief Financial Officer of APL Apollo Tubes Limited and managing day-to-day operations of the company. He leads an efficient team and oversees budget planning, funds management, treasury, and taxation matters. He had also been associated with Surya Roshni Limited for approximately 9 years. |
| Mr. Dinesh Kumar Mittal# | Independent Director | Mr. Dinesh Kumar Mittal is a distinguished former Indian Administrative Service (IAS) officer from the 1977 batch (Uttar Pradesh cadre), holding a master's degree in physics, specializing in electronics. He served as Secretary in the Department of Financial Services, overseeing banking, insurance, and pension policies while collaborating closely with the Reserve Bank of India. He also held key positions in the Ministry of Corporate Affairs and the Department of Commerce, where he negotiated for the World Trade Organisation and developed India's first Special Economic Zones (SEZ) policy.<br>With extensive expertise in infrastructure, international trade, urban development, renewable energy, and finance, Mr. Mittal has contributed to various sectors throughout his career. He currently serves on the boards of several companies, including Max Estates Limited, Max Financial Services Limited, Niva Bupa Health Insurance Company Limited, and New Delhi Television Limited. |
| Ms. Neeru Abrol | Independent Director | Ms. Abrol is a Chartered Accountant with approximately four decades of extensive professional experience across various sectors and roles. She dedicated 26 years to the Steel Authority of India Ltd., where she held several critical management positions, gaining in-depth knowledge of the steel industry and its operational workflows. Additionally, she served as the former Chairperson and Managing Director, as well as Director of Finance at National Fertilisers Ltd. Currently, Ms. Abrol serves as a Director at Apollo Pipes Ltd., Stecol International Pvt. Ltd., SG Mart Limited, SMC Global Securities Ltd., and Ganesh Ecoverse Ltd., among other enterprises. She is also actively involved with several non-governmental organizations. Throughout her distinguished career, Ms. Abrol has received multiple awards, including the 'Business Achiever' title from the Institute of Chartered Accountants of India on two occasions and the 'Outstanding Woman Manager in Public Sector Enterprises' award from SCOPE. |
| Mrs. Asha Anil Agarwal | Independent Director | Mrs. Asha Anil Agarwal previously held the position of Principal Chief Commissioner of Income Tax within the Indian Revenue Service, Ministry of Finance, Government of India. With nearly four decades of extensive experience in the Indian Revenue Service, she has developed substantial expertise in taxation, finance, and general management, supported by a solid professional background. |
| Mr. Rajeev Anand# | Independent Director | Mr. Anand is a seasoned leader with 12 years as a Profit and Loss leader and CEO, specializing in manufacturing and operations. He has been the Chairman and Non-Executive Board Member of DIC India Limited since November 2020 and serves as a Senior Advisor and Board Member at Mahansaria Tyres Pvt. Ltd. and Haldiram Group. He was appointed Co-Chairman of Hydrolines India Pvt. Ltd. in January 2023 and has been a Member of the University Court at Amity University – UP since January 2017.<br>He holds a Diploma in Mechanical Engineering from Haryana Polytechnic and a Certification in Business Team Management from the University of Tennessee, along with membership in the Director's Club from Hunt Partners. With a distinguished four-decade career at Goodyear India Limited, he is recognized for his decisive leadership and talent development within the organization. |
| Mr. H S Upendra Kamath | Independent Director | Shri H. S. Upendra Kamath is a seasoned banking professional with over 40 years of experience in the Indian Banking Industry. He holds a Bachelor of Commerce (B.Com) degree and is a Certified Associate of the Indian Institute of Bankers (CAIIB). Kamath began his career at Union Bank of India, where he worked for 35 years and eventually became General Manager. He later served as Executive Director at Canara Bank and Chairman and Managing Director at Vijaya Bank.<br>His extensive career includes managing operations at various levels, earning him multiple accolades such as the "Best Customer Friendly Banker Award 2012," the CGFTMSE award from SIDBI, and the "IT Leadership Award 2013" from Amity University. |

*Part of promoter group

#Shri Rajeev Anand & Shri Dinesh Kumar Mittal were appointed as Independent Directors w.e.f. May 11, 2024

## Board Accountability

4 (Four) Board Meetings were held during the financial year 2024-25 i.e., on May 11, 2024, August 10, 2024, October 29, 2024 and January 20, 2025.

- **Board meeting attendance**: All directors attended at 92% of board meetings during FY 2024–25.
- **Performance reviews**: The company conducts annual performance evaluations of the Board, its committees, and individual directors.
- **CEO succession planning**: A succession plan for the CEO is in place and overseen by the Nomination and Remuneration Committee.
- **Director liability**: There are no limitations to directors' liabilities under applicable laws.
- **Annual elections**: Directors are elected or re-elected annually, in accordance with the Companies Act and SEBI LODR.
- **Shareholder rights**: Changes to the company's bylaws require shareholder approval, ensuring alignment with long-term shareholder interests.

These practices reflect APL Apollo's commitment to strong corporate governance and alignment with frameworks such as CSRD BP-2, SFDR, and UNGC G11.

**Succession Planning**

Business continuity, especially in terms of leadership and talent, remains one of the most critical pillars of sustainability for APL Apollo. Building a strong and future-ready leadership pipeline is therefore central to our long-term agenda. As a high-growth and rapidly expanding organisation, we recognise that leadership continuity and a robust talent bench are essential to sustaining our momentum, our culture of speed, execution excellence, and our commitment to customer delight.

Our succession planning framework systematically identifies high-potential talent across plants and corporate functions through a structured evaluation process integrating performance insights, leadership assessments, and behavioural tools. Critical roles across business, plant operations, supply chain, sales, finance, and HR are mapped with identified successors to ensure organisational resilience and leadership continuity.

Successors are groomed through targeted development initiatives – including structured IDPs, cross-functional exposure, mentorship, and participation in strategic projects – ensuring they are both technically strong and culturally aligned with APL Apollo's leadership ethos.

Regular reviews with Business Leadership, including plant heads, functional leaders, and promoters, strengthen governance discipline and transparency in the process.

As we expand into new markets, geographies and product lines, we remain committed to nurturing diverse and capable leaders who can drive sustainable growth and uphold the long-term interests of our people, customers, and stakeholders.

## Board Diversity Policy

The Board of Directors shall have the optimum combination of Directors from the different areas/fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development, Human Resources etc or as may be considered appropriate.

The Board shall have atleast one Board member who has accounting or related financial management expertise and atleast three members who are financially literate.

*Source: https://aplapollo.com/wp-content/uploads/2019/08/Nomination-Remuneration-Policy.pdf*

## Board Gender Diversity

- Female Directors
- Male Directors

## Board Average Tenure

The average Board tenure is 7.2 years.

## Board Independence

At APL Apollo Tubes Ltd, we recognize that strong corporate governance is foundational to sustainable business performance and stakeholder trust. Our Board of Directors is structured to ensure independence, diversity, and strategic oversight in alignment with the highest standards of governance.

As of FY 2024–25, our Board comprises 10 members, of which 8 are non-executive directors. Notably, 5 of these non-executive directors are independent, representing 50% of the total board composition. This level of independence meets the regulatory requirements outlined by SEBI Listing Obligations and Disclosure Requirements (LODR), which mandate a minimum of 50% independent representation for listed entities with an executive chairperson.

A majority-independent board enhances objectivity in decision-making, strengthens accountability, and ensures that the interests of all stakeholders—including shareholders, employees, customers, and communities—are effectively represented. Our independent directors bring diverse expertise across sectors such as finance, law, industrial manufacturing, public policy, and sustainability, contributing to robust board deliberations and strategic guidance.

All independent directors have no material or pecuniary relationship with the company, its promoters, or its management, apart from receiving sitting fees and commission as permitted under applicable laws. Their independence is assessed annually in accordance with SEBI guidelines and the Companies Act, 2013, ensuring continued compliance with the criteria for independence and upholding the highest standards of governance.

The Board meets regularly to review the company's performance, risk management practices, ESG strategy, and compliance with applicable laws and regulations. Independent directors also play a critical role in board committees, including the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, and CSR Committee, where their oversight ensures transparency and ethical conduct.

Through this governance structure, APL Apollo reinforces its commitment to ethical leadership, long-term value creation, and responsible business practices.

In pursuance of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, all Independent Directors of the Company have duly confirmed validity of their respective registration with the Indian Institute of Corporate Affairs (IICA) database.

The Company has received declaration from all the existing and proposed Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations.

In the opinion of the Board, the Independent Directors of the Company possess the requisite expertise skill and experience (including the proficiency) and are persons of high integrity and repute as well as are independent of the management.





# OWNERSHIP

## Management Ownership

The company's Chairman and Managing Director holds company shares. Shri Sanjay Gupta also holds additional shares of the company through S Gupta Holdings, where he has 18.29% holdings. S Gupta Holdings owns 7,85,78,534 shares of the company, leading to a total ownership of 14,376,548 shares.

Name

**Shri Sanjay Gupta**

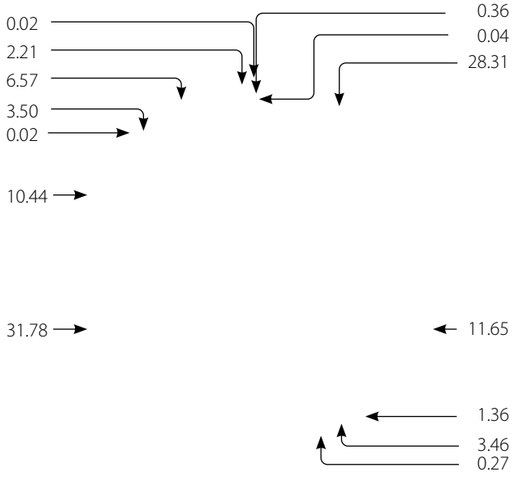
# of shares held (individually)

4,535

## Family Ownership

Promoters hold 28.31% shares of the company.

| Category | No. of shares held | % |
|---|---|---|
| Promoters | 7,85,78,534 | 28.31 |
| Mutual Funds | 3,23,40,190 | 11.65 |
| Alternate Investment Funds | 37,72,928 | 1.36 |
| Insurance Companies | 95,99,945 | 3.46 |
| Provident Funds / Pension Funds | 7,53,961 | 0.27 |
| Foreign Portfolio Investors | 8,81,84,143 | 31.78 |
| Individuals | 2,89,76,851 | 10.44 |
| IEPF | 52,750 | 0.02 |
| Non-Resident Indian (NRI) | 97,25,297 | 3.50 |
| Foreign Companies | 1,82,21,919 | 6.57 |
| Bodies Corporate | 61,35,316 | 2.21 |
| Clearing Members | 50,350 | 0.02 |
| HUF | 10,09,195 | 0.36 |
| Trusts | 1,23,185 | 0.04 |
| **Total** | **27,75,24,564** | **100** |




The promoter holdings are primarily through S Gupta Holdings, with the details of the promoter shareholders provided below:

**DETAILS OF SHAREHOLDERS OF S GUPTA HOLDING PRIVATE LIMITED**

| S. No. | Name | Father's Name | Address | Category | No. of Equity Shares of Nominal Value of Rs. 10/- Each | Percentage of Share-holding |
|---|---|---|---|---|---|---|
| 1 | Mr. Sanjay Gupta | Late Shri Sudesh Gupta | G-8, Maharani Bagh, Phase I, Delhi-110065 | Promoter | 8,56,767 | 18.29 |
| 2 | Mr. Rohan Gupta | Shri Sanjay Gupta | G-8, Maharani Bagh, Phase I, Delhi-110065 | Promoter | 8,56,767 | 18.29 |
| 3 | Mr. Rahul Gupta | Shri Sanjay Gupta | G-8, Maharani Bagh, Phase I, Delhi-110065 | Promoter | 8,56,767 | 18.29 |
| 4 | Mrs. Neera Gupta | Shri Ashok Kumar Bansal | G-8, Maharani Bagh, Phase I, Delhi-110065 | Promoter | 8,56,767 | 18.29 |
| 5 | Mr. Vinay Gupta | Late Shri Sudesh Gupta | H-5, Maharani Bagh, Phase I, Delhi-110065 | Promoter | 4,78,818 | 10.22 |
| 6 | Mrs. Vandana Gupta | Shri Bhagat Ram Mittal | H-5, Maharani Bagh, Phase I, Delhi-110065 | Promoter | 3,75,646 | 8.02 |
| 7 | Mr. Sahil Gupta | Shri Vinay Gupta | H-5, Maharani Bagh, Phase I, Delhi-110065 | Promoter | 3,75,645 | 8.02 |
| 8 | M/s Apollo Pipes Limited | Not Applicable | 37, Hargobind Enclave Vikas Marg, Delhi-110092 | Public | 27,200 | 0.58 |
| 9 | Mr. Ajay Garg | Shri Purushottam Dass Garg | B-70, B-Block Old Post Office Street Shakar Pur Delhi-110092 | Public | 100 | 0 |
| | **Total** | | | | 46,84,477 | 100 |

**Management Compensation – Success Metrics**

CMD-to-Employee Pay Ratio is 147:1 where fees for sitting on the Board have not been considered in the remuneration calculation.

**Management Compensation – Long-Term Performance Alignment**

The Nomination and Remuneration Committee has implemented a comprehensive remuneration policy to ensure competitive, performance-based compensation for directors, key managerial personnel, and employees, fostering motivation and aligning with the company's goals. APL Apollo incorporates ESG factors into performance evaluations for senior leadership and provides performance-linked bonuses and incentives to employees across corporate and plant operations.

Shri Sanjay Gupta, CMD, demonstrates strong alignment with the company's long-term performance through significant equity ownership. Directly, he holds 4,535 shares of APL Apollo, and indirectly, through S Gupta Holdings, where he owns an 18.29% stake, he maintains a substantial economic interest in the company. This structure ensures that the Shri Sanjay Gupta's personal wealth is closely tied to the company's sustained growth and shareholder value creation.

Such ownership incentivizes decisions that prioritize long-term profitability, operational resilience, and strategic investments over short-term gains. It also reinforces accountability to stakeholders, as the CEO benefits from sustainable performance, improved governance, and enhanced ESG outcomes

## Business Ethics

APL Apollo champions a culture of openness that enables information to move freely across the organisation. Our decision-making is transparent and designed to protect stakeholder interests. We proactively identify and mitigate risks by communicating relevant issues to stakeholders and making final choices that reflect the viewpoints of all concerned.

We continually optimise our operations to meet changing business realities, while reinforcing accountability and transparency. Through robust policies and procedures, we promote consistency in execution and cultivate a supportive, positive workplace for our people.

The Company operates to high ethical standards through its Code of Conduct, aligned with the National Guidelines on Responsible Business Conduct (NGRBC). We maintain strict compliance with all legal requirements and corporate governance norms, while following global best practices. Demonstrating our commitment to these principles, APL Apollo has established comprehensive frameworks and policies, and enforces a zero-tolerance approach to any breach of internal rules, legal duties, or professional conduct standards.

We do not provide funding for political campaigns, parties, or lobbyists, and we actively discourage any activities that could compromise our integrity. Our anti-bribery and anti-corruption policy, supported by comprehensive training modules, promotes a vigilant and ethical corporate culture. All agreements with vendors and third-party service providers include strict anti-bribery and anti-corruption clauses, reinforcing our commitment to conducting business with the highest standards of integrity.

## Codes of Conduct

APL Apollo Tubes Limited ("the Company") is committed to conducting its business in accordance with the highest standards of integrity, transparency, fairness, and accountability. The Code of Conduct ("Code") outlines the ethical principles and behavioural norms applicable to all individuals associated with the Company. https://aplapollo.com/images/others/Code_of_Conduct.pdf

## UN Global Compact Membership

APL Apollo was a signatory/participant of the UN Global Compact Membership till the end of the previous financial year. Despite not renewing its membership, APL Apollo remains committed to the principles of the UN Global Compact Membership by continuing to align its operations with the Ten Principles covering human rights, labor standards, environmental responsibility, and anti-corruption. The company integrates these principles into its policies and practices, conducts regular compliance reviews, engages stakeholders transparently, and publishes sustainability disclosures that reflect progress on these commitments. Additionally, APL Apollo supports initiatives that promote ethical business conduct, reduce environmental impact, and foster inclusive growth within its communities.

## Anti-Bribery & Anti-Corruption Policy

APL Apollo Tubes Ltd. maintains a zero-tolerance approach to bribery and corruption across all operations. We are committed to conducting business ethically, professionally, and with integrity, ensuring compliance with applicable laws and regulations globally. Our ABAC policy applies to all employees and third parties acting on behalf of the company, prohibiting any form of bribes, facilitation payments, or illicit inducements intended to gain business advantage.

To uphold these standards, we have implemented robust systems and controls to prevent, detect, and address bribery risks. Employees and partners are required to avoid offering or accepting gifts, hospitality, or anything of value that could influence decision-making. Any suspected violations must be reported promptly to our compliance team. Breaches of this policy may result in disciplinary action, including termination, and could lead to legal consequences.

https://aplapollo.com/images/others/Anti_Bribery_and_Anti_Corruption_Policy.pdf

## Whistleblower Mechanism

APL Apollo Tubes Ltd. is committed to maintaining the highest standards of integrity, transparency, and accountability. To support this, we have established a robust Vigil Mechanism/ Whistleblower Policy that enables employees, directors, and stakeholders to report genuine concerns related to unethical behavior, suspected fraud, violations of the Code of Conduct, or leakage of Unpublished Price Sensitive Information. The mechanism ensures that disclosures are handled promptly, fairly, and confidentially, with adequate safeguards against retaliation.

Protected disclosures can be made in writing or via email, clearly marked as "Protected Disclosure under the Whistle Blower Policy", and addressed to the Vigilance Officer at vigilanceofficer@aplapollo.com or, in exceptional cases, to the Chairman of the Audit Committee at chairmanacb@aplapollo.com. Reports may also be submitted anonymously, though identification is encouraged for effective investigation. All complaints are investigated by the Vigilance Officer and reviewed by the Audit Committee, with findings reported to the Board. The policy guarantees confidentiality and protection against unfair treatment, ensuring that whistleblowers can raise concerns without fear of reprisal.
https://aplapollo.com/wp-content/uploads/2020/06/Whistle-blower-Policy-25012022.pdf

## Reporting on Breaches

| Particulars | FY2024-25 |
|---|---|
| Corruption & Bribery | 0 |
| Discrimination & Harassment | 0 |
| Customer Data Privacy and Cybersecurity | 0 |
| Conflict of Interest | 0 |
| Money Laundering or Insider Trading | 0 |

APL Apollo Tubes Limited upholds the highest standards of integrity, transparency, fairness, and accountability in all its business practices. It has constituted a Code of Conduct which defines the ethical principles and behavioral expectations that apply to every individual associated with the Company, ensuring responsible and professional conduct across all operations.



# RISK & CRISIS MANAGEMENT

## Risk Governance

## Risk Management Committee:

The Company has a duly approved Risk Management Policy and constituted a Risk Management Committee as required under SEBI Listing Regulations. The Committee oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting.

The purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with regard to enterprise risk management.

The Risk Management Policy is available on the website of the Company and the weblink for the same is https://aplapollo.com/images/others/Risk_Management_Policy.pdf

The role of Risk Management Committee inter alia includes:

a. To formulate a detailed risk management policy.

b. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

c. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.

d. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.



## Risk Management Framework

Through our robust risk monitoring, we have identified risks and mitigation plans a few of the following emerging risks.

### Enterprise Risk Management – Key Risks Aligned to BRSR Principles

### A. Material Risks

| Risk Category | Risk Description | Potential Impact | Key Mitigation Measures | Relevant BRSR Principle(s) |
|---|---|---|---|---|
| Regulatory & Compliance Risk | Evolving environmental, labour, data protection, and ESG disclosure regulations may result in penalties or operational disruption if not complied with | Financial penalties, reputational impact, operational constraints | Strengthened compliance frameworks, regulatory monitoring, ESG governance, investments in cleaner technologies and structured disclosures | P1 (Ethics & Governance), P6 (Environment), P3 (Employee Well-being) |
| Commodity Price Volatility | Volatility in raw material prices, particularly steel coils, driven by global demand-supply dynamics | Margin pressure, inventory valuation risk | Diversified sourcing, inventory optimisation, dynamic pricing, customer price pass-through mechanisms | P1 (Governance), P2 (Sustainable Products) |
| Growth, Margin & Capacity Risk | Rapid expansion, inflationary pressures, and demand fluctuations impacting profitability and asset utilisation | Reduced margins, inefficient capital deployment | Phased capacity expansion, value-added product mix, cost optimisation, operational excellence initiatives | P1 (Governance), P2 (Sustainable Growth) |
| Human Capital & Safety Risk | Attrition of skilled workforce, leadership continuity risks, and workplace safety incidents | Operational disruption, productivity loss, reputational impact | Succession planning, leadership development, performance-linked incentives, robust H&S systems | P3 (Employee Well-being), P5 (Human Rights) |
| Cybersecurity & Information Security Risk | Increased exposure to cyber threats due to digitalisation and interconnected systems | Data breaches, business disruption, regulatory exposure | Layered cybersecurity controls, access management, vulnerability assessments, employee awareness, incident response framework | P1 (Governance), P9 (Customer Value) |

### B. Emerging Risks

| Emerging Risk | Risk Description | Potential Impact | Mitigation / Preparedness Actions | Relevant BRSR Principle(s) |
|---|---|---|---|---|
| Climate Change & Transition Risk | Carbon pricing mechanisms (e.g., CBAM), climate regulations, and transition to low-carbon economy | Increased cost of production, export competitiveness risk | Renewable energy adoption, energy efficiency, carbon footprint tracking, climate integration into strategy | P6 (Environment), P2 (Sustainable Products) |
| Technology & Automation Risk | Rapid pace of digital and automation advancements | Competitive disadvantage, productivity gaps | Continuous investment in automation, IT systems, analytics, and skill upgradation | P2 (Innovation), P4 (Stakeholder Responsiveness) |
| Geopolitical & Trade Risk | Global geopolitical tensions, trade barriers, import/export restrictions | Supply chain disruption, market access challenges | Geographic diversification, flexible sourcing, trade monitoring | P1 (Governance), P4 (Stakeholder Engagement) |

### C. Risk Governance & Oversight (BRSR Linkage Summary)

| Governance Element | Description | BRSR Principle |
|---|---|---|
| Board Oversight | Board-level Risk Management Committee oversees material and emerging risks | P1 |
| Risk Integration | Risks integrated into strategy, capital allocation, and ESG planning | P1, P2 |
| Monitoring & Review | Periodic reviews, internal audits, and compliance assessments | P1, P6 |
| Crisis Preparedness | Escalation of high-impact risks to senior management and Board | P1, P4 |



The Composition, Meetings and Attendance of the Risk Management Committee is as under:

| Name | Designation | Category | Attendance at the Meeting | | % of attendance |
|---|---|---|---|---|---|
| | | | July 22, 2024 | February 11, 2025 | |
| Shri Dinesh Kumar Mittal[1] | Chairman | Independent Director | × | × | 0.00% |
| Shri Virendra Singh Jain[2] | Chairman | Independent Director | ✓ | -- | 100.00% |
| Shri H S Upendra Kamath[4] | Member | Independent Director | ✓ | ✓ | 100.00% |
| Shri Rajeev Anand[4] | Member | Independent Director | ✓ | ✓ | 100.00% |
| Shri Ashok Kumar Gupta | Member | Non-Executive Director | × | ✓ | 50.00% |
| Mrs. Asha Anil Agarwal[4] | Member | Independent Director | ✓ | ✓ | 100.00% |
| Ms. Neeru Abrol | Member | Independent Director | ✓ | ✓ | 100.00% |
| Shri Abhilash Lal[3] | Member | Independent Director | ✓ | -- | 100.00% |
| Shri Anil Kumar Bansal[3] | Member | Independent Director | ✓ | -- | 100.00% |

Notes:

1. Subsequent to completion of tenure of Shri Virendra Singh Jain on September 30, 2024, Shri Dinesh Kumar Mittal was appointed as Chairman of the Risk Management Committee w.e.f September 30, 2024.
2. During the year under review, Shri Virendra Singh Jain, Chairperson of Risk Management Committee, had completed his second term of five (5) consecutive years as Independent Director of the Company and consequently ceased to be the Member of the Risk Management Committee with effect from the closure of business hours on September 30, 2024.
3. Shri Abhilash Lal and Shri Anil Kumar Bansal, member of the Risk Management Committee completed their second term of five (5) consecutive years as Independent Directors of the Company and consequently ceased to be the Members of the of Risk Management Committee with effect from the closure of business hours on September 27, 2024.
1. Mrs. Asha Anil Agarwal, Shri H S Upendra Kamath, Shri Dinesh Kumar Mittal & Shri Rajeev Anand were appointed as members of Risk Management committee w.e.f. May 11, 2024.

Shri Vipul Jain, Company Secretary and Compliance Office acts as the Secretary to the Committee.



# SUPPLY CHAIN MANAGEMENT

In the global steel sector, effective supply chain management is essential for addressing economic, social, and environmental challenges that may impact our operations and the industries we serve. We are committed to fostering stakeholder trust by maintaining high standards in our supply chain management practices. Our procurement and contracting procedures are structured to align our long-term objectives with those of our suppliers and industry partners.

The supply chain team manages our procurement and contracting processes while leveraging market intelligence and technical expertise to evaluate potential vendors and clients. A primary focus of our team is to build strong relationships with key suppliers and customers. To ensure ethical partnerships, we assess our supply chain against Environmental, Social, and Governance (ESG) criteria, prioritizing local sourcing to enhance operational efficiency, support communities, and ensure timely product deliveries.

| Supplier Screening | FY 2025 |
|---|---|
| Total number of Tier-1 suppliers | 22 |
| Total number of significant suppliers in Tier-1 | 6 |
| % of total spend on significant suppliers in Tier-1 | 88.17% |
| Total number of significant suppliers in non Tier-1 | 0 |
| Total number of significant suppliers (Tier-1 and non Tier-1) | 6 |

| Supplier Assessment | FY 2025 | Target for FY 2025 |
|---|---|---|
| Total number of suppliers assessed via desk assessments/on-site assessments | 6 | 6 |
| % of unique significant suppliers assessed | 100% | |
| Number of suppliers assessed with substantial actual/potential negative impacts | 0 | |
| % of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan | 0 | |
| Number of suppliers with substantial actual/potential negative impacts that were terminated | 0 | |
| Total number of suppliers supported in corrective action plan implementation | 0 | |
| % of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation | 0 | 100% of Tier-1 suppliers |
| Total number of suppliers in capacity building programs | - | 100% of Tier-1 suppliers |

| Company | %age sourced from the supplier | Net-Zero Target | Climate Risk Assessment (TCFD-aligned) | ISO 14001 | ISO 45001 | Human Rights Risk Assessment (SA 8000) | Responsible Steel Membership |
|---|---|---|---|---|---|---|---|
| Company 1 | 41.85% | ✓ | ✓ | ✓ | ✓ | ✓ (Partial) | ✓ |
| Company 2 | 27.45% | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Company 3 | 4.42% | | | ✓ | ✓ | | |
| Company 4 | 3.52% | | | ✓ | ✓ | ✓ (Partial) | |

Our Supplier Policy, accessible on our official website (www.aplapollo.com), illustrates our dedication to excellence and ethical supply chain practices. Approximately 77% of our procurement from Tier-1 suppliers is conducted with some of India's largest steel manufacturers, all of whom uphold high standards for environmental and social compliance. We meticulously assess new suppliers before onboarding them, and we also source our materials from MSMEs and small-scale producers. We maintain sustainability snapshots of our suppliers, which cover 80% of the value chain. Almost 80% of APL Apollo's suppliers (by spend) affirms its conformity with the SEBI BRSR Core requirements and adheres to ISO 45001, SA8000 (partial), and ISO 14001 standards.



# INFORMATION SECURITY & CYBERSECURITY

At APL, we place a high priority on cybersecurity and take proactive steps to safeguard our operations against the growing risks posed by cyberattacks, especially in the context of the expanding landscape of online trade and transactions. Given our strong reliance on IT infrastructure, we are particularly susceptible to cyber threats. To reinforce our defenses, we have implemented comprehensive Information Security policy and strategies.

Our cybersecurity management team conducts breach assessments using various methods, such as protection against phishing attacks, enhancing our overall cybersecurity ecosystem, implementing continuous self-assessment and monitoring, and benchmarking our practices against industry peers. We adopt a structured and thorough approach to identify, assess, and mitigate IT-related risks, including cybersecurity threats. This process encompasses several key steps, including:

**Risk Identification**

- **Asset Inventory:** We maintain a current inventory of all critical IT assets, including hardware, software, and data. This helps us identify what needs to be protected.
- **Threat Intelligence Monitoring:** We utilize threat intelligence platforms and continuous network monitoring tools, such as Security Information and Event Management (SIEM) systems, to detect potential security threats, including malware, phishing attempts, and suspicious activities. This enables us to stay informed about emerging cyber threats.

**Risk Assessment**

- **Threat and Impact Assessment:** For each identified risk, we assess its potential impact on the organization by considering financial, operational, and reputational factors. Additionally, we evaluate the likelihood of occurrence by analyzing threat actors and historical trends.
- **Risk Classification:** Risks are prioritized according to their likelihood and potential impact. High-risk items are addressed with urgency, while medium and low risks are monitored and scheduled for future mitigation.
- **Business Impact Analysis (BIA):** We integrate BIA into our risk assessment process to understand the broader implications of IT risks on critical business operations.

**Risk Mitigation**

- **Technical Controls**
  - We employ firewalls, intrusion prevention systems, and encryption to protect network traffic and secure sensitive information.
  - Our patch management procedures ensure that all software and systems are kept up to date, thereby minimizing vulnerabilities.
- **Policy Controls**
  - Our organization has developed a comprehensive suite of cybersecurity policies, including acceptable use policies, access control measures, and incident response protocols.
- **Employee Training and Awareness**
  - We regularly implement cybersecurity training programs, including phishing simulations and incident response drills, to ensure that all employees are aware of current threats and are equipped to respond effectively.

APL Apollo Tubes Limited is committed to protecting the confidentiality, integrity, and availability of its information assets. This policy provides a robust framework to safeguard information systems, ensure regulatory compliance, and manage cyber and operational risks effectively.
https://aplapollo.com/images/others/Information_Security_Policy.pdf

# FROM FURNACE TO FUTURE: GREENING OUR OPERATIONS

At APL Apollo, sustainability is deeply embedded in our organizational ethos, guiding responsible actions across every facet of our business. Our commitment to environmental stewardship is reflected in our concerted efforts to minimize our environmental footprint while fostering ecological well-being. We are dedicated to innovating and deploying cutting-edge technologies, adopting transformative practices, and enhancing energy efficiency to drive continual improvements in our processes, products, and overall performance.

Harnessing more green energy, optimizing natural resource use, and embracing cleaner technologies remain integral to our journey towards a circular economy. We actively engage with diverse stakeholders to promote environmental awareness and advance conservation efforts aimed at safeguarding the ecosystems around us. Through these ambitious initiatives, APL Apollo strives to create a lasting positive environmental impact and accelerate the adoption of sustainable practices within the steel industry, ensuring a planet-positive and resilient future.

## Environmental Violations

APL Apollo maintained a strong compliance record in FY25, with **zero environmental violations** across all its operations. The company adheres strictly to national and international environmental regulations, supported by robust internal audits and ISO 14001:2018-certified management systems. This achievement reflects our commitment to proactive risk management and responsible operations, ensuring that no fines, penalties, or liabilities were incurred during the reporting period. Continuous monitoring and adherence to legal frameworks remain central to our environmental governance strategy.

## Return on Environmental Investments

APL Apollo's investments in sustainability initiatives have delivered measurable returns in terms of operational efficiency, cost savings, and environmental impact reduction. In FY25, significant capital expenditure was directed toward renewable energy installations, Zero Liquid Discharge (ZLD) systems, and the Acid Regeneration Plant. These investments have reduced dependency on non-renewable energy, minimized hazardous waste generation, and improved water recycling efficiency. Beyond financial benefits, these initiatives strengthen our resilience against regulatory risks and enhance stakeholder trust, positioning APL Apollo as a leader in sustainable steel manufacturing.

## Coverage of Environmental Management Policy

Our Environmental Management Policy applies comprehensively across all manufacturing units and corporate offices. It is aligned with ISO 14001:2018 standards and guided by the Business Responsibility Policy, covering critical aspects such as emissions control, waste management, water conservation, and resource efficiency. The policy mandates compliance with legal requirements, continuous improvement in environmental performance, and integration of sustainability principles into operational decision-making. Regular reviews and updates ensure that the policy remains relevant to emerging environmental challenges and stakeholder expectations.

## Environmental Management Systems Verification

APL Apollo has implemented ISO 14001:2018-certified Environmental Management Systems (EMS) at three plants, with plans to achieve certification across all facilities by FY26. These systems undergo rigorous internal audits and external verification to ensure compliance and effectiveness. EMS verification includes assessments of risk management processes, operational controls, and performance monitoring mechanisms. This structured approach enables us to identify improvement areas, mitigate environmental risks, and maintain transparency in reporting, reinforcing our commitment to global best practices.

## Environmental Policy

APL Apollo's Environmental Policy underscores our commitment to sustainable operations and climate stewardship. The policy focuses on reducing greenhouse gas emissions, conserving water, minimizing waste, and promoting renewable energy adoption. It emphasizes compliance with environmental regulations, continuous improvement through technology upgrades, and stakeholder engagement to drive collective action. By embedding this policy into our governance framework, we ensure that environmental considerations are integrated into every aspect of our business strategy, supporting our long-term goal of achieving net-zero emissions by 2050.



# ENERGY MANAGEMENT: POWERING PROGRESS RESPONSIBLY

## Environment Management Approach

At Apollo Steel Tubes, environmental stewardship is integral to our operations. We prioritize efficient resource use, minimizing emissions, reducing waste, and promoting recycling and reuse through a circular economy framework. Our approach goes beyond compliance, aiming for measurable positive impact on ecosystems and communities. Our strategy is guided by a comprehensive Environmental Policy aligned with global standards and stakeholder expectations. We have committed to Net Zero by FY2050, validated by the Science Based Targets initiative (SBTi), with near-term targets to reduce Scope 1 and 2 emissions by 58.8% by FY2034 and Scope 3 emissions by 63.8% per USO value added. Governance is ensured through Board-level oversight and BRSR Core assurance. Our Environmental Management System integrates ISO 50001 principles for energy efficiency and ISO 45001 for safety, supported by audits and training.

Our Environmental Policy is supported by robust governance and ISO-aligned systems, ensuring systematic monitoring and continuous improvement. We integrate energy efficiency, water conservation, and waste management into every stage of operations, guided by the principles of sustainability and innovation. Initiatives such as renewable energy adoption, advanced manufacturing technologies, and biodiversity enhancement reflect our commitment to reducing our environmental footprint.

We strive to foster a culture of responsibility across the organization through training, audits, and transparent reporting under recognized frameworks. By embedding sustainability into our business model, we aim to deliver value for stakeholders while contributing to a greener, more resilient future.

## Environment Management System Verification

At APL Apollo, we focus on the areas that create the most meaningful impact on the environment. Our approach includes optimizing material usage, minimizing waste, transitioning to renewable energy sources, reducing greenhouse gas emissions, conserving water, and protecting biodiversity. To ensure our practices meet global environmental standards, we undergo regular ISO 14001:2015 certifications. This commitment helps us continuously evolve and improve, reinforcing our responsibility toward a sustainable future.

3 out of 11 plants are ISO 14001:2015 certified, and we will achieve 100% ISO 14001 certifications for all our plants by FY 2026.

## Return on Environmental Investments

APL Apollo's comprehensive Environmental Management System (EMS) empowers us to meticulously track financial data related to our environmental initiatives. This includes monitoring capital investments, expenses, and the cost savings or avoidance achieved through our sustainability projects across the enterprise. This detailed tracking enables us to maximize the return on our environmental investments and continually enhance our commitment to sustainability.

**Return on Environmental Investments**

| Indicators (INR) | FY 2024 | FY 2025 |
|---|---|---|
| Total capital investment | | 70 crores |
| Total operating expense | 24.7 crores | 21.52 crores |
| Total expense | 24.7 crores | 91.52 crores |
| Savings/income/tax incentive | - | 13.2 crores |
| % of operations covered | 100% | 100% |

## Environmental Violations

**Environmental Violations**

| Indicators (INR) | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|---|
| Number of violations of legal obligations/regulations | 0 | 0 | 0 | 0 |
| Amount of fines/penalties related to the above (INR) | 0 | 0 | 0 | 0 |
| Environmental liability accrued at year end (INR) | 0 | 0 | 0 | 0 |

## Energy Management

**The following initiatives have been taken by APL Apollo on energy management.**

| | |
|---|---|
| **1. Systematic Monitoring and Control** | To understand energy utilization, the Company has installed meters on each machine at every mill to record energy requirements. This enables analysis of wastage and identification of opportunities for improvement. |
| **2. Renewable Energy Integration** | During the year, the Company commissioned a 5 MW solar power generation facility at Bendri Plant for internal consumption. Additionally, an investment of ₹1.95 crore was made in Bluepine Energy for the purchase of 5 MW solar power at Malur Plant, which will start generating power from September 1, 2025. |
| **3. Power Purchase Agreements (PPAs)** | APL Apollo has entered into long-term PPAs with Blue pine to source renewable electricity, supporting its transition to clean energy and reducing reliance on grid power. |
| **4. Renewable Share Achievement** | In FY2025, renewable electricity accounted for **31% of total consumption**, despite the addition of two new plants (Raipur and Dubai) that currently rely on grid electricity. Excluding these plants, the renewable share was **52%**, reflecting steady progress toward our renewable energy goals. |
| **8. Electric Mobility in Logistics** | APL Apollo has started integrating **55-ton capacity electric trucks** into its logistics operations as part of its broader sustainability initiative. These trucks have achieved a **54% reduction in emissions compared to diesel trucks**, based on charging at plants with an average renewable energy share of 61%. |
| **9. Continuous Improvement Programs** | Employee-driven initiatives and cross-functional teams are actively engaged in identifying and resolving operational inefficiencies, fostering a continuous flow of improvement ideas from the shop floor. |

**Energy Consumption:**

| | FY 22 | FY 23 | FY 24 | FY 25 |
|---|---|---|---|---|
| Grid | 218,797 (59.1%) | 301,368 (62.8%) | 525,319 (71.8%) | 626,160 (69%) |
| Renewable | 151,225 (40.9) | 178,626 (37.2%) | 206,748 (28.2%) | 277,828 (31%) |
| | 3,70,022 | 4,79,994 | 7,32,067 | 9,03,988 |

**Notes:**

1. There has been an overall increase in the renewable electricity from FY24 to FY25, despite the addition of two new plants (New Raipur and Dubai), which rely solely on the respective national grids.
2. Majority of the plants have recorded a growth in the % of renewable electricity mix in their operations.
3. The new plants currently rely on grid electricity and are in the process of progressing towards adopting renewable electricity (such as the Bluepine energy).
4. Excluding the new plants, the overall renewable electricity is 52%.



# EMISSION MANAGEMENT

## Sources of emissions

At APL Apollo, we recognize that steel manufacturing is an energy-intensive process with significant greenhouse gas (GHG) implications. Our commitment to sustainability drives us to actively reduce our carbon footprint and minimize emissions across all operations. This approach is anchored in **clear targets, robust monitoring systems, and transparent reporting**, ensuring accountability at every stage.

**Sources of Emissions**

Our emissions primarily arise from:

- **Scope 1:** Direct emissions from fuel combustion in manufacturing processes, including diesel, LPG, propane, and furnace oil.
- **Scope 2:** Indirect emissions from purchased electricity, largely grid-based power for plant operations.
- **Scope 3:** Indirect emissions across the value chain, including raw material procurement (steel coils and slits), transportation, business travel, and waste management.

## Our Management Approach

APL Apollo has established a comprehensive emission management framework that integrates governance, technology, and operational excellence to systematically reduce greenhouse gas (GHG) emissions across all facilities. Our approach is designed to ensure accuracy, transparency, and continuous improvement.

## Data Accuracy

We calculate emissions in strict accordance with the Greenhouse Gas Protocol, covering Scope 1, Scope 2, and Scope 3 categories. Advanced data collection systems are deployed across all plants to capture fuel consumption, electricity usage, and supply chain-related emissions. To maintain credibility, we subject our data to third-party verification and external assurance, ensuring compliance with global standards such as GRI, ISSB, and SBTi.

## Continuous Monitoring

Our monitoring process involves real-time tracking of energy consumption and emissions at plant level, supported by centralized dashboards for corporate oversight. Emission data is reviewed monthly and consolidated annually for disclosure in our ESG report. This enables us to identify trends, benchmark performance, and implement corrective actions promptly.

## Operational Efficiency

We prioritize process optimization and energy efficiency to reduce emissions intensity. Key initiatives include upgrading high-speed mills, adopting advanced welding technologies, and implementing waste heat recovery systems. These measures not only lower fuel consumption but also improve productivity and reduce operational costs.

## Renewable Energy Integration

Transitioning to clean energy is central to our decarbonization strategy. We are expanding solar installations and entering long-term Power Purchase Agreements (PPAs) to increase renewable electricity share. In FY2025, renewable energy accounted for 31% of total electricity consumption, and we are targeting >50% in the near future. Excluding the newly commissioned Raipur plant, the renewable share was already 52%, demonstrating strong progress toward our goal.

## Employee Engagement

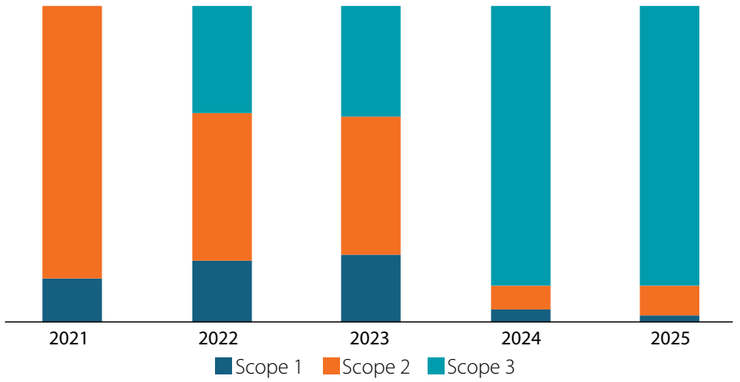
We believe climate action is a shared responsibility. To embed sustainability into our culture, we conduct regular training programs for employees and plant operators on energy conservation, emission reduction techniques, and compliance requirements. These programs foster awareness and empower teams to contribute actively to our Net Zero journey.

## Decarbonization Strategy

**Our decarbonization roadmap combines technology adoption, process innovation, and strategic investments to achieve measurable reductions in emissions:**

- **Fuel Transition:** We are replacing furnace oil with LPG across operations, significantly reducing Scope 1 emissions and improving combustion efficiency**.**
- **Solar Capacity Expansion:** Large-scale solar installations and PPAs are being implemented to reduce dependence on grid electricity and lower Scope 2 emissions.
- **Resource-Efficient Technologies:** Investments in advanced machinery and automation are reducing material wastage, energy intensity, and overall carbon footprint.

At APL Apollo Tubes Ltd., our climate strategy is a central pillar of our sustainability framework, reflecting our commitment to environmental stewardship, operational transparency, and long-term resilience. As a leading manufacturer in the steel tube industry, we recognize the environmental impact of our operations and have taken decisive steps to mitigate our carbon footprint across all scopes of emissions.




| Year | FY 2021 | FY 2022 | FY 2023 | FY2024 | FY 2025 |
|---|---|---|---|---|---|
| **Scope 1** | 10,844 | 24,486 | 29,260 | 52,852 | 31,243 |
| **Scope 2** | 66,349 | 59,186 | 59,436 | 1,01,830 | 124,341 |
| **Scope 3** | | 42,661 | 47,535 | 1,178,906 | 1,163,120 |
| **Total** | **77,193** | **126,333** | **136,231** | **1,333,588** | **1,318,704** |

## Emissions Reduction Targets

We have set ambitious targets to reduce our greenhouse gas (GHG) emissions in alignment with global climate goals. Our primary objective is to achieve **net-zero emissions by 2050**, a commitment validated by the **Science Based Targets initiative (SBTi)**. As part of our near-term goals, we aim to reduce **Scope 1 and Scope 2 emissions by 25% per metric ton of steel produced by 2030**, using FY2022 as the baseline year.

To support these targets, we have implemented a robust emissions monitoring and reporting framework, aligned with the **Greenhouse Gas Protocol** and the **IFRS S2 Climate Strategy** standard. Our emissions data is collected through reliable and auditable systems across all operational sites, ensuring accuracy and completeness.

## Scope 1: Direct Greenhouse Gas Emissions

Scope 1 emissions refer to direct GHG emissions from sources owned or controlled by the company. These include emissions from fuel combustion in manufacturing processes, company-owned vehicles, and other on-site activities.

In FY2025, APL Apollo reported **31,243 metric tonnes of $CO_2$ equivalent** under Scope 1. This figure represents a significant decrease from previous year, primarily due to enhanced operational efficiencies and optimization of energy consumption across manufacturing facilities, transition from high-emission fuels to cleaner alternatives such as renewable energy inputs.

**Data Coverage:**
Our Scope 1 emissions data is based on a **100% coverage** of our operational footprint, supported by a reliable and auditable data acquisition system. All 11 manufacturing units and corporate offices are included in the reporting boundary.

We continue to refine our Scope 1 reporting by improving fuel tracking systems and integrating monitoring tools. These enhancements allow us to identify high-emission activities and implement targeted reduction strategies, such as transitioning from furnace oil to cleaner fuels like LPG.

## Scope 2: Indirect Emissions from Energy Use

Scope 2 emissions are indirect GHG emissions resulting from the consumption of purchased electricity, steam, heating, or cooling. These emissions occur at the facility where the energy is generated but are attributed to the company that consumes the energy.

In FY2025, our Scope 2 emissions amounted to **124,341 metric tonnes of $CO_2$ equivalent**, calculated using the **location-based method**. This increase from FY2025 is primarily due to the addition of the New Raipur and Dubai plants, which currently relies on grid electricity sourced from non-renewable sources.

**Data Coverage:**
Scope 2 emissions are reported with **100% coverage** across all operational sites. Our energy consumption data is collected through centralized systems and verified through internal audits.

To reduce Scope 2 emissions, we are aggressively expanding our **renewable energy portfolio**. In FY2025, **31% of our total electricity consumption** came from renewable sources. Excluding the New Raipur plant, the renewable share stood at **52%**.





## Scope 3: Indirect Emissions Across the Value Chain

Scope 3 emissions encompass all other indirect emissions that occur in the value chain of the company, both upstream and downstream. These emissions are often the largest component of a company's carbon footprint and require extensive data collection and stakeholder engagement.

In FY2025, APL Apollo reported **1,163,120 metric tonnes of $CO_2$ equivalent** under Scope 3. This figure represents a slight decrease (**1.34%**) from previous years due to improved emission performance and efficiency measures adopted by key upstream suppliers, reduced transportation-related emissions, stronger value-chain engagement initiatives that encouraged suppliers and partners to adopt cleaner and more efficient processes.

**Data Coverage:**
Scope 3 emissions are currently reported across **8 out of 15 categories** , with a coverage rate of approximately **65–70%**. We are continuously working to expand this coverage and improve the accuracy of our calculations.

| Category | FY 25 Emissions in TCO2e | Share in scope 3 emissions | Methodology Used |
|---|---|---|---|
| 1. Purchased goods and services | 1,119,230 | 96.23% | Spend-based method |
| 3. Fuel-and-energy-related-activities (not included in Scope 1 or 2) | 33,849 | 2.91% | Average data method |
| 4. Upstream transportation and distribution | 1,645 | 0.14% | Spend-based method |
| 5. Waste generated in operations | 90 | 0.01% | Waste-type specific method |
| 6. Business travel | 319 | 0.03% | Spend-based method |
| 7. Employee commuting | 1,982 | 0.17% | Distance-based method |
| 9. Downstream transportation and distribution | 5,308 | 0.46% | Spend-based method |
| 12. End-of-life treatment of sold products | 697 | 0.06% | Waste-type specific method |
| **Total Scope 3 emissions** | 1,163,120 | 100% | |

**Air Quality Management at APL Apollo**

Air pollution is a pressing challenge that impacts both the environment and human health, with particulate matter (PM) and harmful gases such as nitrogen oxides (NOx) and sulfur oxides (SOx) playing significant roles. At APL Apollo, we take this issue seriously and are committed to addressing it through a comprehensive range of policies and practices designed to prevent, control, and mitigate our air emissions.

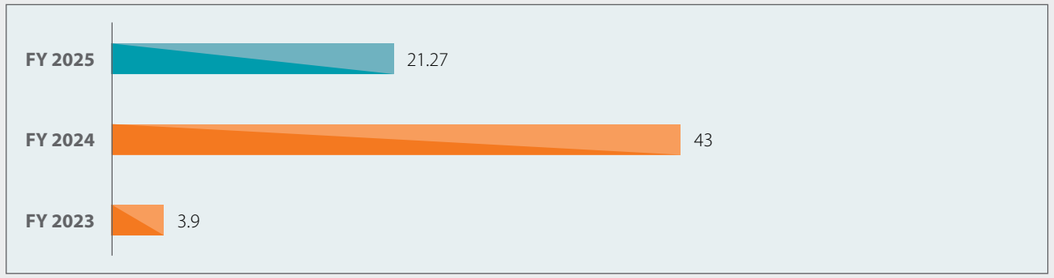
Our efforts focus on reducing both point-source emissions, such as those from our operational stacks, and non-point source emissions, including fugitive emissions. To ensure compliance with stringent environmental regulations, we have implemented robust monitoring systems and invested in advanced emission reduction technologies.

These initiatives form part of our commitment to promoting cleaner air quality while reinforcing our dedication to sustainable practices in our production processes. Through continuous improvement and innovation, APL Apollo aims to significantly reduce our air emissions and contribute positively to the health of our communities and the environment.

**NOx emissions**

| Unit | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|---|---|---|---|---|---|
| µg/m3 | 4.78* | 3.9* | 3.9 | 43 | 21.27 |

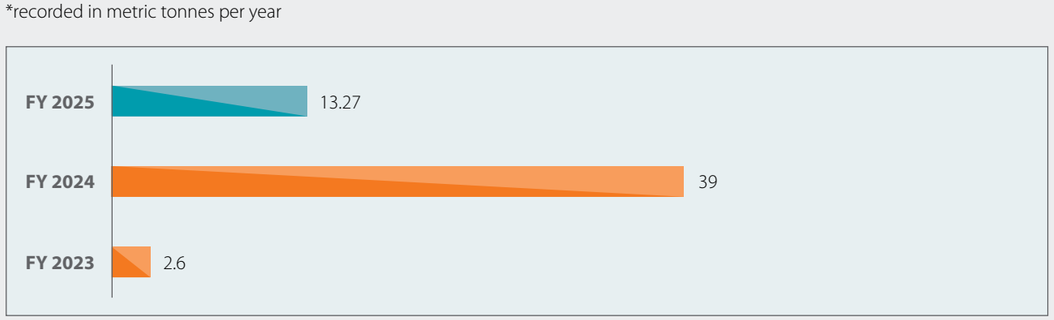
*recorded in metric tonnes per year




**SOx emissions**

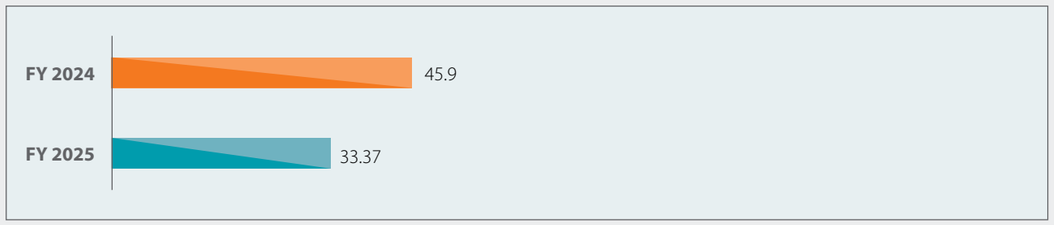
| Unit | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|---|---|---|---|---|---|
| µg/m3 | 3.08* | 2.6* | 2.6 | 39 | 13.27 |

*recorded in metric tonnes per year




**Dust emissions**

| Unit | FY 2024 | FY 2025 |
|---|---|---|
| µg/m3 | 45.9 | 33.37 |






# CLIMATE CHANGE STRATEGY

## Governance and Oversight

Climate risk management is overseen by a **multi-tiered governance structure**:

- **Board of Directors**: Through the ESG and Risk Management Committees, the Board provides strategic oversight and ensures alignment with global standards.
- **ESG Committee**: Guides sustainability strategy, sets targets, and monitors performance.
- **Corporate ESG Council**: Composed of senior executives from finance, operations, HR, and EHS; responsible for decision-making and implementation.
- **Corporate Sustainability Taskforce**: Executes ESG initiatives at the plant level under the guidance of the ESG Council.

This structure ensures that climate-related risks and opportunities are systematically identified, assessed, and managed across all levels of the organization.

## Managing Climate Change

As climate change continues to pose significant risks to global economies, industries, and communities, APL Apollo Tubes Ltd. has adopted a comprehensive and forward-looking climate strategy that integrates scenario planning, emissions reduction targets, and robust governance mechanisms. This strategy is designed to ensure long-term resilience, operational sustainability, and alignment with global climate goals, including the Paris Agreement and India's national commitments.

APL Apollo's approach is rooted in the principles of environmental stewardship, risk mitigation, and stakeholder engagement. The company has publicly committed to achieving net-zero greenhouse gas (GHG) emissions across its value chain by 2050 and has aligned its disclosures with internationally recognized frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD) and the IFRS S2 Climate Strategy standard.

## Climate-Related Scenario Analysis

APL Apollo conducts both qualitative and quantitative climate-related scenario analysis to assess the potential impacts of climate change on its operations, supply chain, and strategic planning. This analysis is disclosed in the FY2024 ESG Report under the sections titled ***Climate Strategy***, ***Risk Management***, and ***Climate-Related Risks and Opportunities***.

The company utilizes globally recognized climate databases and models, including those from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA). These scenarios help APL Apollo evaluate both physical and transition risks across short-term (0–5 years), medium-term (5–10 years), and long-term (>10 years) horizons.



**Types of Analysis**

- **Qualitative Analysis:** Applied to assess governance structures, strategic resilience, and stakeholder engagement under varying climate conditions. This includes evaluating how our ESG governance framework and risk management systems respond to evolving regulatory and market expectations.
- **Quantitative Analysis:** Focused on modeling emissions trajectories, estimating financial implications, and calculating mitigation costs under different climate scenarios. This enables us to quantify potential impacts on production, energy consumption, and capital expenditure.

**Scenarios Considered**

**Our scenario analysis is based on globally recognized frameworks, incorporating both transition risks and physical risks:**

**Transition Scenarios**

- **IEA Net Zero Emissions by 2050 (NZE):** A prescriptive scenario outlining a global pathway to achieve net-zero $CO_2$ emissions by 2050. It assumes rapid decarbonization, accelerated adoption of renewable energy, and stringent carbon pricing.
- **IEA Stated Policies Scenario (STEPS):** Reflects current policy commitments, projecting a temperature rise of approximately 2°C by 2050 and 2.6°C by 2100, with moderate regulatory and technological shifts.

**Physical Scenarios**

- **RCP 4.5 (SSP2-4.5):** Represents a stabilization pathway where radiative forcing levels off at 4.5 W/m$^2$ by 2100, implying moderate climate impacts.
- **RCP 8.5 (SSP5-8.5):** A high-emissions, business-as-usual scenario with limited mitigation efforts, leading to a projected temperature increase of 3.7°C by 2100 and severe climate-related risks.

**Risk Dimensions Assessed**

**These scenarios were used to evaluate:**

- **Acute Physical Risks:** Cyclones, flooding, and extreme weather events impacting plant operations and supply chains.
- **Chronic Physical Risks:** Heat stress and water scarcity affecting workforce productivity and resource availability.
- **Transition Risks:** Regulatory changes, carbon pricing mechanisms, technological shifts toward low-carbon alternatives, and reputational challenges linked to sustainability performance.

By integrating these insights into our strategic planning, APL Apollo ensures resilience against climate-related uncertainties while identifying opportunities for innovation and growth in a low-carbon economy.

## Climate Risk:

APL Apollo has implemented a four-step strategy to manage climate-related risks and uncover opportunities. The ESG Committee and Risk Management Committee play pivotal roles in discussing and making decisions on climate-related risks, overseeing risk management at all levels, and adopting and executing mitigation measures

**Step 1:**

- Thorough understanding of TCFD recommendation and deliberation.

- Our Board of Directors engaged in discussions regarding APL Apollo's approach to the recommendations of TCFD, resulting in the development of valuable strategies for transparent disclosure.

**Step 2:**

- Climate Risk Assessment through scenario analysis

- Globally recognized climate databases were employed to identify the physical and transition risks and plant locations with the highest vulnerability. For scenario analysis, we selected the IPCC's RCP scenario and scenarios from the International Energy Agency

**Step 3:**

-Climate risk mitigation & valuation and target setting

- Following an exhaustive analysis of the potential impacts of identified risks, we have carefully curated our mitigation strategies and estimated the financial implication for APL Apollo in consultation with our stakeholders and investors. Concurrently, we have established targets to better align our company with the TCFD recommendations.

**Step 4:**

- TCFD Report

- The final phase of our process involved transparent disclosure of our findings.

## Managing Climate Risks and Opportunities

**Strategic Context**

In the face of escalating climate challenges, APL Apollo Tubes Ltd. has adopted a comprehensive and forward-looking approach to climate risk management. The company recognizes that climate change is not only an environmental issue but a strategic business concern that can materially impact operations, financial performance, stakeholder trust, and long-term resilience.

The increasing frequency of extreme weather events, regulatory shifts, and stakeholder expectations have made it imperative for businesses to integrate climate considerations into core decision-making. APL Apollo's climate strategy is aligned with global frameworks such as the **Task Force on Climate-related Financial Disclosures (TCFD)** and the **IFRS S2 Climate Strategy** standard, ensuring transparency, accountability, and strategic foresight.

**Physical Risk**

| Risk Type | Risk Description | Possible Impacts | Time -Horizon | Opportunities | Financial Implications |
|---|---|---|---|---|---|
| Acute Risk | Cyclone and Flooding: Many of APL Apollo's locations are prone to cyclones and their aftermath, which often results into flooding. These locations include Bangalore, Hosur, Malur, Murbad, Raipur, and Sikandrabad. Over the years, these areas have experienced the impact of cyclones. For example, in 2018, Cyclone Fani affected Bangalore. Hosur faced several cyclones like Vardah in 2016 and Gaja in 2018. Malur experienced Cyclone Nilam in 2021 and Cyclone Vayu in 2018. While Raipur wasn't directly hit by cyclones, but in May 2021, Cyclone Tauktae, originating in the Arabian Sea, caused significant damage in various parts of Chhattisgarh, including Raipur. In August 2018, several areas in Uttar Pradesh, including Sikandrabad, were severely affected by flooding. It's worth noting that APL Apollo's new venture in Kolkata is consistently impacted by cyclones. For instance, Cyclone Amphan, which made landfall in 2020, wreaked havoc in various parts of the city. | Cyclone and Flooding can have several significant impacts:<br>• Damage to infrastructure: The damages caused by heavy cyclones and flooding can lead to expensive repairs and downtime.<br>• Disruption of supply chains: Transportation can be impacted during heavy cyclones leading to delays in the delivery of raw materials and the distribution of finished products.<br>Production interruption: Severe weather events can force steel plants to shut down for safety reasons. | Short to medium-term measures | Infrastructure resilience: Invest in resilient infrastructure design and construction, including flood barriers, elevated structures, and storm-resilient buildings.<br>• Investing in measures which will facilitate the infiltration of surface runoff, reducing the risk of flooding while simultaneously contributing to the replenishment of the groundwater table.<br>Actively implement measures that will enable proactive response planning, including the possibility of setting production targets before the cyclone's landfall, achieving them, and temporarily shutting down the plant for safety reasons during the risk period.<br>• Inventory management: Maintain strategic stockpiles of key raw materials and finished products to mitigate production interruptions. | The financial impact of short to medium-term measures is expected to range from low to medium. |

## Physical Risk

| Risk Type | Risk Description | Possible Impacts | Time -Horizon | Opportunities | Financial Implications |
|---|---|---|---|---|---|
| Chronic Risk | Heat Stress: Heatwaves could become a future concern due to the potential increase in the number of days with heat stress as temperatures rise. Plants in Dujana, Murbad, Raipur, and Sikandrabad locations have previously encountered extreme heat conditions. In 2019, Murbad and Raipur recorded temperatures as high as 48 degrees Celsius. In other locations, peak summer temperatures soar between 45 to 47 degrees Celsius. | Extreme heat conditions can have the following impacts:<br>• Worker health & safety: exposure to high temperatures can lead to heat-related stroke, which can be life-threatening. This can result in absenteeism and potential legal liabilities for the company.<br>• Reduced workforce productivity: workers operating in extreme heat may experience reduced productivity due to discomfort and fatigue. This can lead to lower output and efficiency.<br>• Increased health care costs: APL Apollo might have to face increased healthcare costs due to workers heat related illnesses.<br>• Heat stress could lead to an increase in the attrition rate, as employees may migrate to cooler parts of the country. | Short-Medium Measures | • Invest in infrastructural changes that will build resilience against extreme heat conditions.<br>• Work schedule adjustment: schedule all the physically demanding tasks during the cooler parts of the day.<br>• Emergency response: establish clear instructions and procedures to tackle heat exhaustion and heat stroke. Ensure necessary supplies and personnel are readily available.<br>• Cooling measures: provide access to cold water, isotonic drinks, and make sure to have dedicated resting areas for the employees and workers.<br>• Medical monitoring: conduct regular medical check-ups for workers exposed to extreme heat due to their daily work | |



## Transition Risk

| Risk Type | Risk Description | Possible Impacts | Time -Horizon | Opportunities | Financial Implications |
|---|---|---|---|---|---|
| Technological Shift | Technological advancements in low-carbon alternatives, coupled with increasing carbon pricing and regulatory constraints, will drive a transition from traditional industrial products to low-carbon alternatives. These changes will have a profound impact on the feasibility of existing products, manufacturing processes, and associated costs. Given the growing popularity of green hydrogen, it's imperative to factor it into any fuel-switching strategy. Additionally, the rising demand for green steel necessitates that APL Apollo invests in R&D for innovative technologies; failure to do so could result in the loss of clients. | • Transitioning to a low carbon technology often involves substantial upfront investments in new equipment, processes, and infrastructure.<br>• Implementing new technologies may require reskilling or upskilling the workforce. | Medium to Long Term Measures | Allocate resources to research and develop innovative low-carbon technologies.<br>• Collaborate with research institutions, government agencies, and industry peers to share knowledge, resources, and best practices.<br>• Transition to more environmentally friendly fuels such as green hydrogen to minimise ecological impact.<br>• Invest in workforce development and training programmes to ensure employees have the necessary skills to work with new technologies. | The financial implications for all the measures are significantly high because the shift in technology and its consequent installation, as well as employee upskilling, would require a heavy investment. |
| Policy Restrictions | Heightened industrial regulations will increase the environmental compliance pressure, pushing for decarbonization and tighter control of industrial emissions. Non-compliance with these regulations could result in significant financial penalties and potentially limit APL Apollo's access to global markets. Additionally, stringent rules regarding the carbon footprint of shipped goods may pose a significant challenge for the company | • Adhering to stricter environmental regulations often requires significant investment in pollution control equipment and emission reduction technology.<br>• The need to retrofit or upgrade existing facilities to meet regulatory requirements can lead to operational delays.<br>• Non-compliance will lead to legal penalties, fines.<br>• Policy restrictions can influence investment decisions.<br>• Carbon taxes or cap-and-trade systems can impact the cost of emissions, affecting the overall cost structure. | Medium to Long Term Measures | • Develop strategies to manage and optimize the impact of carbon pricing mechanisms, such as carbon taxes or cap-and-trade systems.<br>• Invest in technologies and processes such as carbon capture and storage (CCS) that ensure compliance with existing and anticipated environmental regulations.<br>• Diversify product portfolio to include low-carbon products to cater to markets with stringent environmental requirements and regulations. | The financial implications for all the measures are significantly high because the shift in technology and its consequent installation, as well as employee upskilling, would require a heavy investment. |

**Transition Risk**

| Risk Type | Risk Description | Possible Impacts | Time -Horizon | Opportunities | Financial Implications |
|---|---|---|---|---|---|
| Reputational Risk | Exposure to cost or reputational risk as a result of political, economic, and regulatory activity. Companies in the industrial sector will suffer reputational harm if they are too late to respond to shifting consumer and shareholder demand for more sustainable materials, production processes, and disclosures. | • Non-compliance to regulatory norms and shareholder expectations could negatively impact brand image. Such can eventually lead to a reduced customer and investor base. | Short-, Medium- & Long-Term Measures | • Transparent disclosures on website and yearly ESG report with set targets and progress tracker | The financial implications can range from low to medium, as any breach in compliance will result in fines and penalties. |

## Net-Zero Commitment

APL Apollo has set an ambitious goal to achieve net-zero greenhouse gas (GHG) emissions across its entire value chain by 2050, reaffirming our commitment to global climate action and sustainable growth. This pledge is supported by science-based targets validated through the Science Based Targets initiative (SBTi), ensuring alignment with pathways that limit global warming to 1.5°C.

Our climate strategy is built on a dual approach: long-term ambition coupled with near-term milestones. We have adopted FY2022 as the baseline year and committed to reducing Scope 1 and Scope 2 emissions intensity by 25% per metric ton of steel produced by 2030. For Scope 3 emissions, we currently report across eight of the fifteen categories defined by the GHG Protocol and are actively working to expand coverage and improve data accuracy.

## Internal Carbon Pricing

Internal Carbon Pricing (ICP) is emerging as a critical tool for driving decarbonization across global industries, and its relevance for the Indian steel sector cannot be overstated. By assigning an internal price to carbon emissions, companies can integrate climate considerations into financial and operational decision-making. This approach incentivizes energy efficiency, promotes low-carbon technologies, and ensures resilience against future regulatory and market shifts, including carbon taxes and international trade measures like the EU's Carbon Border Adjustment Mechanism (CBAM).

APL Apollo is committed to embedding ICP into its operations and strategic planning. Our roadmap includes:

- **Assessing Carbon Footprint:** Establishing robust measurement systems for Scope 1, 2, and relevant Scope 3 emissions.
- **Defining Internal Carbon Price:** Setting a price benchmark aligned with global best practices and India's decarbonization trajectory.
- **Integrating ICP into Decisions:** Applying carbon costs in capital allocation, procurement, and product development to prioritize low-emission solutions.
- **Driving Innovation:** Encouraging investments in renewable energy, energy-efficient processes, and circular economy initiatives.

## Biodiversity

APL Apollo Tubes Limited acknowledges biodiversity as integral to environmental sustainability and long-term business resilience. This policy outlines a governance framework to conserve and enhance biodiversity while ensuring responsible land use and regulatory compliance.

(*https://aplapollo.com/images/others/Biodiversity_Policy.pdf*)

At Apollo Steel, we recognize that biodiversity is an essential component of sustainable development and environmental resilience. As a company with a growing manufacturing footprint, we understand that our operations, while not located near protected ecosystems, still have a role to play in preserving natural habitats. Biodiversity contributes to ecosystem services that support both industrial activity and community well-being, making it a relevant topic for our long-term sustainability strategy. In FY 2024-25, we have taken steps to better understand and manage our interactions with surrounding ecosystems. Our efforts are focused on minimizing ecological disruption, enhancing green cover, and promoting afforestation where feasible. We also encourage employee participation in plantation drives and environmental awareness initiatives, fostering a culture of stewardship. While biodiversity risks are not material to our current operations, we continue to monitor land use and ecological indicators as part of our broader ESG oversight. These actions reflect our commitment to responsible growth and alignment with national conservation goals.

**Biodiversity Exposure & Assessment:**

At Apollo Steel, we recognize that understanding our interaction with surrounding ecosystems is essential to responsible environmental stewardship. We have taken a precautionary approach to ensure that our activities do not adversely impact local biodiversity. We undertook a location-based screening of all operational sites to assess potential biodiversity risks and proximity to critical habitats.

a) Overall – Total Number and Area of Operational Sites

Apollo Steel operates 11 manufacturing units across India and Dubai, along with corporate offices in Delhi, Noida, and Ghaziabad. While the total land area is not disclosed, all sites are included within the scope of our ESG reporting and environmental oversight.

b) Assessment – Biodiversity Impact Assessments

Although formal biodiversity impact assessments have not been conducted at the site level, our internal screening confirms that none of our operational plants are located near or negatively affect reserved or protected forests. This assessment is part of our broader environmental due diligence process.

c) Exposure – Sites with Significant Biodiversity Impact

Based on the screening, no sites have been identified as having significant biodiversity impacts or being in proximity to critical biodiversity zones. This indicates a low exposure to biodiversity-related risks across our operational footprint.

d) Management Plans – Biodiversity Management Plans

Since no sites were found to be in or near sensitive biodiversity areas, biodiversity management plans have not been required or implemented at any location. However, we continue to engage in ecosystem restoration through afforestation projects, including the Miyawaki technique, and are in the process of formalising a company-wide no-deforestation policy.

**Biodiversity Mitigating Actions**

We acknowledge our responsibility to foster a greener environment and reduce our ecological footprint. To support biodiversity and enhance green cover, we have launched afforestation initiatives using the Miyawaki technique, a method developed by Japanese botanist Akira Miyawaki. This approach accelerates plant growth and promotes the creation of dense, native forests. We have invested ₹ 2,96,000 in this initiative, planting 1,200 saplings across four categories—Canopy Trees, Trees, Sub-trees, and Shrubs—over a three-year period. Our strategy goes beyond planting; we actively nurture these mini forests to ensure long-term survival and ecological impact. We also organize plantation drives and gardening activities for employees, encouraging environmental stewardship across the organization. These actions reflect our commitment to mitigating biodiversity impacts and contributing positively to local ecosystems.

**No deforestation commitment:**

At APL Apollo, we are committed to ensuring that our operations do not contribute to deforestation. We maintain strict oversight across all sites to prevent tree felling and land degradation. This principle is embedded in our operational practices and reflects our broader environmental values. We are currently engaging in internal discussions to formalise a company-wide no-deforestation policy, which will further strengthen our governance around land use and biodiversity. Additionally, we continue to explore opportunities for ecosystem restoration wherever feasible, aligning our efforts with national conservation goals. Importantly, none of our operational plants are located near or negatively affect reserved or protected forests, reinforcing our low-risk profile in terms of biodiversity exposure.

## Water Management

APL Apollo has developed a comprehensive and dynamic water management strategy, which is continuously reviewed to ensure efficient water use and effective discharge management. The operations team conducts regular assessments, documenting key findings and outlining strategic measures to enhance water usage practices annually.

The commitment to water conservation is particularly relevant because our facilities in Hyderabad, Sikandrabad and Bengaluru are in water-stressed regions, as identified by the Central Groundwater Board. These areas are categorized as overexploited, making responsible water management a critical priority.

We have noted a consistent decline in our overall water consumption since FY22, highlighting our commitment to water conservation efforts. In FY24, our total water withdrawal decreased by 5.7% compared to the previous year and by 14.1% since FY22. However, the addition of two new plants in FY2024-25 has resulted in a notable increase in water consumption. Despite this temporary uptick, we remain committed to our water conservation goals and anticipate a reduction in overall consumption once these new plants are fully operational.

As part of the broader sustainability goals, the Company is on track to meet its target of installing rainwater harvesting (RWH) pits at all its plants. It has submitted No Objection Certificate (NOC) applications to the government for several of its plants to support this initiative.

In addition to water conservation, we have implemented several systems to recycle and manage wastewater effectively. Eight facilities are equipped with Effluent Treatment Plants (ETPs), allowing water recycling for operational use. The new Raipur plant is equipped with ME and RO (Reverse Osmosis) System, ensuring efficient sewage management.

Through these concerted efforts, APL Apollo Tubes continues to make significant strides in enhancing water stewardship, ensuring a sustainable and responsible approach to this vital resource.

### Water Consumption

| Indicator | Unit of Measurement | FY22 | FY23 | FY24 | FY25 |
|---|---|---|---|---|---|
| Surface Water | Kiloliters | - | - | 89,807 | 259,013 |
| Third Party Water Withdrawal | Kiloliters | 117,583 | 130,942 | 46,946 | 206,106 |
| Groundwater Withdrawal | Kiloliters | 529,498 | 458,919 | 419,315 | 446,038 |
| Total Water Withdrawal | Kiloliters | 647,081 | 589,861 | 556,068 | 907,157 |
| Total Water Consumption | Kiloliters | 647,081 | 589,861 | 556,068 | 907,157* |

*Note: *The New Raipur plant and Dubai plant are newly established plants leading to higher water withdrawal. Excluding the two new plants, **the overall water consumption has decreased by 24.6% from last year**, leading to a significant decrease in water consumption.

### Water Consumption in Water-stressed Areas

| | Unit | FY 2023 | FY 2024 | FY 2025 |
|---|---|---|---|---|
| Water consumption in areas with water stress (e.g. <1700 m3/(person*year) | Million cubic meters | 0.237489 | 0.235614 | 0.2274085 |

### Water Risk Management Programs

- Zero Liquid Discharge (ZLD): Zero Liquid Discharge (ZLD) is a water management approach that recycles all wastewater within industrial processes, ensuring that no liquid waste is discharged into the environment. By treating and reusing this water, ZLD significantly conserves freshwater resources and minimizes environmental impacts. Some APL Apollo plants, such as ABPL, have ZLD systems installed.
- Rainwater Harvesting: Rainwater harvesting involves capturing and storing rainwater for reuse, providing an alternative water source for various applications. This practice helps save water by reducing reliance on conventional water supply systems and promoting groundwater recharge, ultimately aiding in water conservation. Rain water harvesting ponds have been constructed at multiple APL Apollo plants to capture and store rainwater. The company has submitted No Objection Certificate (NOC) applications to the government for several plants to support rainwater harvesting.

### Wastewater management

In addition to our water conservation efforts, we have implemented various systems to effectively recycle and manage wastewater. Eight of our facilities are equipped with Effluent Treatment Plants (ETPs), enabling the recycling of water for operational purposes. The newly established Raipur plant features a Membrane (ME) and Reverse Osmosis (RO) System, ensuring efficient sewage management.

## Business Impacts of Water Related Incidents

We are fully cognizant of our water consumption and its impact on our operations. We have not experienced any water-related incidents, such as operational interruptions or plant closures, that have resulted in substantial impacts on costs or revenues. Our commitment to effective water management and conservation practices has enabled us to maintain smooth operations across our facilities.

| Incidents | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|
| Total actual and opportunity costs (e.g. forgone income) from water-related incidents (in ₹) | 0 | 0 | 0 |

## Waste Management

Effective waste management is integral to maintaining a healthy environment and ensuring the sustainability of vital resources such as air and water. Acknowledging the potential risks posed by improper waste handling, APL Apollo has formed strategic partnerships with certified waste management vendors to address a wide range of challenges.

These collaborations encompass waste disposal, wastewater and sludge management, as well as the careful recycling of scrap materials across various locations.

The Company has developed a comprehensive waste management strategy. This includes meticulous monitoring and proactive initiatives in waste reduction, reuse and advanced recycling practices. Through this approach, APL Apollo minimizes the volume of waste sent to landfills while extracting maximum value from the materials we manage.

Its recycling program focuses on the systematic repurposing of various materials, including End Cuts, Melting Scrap, Rejection Pipes, Side Cuts, Waste Steel Scraps, Zinc Scraps, Wood Residues, Pipe End Cuts and Canteen Waste. These materials are transformed into valuable raw materials, supporting its ongoing commitment to resource efficiency and sustainability.

By integrating these practices into its operations, APL Apollo strives to reduce its ecological footprint and operational costs, reinforcing its dedication to responsible environmental stewardship.

### Waste Disposal

| Particulars (in thousand MT) | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|---|
| Total waste generated | 113.27 | 102.9 | 114.05 | 143.64 |
| Total waste recycled | 25.05 | 22.79 | 102.77 | 122.83 |
| Total waste reused | 27.99 | 24.96 | 3.24 | 20.68 |
| Other recovery options | 0 | 0 | 0.002 | 0 |
| Total waste disposed | 60.23 | 55.15 | 8.04 | 0 |

### Waste Management Programs:

APL Apollo adopts a circular economy approach to minimize waste generation and maximize resource recovery across all operations. Our waste management program is designed to reduce environmental impact, ensure regulatory compliance, and promote sustainable practices throughout the value chain**.**

We have implemented a structured waste management system that focuses on:

- **Segregation at Source**: Waste streams are categorized into steel scrap, zinc scrap, wood residues, and canteen waste for efficient handling.
- **Waste Repurposing**: Liquid non-hazardous waste generated at the Sewage Treatment Plant (STP) is repurposed to support green areas, while hazardous waste is meticulously segregated and stored in secure, monitored facilities.
- **Tracking and Reporting**: Advanced monitoring systems ensure accurate data collection and compliance with ISO 14001:2018 standards.
- **Vendor Partnerships**: Collaborations with certified vendors for safe disposal of hazardous and non-hazardous waste, wastewater, and sludge management.

### Recycling and Reuse Initiatives

APL Apollo ensures that steel scrap, including end cuts, melting scrap, and rejection pipes, is recycled back into production processes to minimize raw material consumption. Zinc scrap and wood residues are repurposed through certified recyclers, while pipe end cuts and other metal waste are reused internally wherever feasible. These measures reinforce our commitment to circularity and resource efficiency.

### Hazardous Waste Management

To manage hazardous waste responsibly, APL Apollo has formalized a generic Memorandum of Understanding (MoU) with certified hazardous waste recyclers, ensuring safe disposal in compliance with legal requirements. Our robust compliance framework has resulted in zero penalties from government authorities, underscoring our dedication to environmental stewardship and regulatory adherence.

### Acid Regeneration Plant

We have installed an Acid Regeneration Plant to recover and reuse acid from pickling processes. This initiative significantly reduces hazardous waste generation, minimizes environmental impact, and optimizes operational costs, aligning with our sustainability objectives.

### Employee Training

Employee engagement is integral to our waste management program. We conduct regular training programs on waste handling, segregation, and emergency response to embed best practices across our workforce. These sessions ensure that employees are equipped with the knowledge and skills necessary to maintain compliance and contribute to our sustainability goals.

## Product Stewardship – Sustainable Products

At APL Apollo, environmental responsibility is integral to our product design and manufacturing philosophy. To strengthen this commitment, we conducted a comprehensive **Life Cycle Assessment (LCA)** during FY 2024–25, in alignment with **ISO 14040 standards** and obtained EPD certifications for our products. An LCA evaluates the inputs, outputs, and potential environmental impacts of a product system throughout its entire life cycle, offering a holistic view of sustainability performance.

Our detailed study segmented operations by product-specific processes, enabling us to identify key environmental attributes and improvement opportunities. The findings were significant:

- Steel structures emit 34% less $CO_2$ and consume 55% less water compared to conventional concrete structures.

- Steel frames are 48% more eco-friendly than frames made from teak wood.

These insights reaffirm the sustainability advantages of steel and underscore our dedication to reducing environmental impact. As a result, we have initiated operational changes to further minimize resource consumption and emissions.

To ensure our products are designed with sustainability at their core, we integrate environmental considerations at both the design and manufacturing stages. This approach enables us to deliver solutions that are not only structurally superior but also environmentally responsible.

Looking ahead, we remain committed to conducting periodic LCAs to monitor progress and drive continuous improvement in our sustainability performance.

Products for which Life Cycle Assessments (LCAs) have been conducted:

| Name of Product | % of Total turnover contributed | Contribution to total Turnover (in crores) | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency (Yes/No) |
|---|---|---|---|---|
| MS Tubes | 68% | 14,069.20 | The LCA study boundary spans from Cradle to Grave, encompassing raw material extraction, transportation, environmental impact across processing stages, product use, and end-of-life considerations. | Yes |
| GI Tubes | 4% | 827.60 | | Yes |
| GP Tubes | 21% | 4,344.90 | | Yes |
| Pre-painted Alu Zinc Sheets | 6% | 1,241.40 | | Yes |

**Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry)**

| Indicate input material | Recycled or re-used input material to total material | |
|---|---|---|
| | FY 2025 | FY 2024 |
| Processing of solid waste like steel tube end-cuts, and mild steel craps | 4.1% | 3.0% |

**HRC Coil Tubes – A Sustainable Choice**

HRC (Hot Rolled Coil) Tubes represent a modern, eco-friendly alternative to traditional Patra iron tubes. Crafted from premium hot-rolled coils, these tubes deliver superior strength, durability, and performance while aligning with green steel principles. Unlike conventional Patra tubes, which rely on coal-based processes and generate significant pollution, HRC Coil Tubes are engineered to minimize environmental impact, making them the ultimate choice for those prioritizing sustainability.

| Aspect | HRC Coil Tubes | Patra Iron Tubes |
|---|---|---|
| Raw Material Source | High-quality hot-rolled coils | Sponge iron processed in induction furnaces |
| Fuel Used | Coke – cleaner fuel for steelmaking | Coal – inefficient, high emissions, excessive ash waste |
| Pollution Impact | Low emissions, supports green steel initiatives | Heavy pollution: air contamination, water contamination |
| Impact on Wildlife | Minimal | Endangers animals due to water contamination |
| Waste Management | Negligible ash generation | Coal ash disposal adds financial and environmental burden |
| Durability & Lifecycle | Long-lasting, reduces replacement frequency | Weakens and deteriorates over time, increasing waste |
| Alignment with Sustainability | Fully aligned with eco-friendly practices | Contradicts sustainability goals |

| Revenue from: | FY24 | FY25 |
|---|---|---|
| Sustainable product/services (description) | Not calculated in previous year | HRC Coil Tubes |
| Total revenues | | |
| Percentage of sustainable revenues | | 32% |



# BUILDING STRONGER WORKFORCE AND COMMUNITIES

At APL Apollo, we recognize our people as the driving force behind our success and innovation. Committed to building a dynamic and inclusive workplace, we provide opportunities for continuous learning and development that empower our employees to grow professionally and contribute meaningfully to the Company's long-term growth and strategic goals.

Unlocking human potential and fostering inclusive well-being are at the heart of our approach to business sustainability and growth. The support and trust of our employees, partners, and community members fuel our journey toward building a resilient business that generates lasting value for all stakeholders. Upholding our social responsibilities and expanding equitable opportunities remain foundational principles that guide us on a path of responsible and sustainable growth.

## Human Capital Development

APL Apollo's diverse and multi-generational workforce is fundamental to driving innovation and delivering exceptional customer experiences, which are critical to the Company's sustained growth. The organization has cultivated a fair, inclusive, and performance-driven culture that embraces collaboration across varied backgrounds. Central to this vision is the Human Resources function, which plays a strategic role in developing and transforming the organization by building a talent pipeline that aligns with APL Apollo's core values and ethos. As India's largest producer of structural steel tubes, the Company is dedicated to fostering an inclusive workplace where top-tier talent is attracted, nurtured, and retained. Employees benefit from exposure to industry-leading technologies and continuous learning opportunities, empowering them to realise their full potential. This culture not only promotes collaboration and inclusion but also ensures that every voice is heard and valued, reinforcing APL Apollo's commitment to embedding sustainability and excellence across its operations.

| Employees (Staff) | Total FY25 | Male FY25 | Female FY25 |
|---|---|---|---|
| **Permanent** | 1247 | 1212 | 35 |
| Contractual | 0 | 0 | 0 |
| **Workers** | | | |
| Permanent | 2135 | 2130 | 5 |
| Contractual | 2805 | 2791 | 14 |



## Workforce Breakdown: Gender

| Headcount by Management Level (Females) | Unit | FY25 |
|---|---|---|
| Top & Senior Management | in % | 2.50% |
| Middle Management | in % | 5.00% |
| Junior Management | in % | 80.00% |
| Workmen | in % | 12.50% |
| Revenue-generating functions (e.g. sales) | in % | 32.50% |
| STEM-related positions (Legal) | in % | - |
| All management positions | in % | 2.50% |

## Talent Recruitment, Selection & Retention

We recognize that attracting and developing people with the right skills and behaviors is essential to delivering our strategy and sustaining leadership in structural steel solutions. Our hiring approach is designed to bring in talent with integrity, innovation, customer focus, and a commitment to sustainability. We recruit high-potential graduates from engineering and management institutes alongside experienced professionals, building a diverse pipeline of future leaders for the business. As an equal opportunity employer, we ensure our recruitment practices are fair, unbiased, and inclusive across all roles, attracting a diverse pool of qualified candidates. We also encourage employee referrals to bring in talented individuals from varied backgrounds.

We foster a fair, inclusive, and performance-driven culture that values collaboration, transparency, and open communication. Structured channels for dialogue and feedback inform the regular refresh of our HR policies in line with employee insights and leading industry practices, with particular emphasis on transparent recruitment and onboarding.

We invest in competitive remuneration, comprehensive benefits, technical training, and continuous learning. Internal mobility and well-defined career pathways enable employees to explore different business areas and expand their capabilities. These practices strengthen engagement, reduce attrition and rehiring costs, and enhance operational performance supporting a resilient organization and long-term value creation for our customers and stakeholders.

## Human Capital Return on Investment (HCROI)

We rigorously assess the return on our workforce investments. This year, targeted initiatives in learning, leadership development, and employee well-being strengthened productivity and engagement, translating into improved financial performance. Our sustained focus on human capital fuels economic growth and cultivates a dynamic, resilient culture that supports long-term, sustainable progress.

| In Million (₹) | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|---|---|---|---|---|---|
| a) Total Revenue | 84,998 | 130,633 | 161,660 | 181,188 | 206,895 |
| b) Total Operating Expenses | 76,914 | 119,650 | 149,382 | 166,690 | 191,581 |
| c) Total employee-related expenses (salaries + benefits) | 1,296 | 1,530 | 2,062 | 2,576 | 3,325 |
| Resulting HC ROI (a - (b-c)) / c | 7.24 | 8.18 | 6.95 | 6.63 | 5.61 |





## Hiring

APL Apollo prioritizes attracting, developing, and retaining top talent to fuel innovation and sustain competitive advantage. Our recruitment strategy leverages multiple channels—including our Careers webpage, targeted social media employer branding, leading job portals, specialist recruitment partners, professional networks, campus hiring programs (including APLEAD), and employee referrals—while internal job postings promote mobility and career progression. We apply fair, unbiased selection practices across all roles. During the reporting period, we hired 432 new employees, underscoring our commitment to capability building, innovation, and long-term engagement.

| Particulars | FY22 | FY23 | FY24 | FY25 |
|---|---|---|---|---|
| Total number of new employee hires | 519 | 450 | 347 | 432 |
| Average hiring cost/FTE (Amt in ₹ lakhs) | - | - | - | 0.2361 |

| Particulars | Gender | FY23 | FY24 | FY25 |
|---|---|---|---|---|
| Number of new employee hires | Male (Blue collar) | 257 | 307 | 409 |
| | Male (Staff) | 302 | 322 | 279 |
| | Female | 5 | 9 | 13 |
| **Total** | | **564** | **638** | **701** |

**APLEAD Campus Hiring Program**

To sustain growth and strengthen leadership succession, APL Apollo Tubes launched its first large-scale Graduate Engineer Trainee (GET) and Management Trainee (MT) hiring program—APLEAD. The program's objective is to attract high-caliber early-career talent, ensure a fair and merit-based selection process, and accelerate capability building through structured development aligned to our values of innovation, excellence, collaboration, and transparency.

Program design and partnerships

- Campus partnerships: Collaborated with premier institutes including IMT Ghaziabad, Delhi School of Economics, ICAI, NITs, HBTU, BITS Mesra, and VIT Vellore, engaging thousands of students nationwide and enhancing our employer brand.
- Rigorous, unbiased selection: Approximately 1,800 candidates underwent AI-based assessments designed to evaluate technical aptitude, problem solving, and behavioral fit, supporting fair and consistent hiring decisions.
- Cohort selection: 52 candidates were selected as APLEADs, reflecting strong potential to contribute to priority business areas.

Development journey

- Structured one-year program that combines cross-functional rotations with on-the-job training and live business projects.
- Exposure to core operations and enabling functions to build end-to-end business acumen and leadership readiness.
- Ongoing feedback and mentorship, with defined milestones for performance reviews, capability assessments, and role placement at completion.

Outcomes to date

- Established a future-ready talent pipeline with 52 APLEADs placed across high-impact functions.
- Standardized, scalable selection process that improves speed and consistency while reinforcing our equal opportunity commitment.
- Enhanced campus engagement and brand visibility among leading institutes, broadening access to diverse, high-potential talent.

## Performance Appraisal

Anchored in the **Balanced Scorecard approach**, our Performance Management System aligns individual objectives with organizational goals. This structured PMS ensures transparency, fosters continuous feedback, and enhances employee retention by recognising and rewarding contributions, thereby promoting a culture of sustained improvement.

Employees are actively uploading their individual goals onto the HR Management System, which enhances transparency and provides greater clarity for their managers regarding each team member's targets and objectives. This initiative not only fosters open communication about performance expectations but also aligns personal goals with the company's broader strategic objectives. Managers can easily track progress, provide timely feedback, and offer support where needed, facilitating a more engaged and motivated workforce.

Additionally, this system allows for the setting of measurable key performance indicators (KPIs), making it easier for employees to understand how their contributions impact overall company performance. Regular check-ins and updates can be scheduled to discuss progress and adjust goals as necessary. This collaborative approach not only encourages accountability but also empowers employees to take ownership of their professional development, ultimately leading to enhanced job satisfaction and productivity. By utilizing the HR Management System in this way, we are committed to creating an environment that emphasizes growth, alignment, and continuous improvement.

We carry out mid-year performance reviews and annual reviews to assess assigned goals/targets and expectations, ensuring that employee performance is evaluated twice a year. This comprehensive approach facilitates timely recognition, promotions, and development planning based on individual achievements and opportunities for improvement.

**Long-term Incentives for Employees**

The SAR (Stock Appreciation Rights) scheme, incorporated in 2019, aims to motivate employees to actively contribute to the growth and profitability of the Company while fostering retention and reducing attrition rates. By aligning the interests of employees with the long-term objectives of the Company, the scheme seeks to achieve sustained growth and enhance shareholder value. Furthermore, it aims to create a sense of ownership and participation among employees, allowing them to share in the value they help create for the Company in the years to come.

In FY25, we proudly issued Stock Appreciation Rights (SAR) to 967 out of our 3,342 employees, representing an impressive 28.93% of our total workforce. This achievement underscores APL Apollo's commitment to aligning sustained growth with the interests of our dedicated employees, fostering a culture of ownership and shared success as we continue our journey forward together.

## Employee Support Programs

APL Apollo is committed to creating an engaging work environment through a robust Employee Engagement Strategy that motivates, supports, and connects our workforce. This strategy encompasses various initiatives to strengthen employee engagement and foster a sense of belonging.

1. Well-being Initiatives
    a. **Physical Fitness**: We offer yoga and fitness classes, sports facilities, AND wellness challenges to promote physical well-being.
    b. **Mental Health Support**: Understanding the significance of mental health, our Wellness program initiative provides support for employees' emotional well-being.
2. Work Conditions
    a. **Flexible Hours**: Our flexible working hours empower employees to balance personal and professional responsibilities effectively.
3. Family-centric Benefits
    a. **Parental Leave**: We offer paid parental leave, providing 26 weeks for primary caregivers and 3 days paternity leave for non-primary caregivers, supporting family needs.
    b. **Employee Health Insurance**: Upgraded Group Medical Coverages & Introduction of Group Term Life Insurance (GTL) in Current Financial Year 2025-26: In the current financial year, APL Apollo has significantly strengthened its employee welfare and social security framework through key enhancements in insurance benefits. The Company has implemented upto a 100% increase in the family Sum Insured under the GMC policy, doubling the base coverage at no additional cost to employees ensuring improved access to quality healthcare and greater financial protection for employees and their dependents.
    c. **Group Term Life Insurance**: In current financial year, further, to reinforce long-term social security, APL Apollo has introduced a GTL - Group Term Life Insurance coverage for all permanent employees. This coverage provides essential financial protection to employees families in the event of unforeseen incidents and forms a key part of our employee well-being strategy and risk-mitigation framework.
    d. **Additional Benefits**: Beyond parental leave, we provide various leave options and regular health check-ups, emphasizing well-being and support.

## Employee Turnover Rate

The employee turnover rate represents the percentage of all employees who leave the organization within a specific timeframe, encompassing both voluntary and involuntary departures.

**Turnover rate for permanent employees and workers**

| Category | FY 2025 | | | FY 2024 | | | FY 2023 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male (%) | Female (%) | Total (%) | Male (%) | Female (%) | Total (%) | Male (%) | Female (%) | Total (%) |
| Permanent employees | 14.63% | 17.50% | 14.67% | 20.57% | 8.7% | 20.34% | 10.71% | 0.00% | 10.52% |
| Permanent workers | 12.58% | 0% | 12.58% | 13.13% | 20% | 13.15% | 8.28% | NA | 8.28% |

| Turnover Rate: Age group | Unit | FY 2024-25 |
|---|---|---|
| <30 years old | in % | 3.96% |
| 30-50 years old | in % | 9.79% |
| >50 years old | in % | 0.92% |

| Voluntary Turnover Rate | Unit | FY 2024-25 |
|---|---|---|
| Total Voluntary Turnover Rate | in % | 14.67% |

| Turnover Rate: Management Level | Unit | FY 2024-25 |
|---|---|---|
| Top & Senior Management | in % | 0.38% |
| Middle Management | in % | 1.48% |
| Junior Management | in % | 5.35% |

| Turnover Rate: Nationality | Unit | FY 2024-25 |
|---|---|---|
| Indians | in % | 14.61% |
| Other than Indians | in % | 0.06% |

| Turnover Rate: Race/Ethnicity | Unit | FY 2024-25 |
|---|---|---|
| Asian | in % | 14.67% |
| Other than Asian | in % | 0.00% |



## Employee Satisfaction

*W*e conduct periodic surveys to gauge job satisfaction, sense of purpose, happiness, and stress levels among our team members. These insights help us create a supportive and engaging work environment where every individual can thrive.

We conduct employee surveys twice a year. The response rate for the employee satisfaction survey in FY 2025 was **72%** with an overall employee satisfaction score of **82%**, reflecting our strong commitment to fostering an inclusive, engaging, and high-performance workplace culture.

## Employee Development Programs

The HR team at APL Apollo has introduced several initiatives aimed at employee engagement, skill enhancement, and leadership development:

1. **SPOTLIGHT – Celebrating People Behind the Progress**
   - **Objective:** Recognize and celebrate employees beyond their professional roles.
   - **Approach:** Features employees through interviews and stories, highlighting their personal journeys and passions.
   - **Impact:** Builds a sense of belonging and appreciation within the organization.
2. **"Do You Know?" – HR Information Series**
   - **Objective:** Educate employees about HR processes during the transition to a new HRMS (HROne).
   - **Content:** Covers topics like leave application, payslip access, and system navigation.
   - **Impact:** Ensures smooth adoption of new systems and reduces process-related queries.
3. **Leadership Development – MDP at IIM Ahmedabad**
   - **Program:** "Enhancing Sales Force Performance" (Feb 17–21, 2025).
   - **Participant:** Mr. Bhanu Pratap Singh, National Trade Sales Head.
   - **Focus:** Sales management strategies, productivity improvement, and data-driven decision-making.
   - **Impact:** Strengthens leadership capabilities and prepares future-ready managers.
4. **Sales HR Connect**
   - **Objective:** Engage and support field teams through HR sessions.
   - **Content:** Covers policies, taxation norms, and organizational updates.
   - **Future Plan:** Virtual engagement sessions ("Happy Hour") for informal bonding.
   - **Impact:** Improves communication and employee morale in remote teams.
5. **Learning & Development (L\&D) Training Modules**
   - **Programs Offered:**
     - Conflict Management & Effective Feedback
     - Effective Delegation
     - Time Management & Prioritization
     - Advanced Excel
   - **Target Audience:** Corporate and Plant employees.
   - **Impact:** Builds a culture of continuous learning and enhances productivity.

**Case Study**

### Leadership Development through MDP

**Background:**
APL Apollo identified the need to strengthen its leadership pipeline to drive sales excellence and adapt to evolving market dynamics.

**Initiative:**
The company nominated **Mr. Bhanu Pratap Singh**, National Trade Sales Head, for the **Management Development Programme (MDP)** at **IIM Ahmedabad**. The program focused on enhancing sales force performance through strategic insights, customer understanding, and data-driven decision-making.

**Implementation:**

- Duration: 5 days (Feb 17–21, 2025).
- Curriculum: Sales productivity, performance metrics, and organizational process optimization.

**Outcome:**

- Mr. Singh returned with actionable strategies to improve sales force efficiency.
- His learnings were cascaded to the sales team, resulting in better alignment with organizational goals.
- The initiative reinforced APL Apollo's commitment to leadership development and future readiness.

## Employee Training and Development Inputs

| | FY2025 |
|---|---|
| Average hours per FTE of training and development | 16 hours per FTE<br>2 man-days per employee |
| Average amount spent per FTE on training and development. (mention currency) | ₹ 688 |

## Occupational Health and Safety

Our employees are our most valuable asset, and we have made significant investments in best-in-class processes, practices, and systems to ensure their safety and well-being. We recognize that major safety incidents or regulatory infractions can lead to operational disruptions, adversely affecting not only the health and morale of our workforce but also the overall reputation of the Company. To mitigate these risks, we are dedicated to a 'Zero Injury' policy and strive to establish ourselves as a leader in health and safety performance within the industry. Our commitment encompasses continuous improvement initiatives, ongoing training programs, and a proactive safety culture that empowers every individual to prioritize their safety and that of their colleagues.

Key objectives from an Occupational Health and Safety (OHS) perspective encompass:

**Achieving Zero Harm**: We strive to create an environment where all employees and contractors can work without risk of injury or harm. This involves implementing proactive safety measures, conducting regular safety training, and fostering a culture of safety awareness throughout the organization.

**Maintaining a Zero Incident and Injury Record**: We are committed to reducing workplace incidents to the absolute minimum, aiming for a flawless safety record. This involves thorough incident reporting and analysis, continuous monitoring of safety practices, and timely interventions to address potential hazards before they lead to injuries.

## OHS Management System

APL Apollo's Health and Safety Policy reflects our unwavering commitment to ensuring a safe, secure, and hygienic workplace for all employees, contractors, clients, and visitors. We have integrated the principles of ISO 45001:2018 certification into our occupational health and safety systems, actively working towards implementation across all our facilities. **As of FY25, we are proud to report that 11 of our facilities have achieved ISO 45001:2018 certification**, demonstrating our proactive approach to health and safety management. Furthermore, the Plant-level Safety Committees, with participation from workers, boost safety awareness and empower employees to actively engage in hazard mitigation efforts. This approach ensures that all employees and workers are informed about health and safety compliance requirements.

We have implemented a comprehensive system for hazard identification, risk management, and incident investigation. Our monitoring of critical metrics, including employee absenteeism, Total Recordable Incident Rates (TRIR), Lost-Time Injury Frequency Rates (LTIFR), fatality rates, and Near Miss Frequency Rates (NMFR), helps us reduce work-related accidents. We have also established a mechanism for the prompt reporting of accidents and injuries, enabling us to swiftly implement corrective actions.

Through the OHS Management Systems, we have set strong safety protocols:

- **Clear Marking and Training**: Before and after safety Kaizen initiatives are undertaken, assembly points and fire extinguishers are distinctly marked, and safety education and training programs are conducted on a regular basis.
- **Continuous Evaluation:** Audit teams are responsible for the ongoing evaluation and enhancement of safety standards, facilitated by daily toolbox talks and engaging audio-visual presentations on safety protocols.
- **Safe Machinery Operation:** Barricades are strategically positioned around heavy machinery, and compliance with the mandatory use of personal protective equipment (PPE) is rigorously enforced.
- **Comprehensive Safety Inductions:** All new employees undergo thorough safety inductions, with ongoing monitoring conducted through CCTV surveillance and supervision by security personnel.
- **Advanced Safety Sensors:** All movable machinery is equipped with sensors that automatically halt operations if human presence is detected in close proximity.
- **Incentives for Safety Compliance:** Recognition and reward systems are established to encourage adherence to safety protocols among employees.
- **Infrastructure Improvements:** Improvements to internal infrastructure, such as the installation of speed breakers, support accident prevention efforts, while strict compliance protocols for third-party contractors ensure adherence to insurance and ESIC standards for work carried out on our premises.

## OHS Governance

APL Apollo's leadership is dedicated to ensuring the effective, efficient, and safe operation of the company across all its premises, with a strong emphasis on legal compliance, especially in health and safety matters. This commitment is bolstered by heads of locations and geographical areas who champion health and safety initiatives and drive legal compliance within their respective domains. Furthermore, every employee, including managers and functional heads, shares the responsibility of creating and maintaining a safe, healthy, and hygienic work environment. The integration of health and safety within the corporate governance framework is overseen by the Audit Risk and Compliance Committee.

**Internal Safety Committee**

At each APL Apollo location, an Internal Safety Committee is instrumental in maintaining safety and health standards. This committee consists of a designated safety in-charge and four members representing various cross-functional departments. Their responsibilities include conducting comprehensive daily safety inspections across the company premises, diligently documenting any identified unsafe conditions, and providing regular in-house safety training and awareness programs for all employees. Additionally, they organize routine mock drills and oversee the ongoing monitoring and maintenance of firefighting equipment. To further enhance safety standards, the committee holds weekly meetings with unit heads to review and refine safety practices within the unit.

Occupational Hazards and Risk Identification Our Safety Committee is essential in investigating accidents and incidents, underscoring our commitment to proactive safety measures. We carry out both internal and external safety audits, providing a comprehensive assessment of our operations. This dual-audit strategy promotes accountability and fosters a culture of continuous improvement.

### Internal Audits

Conducted twice a month by the Plant Head or Head of Department, with audit reports reviewed by Corporate HR.

### External Audits

Carried out quarterly by the ED Technical or VP Production for each location, with audit reports submitted to the COO.

**Investigation and reporting of work-related accidents**We place great importance on documenting and reviewing accidents and incidents as part of our safety measures. To ensure a safe workplace, we have a clear reporting protocol in place. Any accident, regardless of severity, be it at the head office, a branch, warehouse, or plant, needs to be reported immediately to Corporate HR. This includes incidents that lead to injuries or fatalities, and they're incorporated into our monthly safety reports. It's crucial to understand that any intentional failure to report an accident will not be taken lightly; it could lead to disciplinary action. Maintaining open communication about safety is essential to our culture at APL Apollo.



We classify accidents to enhance our understanding of safety incidents:

- **Fatal**: Results in death.
- **Major**: Causes serious injuries, loss of a body part, or hospitalization for more than 48 hours.
- **Minor**: Results in absence from work for up to 48 hours.
- **First aid accident**: Requires only first aid and at most one day off work.
- **Dangerous occurrence**: Unforeseen incidents that could potentially cause harm or damage.
- **Near-miss accident**: Events that had the potential to cause harm but did not result in any injury or damage.

In the case of fatal accidents, the Head of Department (HOD) is responsible for preparing a detailed fact-finding report, which is submitted to the Plant Head, Corporate HR, and Regional Head. This report includes specifics about the incident, identified systemic gaps, and recommended corrective actions. Reports for other types of accidents adhere to the same format and are sent to the Plant Head, Corporate HR, Location HR, and Regional Head. These procedures reflect our commitment to safety and proactive accident prevention.

## Fatalities

| Particulars | Unit | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|---|---|---|---|---|---|
| Employees | Number | 0 | 0 | 0 | 0 |
| Contractors | Number | 0 | 0 | 0 | 0 |

## Lost-Time Injury Frequency Rate (LTIFR)

| Particulars | Unit | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|---|---|---|---|---|---|
| Employees | n/ million hours worked | 2.6 | 1.1 | 0.7 | 2.9 |
| Contractors | n/ million hours worked | 0 | 3.1 | 9.3 | 10.8 |

## Total Recordable Injury Frequency Rate (TRIFR)

| Particulars | Unit | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|---|---|---|---|---|---|
| Employees | n/ million hours worked | 4 | 5 | 15 | 35 |
| Contractors | n/ million hours worked | 14 | 12 | 64 | 203 |

**Fostering a Culture of Safety Awareness**

We conduct mock drills to assess the efficiency of the Plant's Emergency Action/Response Plan, evaluate the performance of key Emergency Response Team members, and identify any weaknesses in our Emergency Management System for continuous improvement. Involving all manufacturing unit employees and workers, these drills provide a controlled environment to practice emergency procedures, ensuring that everyone understands and can fulfill their emergency duties, conduct headcounts, and refine evacuation processes. Fire drills are held quarterly, focusing on emergency escape procedures, equipment shutdown processes, headcount protocols, and effective methods for reporting emergencies. Additionally, we carry out regular training sessions and awareness campaigns centered on occupational health and safety, particularly emphasizing the risks associated with operating heavy machinery or driving. Employees are continually informed about potential safety hazards and encouraged to report any risks they might encounter. By systematically identifying and assessing these hazards based on their likelihood and severity, we are empowered to effectively address risks and implement targeted control measures aimed at eliminating unsafe practices.

APL Apollo is strongly committed to ensuring a safe, healthy, and secure work environment across all its facilities. Our approach to occupational health and safety is based on continuous improvement, proactive risk management, and effective preventive measures. We implement consistent safety practices across all our plants through well-defined protocols and infrastructure.

- **Incident Investigation and Knowledge Sharing**: Every safety-related incident, regardless of its severity, is thoroughly investigated. A designated team — comprising safety officers and relevant department heads — conducts root cause analysis immediately following any incident. Key learnings from these investigations are documented and communicated company-wide through daily safety briefings, monthly review meetings, internal safety bulletins, and mandatory refresher training modules. We

also incorporate safety education through regular toolbox talks and audio-visual presentations to reinforce these learnings. All corrective actions are recorded and tracked in our integrated Safety Management System (SMS), and their effectiveness is verified through follow-up audits, inspections, CCTV monitoring, and periodic management reviews.

- **Addressing Unsafe Observations**: APL Apollo maintains a proactive approach to identifying and addressing unsafe acts and conditions. Observations made during routine safety walks, scheduled audits, or reported through our digital safety platform are logged in the SMS, assigned to responsible departments, and addressed within defined timelines. Each division maintains targeted action plans to mitigate near-miss events. Additional safety practices include the use of prominent safety display boards, division-specific HIRA (Hazard Identification and Risk Assessment) sheets, and clearly defined protocols. We ensure proper barricading around heavy machinery, strictly enforce the use of personal protective equipment (PPE), and promote a strong safety culture through structured recognition and reward programs.
- **Proactive Risk Management and Preventive Measures**: We conduct regular HIRA studies across all operational areas to identify potential hazards and assess associated risks. Our risk register is reviewed quarterly, and division-specific protocols are updated accordingly.
  - ➢ Preventive measures include:
    - Visible marking of assembly points and fire extinguishers
    - Mandatory safety inductions for new employees
    - Ongoing safety training programs
    - Strategic use of CCTV and security personnel for continuous monitoring
    - Installation of sensors on movable machinery to automatically shut down operations in the presence of human proximity
    - Infrastructure improvements such as speed breakers to reduce accident risk

Furthermore, all third-party contractors operating within APL Apollo premises must meet strict compliance requirements, including valid insurance and ESIC coverage.

## Human Rights

APL Apollo is dedicated to upholding and promoting human rights across all aspects of our operations. Respect for human rights is a core value embedded within our corporate culture and operational practices. We emphasize its importance as a fundamental principle guiding our business decisions and interactions.

We foster a culture of accountability and are committed to enhancing human rights performance not only within our organization but also among our suppliers and partners, as well as in the communities we serve. At APL Apollo, we believe that the promotion of human rights is essential to creating a sustainable and equitable environment for all stakeholders involved in our business.

APL Apollo is devoted to creating safe and equitable work environments by adhering strictly to labor laws and regulations. The company is steadfast in its opposition to human trafficking, forced labor, child labor, and all forms of discrimination.

The company's Supplier Code of Conduct enforces rigorous human rights standards throughout its supply chain, partnering only with those who uphold these principles of preventing forced labor, ensuring equal remuneration, and respecting human rights.

APL Apollo shows deep respect for community rights, including cultural heritage, land rights, and livelihoods, by maintaining transparent and respectful relations with local communities.

The company actively promotes a diverse and inclusive workplace, guaranteeing fair treatment and equal opportunities for all employees, while combating discrimination based on race, gender, religion, disability, or sexual orientation.

## Human Rights Due Diligence

APL Apollo implements a comprehensive due diligence process to identify, assess, and mitigate potential human rights risks across our operations, as well as in the establishment of new business relationships. We conduct proactive risk assessments to vigilantly monitor and address critical issues such as forced labor, child labor, freedom of association, human trafficking, the right to collective bargaining, equal remuneration, and discrimination. Our practices are in line with international human rights standards, including the Universal Declaration of Human Rights and ILO conventions.

Aligned with our strategic focus on learning and development, APL Apollo offers an e-learning platform, which includes various ESG-related modules addressing key topics such as Human Rights, APL Apollo Tubes Limited ("Company") is committed to fostering a safe, respectful, and inclusive workplace free from all forms of sexual harassment. Prevention of Sexual Harassment (POSH), health and safety, and fair working conditions are integral to our practices, with dedicated human rights awareness sessions included in induction programs for new and contractual employees from day one.

*(https://aplapollo.com/images/others/Prevention_of_Sexual_Harassment_(POSH)_Policy.pdf)*

We conduct ongoing human rights training and assessments across all offices and plants to ensure continuous compliance and heightened awareness. Regular assessments help us map potential human rights risks and impacts, enabling us to implement preventive measures to mitigate any adverse effects. Our commitment to enhancing human rights performance is deeply rooted in alignment with globally recognized principles and a dedication to continuous improvement. Through training, awareness initiatives, and ongoing evaluations, we cultivate a culture of respect for human rights among all employees and stakeholders at APL Apollo.

## Human Rights Risk Assessment

We regularly conduct Human Rights Assessments across our own operations, and regularly monitor tier-1 suppliers through their public disclosures. These assessments are carried out with the support of internal subject matter specialists, to ensure a comprehensive evaluation of potential risks and compliance with human rights standards. Moving ahead, we aim to engage third-party experts to support our assessments to ensure additional credibility, and alignment with international best practices.

The table below outlines the scope, coverage, and outcomes of these risk assessments.

| Sr. No. | Category | Coverage | % of total assessed where risks have been identified | % of risk with mitigation actions taken |
|---|---|---|---|---|
| 1 | Own operations | 100% | NIL | NIL |
| 2 | Tier-1 suppliers | 100% | NIL | NIL |

**0 cases of Child Labour**

**0 cases of Discrimination**

**0 cases Involuntary/ Forced Labour**

**0 cases of Sexual Harassment**

## Freedom of Association

At APL Apollo, we are dedicated to upholding the principles of freedom of association and collective bargaining, ensuring the health and safety of our workforce, eliminating child or forced labor, and preventing workplace discrimination. At APL Apollo, 100% of the workforce is covered by various committees established within the company. These committees serve as vital forums for collective bargaining, allowing employees to discuss their concerns. This structure ensures that all employees have a voice and the opportunity to participate in discussion which address their concerns.

## Gender Pay Indicators

| | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD) | 5 | ₹174999996 | 0 | 0 |
| Key Managerial Personnel | 4 | ₹5098002 | 0 | 0 |
| Employees other than BoD and KMP | 1203 | ₹624996 | 35 | ₹780000 |
| Workers | 4921 | ₹346092 | 19 | ₹251508 |

Note: Out of 10 directors only 5 directors are paid

| | FY 2025 | FY 2024 |
|---|---|---|
| Gross wages paid to females as % of total wages | 2.11% | 1.70% |

APL Apollo continues to make meaningful progress toward fostering an inclusive and equitable workplace. In FY 2025, the share of gross wages paid to female employees increased to **2.11%**, up from **1.70% in FY 2024**. This improvement reflects our ongoing commitment to enhancing gender diversity and ensuring fair compenzation practices across the organization.

While we recognize that there is more work to be done, this upward trend demonstrates the effectiveness of our initiatives aimed at empowering women in the workforce. Through targeted recruitment, leadership development programs, and transparent pay structures, we are actively creating opportunities for women to thrive and contribute to APL Apollo's growth story.

## Diversity and Inclusion

At APL Apollo, we are committed to fostering diversity, eliminating biases, and ensuring equal opportunities for everyone. We categorically reject discrimination based on age, color, disability, origin, religion, race, gender, family or marital status, gender reassignment, sexual orientation, pregnancy, or maternity status. Our initiatives are geared towards increasing female representation across all levels of the organization and supporting their advancement through leadership programs and a dedicated gender parity strategy.

We engage in ongoing dialogues with our female employees to better understand their concerns, which include issues such as sexual harassment, fair compenzation, work-life balance, and career development opportunities. This continuous feedback loop enables us to identify areas for improvement while recognizing and valuing their contributions.

Each year, we celebrate International Women's Day to advocate for gender equality, challenge existing biases, and promote initiatives aimed at combating gender stereotyping and discrimination. Through these efforts, we strive to create an inclusive work environment where all employees can thrive.

Over the past year, we have made much progress in hiring female employees and workers. Our diversity ratio increased to 2.81% in FY 2025 from 2% in FY 2024 for female employees.

The median gender pay ratio for female to male employees is 1.25, up against 1.08 for the previous year.

## Community Engagement

At APL Apollo, our CSR philosophy follows a strategic path to foster sustainable social development and promote inclusive growth. It bridges the Company and its employees with the broader society, allowing us to empower communities via customized programs and direct initiatives. Our efforts primarily focus on stakeholders belonging to marginalized and vulnerable groups, ensuring that those most in need receive targeted support. By prioritizing these communities, we strive to reduce inequality and create lasting positive change. Our goal is to nurture a sense of responsibility and collective effort, supporting our mission to create a more prosperous and empowered society. We aim to thoroughly address community needs through impactful, needs-driven programs designed to uplift and enable underserved populations.

APL Apollo Tubes carries out its CSR initiatives through the APL Apollo Foundation, a value-driven, not-for-profit Section 8 company dedicated to developmental goals and positively impacting the lives of people and communities. The Foundation implements long-term sustainable programs aligned with the requirements of Section 135, Schedule VII of The Companies Act 2013, as well as national priorities and the United Nations Sustainable Development Goals (SDGs).

## Our Approach to CSR

**Stakeholder Consultation** ▶ **Planning & Implementation** ▶ **Monitoring and Reporting** ▶ **Impact Measurement and Adaptation**

1. **Stakeholder Consultation**

   We engage with local communities, NGOs, civil society organizations, and government authorities to identify specific community needs and priorities. Through structured dialogue and outreach programs, we ensure that stakeholders have access to clear and relevant information about our projects. We also create platforms for open discussion, enabling communities to share their perspectives on potential environmental and social impacts, cultural heritage concerns, and risk mitigation strategies.

2. **Planning & Implementation**

   The insights gathered during consultations are integrated into our planning process to ensure that community voices shape project decisions. We implement grievance mechanisms that allow stakeholders to raise concerns and seek timely resolutions, reinforcing transparency and trust throughout the implementation phase.

3. **Monitoring and Reporting**

   We maintain continuous communication with stakeholders by providing regular updates on project progress, challenges, and outcomes. Our monitoring process evaluates the effectiveness of engagement activities and grievance systems, ensuring that commitments are met and improvements are made where necessary.

4. **Impact Measurement and Adaptation**

   Post-implementation, we assess the social and environmental impact of our initiatives against the objectives set during planning. Based on these evaluations and ongoing feedback, we adapt our strategies to enhance future outcomes. This iterative approach helps us remain responsive to community needs and strengthen our sustainability performance.

## CSR Programmes

The Foundation's mission is to alleviate poverty, promote inclusive growth, and drive sustainable development. Its thematic focus areas include Education, Health, WASH (Water, Sanitation, and Hygiene), Livelihoods, Skilling and Entrepreneurship, Environment, Soil Conservation and Agriculture, Rural Development, Food and Nutrition, Women Empowerment, Sports, Art & Culture/Heritage, Animal Welfare, Disaster Management, and Employee Volunteering Programmes.

A snapshot of our initiatives is shared below:

| CSR Project | Number of Beneficiaries | % of beneficiaries from vulnerable and marginalized groups |
|---|---|---|
| **Aarohi**: Focuses on skill development for women, offering training in areas like beauty parlors, nutrition, and other tailored skills to empower them to secure their livelihoods. | 395 | 100% |
| **Karuna**: In collaboration with Noida authority, APL Apollo has conducted Anti-Rabies vaccination drives for stray dogs in the locality. | 35350 | 80% |
| **Umeed**: The underprivileged community has faced challenges in affording medical treatments for their terminal illnesses. In response to this distressing situation, APL Apollo has identified individuals in need of treatment and assisted them in accessing it. | 10 | 100% |
| **Prajwal**: Set up SMART classrooms in rural Gorakhpur schools to enhance digital learning and foster creativity and collaboration. | 27535 | 100% |
| **Neev-I**: Built an integrated science lab in Pune to promote experiential learning and innovation. | 1500 | 100% |
| **Aarohan**: Supported medical students at CMC Ludhiana with books and resources to stay updated on advanced medical technologies. | 250 | 100% |
| **Sehat-Poshan-Garima**: Provided daily nutritious meals to elderly widows in Vrindavan to combat hunger and ensure dignity. | 251 | 100% |
| **Vandhara-I**: Installed alert lights, sirens, and helpline displays in Hosur Forest villages to prevent man-animal conflicts. | 8450 | 100% |
| **Har Jeet Zindagi Ki**: Organized free cancer screening and awareness camps in Delhi NCR and UP for oral, breast, and cervical cancers. | 1500 | 100% |

**Community Engagement Highlight: Project Prajwal – Empowering Education through Digital Classrooms**

**Target Audience:**
The initiative focused on students from underserved communities in rural Gorakhpur, Uttar Pradesh. Specifically, it targeted five government and government-aided inter-colleges, covering classes 6th to 12th. The project aimed to bridge the digital divide and enhance learning outcomes for students with limited access to modern educational tools.

- **Targeted Beneficiaries:** 3,500–4,000 students
- **Actual Reach:** 5,507 students (3,005 boys and 2,502 girls)

**Measures Undertaken:**

- **Infrastructure Setup:** Installation of 2 smart classrooms in each of the 5 selected schools, totaling 10 digital classrooms.
- **Technology Integration:** Equipped classrooms with interactive digital boards, multimedia content, and access to online educational resources.
- **Capacity Building:** Training provided to school staff for effective use of smart classroom tools.
- **Sustainability:** 3-year comprehensive warranty and ongoing support services ensured long-term functionality.

- **Stakeholder Collaboration:** Project executed in partnership with the Gorakhpur Development Authority (GDA), with implementation support from an experienced vendor.

**Impact:**
The project significantly transformed the teaching-learning environment in the beneficiary schools:

- **Enhanced Learning Experience:** Visual and interactive content improved student engagement and retention.
- **Personalized Education:** Teachers could tailor lessons to individual learning styles.
- **Improved Collaboration:** Encouraged teamwork and communication among students.
- **Digital Access:** Provided exposure to modern educational tools and resources.
- **Eco-Friendly Approach:** Reduced reliance on paper-based materials.
- **Positive Feedback:** Principals, teachers, and students reported increased interest, better understanding of concepts, and improved academic performance.

*"Smart classes have made learning easier and more interesting. Concepts are clearer, and revision is more effective."* – Student, Class 10



## Indigenous Peoples & Cultural Preservation

All our operations are in industrial zones or clusters and there was no requirement for resettlement or relocation issues for local or indigenous communities.

## Customer Satisfaction

At APL Apollo, we believe that the long-term sustainability of our business depends on delivering exceptional customer experiences that build trust and strengthen brand recognition. Nurturing strong customer relationships is central to our culture, enabling us to refine processes, raise quality standards, optimize service performance, and drive operational efficiency.

Our multi-tiered distribution network plays a pivotal role in this strategy, enhancing both efficiency and scalability. By leveraging strategically located regional hubs, we can reach a wider customer base, reduce delivery times, and improve satisfaction. This layered approach also fortifies supply chain resilience, allowing us to respond quickly to disruptions and maintain seamless operations. Benefits such as bulk purchasing and streamlined logistics further reduce costs, making our distribution model highly economical. With multiple touchpoints across diverse markets, APL Apollo is well-positioned to expand effortlessly, utilizing existing infrastructure to capture emerging opportunities. This robust network ensures reliability, speed, and flexibility—key advantages that keep us ahead in a dynamic marketplace.

Over the past year, we achieved over 14% growth in sales, driven by our commitment to listening to customers, addressing their concerns promptly, and continuously improving our offerings. By delivering innovative, high-quality solutions, we have strengthened trust and built enduring relationships that fuel our growth momentum.

Customer engagement remains a continuous, multi-faceted effort. It includes proactive communication, understanding market dynamics, resolving complaints, hosting regional meetings, conducting dealer visits, and facilitating need-based interactions. To measure and improve satisfaction, we have started conducting customer surveys every six months, ensuring that feedback directly informs our strategies and actions.

For any grievances, we encourage our customers to reach out to us at our dedicated email address: service.improvementdesk@aplapollo.com.

### The Robust Distribution Network

| | | |
|---|---|---|
| **Distributors** | **800+** | Solid Relationships, Incentive plans |
| **Retailers** | **50,000+** | Retailer bonding program |
| **Fabricators, Architects & Engineers** | **2,00.000+** | Apollo Connect Programs, Fabricator/Architect meets for Brand promotion |
| **End Consumer** | **CONNECT THROUGH** | Indian Premier League, Football, Kabaddi League, Amitabh Bachchan Campaign, TV Commercials, Radio, Social Media |

| Satisfaction Measurement | Unit | FY25 | Target |
|---|---|---|---|
| | Percentage of satisfied customers (dealers/distributors) | 72.13% | 80% |

In addition to measuring satisfaction of their distributors, APL Apollo also tracks the satisfaction of their end users through an OEM-based survey. Under this survey, we reach out to random sample set of our end users each month and request their ratings across 8 parameters, including response time of APL Apollo teams, pricing structure, delivery performance, complaint handling, etc.

In FY 2025, the rating percentage achieved from our OEM survey was **90.24%**.

| Satisfaction Measurement | Unit | FY25 | Target |
|---|---|---|---|
| | Percentage of satisfied customers (end users) | 90.24% | 90% |

## Assurance Statement

**Sustainability Actions**

**To,**
**The Board of Directors**
**APL Apollo Tubes Limited**
SG Centre, 37C, Block A, Sector 132,
Noida, Uttar Pradesh - 201304

### Independent Assurance Statement

#### Scope and Approach

Sustainability Actions Private Limited ("SAPL") has been engaged by the management of APL Apollo Tubes Limited ("APL" or "the Company"), as an Independent Reasonable Assurance Provider of the Company's Business Responsibility and Sustainability Report (BRSR) Core Matrices (refer to Annexure I) for the Financial Year 2024-25.

#### Reporting Criteria

Our reasonable assurance covers the sustainability information listed in Annexure-I of this report. The reporting boundary is disclosed in Question 13 of Section A: General Disclosure of the BRSR, with exceptions noted under respective questions.

The criteria utilized by the Company to prepare the identified sustainability information are as follows:

- Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended;
- Chapter IV-B of SEBI master circular for compliance with the provisions of the SEBI (LODR) Regulations by listed entities, issued vide SEBI/HO/CFD/PoD2/CIR/P/0155 and dated November 11, 2024;
- "Guidance Note for Business Responsibility and Sustainability Reporting Format" by Securities and Exchange Board of India (SEBI); and
- SEBI/HO/CFD/PoD-1/P/CIR/2024/177 dated December 20, 2024 – Industry Standards Note on Reporting of BRSR Core.
- SEBI/HO/CFD/PoD-1/P/CIR/2025/42 dated March 28, 2025 – Measures to facilitate ease of doing business with respect to framework for assurance or assessment, ESG disclosures for value chain, and introduction of voluntary disclosures on green credits.

#### Management Responsibilities

The Company's Management is responsible for identification of key aspects, content and presentation of the Business Responsibility and Sustainability Report in accordance with the Criteria mentioned above. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Business Responsibility and Sustainability Report and measurement of BRSR Core Matrices which are free from material misstatement, whether due to fraud or error.

#### Independence and Quality Control

We are independent from the entity in accordance with the requirements of independence and quality assurance set out in BRSR provisions and professional pronouncements and have fulfilled our additional professional obligations in accordance with these requirements.

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Our assurance engagements are based on the assumption that the data and information provided by the company to us as part of our review have been provided in good faith and free from material misstatements. We were not involved in the preparation of any statements or data included in the Report except for Assurance Statement. Our firm applies International Standard on Quality Management 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 apply SQC 1 for quality control in assurance and related services.

## Reasonable Assurance

A reasonable assurance engagement includes identifying and assessing the risks of material misstatement of the Identified Sustainability Information, whether due to fraud or error, and responding to the assessed risks as required by the circumstances.

As part of our assurance process, a multi-disciplinary team of sustainability and assurance specialists reviewed the disclosures presented within the Report and referenced information, and sampled the disclosures and were reviewed through the company's customised sustainability information management system.

The procedures conducted were based on professional judgement and included inquiries, observation of processes performed, inspection of documents, evaluation of quantification methods and reporting policies, analytical procedures, and reconciliation with underlying records. Given the circumstances of the engagement, in executing the procedures outlined above, we:

- Obtained an understanding of the identified sustainability information and related disclosures;
- Acquired knowledge of the assessment criteria and assessed their adequacy for evaluating and/or measuring the identified sustainability information;
- Conducted inquiries with Company's management, including the environment team, compliance team, human resources team, and other relevant personnel responsible for preparing the Report;
- Developed an understanding and performed an evaluation of the design of key systems, processes, and controls for recording, processing, and reporting the identified sustainability information at the corporate office and other locations.
- Based on our understanding and the potential risks of material misstatement in the identified sustainability information, we determined the nature, timing, and extent of further procedures.
- We tested the Company's process for compiling sustainability information by comparing or reconciling it with the underlying records.
- We verified the consolidation of data from various plants and offices on a sample basis within the reporting boundary to ensure the completeness of the reported data.

We believe that the evidence we have gathered is both sufficient and appropriate to provide a basis for our reasonable assurance opinion.

## Our Responsibility

Our responsibility is to express a reasonable assurance conclusion on the identified sustainability indicators, based on the procedures we have performed and the evidence we have obtained. We conducted our engagement in accordance with the International Standard for Assurance Engagements other than Audits or Reviews of Historical Financial Information ('ISAE 3000'), and the terms of reference for this engagement as agreed with the Company. Those standards require that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.







## Reasonable Assurance Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the company's identified sustainability criteria as per BRSR core framework for the financial year ended 31st March 2025 are not prepared, in all material respects, in accordance with the Reporting Criteria.

## Inherent Limitations

We have relied on the information, documents, records, data, and explanations provided to us by the Company for the purpose of our review. 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 reported financial data are based on audited financial statements issued by the Company's statutory auditors which is subject to a separate audit process. We were not involved in the review of financial data from the Annual 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.
- Mapping of the Report with reporting frameworks other than those mentioned in Reporting Criteria above.
- 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.

**For and behalf of Sustainability Actions Pvt. Ltd.**

(CIN – U74999HR2021PTC093811)

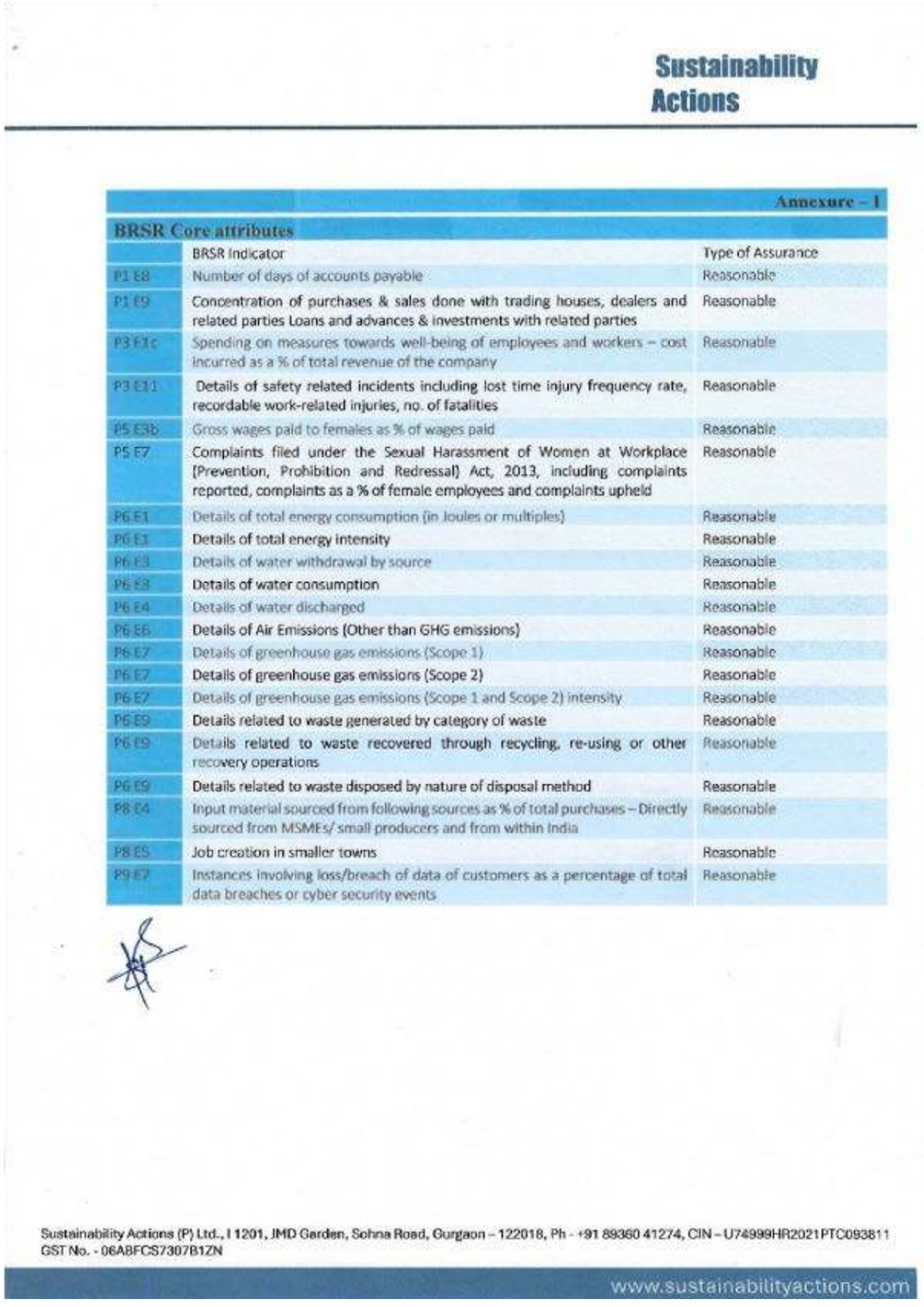
Sustainability Actions (P) Ltd.
Director

**Saket Sinha**

**(Director)**

Dt:- 24th July'25

Gurgaon, India



Sustainability Actions

Annexure – 1

**BRSR Core attributes**

| | BRSR Indicator | Type of Assurance |
|---|---|---|
| P1 E8 | Number of days of accounts payable | Reasonable |
| P1 E9 | Concentration of purchases & sales done with trading houses, dealers and related parties Loans and advances & investments with related parties | Reasonable |
| P3 E1c | Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company | Reasonable |
| P3 E11 | Details of safety related incidents including lost time injury frequency rate, recordable work-related injuries, no. of fatalities | Reasonable |
| P5 E3b | Gross wages paid to females as % of wages paid | Reasonable |
| P5 E7 | Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, including complaints reported, complaints as a % of female employees and complaints upheld | Reasonable |
| P6 E1 | Details of total energy consumption (in Joules or multiples) | Reasonable |
| P6 E1 | Details of total energy intensity | Reasonable |
| P6 E3 | Details of water withdrawal by source | Reasonable |
| P6 E3 | Details of water consumption | Reasonable |
| P6 E4 | Details of water discharged | Reasonable |
| P6 E6 | Details of Air Emissions (Other than GHG emissions) | Reasonable |
| P6 E7 | Details of greenhouse gas emissions (Scope 1) | Reasonable |
| P6 E7 | Details of greenhouse gas emissions (Scope 2) | Reasonable |
| P6 E7 | Details of greenhouse gas emissions (Scope 1 and Scope 2) intensity | Reasonable |
| P6 E9 | Details related to waste generated by category of waste | Reasonable |
| P6 E9 | Details related to waste recovered through recycling, re-using or other recovery operations | Reasonable |
| P6 E9 | Details related to waste disposed by nature of disposal method | Reasonable |
| P8 E4 | Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India | Reasonable |
| P8 E5 | Job creation in smaller towns | Reasonable |
| P9 E7 | Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events | Reasonable |

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