



















Our ESG Focus

Sustainable development is a fundamental concept that is reshuffling the way our world works. At Solar, we are integrating long-term sustainability into our core business operations by creating value for the Environmental, Social, and Governance aspects altogether. With the start of this new decade, we are determined to move a step further in our ESG journey.

Our commitment starts by meaningfully engaging with our stakeholders to identify key focus ESG areas, which helps us to build an agile and resilient organisation. Through this report, we aim to provide summary of our ESG performance.

SDG Mapping

Focus Area	Material Issue	SDGS Linkage
ENVIRONMENT	<ul style="list-style-type: none"> Climate Change, Energy & Emissions 	 
	<ul style="list-style-type: none"> Environmental risk and compliance 	 
	<ul style="list-style-type: none"> Biodiversity 	 
	<ul style="list-style-type: none"> Water Conservation and Management 	 
	<ul style="list-style-type: none"> Waste & Hazardous Materials Management 	 
SOCIAL	<ul style="list-style-type: none"> Community Relations 	 
	<ul style="list-style-type: none"> Customer Satisfaction 	 
	<ul style="list-style-type: none"> Diversity & Inclusion 	 
	<ul style="list-style-type: none"> Human Rights 	 
	<ul style="list-style-type: none"> Employee Well Being 	 
	<ul style="list-style-type: none"> Occupational Health & Safety 	 
	<ul style="list-style-type: none"> Responsible Sourcing 	 
	<ul style="list-style-type: none"> Skill Development 	 
GOVERNANCE	<ul style="list-style-type: none"> Business Resilience 	 
	<ul style="list-style-type: none"> Regulatory Compliance 	
	<ul style="list-style-type: none"> Critical Incident Risk Management 	
	<ul style="list-style-type: none"> Ethical Business Performance 	



Aligning with the Global Goals

We are committed to play our part in achieving the United Nations Sustainable Development Goals (SDGs). Our sustainability approach aligns with the specific goals and aims to build a better planet for all living beings. We assess our activities and their impact on the SDGs and identify related risks to remove barriers in the way of a sustainable future.



Environmental Performance

Key Highlights FY21

Reduction in Energy Consumption

97.69 GJ

Water reduction as compared to FY 20

2.7 %

In the Environment

ZERO LIQUID DISCHARGE

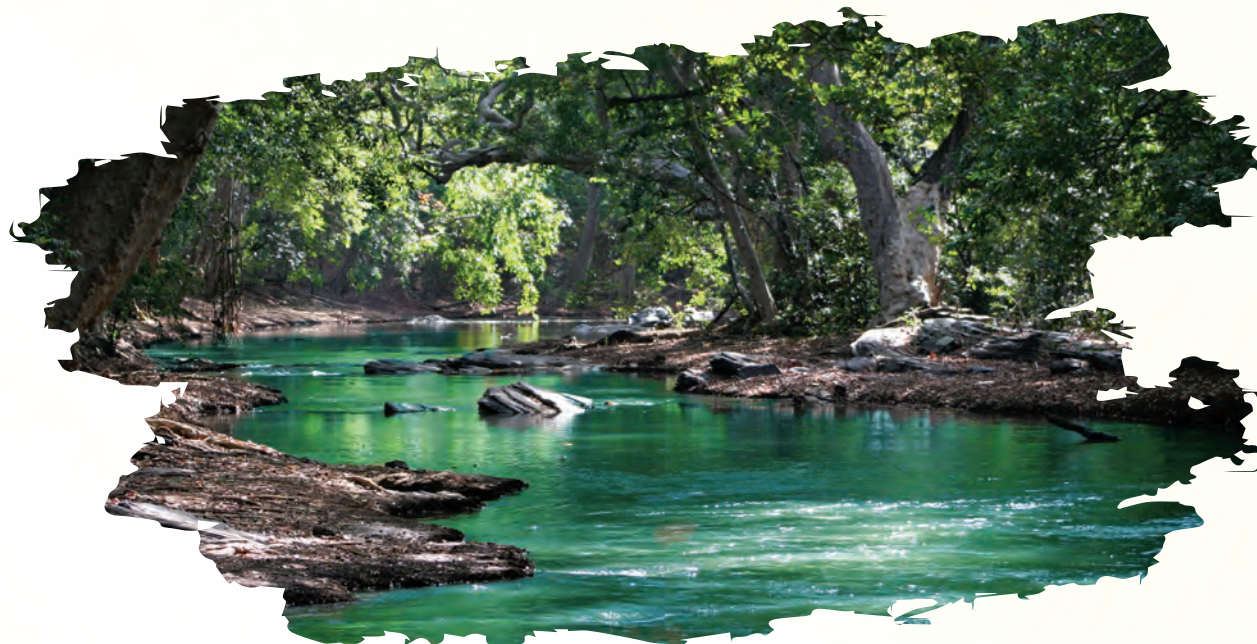
Saved of ground water abstraction

~20%

Climate Change, Energy and Emissions

No challenge possesses a greater threat to future generation than Climate Change, and we are working continuously towards it. We took various energy conservation initiatives like substitution of ordinary, CFL lamps and Sodium Vapour lamps, outdated pumps and motors and AC systems to reduce our total energy consumption.

For GHG Emissions, we continued to define a credible decarbonisation pathway to increase our business resilience. With initiatives like installation of dust collectors, bio-briquette fired boilers and secondary vent condensers, proper handling of liquid chemicals and solvents, we are on a path to continuously reduce our GHG emissions.



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Environmental risk and compliance

At Solar, we pursue and implement highest standards of compliance with environmental regulations to ensure that our activities have the minimum impact on the surrounding environment. Towards this end, we regularly monitor our operations to assess and minimise our environmental footprint. Additionally, we execute internal environmental audits to track the possible risks that can arise out of our business activities and immediately take actions to prevent environmental incidents.

Biodiversity

One of our main environment-centric efforts is directed towards the preservation of the biodiversity that surrounds us. None of the Solar's sites fall within protected area and of high biodiversity value. There are no endangered flora and fauna species as per Wildlife Protection Act, 1972 in the areas we operate. The foreseen impacts to adjacent Kondhali forest reserve is compensated by an existing fencing green belt, which encompasses 62.5 Ha developed and thick blanket of green cover around the factory boundaries.

Additionally, vehicular movement is restricted at night to create a conducive environment for birds and other animals in the region. It is also ensured that there is no discharge of liquid and solid waste in the environment. An EIA study was also conducted in the year, 2017-18, which was submitted to the Ministry of Environment, Forest and Climate Change (MoEFCC).

Water Conservation and Management

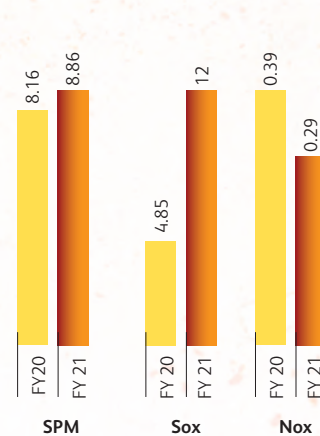
We take concerted efforts towards the rightful conservation and management of water through our carefully planned measures. Some of the initiatives



GHG Emissions (MTCO₂e)



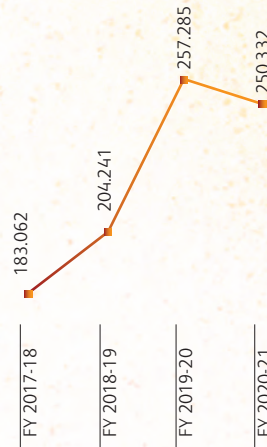
Pollutants Emissions (tons)



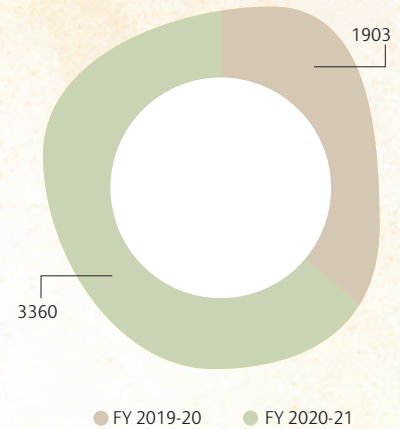
taken towards water conservation include rainwater harvesting systems preserving rainwater for developed check dams, installing efficient water fixtures, sensors and steam traps to control water utilization. In addition to this, our converse osmosis system and water recirculation system also assist with expanding water recovery from wastewater.

Reducing water consumption is an important area for Solar Industries. Our operations in various locations of water consumption are endeavouring to optimise the consumption and maximise the recovery. To ensure optimum utilisation of the water resource, we have established various exploration systems and wastewater treatment processes to manage water generation from our operations. Moreover, we rigidly screen these treatments and undertake further initiatives to reduce our water consumption. In FY 2020-21, we have recycled 48,121 KL of treated effluent water. This has enabled us to save ~20% of ground water abstraction.

Total water withdrawal
(in ML - Ground water)



Water discharge by level of treatment - Solar Evaporation of RO Reject water
(in ML)



Waste & Hazardous material management

We have a well-established policy to minimize waste. Also, we have implemented a mechanism that helps us in segregating explosive and non-explosive waste from our processes. We recycle most of the useful wastes and the remaining is destroyed being explosive in nature. The Company has set up acetic acid distillation unit for concentrating the dilute acid and reusing it completely in the process. Simultaneously, some other by-products are processed for making useful raw materials to be used in process of other products. Treated wastewater of HMX/RDX plants is fully utilised in other process as raw materials.

We are also complying with the guidelines of Explosives Rules, 2008 and authorisation for Hazardous and other wastes (Management and Transboundary Movement) Rules, 2016 for disposal of hazardous wastes to the CHWTSDF facility as approved by Maharashtra Pollution Control Board. Furthermore, we ensure to send electronic wastes for recycling through registered dealers.

192.4 MT

Hazardous waste generated and disposed in last 2 years

3596.85 MT

Non-hazardous waste generated and disposed in last 2 years

Our ESG Focus

Social Performance

Community Relations

Being a responsible organisation, we are consistently focusing on driving lasting value for the communities around us. Year after year, we direct our efforts towards the upliftment and improvement of the vulnerable sections of society.

The outbreak of the pandemic has tested human vulnerabilities, making it crucial for organisations to step in and work for the well-being of society. The relief measures undertaken by us to combat the Covid-19 induced disruptions include supply of essential food items, distribution of medical equipments like Oxygen Concentrators, Ventilators etc and establishment of the Covid-19 care centre.

During the year under review, we promoted and contributed towards educational initiatives such as providing education to enhance students in the Maharashtra region.

We regularly focus on developing crucial initiatives to ensure public well-being along with an accessible healthy environment for our communities. During the fiscal, our measures in this area included provision of ambulance, cost-free medical check-up camps for local communities and initiatives to improve sanitation and promote hygiene.

Key Highlights FY21

Total CSR spend

₹ 6.61 Crore

Employee well-being

We are regularly seeking ways to invest in the development and upgradation of our talent pool. To achieve this, we organise activities and training workshops with a purpose of enhancing professional and personal skill sets. Additionally, we also ensure that our employees work in an environment that is not only cordial but also safe.

Some of the benefits given to our employees include life insurance, healthcare, disability coverage and retirement provisions.

To know more about our employee well-being, safety, diversity and engagement programs, please read page **22** of this Annual Report



To know more about our community development efforts, read page **28** of this Annual Report

Customer redressal

Being part of an explosive industry that requires strong due-diligence in operations, we have strict guidance and quality checks in place. A dedicated customer complaint redressal team ensures proper grievance resolution at all times. During the year, we received zero grievances from our customers in regards to quality of product or services.

Stakeholder Engagement

At Solar, our stakeholders form an important part of ecosystem. We have a consistent flow of feedback from all stakeholders and it forms a cornerstone for sustainable growth.

To know more about our Stakeholder Engagement, read page **30** of this Annual Report

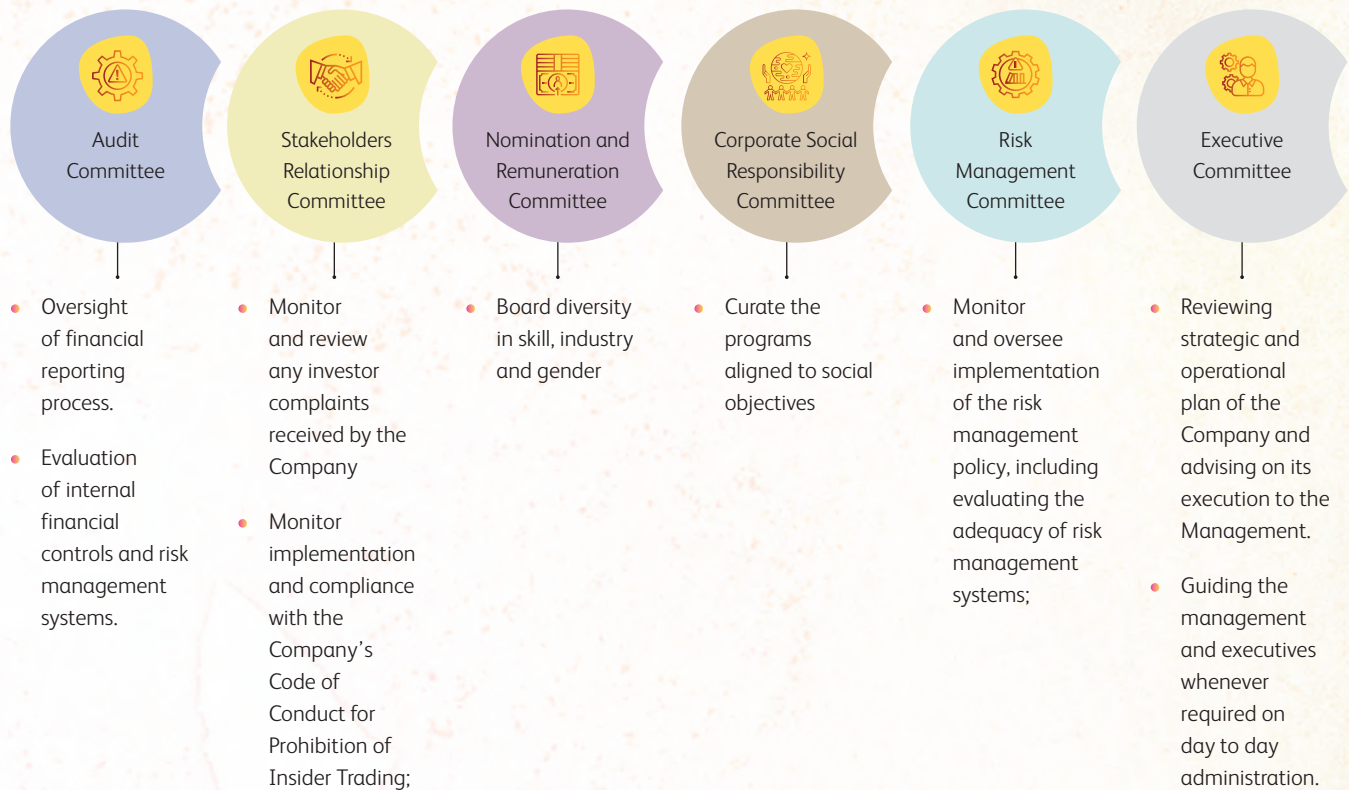


Governance

Solar is a stakeholder centric company involving stakeholder interests in all operations and business decisions. Our stringent corporate governance model is founded on the philosophical pillars of fairness, accountability, disclosures and transparency. These pillars have been strongly engraved which is reflected in our business practices and work culture.

The Company has total nine Directors of which four are Executive Directors and five are Non-Executive Independent Directors including a woman director. The composition of the Board is in conformity with Regulation 17(1) of SEBI (LODR) Regulation, 2015.

Committees of Board



Responsible Sourcing

We have structured our processes to procure goods and services from vendors within the vicinity of our operations. As part of our long-term value-creation philosophy, we have built strong relationships with vendors, who have adopted to our requirements and modified their operations to ensure consistent quality of delivery at all times. Our commitment to engage with local vendors aligns to the nation's vision of 'Vocal for Local'.



Our ESG Focus

Our Sustainability Policies

We have a comprehensive policy framework to drive our sustainability agenda, in line with our mission. Our Sustainability Policies are crafted to address the needs of the entire gamut of our business needs, and include policies on:



Risk Management

Solar's risk management takes into consideration nature, scale and complexity of the business. Risk Management committee assists the Board in ensuring that all material risks including but not limited to the risks related to business operations, cyber security, safety, compliance control and financials have been identified, assessed and adequate controls are in place to mitigate these risk.

To know more about our Risk Management framework, please read page 32 of the Annual Report

Regulatory Compliance

While we aspire to achieve our organisational goals, we also focus on ensuring that our activities and practices comply with relevant laws, guidelines, policies and regulations.

In the reporting year under review, there were no adverse comments with respect to our product and service from the organisations which directly control our organisation PESO, DGMS and Mines.

Ethical Business Conduct

At Solar, business ethics is of paramount importance and one of our most valued assets. To instil high levels of discipline and conduct, we are continuously working towards and implementing significant measures that are attuned to exhibit and integrate ethical values and behavioural norms across all the organisational levels. Furthermore, we are also strengthening the moral attitude of the organisation, management and employees to ensure that our activities and operations abide by our business ethics guidelines.



