



# Sustainability Report **FY'24**





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# OUR ESG PRACTICES

## About the Section

(GRI 2-1, 2-2, 2-3, 2-4)

At Varroc, we firmly believe that sustainability is integral to our growth strategy. Our commitment to sustainability is designed for the long term, aiming for growth that benefits both the environment and society. We are proud to share our first ever Sustainability Report. This report provides detailed insights. We have undertaken several initiatives and are proud to present our performance, in preparation to keep improving for the future. By highlighting our efforts and achievements in these areas, we aim to demonstrate our dedication to responsible business practices. We are committed to continually advancing our ESG initiatives, fostering a culture of transparency, and engaging with our stakeholders to drive positive change. Moving forward, we will work diligently to enhance our impact, ensuring that our growth continues to benefit all stakeholders and contributes to a more sustainable and equitable future.

## Reporting Scope

This section has been prepared in alignment with the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), the United Nations Sustainable Development Goals (UNSDGs), and the Business Responsibility & Sustainability Reporting standards (BRSR) set by the Securities and Exchange Board of India (SEBI). It presents our ESG performance and the relevant KPIs associated with it.

## Reporting Boundary

The data provided in this section primarily pertains to all of Varroc's offices and plants in India. It encompasses data and activities from our operations for the fiscal year ending FY 2023-24.

## Forward-looking Statement

Our forward-looking statements, along with other regular communications from our management, reflect projections and expected outcomes based on current strategies and assumptions. The ESG section offers insights into future prospects, helping investors make well-informed decisions.

## Contact Details and Feedback

Share your feedback or queries regarding this report with:

**Anoop Sharma**

**Email id: [Anoop.sharma@varroc.com](mailto:Anoop.sharma@varroc.com)**

# MESSAGES FROM OUR LEADERSHIP



**TARANG JAIN**  
Chief Managing Director

We recognize the critical role we play in creating a greener and more responsible automotive industry, and we will continue to prioritize environmental stewardship, social responsibility, and ethical governance in all that we do. Our dedication to these principles is not only a business imperative but also a moral obligation to future generations and the communities we serve.



**ARJUN JAIN**  
CEO Business I

Our shift towards creating and supplying automotive parts with minimal environmental footprint, stems from our desire to act as an ethical and socially responsible business. With technology at the forefront, we are embedding sustainability into our designs and production processes, to create a positive impact on the environment and the communities in which we operate.



**DHRUV JAIN**  
CEO Business II

Sustainability is at the core of our philosophy, and we rigorously adhere to global standards and regulations, ensuring that our initiatives align with international ESG benchmarks. Our focus on reducing our carbon footprint, enhancing worker well-being, and upholding the highest ethical standards not only benefits the planet and our communities but also strengthens our long-term business resilience and competitiveness.



**VIDYADHAR LIMAYE**  
COO

Over the years our operational strategy has been centred around enhancing efficiency and sustainability with a focus on fostering a culture of environmental stewardship. Energy and water management have been critical issues across our value chain, including engaging our supplier partners to ensure they understand our commitment and join us in doing business sustainably.



**FRITZ ABRAHAM**  
CTO

At Varroc, sustainability and innovation are central to our business strategy, guiding every aspect of our operations. In alignment with our sustainability vision, we are dedicated to developing eco-friendly, high-performance products, accelerating EV adoption, and pioneering biocarbon-based plastics and recyclable materials. As we progress in our sustainability journey, we strive to accelerate technological advancements, foster environmental stewardship and deliver long-term value to our stakeholders.



# AWARDS, ACCOLADES AND APPRECIATIONS

1	ISO/IEC 27001:2022 Certification	2023
2	Varroc TYC Auto Lamps, Chongqing won the Excellent Supplier Award at the 2023 CHANGAN Automobile Global Partner Conference	January 2023
3	Platinum Award for Varroc Engineering Ltd - Lighting Division at the 3rd CII National Technology Competition	April 2023
4	Silver Award for VPL -IV plant at 46th CII Kaizen Award	July 2023
5	Gold Award for VEL - II plant at 46th CII Kaizen Award	July 2023
6	Honoured with "Reliability Award for Quality and Delivery" at the Royal Enfield Supplier Meet 2023	July 2023
7	Recognized by Mahindra & Mahindra as one of the Critical supplier partners in the successful journey of Mahindra Bolero Maxx	August 2023
8	Great Place to Work certified September 2023 -24	September 2023
9	Frost & Sullivan's India Manufacturing Excellence Awards 2023 "Certificate of Merit- Digital Factory for the VELIII Plant"	September 2023
10	Full-Service Development Award by Volve Eicher Commercial Vehicle (VECV)	October 2023
11	ELCINA Award for R&D	October 2023
12	Bajaj Supplier Awards for Quality	December 2023
Platinum Award to VEL -Ex Chakan   Platinum Award to VPL - IV, Chitegaon   Silver Award to VPL- CK, Chakan   Platinum Award to VPL - II, Ranjangaon		
13	ACMA excellence award - Broze Medal for Varroc Polymer R&D for tailgate	February 2024
14	HMSI - Annual Suppliers Convention 23-24   Delivery management Forging & M/Cing Parts	2023-2024
15	MSIL Supplier conference 2023-24   Special Support in Managing Parts Development in short time	
16	India's leading ESG entity by Dun and Bradstreet India as a part of ESG Champions of India FY 2023-24 publication	
17	Won an award in HR best practices competition organized by ACMA	
18	Received BAL-Q "Platinum" Award at the BAVA Pantnagar Cluster Convention	
19	Secured Certificate of Appreciation at the ACMA- Atmanirbhar Excellence Awards ceremony	

# VARROC AT A GLANCE

GRI 2-6, 201-1, 201-2, 201-3, 201-4

Varroc is a leading global Tier-1 auto component manufacturer that provides a wide range of products including electrical-electronic systems, polymers, metals, exterior lighting, and advanced safety systems. We are committed to delivering progressive technologies that enable us to contribute to a safer, smarter, and more sustainable future in automotive engineering.

Varroc stands out as a prominent global auto technology company, known for providing outstanding solutions in various fields. We are driven by a relentless commitment to innovation and excellence, consistently pushing the limits to exceed industry standards. As a trusted leader in the industry, we cater to top-tier Original Equipment Manufacturers (OEMs) worldwide, offering a full spectrum of services from design and development to manufacturing. Whether it's designing efficient electrical systems, developing cutting-edge safety features, creating striking lighting solutions, or offering superior aftermarket components, our dedication to delivering exceptional products and services remains unwavering.

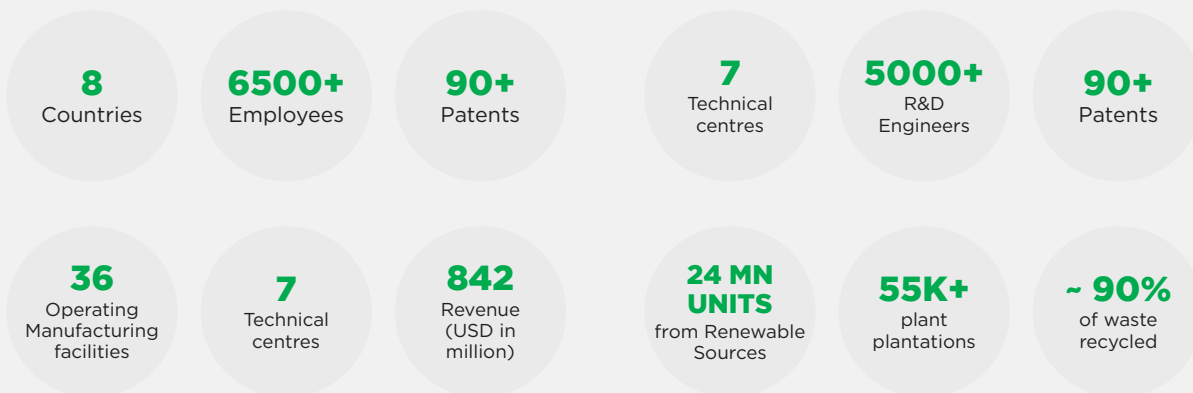
## VISION

**Create safe, smart, and sustainable future mobility solutions for everyone.**

## MISSION

- Be the trendsetter in delivering the highest value for money mobility solutions
- Extend India's market leader position in 2W mobility, lighting, and driver assistance to the world
- Double profitable growth by 2030, achieved through business excellence
- Be the Partner of Choice for our valued customers through superior customer experience
- Empower and enable all teams to commit to speed, excellence, and our values to achieve exceptional success
- Continue to be a trusted Indian family-owned enterprise focused on societal and environmental sustainability.

## Quick Look at Our Numbers



Note - Does not include revenue from Joint Venture

Note - EBITDA = Revenue+Govt. Incentives+Premium buy-Raw material Cost-Employee Expenses-Other Expenses

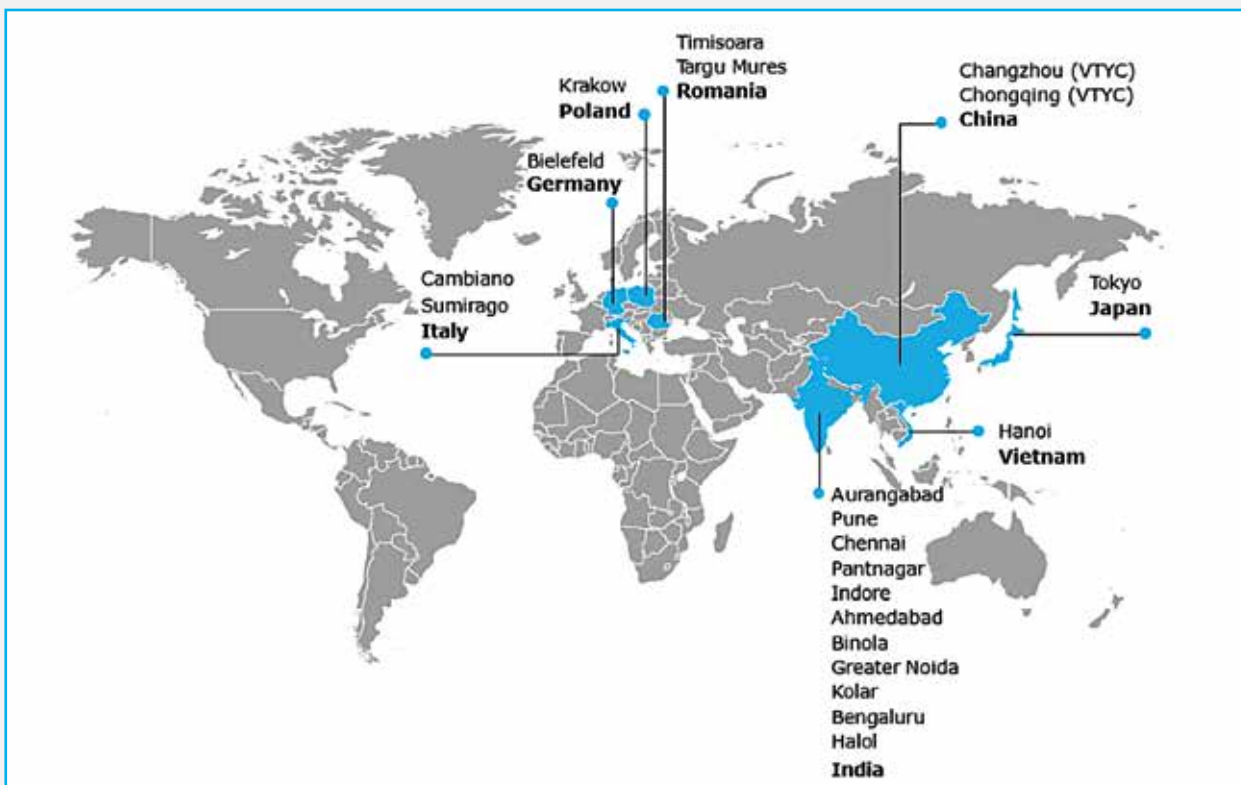


Our commitment to sustainability is at the core of our vision for a new era of mobility. We employ a technology-led and data-centric strategy to drive change towards a smarter, more connected world. Our research and development team focuses on technologies that reduce energy consumption and minimise carbon footprints. We create innovative products that enhance the performance, agility, and efficiency of vehicles, supporting the automotive industry's shift towards sustainable mobility solutions. Our strong relationships with top OEMs globally have deepened our understanding of our clients' end-user requirements. We strategically invest in research and development, utilising leading-edge technologies to ensure the delivery of high-quality, precise products.

By partnering with other industry players, clients, and stakeholders, we aim to foster long-term success and make a meaningful difference in the world. We envision a future marked by collaboration and mutual growth, with Varroc leading this tech-drive transformation with an emphasis on enhancing sustainability practices within our business and the broader environment. Our goal extends beyond merely expanding as a company; we are dedicated to advancing sustainable practices, contributing to a cleaner, greener, and more interconnected global community.

### Geographical Presence

Our wide geographical reach has solidified our standing as a global force in the automotive industry. This presence allows us to address the demands and preferences of customers across various markets. Given that significant operations globally, we ensure that we meet the specific needs of each region effectively.





## Economic Performance

Direct Economic Value Generated Rs. (In million)	FY 2023-24	FY 2022-23
Revenue (through core business segments)	75,519.37	68,912.13
Other Income (through other sources)	421.27	297.34
<b>Total</b>	<b>75,940.64</b>	<b>69,209.47</b>
<b>Economic Value Distributed</b>		
Operating cost	63,205.33	59,358.23
Personnel expenses (wages + benefits)	8,092.21	7,172.97
<b>Interest Charges</b>		
Taxes and royalties (given to various govt. wherever business units are located) - Taxes expenses	-2,381.35	440.71
Taxes and royalties (given to various govt. wherever business units are located) - Dividend tax paid		
<b>Dividends (payments to capital providers)</b>		
<b>Donations (political parties/politicians)</b>		
Community development/CSR investments	75.8	
<b>Total</b>	<b>68,916.19</b>	<b>66,971.91</b>
<b>Economic value added</b>	<b>7,024.45</b>	<b>2,237.56</b>

Source: Consolidated statement of profit and loss, Annual Report 2024-Varroc



# OUR SUSTAINABILITY APPROACH AND MATERIALITY ASSESSMENT

GRI 2-29, 3-1, 3-2, 3-3

Varroc is dedicated to fostering open and inclusive dialogue with stakeholders across all phases of our business operations. Built on trust and mutual respect, our relationships with stakeholders enhance value for shareholders, customers, employees, and the communities we serve. Our commitment to strong corporate governance not only meets industry standards but strives to exceed them, positioning us as leaders in the global corporate arena.

At Varroc, sustainability is at the heart of our vision. We aim to collaboratively create value for stakeholders by pioneering eco-friendly automotive solutions. As the industry transitions toward electrification, we see immense opportunities to drive innovation and significant change in line with our mission to 'Create safe, smart, and sustainable future mobility solutions for everyone.' Our growth strategy is deeply integrated with sustainability, addressing both local and global challenges. We prioritize environmental responsibility, product end-users, employees, supply chain, and communities, grounded in globally recognized principles of sustainable development.

## Process to Conduct Materiality Assessment

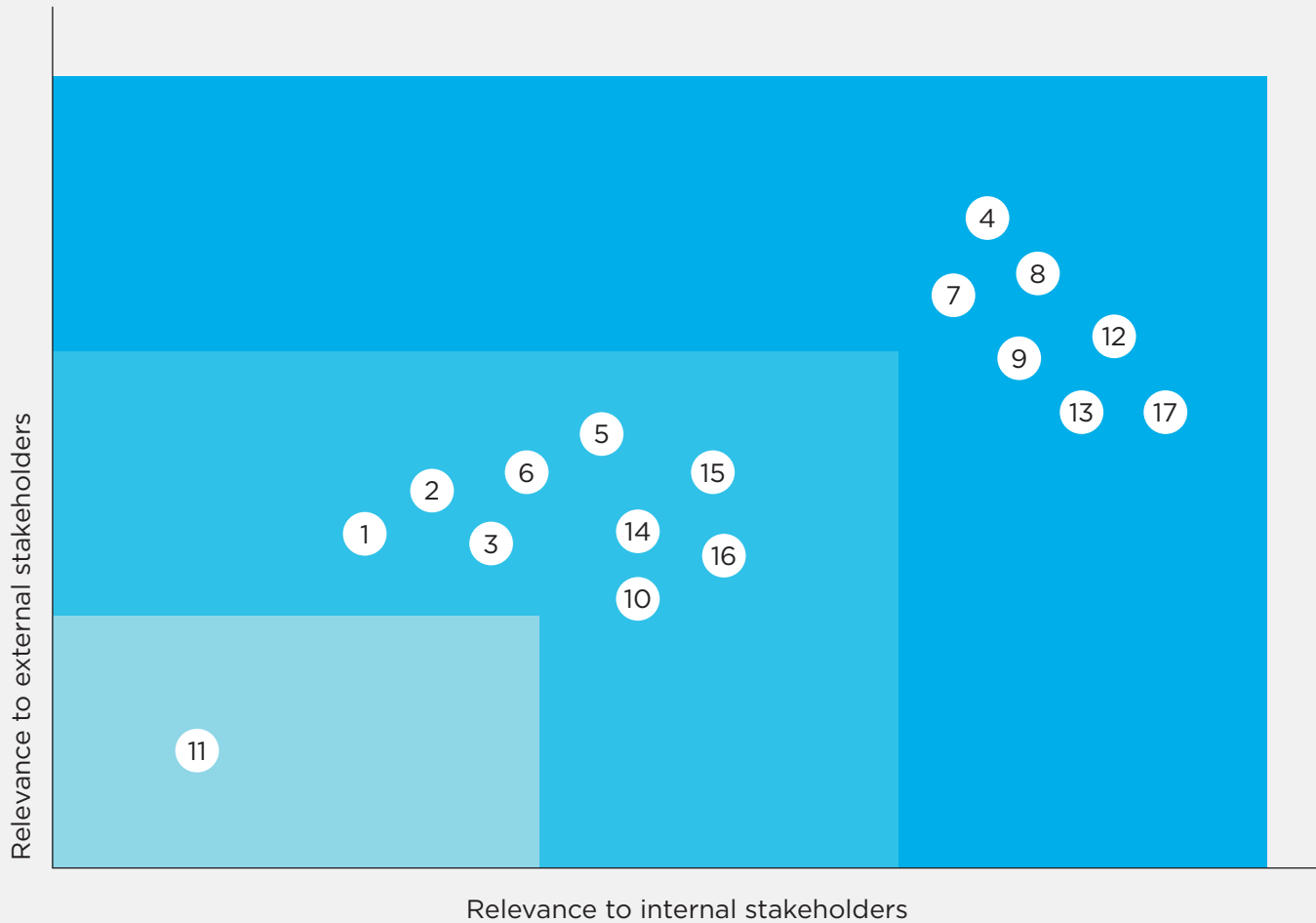
Identified 23 participants from 15 internal stakeholder groups.

Stakeholders responded to questions on the business impact of each material issue and other unidentified stakeholder expectations.



Referenced industry specific issues, global sustainability standards for auto components industry (**SASB, MSCI**) and internal risk assessment to identify **17 material topics**.

Analysed insights from stakeholders and prioritised material topics into **high - medium - low impact categories**.



### Identified Material Issues:

**Medium to low priority**  
*“Learn & Prepare”*

- 11 Employee Volunteering and CSR

**High to medium priority**  
*“Manage & Monitor”*

- 1 Energy and Greenhouse Gas (GHG) Emissions
- 2 Waste Management
- 3 Sustainable Products
- 5 Climate Change Regulations, EV
- 6 Training and Development
- 10 Labour Management and Human Rights
- 14 Data Protection & IPR
- 15 New Technology and Adoption
- 16 Competitive Edge

**Critical**  
*“Act Now”*

- 4 Sustainable Supply Chain
- 7 Diversity, Equity and Inclusion
- 8 Employee Health and Safety
- 9 Employee Attrition
- 12 Ethics and Transparency
- 13 Regulatory Compliance
- 17 Financial Risk

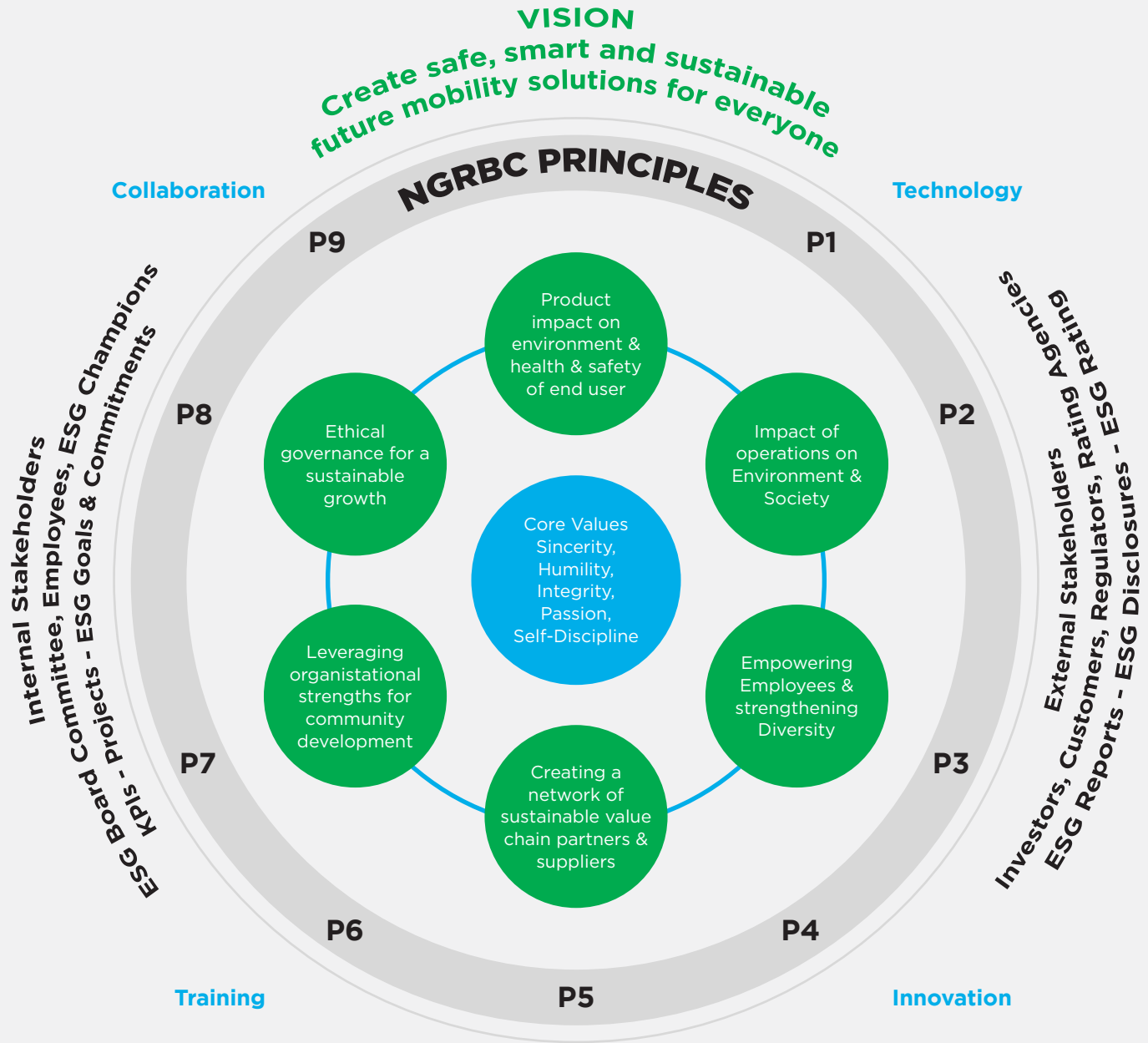


## ESG STRATEGY FRAMEWORK

Varroc's ESG strategy is built on five core values: Sincerity, Humility, Integrity, Passion, and Self-discipline (SHIPS). The strategy is organised into six ESG pillars and is guided by nine principles, in line with the National Guidelines for Responsible Business Conduct (NGRBC).

We adhere to four global standards and frameworks to benchmark and report our ESG performance: the Securities and Exchange Board of India (SEBI), Global Reporting Initiative (GRI), United Nations Sustainable Development Goals (UNSDGs), and the Sustainability Accounting Standards Board (SASB). By integrating these frameworks, we ensure transparency, accountability, and continuous improvement in our sustainability journey. For it, we leverage four enabling factors: technology, innovation, trainings, and collaborations.







### Sustainable Product

- Product impact on the environment
- User safety through life cycle and end-of-life assessments.



### Sustainable Operations

- Environmental impact
- GHG emissions
- Waste recycling
- Solar energy usage
- Zero Liquid Discharge (ZLD)



### Diversity, Equity and Inclusion

- Enhancing employee capabilities
- Promoting diversity and inclusion
- Ensuring health and safety
- Complying with human rights



### Sustainable Supply Chain

- Building a sustainable value chain with responsible sourcing practices



### Community Development

- Utilising organisational strengths for community development and CSR projects.



### Sustainable Growth and Governance

- Ethical governance practices



# CORPORATE GOVERNANCE

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-16, 2-17, 2-18,  
2-19, 2-20, 2-27, 2-28, 205-1, 205-2, 205-3, 415-1



## Identified Material Issues:

Varroc has established a robust multi-level governance structure to oversee and manager our ESG initiatives. Overseen by the Board of Directors, the ESG Steering Committee is made of our Key Management Personnel. This is supported by three ESG Operational Councils focused on Environment, Social, and Governance aspects, respectively. The ESG Deployment Cell ensures operational excellence in executing ESG policies across corporate functions, business units, manufacturing plants, community development partners, and supply chain partners. With senior leadership making up the core membership of all these layers, our sustainability goals and commitments start from the very top.



## BOARD OF DIRECTORS

### ESG STEERING COMMITTEE OF THE BOARD

**ESG Operational Council - Environment**

**ESG Operational Council - Social**

**ESG Operational Council - Governance**



**TARANG JAIN**  
Chariman & MD

Tarang Jain is Varroc's Chairman and Managing Director with over 34 years of experience in the automotive industry and a passion for cricket that he shares with the community.



**GAUTAM KHANDELWAL**  
Independent Director

Gautam Khandelwal is an independent Director and has been on our Board since 2011. He has been associated with Nagpur Power and Industries Limited since 1996.



**MARC SZULEWICZ**  
Independent Director

Marc Szulewicz is an Independent Director who has previously served as an Executive Vice President in charge of plastic activities at CarnaudMetalbox. He has been on our board since July 2017.



**VIJAYA SAMPATH**  
Independent Director

Vijaya Sampath, a fellow member of the Institute of Company Secretaries of India, has been with Bharti Airtel Limited as a Group General Counsel and Company Secretary. She has been on our board since July 2017.



**VINISH KATHURIA**  
Independent Director

Vinish Kathuria has been a board member since February 2018. He previously served on the boards of Phonon Solutions Private Limited and Rank Software Inc.



**ARJUN JAIN**  
Director & CEO - Business Division I

Arjun Jain is the whole time Director and Business Head of India and has been with us since October 2013. He was previously associated with Bain & Company India Private Limited.



**DHRUV JAIN**  
Director & CEO - Business Division II

Dhruv Jain is the Director of Varroc Lighting Systems Electronics S.r.l.



**TARUN TYAGI**  
Whole-Time Director

Tarun Tyagi is the Business Head of our Metallic Business. He has been with Varroc since 2009 and has previously been associated with Volvo Eicher Gear Business Unit.



## Nomination Remuneration Committee

Varroc’s Nomination and Remuneration Committee is dedicated to maintaining high standards of corporate governance by overseeing the selection and compensation of the company’s directors and senior management. This committee ensures that the nomination process for board members is transparent and merit-based, focusing on diverse and qualified candidates. Additionally, it develops and monitors remuneration policies to attract, retain, and motivate key talent, aligning their compensation with the company’s performance and long-term objectives.

## Compliances

Varroc ensures that it complies with all relevant laws and regulations, adhering strictly to established guidelines and standards. Our commitment to legal compliance is integral to our operations, ensuring transparency, ethical conduct, and alignment with regulatory requirements to foster trust and accountability among stakeholders. We have not received any monetary/non-monetary penalties from any regulators or law enforcement agency, thus showcasing our adherence to the compliances.

## Memberships of Associations:

As part of our commitment to business excellence, we are affiliated with six industry chambers and associations to ensure our operations align with the latest technological advancements.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	Automobile Component Manufacturers Association (ACMA)	National
2	Society of Indian Automobile Manufacturers (SIAM)	National
3	Bajaj Auto Vendor Association (BAVA)	State
4	Confederation of Indian Industries (CII)	National
5	Marathwada Association of Small-Scale Industries & Agriculture (MASSIA)	State
6	Chamber of Marathwada Industries Association (CMIA)	State



## Policy Framework

Policies play a crucial role as frameworks in guiding our ESG efforts by establishing clear standards and expectations across the decision-making and implementation process of our sustainable practices throughout our operations, including with our value chain partners. The policies are approved by the Board before publication which helps align our activities with our sustainability goals, promotes accountability, and enhances transparency.

### Environment

ESG Policy covering goals, framework, stakeholders, and governance

### Social

Diversity, Equity & Inclusion Policy

CSR Policy

### Governance

Environmental Occupational Health and Safety Policy

Code of Conduct for Directors & Senior Management

Human Rights Policy

Anti-bribery & Anti-Corruption Policy

Code of Conduct for Insider Trading

Material Subsidiary Policy

Policy on Preservation of Information and Archival or Documents Varroc Group

Policy for Board Diversity Appointment, Remuneration-Training and Evaluation of Directors and Employees-VEL & VPL

Enterprise Risk Management

Whistle Blower Policy

Policy on Related Party Transactions

Policy on Prevention of Sexual Harassment

Dividend Distribution Policy

Code of Conduct for Insider Training

Code of Fair Disclosure of Unpublished Price Sensitive Information

Code of Ethics

Data Protection & Privacy Policy

Sustainable Supply Chain & Procurement Policy

Grievances Redressal Policy

Supplier Code of Conduct

Conflict Minerals Policy

We have disclosed our policies on our website for easy access: [Policy link](#)

## Whistle Blower Policy

Our Whistle Blower Policy aims to guarantee that everyone connected with Varroc—be it employees, directors, or third-party stakeholders like vendors, suppliers, contractors, dealers, and other external entities—has a secure channel to report any unethical behaviour, suspected fraud, or breaches of our company's code of conduct and ethics policy. The complete policy can be found in this link: [Whistle Blower Policy](#)

## Anti-Corruption Policy

We uphold a zero-tolerance policy towards bribery and corruption, ensuring strict compliance with global regulations. Stakeholders, including all employees, contractors, and affiliates, must adhere to the Anti-Bribery and Anti-Corruption (ABAC) Policy or the strictest applicable laws. This policy, aligned with our Code of Conduct, outlines responsibilities and offers guidance on preventing corruption in all dealings. We conduct regular risk assessments for corruption which is how we have maintained zero cases of corruption. Additionally, we provide regular training on anti-corruption measures, reinforcing our commitment to integrity and professionalism in all business operations. We do not support or affiliate with any political party, and no stakeholder may make political contributions on behalf of Varroc without Board approval or use their Varroc affiliation for political activities. [Anti-Corruption Policy](#)

## Code of Practices and Procedures

Our Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information reflects our commitment to integrity. This code offers a clear framework of procedures and practical guidelines to guide our actions and decisions. Our primary objective is to ensure consistent, transparent, and timely public disclosure of information. Adhering to these principles builds trust with our stakeholders and ensures a level playing field for all investors. [Code of Practices and Procedures.](#)

## Grievance Redressal Mechanism

We have established a Whistle-Blower Policy and a Grievance Redressal Policy, allowing every individual to voice concerns or grievances through a structured process. Our Internal Committee (IC) meets conducted quarterly, maintains a detailed register of all meetings and incidents. We follow a rigorous procedure to investigate grievances received. Additionally, we hold “Monthly Vartalap” sessions for our line workers to raise concerns directly with plant heads. We have developed policies for each stakeholder groups to have a defined process in place. Communities can raise their concerns through the Corporate Social Responsibility Committee, investors can raise their queries through the Compliance Officer, we have stakeholder relationship committees for all shareholders, employees, customers, value chain partners to raise grievances either through points of contact, or through our whistleblower policy. Our commitment is to continually enhance our grievance redressal mechanism, ensuring all stakeholders feel included in the company's progress.



## Risk Management

We have identified 8 key risks related to our business operations. The Company has implemented an Enterprise Risk Management (ERM) policy to manage these risks. The internal system monitors relevant risk indicators and ensures the necessary action is taken to address these risks. The ERM is designed to meet both internal and external stakeholders' expectations: protecting and generating value to drive profitability and growth for internal stakeholders and ensuring regulatory compliance and business continuity for external stakeholders. Each business unit, plant, and division must implement a robust risk management program, focusing on proactively addressing known risks through a well-defined framework rather than eliminating risks altogether. The ERM outlines the objectives, principles, and framework for risk management, detailing processes, procedures and roles. The company's vision is to strategically optimise risk-taking to achieve sustainable long-term growth in earnings and shareholder value. Detailed information on the identified risks and its mitigation processes can be found page 36 & 37 of our 2023-24 annual report.



# ENVIRONMENT





In our ongoing pursuit of a sustainable future, environmental responsibility remains a core pillar of Varroc's approach. We recognise the impact of the automotive component industry on the planet and are dedicated to minimising our environmental footprint throughout our business operations. In September 2008, Varroc introduced a comprehensive Environment, Health, and Safety (EHS) strategy plan, which focuses on EHS efficiency at our plants. We have launched several initiatives over the years, including Zero Liquid Discharge (ZLD), waste re-utilisation (in line with circular economy principles), and energy efficiency projects at our sites.

Our company is proudly ISO 14001:2018 certified, the international standard for environmental management systems. This certification demonstrates our commitment to protecting the environment by adhering to stringent environmental standards and our dedication to streamlining our systems, reducing our environmental impact, and promoting sustainable practices across all operations.

Committed to shaping a smarter, more connected world, we leverage cutting-edge technology and data-driven insights to engineer change and pioneer a new era of sustainable mobility for everyone. Our R&D team spearheads solutions focused on minimising carbon footprint and energy consumption. Some of our innovations have included biocarbon-based plastics made from rice and coffee, and an emphasis on designing lighter automotive components that work holistically to reduce the weight (and therefore increase the energy efficiency) of a vehicle. Like the sustainability transition itself, our work towards a sustainable future is always ongoing, and we are excited to share our future innovations. This section dives deeper into our environmental initiatives.

## ENERGY MANAGEMENT AND EFFICIENCY

GRI 302-1, 302-3, 302-4, 302-5

### Material Issues Addressed



*Energy & GHG Emissions*



*Climate Change Regulations*

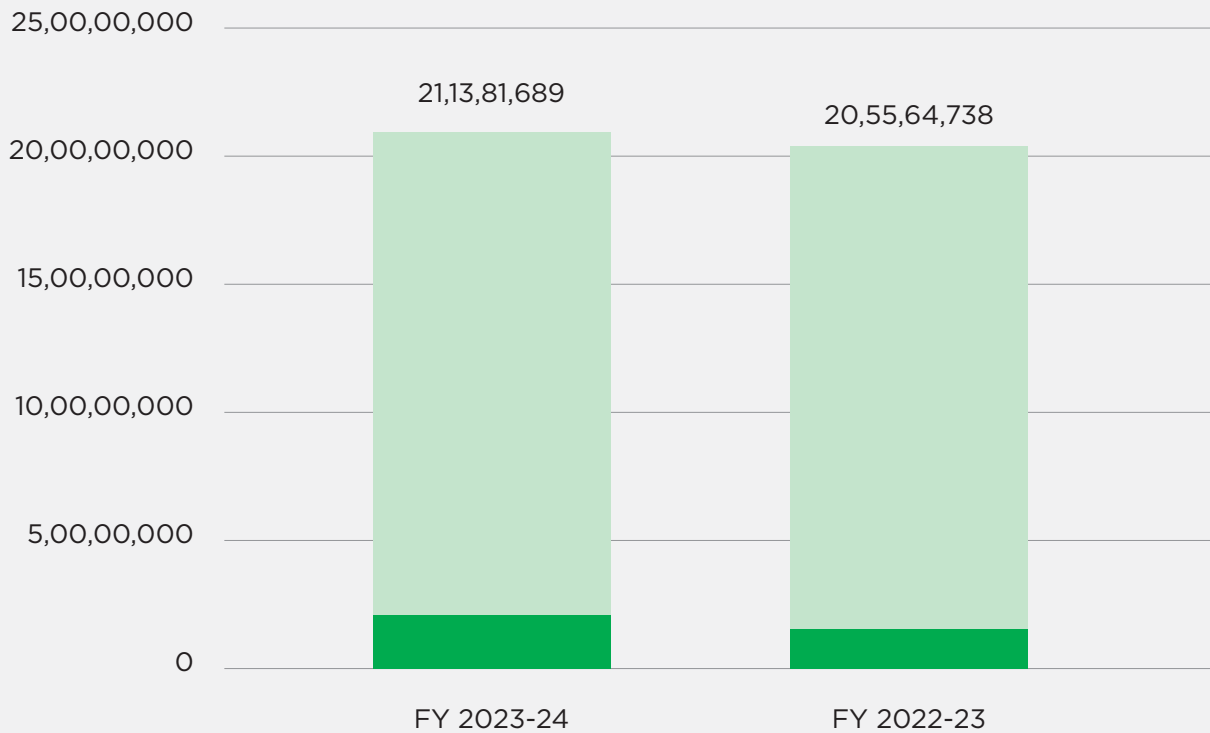


Over the years, Varroc has undertaken significant measures to enhance energy efficiency, which resulted in a reduction in our energy consumption and emissions. Through a combination of monitoring processes and proactive energy management, our total energy consumption in FY 2023-24 was 211,381,689 kWh. We have retrofitted our facilities with LED lighting and improved insulation to reduce heating and cooling demands. We are also undertaking energy-saving initiatives by using custom-built heater insulation jackets, which reduce energy consumption by up to 40% and enhance worker efficiency and comfort by maintaining normal atmospheric temperatures around machines. These jackets, suitable for continuous use up to 600°C, also offer an improved machine start-up time, therefore further reducing energy consumption. These efforts have not only cut down our operational costs but also substantially lowered our carbon footprint.



**8.2%**  
decrease in total  
energy intensity  
per revenue

Parameter	UoM	FY 2023-24	FY 2022-23
Total energy consumption from Renewable Energy Sources	kWh	21,699,947.00	21,082,786.00
Total energy consumption from Non-Renewable Energy Sources	kWh	189,681,742.12	184,481,952.13
Total Energy consumption	kWh	211,381,689.12	205,564,738.13
Energy Intensity	kWh/INR lacs	294.41	320.69



## Energy Efficiency Measures

### Compressed Air

- Compressed air utilisation: Leakages arrest, Electro-pneumatic dampers, Pulse nozzles
- Compressor efficiency and pressure setting

### Lightings

- Energy efficient lightings (LED)
- Lighting automations: motion sensors, timer controls

### Demand Management

- Maximum demand and contract demand

### Operational Effectiveness

- Operating efficiency improvement
- Reduction in running hours
- Zone mapping

### Fans & Motors

- BLDC energy efficient fans
- Energy efficient motors: pumps, blowers
- IMM – Induction motor conversion to servo
- Machine Idle run controls

### LPG Gas

- Replacement of hot water generator with gas burner
- Installation of magnets on gas line for improved combustion efficiency

Looking ahead, while we continue to work on energy efficiency, we are also going to be managing the source of our energy, starting by relying more on renewable energy sources through the use of solar panel installations on our sites, and entering into power purchase agreements with green energy providers. We also aim to integrate smart grid technologies to better monitor and manage our energy use in real time.

**CASE STUDY: DG DUEL FUEL SYSTEM**

**Objective** To install PNG dual fuel systems in diesel generator (DG) sets that are currently running on LPG.

- Benefits**
1. Safety: Eliminates risks associated with storage and handling.
  2. Regulatory compliance: No additional legal requirements.
  3. Efficiency: No need for extra manpower for operation or maintenance.
  4. Reliability: Ensures a 24/7 uninterrupted fuel supply.
  5. Environmental impact: Utilises eco-friendly fuel, reducing the environmental footprint.
  6. Cost savings: Provides additional savings within 1-2 years, especially when used in DG sets.
  7. Logistics: No transportation required, simplifying logistics and reducing costs.

**Outcome** The implementation resulted in a 32% reduction in CO<sub>2</sub>e emissions

**Renewable Energy**

Material Issues Addressed



*Energy & GHG Emissions*



*Climate Change Regulations*

As we mentioned in the previous section, Varroc is steadily shifting towards renewable energy from solar and wind sources.

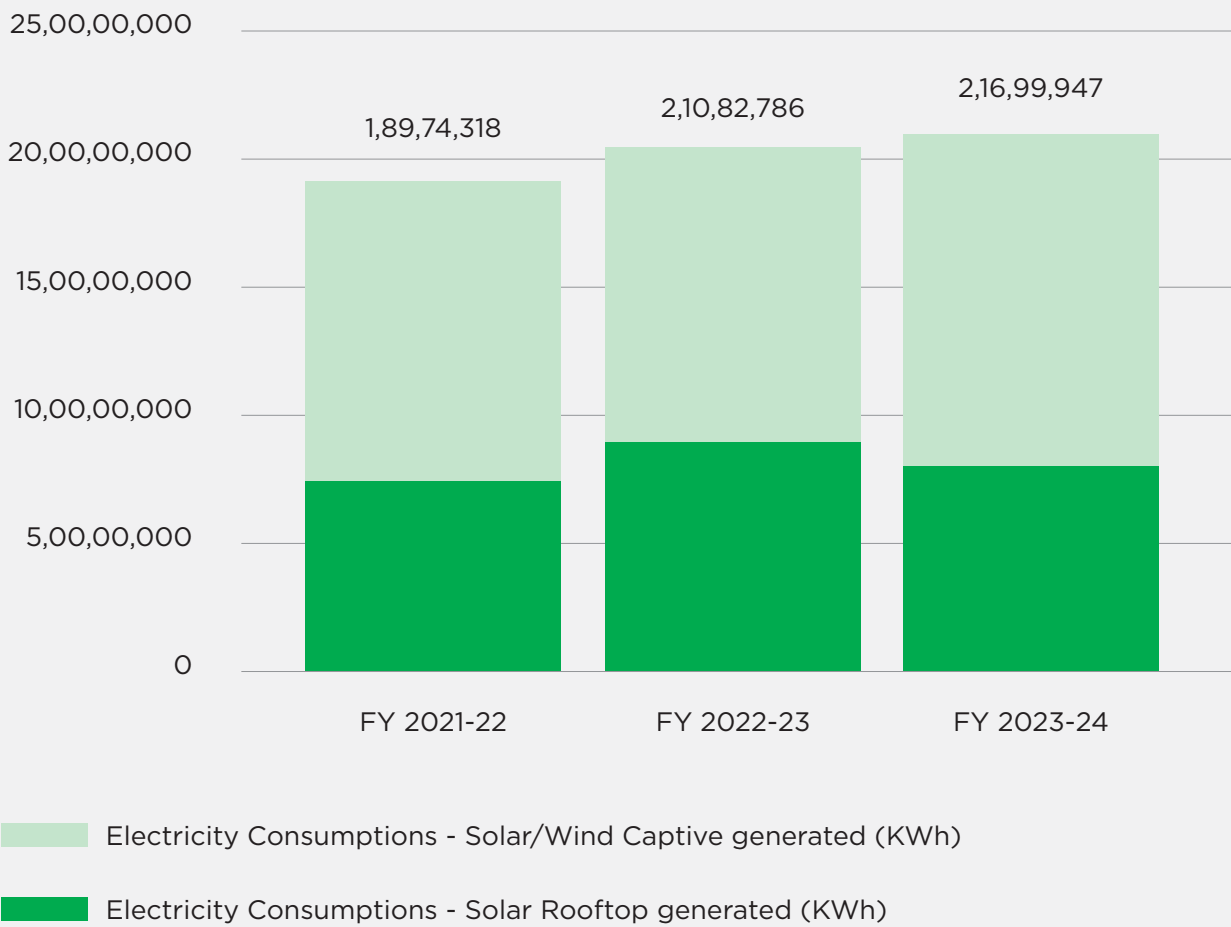
In FY 2021-22, Varroc’s electricity consumption from solar rooftop generation was 7,510,574 kWh and wind captive generation was 11,463,744 kWh. By FY 2022-23, these figures saw a notable rise, with solar rooftop generation increasing to 9,276,336 kWh, and wind captive generation reaching 12,021,076 kWh.

This upward trend continued as Varroc’s renewable captive energy generation expanded to 21,699,947 kWh in FY 2023-24, showcasing the company’s effective strategy in leveraging renewable power. Notably, over 50% of our plants already have rooftop solar panel installations and partnerships with wind generation companies ensured that 13% of our energy came from renewable sources in FY 2023-24.





### Renewable Energy Generation



## Emissions Management

GRI 305-1, 305-2, 305-4

Material Issues Addressed



*Energy & GHG Emissions*



*Climate Change Regulations*

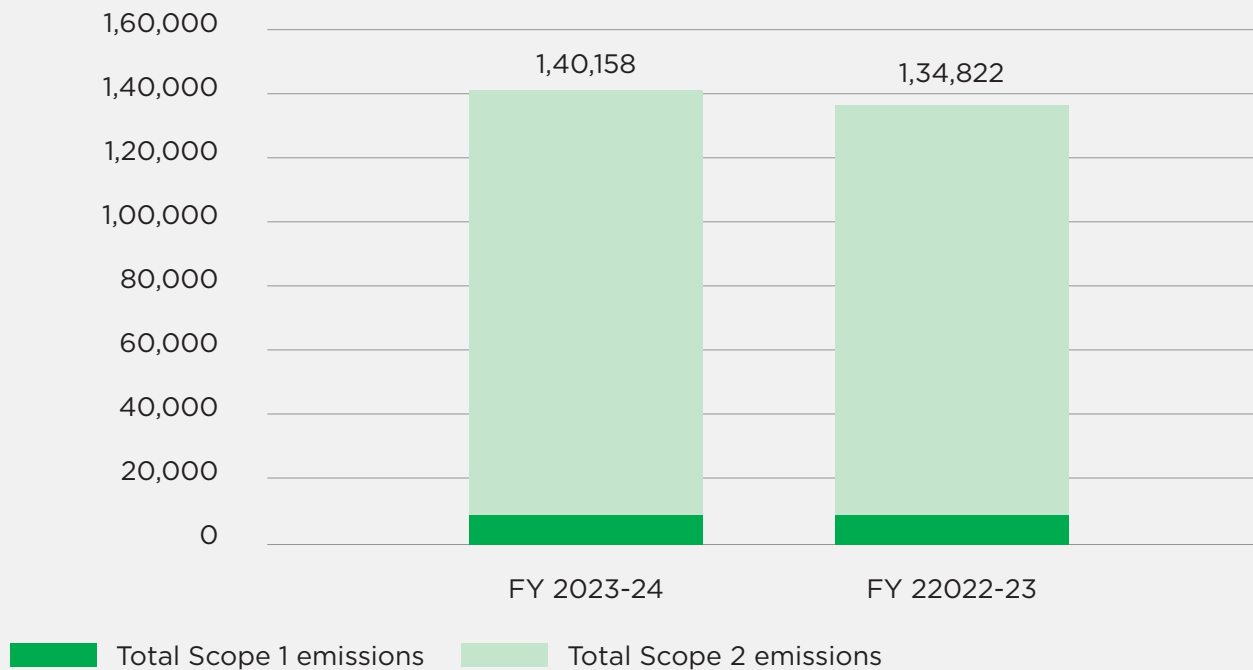
A vital part of understanding and addressing climate change includes monitoring and reducing our greenhouse gas emissions. We employ the GHG Protocol standards to estimate our Scope 1 and Scope 2 emissions, as is showcased in the table below. In FY 2023-24, we reduced our Scope 1 emissions by 6.65%, demonstrating our ongoing efforts to boost efficiency and integrate cleaner technologies. We are committed to continuing this downward trend in FY 2024-25. Our approach focuses on minimising emissions at the source, showcasing our holistic strategy in tackling carbon emissions. That said, while monitoring and mitigating our Scopes 1 and 2 emissions are crucial, Scope 3 emissions are the largest contributor to our overall emissions. At Varroc, we recognise this fact, and are in the process of calculating, monitoring and mitigating our Scope 3. We will be reporting about this in coming years, as part of our ongoing plan to align with our sustainability goals.





Parameter	UoM	FY 2023-24	FY 2022-23
Total Scope 1 emissions	tCO <sub>2</sub> e	7,214	7,727
Total Scope 2 emissions	tCO <sub>2</sub> e	132,944	127,095
Total GHG Emissions	tCO <sub>2</sub> e	140,158	134,822
Emission Intensity	tCO <sub>2</sub> e/ INR Lakhs	0.20	0.21

### GHG Emissions (tCO<sub>2</sub>e)



Our team has led impactful projects in energy conservation to reduce GHG emissions. We addressed compressed-air leaks, optimised efficiency, and minimised wastage. Energy savings were achieved by transitioning from chiller operations to Plate Heat Exchangers (PHE) and cooling towers. Adopting LED technology improved lighting efficiency and reduced consumption. We also optimised compressed-air pressure. We conduct regular energy audits and have implemented an Environmental Management System (EMS) across four plants.

Moving forward, we plan to expand renewable energy usage and enhance energy efficiency across our operations. Finally, our Kham River Eco Restoration Project, with over 22,000 saplings planted, over 30,000 sqm cleaned of land cleaned in the past decade, showcases our commitment to environmental restoration and sustainability.

## Water and Effluents Management

GRI 303-1, 303-2, 303-3, 303-4, 303-5

Material Issues Addressed



*Climate Change Regulations*

While our products are not as water intensive as other industries, we still require water for our manufacturing processes. Our water consumption in FY 2023-24 was 4,42,718 kl, and our water discharge was 52,965 kl. We are working on reducing our freshwater withdrawal through a combination of strategies, including maximising effluent recycling and reuse at all our manufacturing plants, minimising leakage and wastage, and implementing water-saving technologies.

In FY 2023-24 we successfully implemented a Zero Liquid Discharge (ZLD) system at one of our plants. ZLD successfully ensures that no wastewater is discharged into the environment. This initiative has successfully ensured that no wastewater is discharged into the environment. Encouraged by this, we are actively seeking opportunities to expand ZLD implementation across our other plants and aim to enhance our environmental sustainability efforts and promote responsible water use throughout our operations.

We are also looking into small and medium-scale efficiency methods beyond ZLD including utilising RO reject water for topping up the paint shop sludge pit and installing push taps with nozzles in canteen wash basins . These measures are projected to save approximately 1,600 kiloliters (KL) of water annually.





Finally, one of our notable water conservation initiatives is the Kham River Restoration Project. Further details around what the Kham River Restoration Project is and how it has impacted the community can be found in the CSR section of this report, but specifically for this section, this initiative has been geared towards the reduction of waste in the river, cleaning and beautifying the river itself through sapling plantations and stone-pitching the banks, and working on replenishing groundwater for the community. We also undertook the Kham Freshwater Pond Treatment, covering four large ponds, which further underscores our commitment to water conservation and ecological balance. Our active involvement in the Kham River restoration and pond treatment projects was acknowledged by the NIUA at the DHARA summit. Consequently, Aurangabad became the third city in the nation to establish its own Urban River Management Plan (URMP).

These measures have helped us lower our environmental impact and mitigated the risks associated with water scarcity. Recognising the significance of water to both our operations and the communities we serve, we will continue to take significant steps to enhance our water management practices.

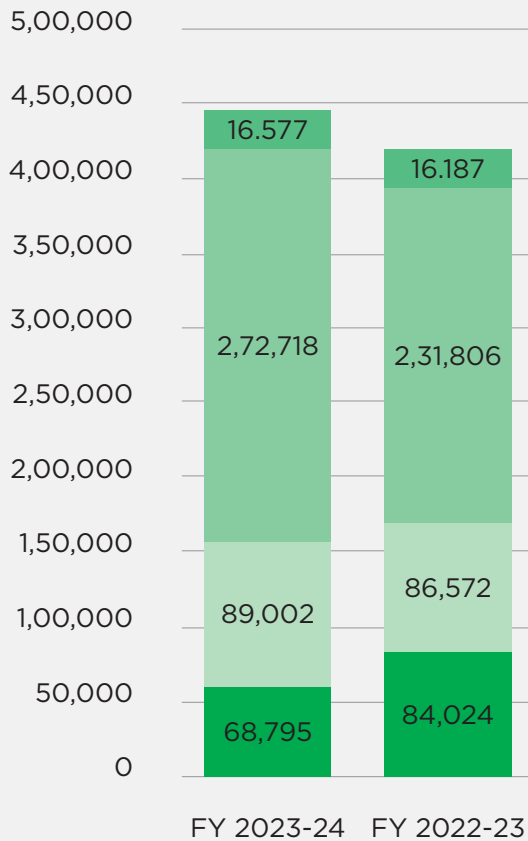
## Water withdrawal and water consumption

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source		
Surface water	68,759	84,024
Groundwater	89,002	86,572
Third party water	2,72,718	2,31,806
Others	16.577	16.187
Total volume of water withdrawal (i + ii + iii + iv)	4,30,495.577	4,02,418.187
Total volume of water consumption*		

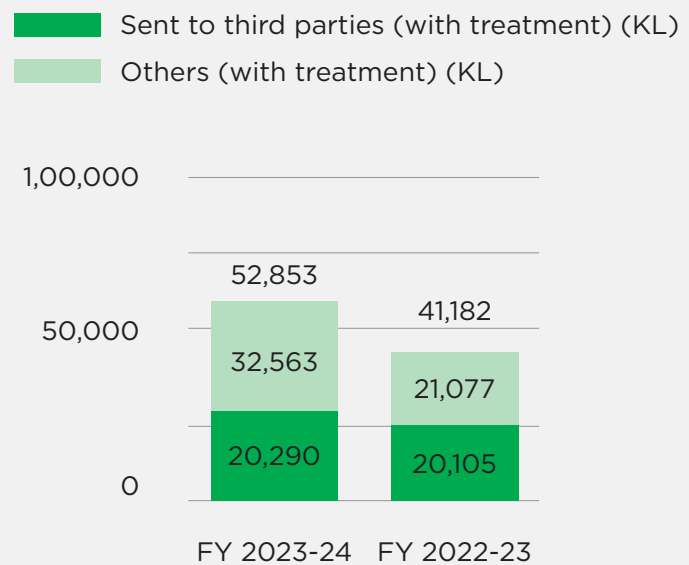
\* Water consumption includes water recycled



### Water withdrawal (by source)



### Water withdrawal by destination



■ Others   
 ■ Third party water   
 ■ Groundwater   
 ■ Surface water

### Water discharge by destination

Parameter	UoM	FY 2023-24	FY 2022-23
Sent to third parties (with treatment)	KL	20,105	20,290
Others (with treatment)	KL	21,077	32,563
<b>Total water discharged</b>	<b>KL</b>	<b>41,182</b>	<b>52,853</b>

We fully comply with CPCB regulations concerning water management practices and regulations for Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP). We have implemented STPs, ETPs and Coolant Treatment Plants (CTPs) at all our facilities to recycle wastewater. The treated water is utilised for gardening activities. Some of the treated water is also directed to the Common Effluent Treatment Plant (CETP) operated by MIDC.



## Case Study: Rainwater Harvesting

Actions Taken:

### Calculating Rainwater Harvesting Potential:

Assessed the potential based on all roof surfaces and open spaces, using the area's annual average.

### Designing the System:

Developed a system to collect and direct rooftop rainwater to a central point via a network of PVC & concrete pipes, set at a minimum gradient of 2%.

### Installing Infrastructure:

Installed manholes at intervals up to 25 metres in roads & parking areas, and at every change of direction or level, connecting a maximum of 3 pipes per manhole for easy inspection.

### Implementing Collection Levels:

Set up primary (roof gutters), secondary (downpipes), & tertiary (connecting pipes) catchment systems. Equipped all buildings with these systems to ensure efficient rainwater capture.

### Establishing a Recharge Pit & Filtration Unit:

Directed collected rainwater to a recharge pit through 200mm underground pipes. The pit allowed rainwater to replenish underground aquifers. A filtration unit with boulders, gravel, and sand layers trapped silt and particles.

Impact Created:



#### Improved Water Management:

Captured & utilised rainwater effectively, reducing reliance on external sources.



#### Efficient Capture & Filtration:

Ensured clean, filtered water entered the recharge pit, maintaining underground water quality.



#### Sustainable Supply:

Replenished underground aquifers, ensuring a sustainable water supply.



#### Environmental & Economic Benefits:

Conserved water and reduced costs, minimising environmental impact & strain on local resources.

This initiative highlights our commitment to sustainability and the positive impact on water management. Looking ahead, we plan to continue our efforts in recycling and reusing water and enhancing water efficiency across our operations. By integrating advanced water management technologies and engaging in community-based water conservation projects, we aim to contribute to water security and ensure that we maintain sustainable operations.

### Waste Management and Circularity

GRI 301-3, 306-1, 306-2, 306-3, 306-4, 306-5

Material Issues Addressed



*Energy & GHG Emissions*



*Climate Change Regulations*



Particularly considering the increasing global scarcity of resources, effective waste management and mitigating the impact of waste is a key parameter of our ESG efforts. Guided by our environmental goals and targets, we prioritise recycling and waste reduction across all our operations, by working to transform waste into valuable resources and, minimise waste generation, and promote sustainability within our industry

We recognise that hazardous waste storage and disposal pose significant environmental risks. In FY 2023-24, we generated 4,397 MT of hazardous waste and 12,185 MT of non-hazardous waste, collectively of which 15,270 MT was diverted from landfills through various initiatives aimed at improving waste segregation methods and enhancing recycling processes. From FY 2022-23 to FY 2023-24, we have seen a 26% increase in waste recycling, reflecting our ongoing commitment to reducing our environmental footprint.



## Waste generated

Parameter	UoM	FY 2023-24	FY 2022-23
Plastic Waste	MT	2040	1242
E-waste	MT	8	5
Bio-medical waste	MT	0.04	0.01
Construction and demolition waste	MT	0.00	3.02
Battery waste	MT	22	2
Other Hazardous waste	MT	2326	1355
Other Non-hazardous waste generated	MT	12,185	10,063
Total	MT	16,582	12,670

## Waste diverted from disposal and Waste disposed

Parameter	UoM	FY 2023-24	FY 2022-23
Waste diverted from disposal			
Recycled	MT	14,460	11,483
Re-used	MT	565	389
Other recovery operations	MT	245	239
Total	MT	15,270	12,112
Waste disposed			
Incineration	MT	345	208
Landfilling	MT	150	150
Other disposal operations	MT	339	336
Total	MT	834	694

Our waste management strategy includes viewing hazardous waste as a resource that can be repurposed to create innovative and useful products. By diverting hazardous waste from landfills, we reduce our environmental impact and promote a circular economy.

The company has implemented waste management practices that adhere strictly to regulatory standards. We clearly distinguish between hazardous and non-hazardous waste, ensuring each category is collected separately in designated bins at every shop and cell. These bins are transported to a storage area, where waste is meticulously segregated and stored in assigned locations. Hazardous waste stored in the designated area is disposed of through authorized vendors within 90 days, in compliance with regulatory norms. Our partners are periodically audited to track the waste, including the amounts recycled, incinerated, or otherwise managed. By focusing on proper waste segregation and improving recycling processes, we aim to maximise value from our products and services while minimising material consumption. This structured approach underscores our commitment to responsible waste management and environmental stewardship.





# SOCIAL



At Varroc, we firmly believe that a team shares a common identity, transcending differences in culture, country, race, or gender. This core belief shapes our actions and defines us as a brand committed to winning the trust of our customers. Guided by our values of integrity and humility, we prioritise our people by providing a supportive working environment that fosters professional growth and ensures safe working conditions to promote health and well-being. This consideration extends to the wider community that we work within: we know that our community within and the community around us together are crucial to our success.

## Our Employees

GRI 2-7, 2-8

Our emphasis on effective human resource management has been integral to our success, aligning with our ambition to create safe, smart, and sustainable future mobility solutions. We prioritise a robust human resources and employee relations department that drives security and collective growth. We uphold employee rights, foster a positive work culture, and provide opportunities for advancement to ensure their growth and fulfilment within our organisation. By fostering a diverse and inclusive workplace, offering professional development opportunities, and prioritising well-being and safety, we empower our employees to excel and contribute to our shared success.

Employee Category	FY 2023-24				FY 2022-23			
	Male	Female	Others	Total	Male	Female	Others	Total
Top Management	16	1	0	17	20	1	0	21
Senior Management	228	9	0	237	213	11	0	224
Middle Management	976	73	0	1049	924	66	0	990
Associates	2243	117	0	2360	1904	86	0	1990
Workers	11192	3203	0	14395	5952	1140	0	7092





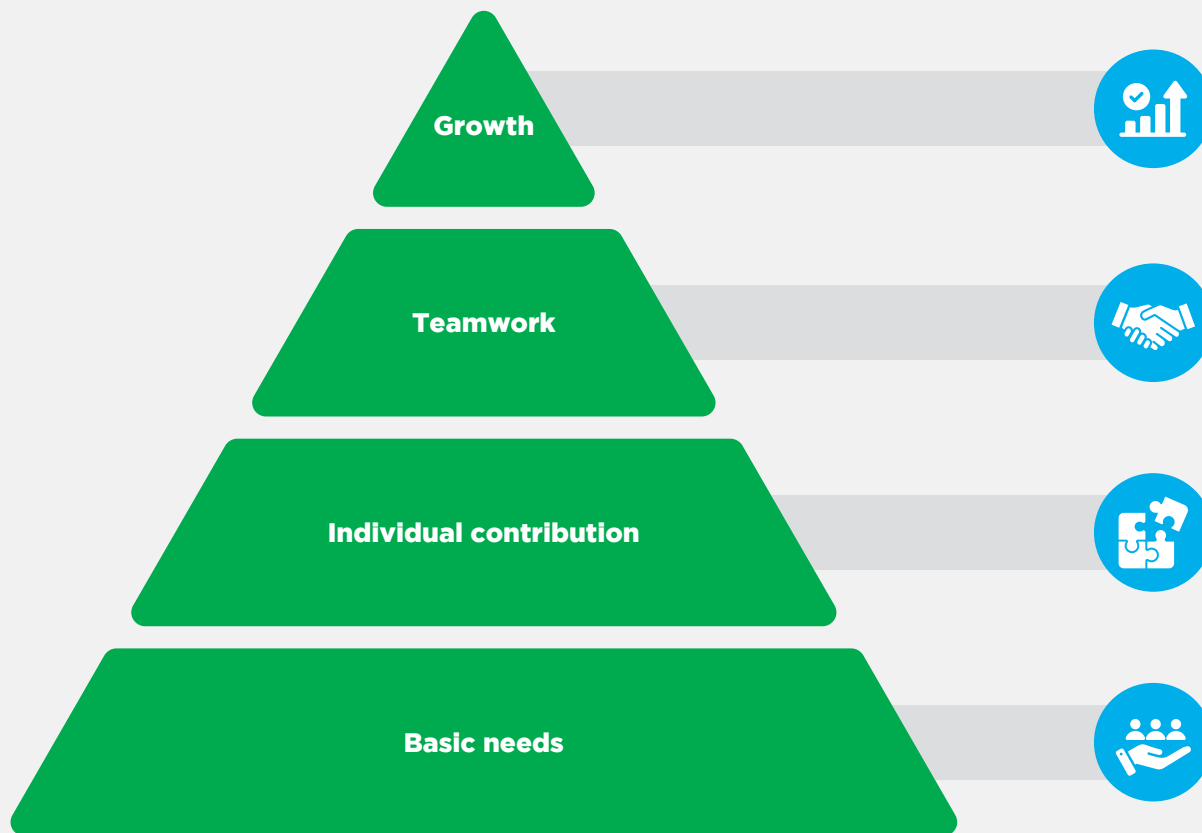


## EMPLOYEE ENGAGEMENT

At Varroc, we are dedicated to fostering a culture of continuous engagement across our organisation. We proactively encourage employee engagement, prioritising their input and valuing their perspectives to drive the success of the organisation along with the growth of our employees. To embody this, in 2023, we set out to achieve the first level of the Great Place to Work certification, a globally recognised people-management standard. This certification helps companies understand HR issues, identify employee needs, and recognise strengths. It involves two main steps:



- **Employee Survey:** All employees are invited to participate in the Trust Index Survey, which measures their experiences and perceptions across various aspects of the workplace such as trust, respect, fairness, and camaraderie.
- **Culture Brief:** The company completes a detailed questionnaire called the Culture Brief, which provides an overview of its workforce, policies, and practices. This includes information on demographics, benefits, and company culture initiatives.



In addition to these, we periodically conduct Gallup's Employee Engagement Survey Q12. This survey serves as a vital tool for measuring employee engagement levels, and provides us with valuable insights into the commitment and motivation of our workforce. By identifying strengths and weaknesses within the workplace environment and management practices, the survey gathers honest feedback from employees on various job aspects. It also facilitates benchmarking against industry standards, helping us pinpoint areas needing improvement. Ultimately, the survey aims to enhance employee performance and productivity by understanding and addressing the key drivers of engagement, fostering a more motivated and effective workforce.

Our employee engagement framework is structured around a hierarchy of development needs, with each of the 12 survey questions fitting into one of four levels. These levels guide us in motivating and developing our teams, improving performance progressively.

This in-depth engagement around employee feedback allows for an independent analysis, resulting in a score that determines eligibility for certification. We are proud to have started this journey of listening and co-learning with our employees and look forward to continuing our engagement with them.

Finally, part of our employee engagement initiatives, we hosted Varroc Corporate Cricket Tournament FY 2022-23-FY 2023-24 at the Aurangabad Corporate Office. Spanning two days, the event featured 90 participants and 30 matches, promoting teamwork and camaraderie among employees based at the Aurangabad Corporate Office.



## Training and Development

GRI 404-1, 404-2, 404-3

Material Issues Addressed



*Training and Development*



**8.48**

hours/ employee of average training hours received in FY23-24

**94%**

of employees received performance and career development reviews

In today's rapidly evolving world, continuous learning and development are essential for employees to stay ahead. At Varroc, we focus on nurturing talent from the outset of a person's career. Our Early Talent Programme is tailored to the trainee's background, preferences, and career goals. During the one-year timeline, trainees are encouraged to engage in high-impact projects across various business functions, promoting holistic, long-term, and rapid career growth.

Varroc's development structure is based on a skills-based and behaviour-based competency framework with select trainings embedded into the annual calendar depending on the level, location and job scope. These trainings are divided into mandatory and non-mandatory trainings. Furthermore, any employee wishing to upskill themselves are given the opportunity either through an educational sabbatical, or through optional virtual courses that can be built into their work schedule.





**Mandatory Trainings:**

- POSH
- Human Rights
- Anti-bribery
- Anti-corruption
- Code of Conduct
- EHS (Environmental, Health, and Safety)
- Other Social and ESG Policies

**Non-Mandatory Trainings:**

- SHIPS Values: Sincerity, Humility, Integrity, Passion, Self Discipline
- Albus Competency Framework: 9 Competencies for 3 Categories: Business, Customer, People
- Unconscious Bias
- Creating a Positive Workplace
- First-Time Manager
- Managerial Effectiveness
- Building Resilience with Emotional Intelligence
- Leading Business
- Leading Teams
- Think & Act Customer
- Managing Customer Relationships
- Stress Management
- Time Management



## Training and Development (T&D) Framework



### Hiring and Initial Goal Setting:

New employees onboarded and guided to co-design short and long-term Key Result Areas (KRAs). These KRAs encompass both personal and professional development goals tailored to the business needs.



### Finalisation of KRAs:

Each employee's goals are discussed and agreed upon, setting a solid foundation for their career development within the company. Once the KRAs are established, they are formally signed off by both the employee and their supervisor.



### Regular Reviews and Scoring:

To ensure continuous progress, we conduct semi-annual reviews which helps to understand which employees require additional attention, and which are capable of high potential, and nurturing each based on their needs.



### Fast-Track Opportunities:

Employees who consistently achieve high scores in their reviews are eligible for fast-track equivalency. This recognition opens doors to additional T&D opportunities, as the company invests further in their potential. They are then placed on a succession planning track, preparing them for future leadership roles within the organization.



### Continued Education and Professional Growth:

To foster a culture of continuous learning, we actively encourage employees to pursue advanced studies, such as master's degrees and diplomas, recognising the value of further education in enhancing an employee's skill set and contributing to their personal development.



### Job-Specific and Personal Development Training:

Our T&D framework ensures that employees acquire the necessary knowledge and skills for their current roles and future aspirations. We offer targeted training programmes to address both job-specific requirements and personal development needs, empowering employees to achieve their full potential.

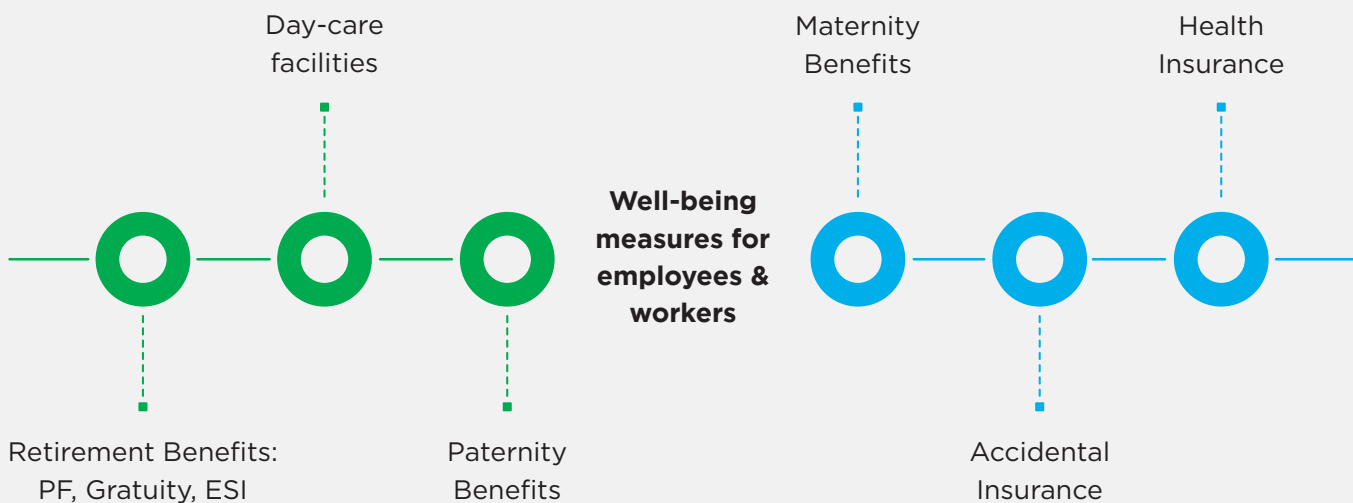


## Employee Well-being

GRI 401-2, 401-3, 402-1

At Varroc, we recognise the importance of addressing the holistic well-being of our employees.

In FY 2023-24, we spent 0.1% of our total revenue on insurance schemes for our employees and workers. We provide 100% coverage for all employees and workers for Health Insurance, Accidental Insurance, Maternity Benefits, Paternity Benefits, and Retirement Benefits. Understanding the mental load of parenting while working full-time, we also offer 100% coverage for daycare facilities. At Varroc, our commitment to employee wellness is unwavering, and we continually seek new ways to enhance our team's well-being. By embedding surveys and employee engagement structures into our processes, we aim to understand how employees manage work and life, and help them do so successfully.



## Parental Leave

FY2023-24	No. of employees entitled to parental leave	No. of employees that took parental leave	No. of employees who returned to work after leave ended	No. of employees who returned to work after leave ended & were still employed after 12 months	Return to work rate	Retention Rate
Maternity Leave	200	6	6	6	100%	100%
Paternity Leave	3464	277	277	218	100%	79%



## CASE STUDY: HALE - HEALTHY ACTIVE LEAVING EDUCATION

Towards the end of this section, we share a case study about HALE, our internal well-being mechanism that takes a holistic approach to care.

### Objective

To protect the physical and mental wellbeing of our staff, we launched HALE: Healthy Active Leaving Education

### Brief Summary of activity/initiative

At Varroc, we prioritise both the physical and mental well-being of our employees. We have an in-house counselor who is available to assist our employees whenever needed. She provides confidential virtual counseling sessions every Thursday, with a focus on supporting work-life balance.

Additionally, we schedule monthly connect sessions with the counselor on various topics such as parenting, stress management, and more. Leader-led open-access workshops on topics across business functions provide further opportunities for people to safely express queries and to learn about the various aspects of the business for them to explore personal and professional goals.

### Outcome

This program has significantly helped many employees understand the trigger points of their stress and emotional breakdowns. With the counselor's assistance, they have effectively navigated these challenges. It has also aided some employees in managing stress and dealing with other day-to-day problems. On average, we conduct 24 sessions with employees monthly, and it has been highly beneficial since its inception.

## Occupational Health & Safety

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

Material Issues Addressed



*Employee health & safety*

Environment, Occupational Health & Safety (EHS) is a fundamental aspect of Varroc’s core values, and our EHS strategy plan aims to achieve an injury-free workplace. The EHS strategy prioritises on the following aspects:

- Mitigating operational risks by proactively identifying and managing hazards
- Improving EHS competencies through comprehensive training and development programmes
- Preventing illnesses by ensuring workplace hygiene and sanitation

## Occupational Health & Safety

At Varroc, we’ve developed an ESG scorecard that identifies EHS checkpoints and rates their level of criticality, helping us prioritise actions, improve safety and compliance, monitor progress, drive continuous improvement, facilitate decision-making, and enhance transparency.

### Key EHS Checkpoints and their coverage in EHS Scorecard:

#### Proactive Approach - Safety

- Safety checks at entry and exit points
- Near Miss reporting process in place, timely investigation, and closure.
- BBS observations identified and tracked monthly, with monitoring and closure

#### PPE Compliance

- PPE assessment for all activities.
- PPE Matrix prepared and displayed at workstations.
- PPEs provided and maintained as per the PPE Matrix.

#### Chemical Safety

- Listing of chemicals used, with defined levels and compatibility matrix.
- Employee training on chemical hazards, use, and handling.
- Display of MSDS & SUI at working and storage areas.
- Compliance with MSDS measures (fire safety, storage, PPEs).

#### Equipment Inspection

- Monthly inspection of portable equipment/tools.
- Display of OK Equipment Inspection Tags.

#### Incident Reporting & Investigation

- All incidents reported and recorded to management.
- Incidents investigated, signed by Plant Head, and shared with employees.
- Horizontal deployment of corrective actions.
- Analysis of incidents to identify priority areas for action.

#### EHS Signage/Displays

- Mandatory EHS signage posted as required (e.g., danger, high voltage, emergency exits).
- Effective display and compliance with standard signage.

#### Fire Protection & Emergency Preparedness Plan

- Fire protection and firefighting arrangements are operational.
- Employee awareness of assembly points and emergency alarms.
- Regular testing of Emergency Preparedness Plan with mock drills.
- Proper signage for first aid and firefighting equipment.

#### EHS Training

- Development of annual EHS Training Plan.
- Monthly training calendar adherence (at least 75%).
- On-the-job training for new joiners.

#### Pedestrian & MHE Safety

- Defined walkways in the plant.
- Authorised operation of MHE (forklifts, stackers).
- Implementation of blue flashlights and Danger zone system on forklifts.
- Identified battery charging stations with SOPs in local language.

#### Machine Guarding

- Guards provided for all moving parts of machines.
- Interlocked guards to prevent operation without proper placement.
- Preventive Maintenance Plan for guards, with adherence to schedule.

#### ISO 14001 & 45001 Compliance

- Effective performance and documentation of internal audits.
- Review/revision of HIRA & AI post any new process or incident.
- Adherence to Management of Change (MOC) process.
- Closure of NCs raised by TUV auditors.





We have established a comprehensive occupational health and safety management system across all our manufacturing plants worldwide, as per ISO 45001:2018. This system encompasses health and safety policies, guidelines, periodic training sessions, and comprehensive records. It also integrates various health and safety promotional activities and programmes. To streamline these efforts, we have implemented a digital portal for tracking and monitoring occupational health and safety risks, ensuring compliance, and reporting critical information to senior management for improved oversight. Our occupational health and safety policy focuses on the continuous improvement of our management system through regular reviews. The system has been certified by an independent third-party registrar, ensuring our compliance with these standards and also with legal mandates, such as the Factories Act of 1948 and the Maharashtra Factories Rules of 1963. Effective communication is a cornerstone of our EHS approach, as we actively inform stakeholders about our EHS guidelines. Collaboration is key: we work as a team (Cross-Functional Team, CFT) to develop and implement EHS practices. We cover all our employees and workers, including those who are not directly employed by us but whose work or workplace is controlled by our organisation.

We conduct Hazard Identification and Risk Assessments (HIRA) at scheduled intervals and continuously improve our control measures. Only qualified and trained personnel carry out these assessments, and the results are verified through Safety Management Projects. Adhering to the hierarchy of safety controls, we prioritise elimination, substitution, administrative controls, training, signage, and personal protective equipment (PPE). Additionally, we have established Standard Operating Procedures (SOPs), work instructions for all processes, an annual training calendar, promotional activities, and visual displays at our sites, reinforcing our unwavering commitment to safety and health.



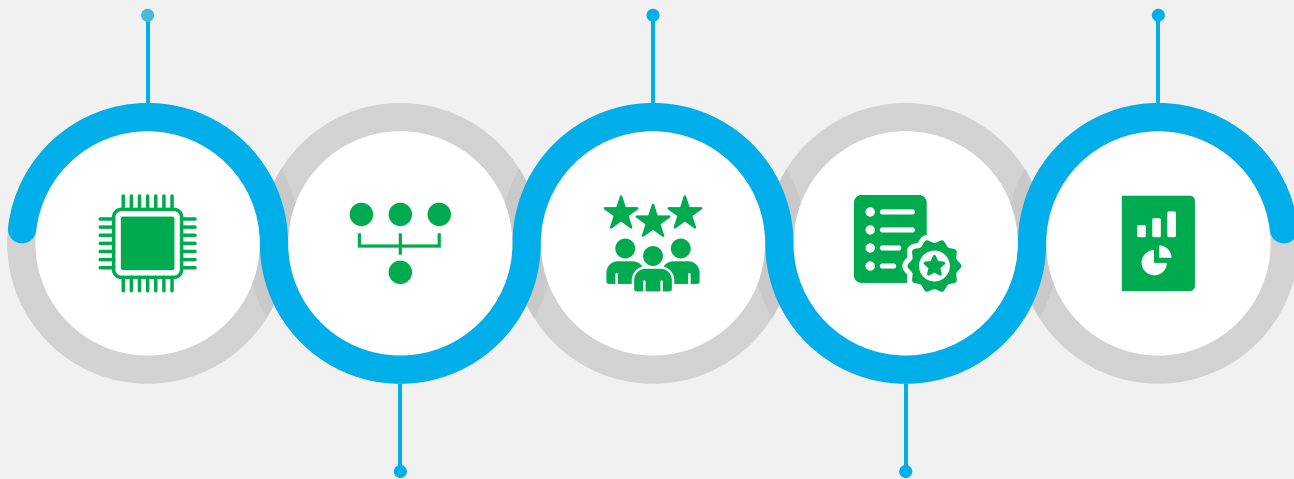
## Identifying and Managing Work-Related Hazards

We systematically conduct hazard identification and risk assessments according to ISO standards across our operations through multiple approaches:

*Dedicated EHS Personnel: Each plant has a designated EHS personnel who works alongside the Plant Head. They are responsible for daily safety walks to identify and address any unsafe conditions.*

*Employee Involvement: We value suggestions from our employees regarding safety improvements. Their firsthand experience is invaluable in identifying risks and implementing practical solutions.*

*Cross-Audits: To ensure objectivity, EHS Heads from different plants conduct cross-audits. They are conducted quarterly to benchmark safety performance and share best practices across plants. They rate and provide feedback on the safety conditions of plants other than their own.*



*EHS Leadership: Each Business Unit (BU) has an EHS Head who, along with the Plant Head, conducts regular safety walks. These walks are crucial for spotting potential hazards and reinforcing our safety culture.*

*Monthly Self-Assessments: Each plant conducts a monthly self-assessment to ensure ongoing compliance with safety standards.*

This process evaluates every aspect of the work environment, including processes, equipment, and employee behaviours, to identify potential sources of harm. Regular workplace inspections and audits help us detect safety hazards related to machinery, workflows, and employee actions. Furthermore, we engage with employees daily to gather their insights on perceived risks and potential hazards they encounter.





## Preventing Negative Impacts

Our approach to preventing or mitigating significant negative occupational health and safety impacts includes providing a safe and healthy work environment and implementing onsite and offsite emergency plans. We track injuries, diseases, lost days, and absenteeism meticulously. Through HIRA studies and daily plant safety rounds, we identify work-related hazards that pose risks of high-consequence injury and take necessary actions to eliminate or minimise these risks.

## Safety Performance Monitoring

Monitoring and reviewing EHS performance is a cornerstone of our management practices:

- **Daily Meetings:** The Plant Head and Plant Safety Officer convene daily to address ongoing safety issues and review current performance metrics.
- **Management Reviews:** Our monthly business review meetings, which include the Managing Director and CEO, prioritise safety discussions. During these meetings, the EHS Head from each business unit presents the latest safety performance data and outlines current and upcoming safety initiatives to the senior management team.

## Reporting Mechanisms for Workplace Hazards

Our employees can report health and safety concerns to their line supervisors and the EHS Officer at their respective plants. Employees are encouraged to report work-related hazards and hazardous situations through a Near Miss, unsafe act, and condition reporting system. Our EHS Cardinal Rules empower workers to remove themselves from any situation they believe could cause injury or ill health, without fear of reprisal. To ascertain work-related hazards, multiple review meetings and surveys, including statutory audits, customer audits, layered audit processes, management review meetings (MRM), monthly inspection meetings, transport committee reviews, safety committee meetings, and plant stand-down meetings are conducted.

Parameters	UoM	India Business	
		FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR)	Lost time injuries per one million-person hours worked	0.054	0.097
Total recordable work-related injuries	Number	3	5
Fatalities	Number	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Number	0	0

## Access to Medical and Healthcare Services

Varroc ensures that all employees and workers have access to non-occupational medical and healthcare services. We also have (OHCs) at all our plants, equipped with comprehensive medical facilities to ensure the well-being of our employees. Our OHCs include ambulance services with options for Patient Transfer, Basic Life Support (BLS), or Advanced Life Support (ALS) to cater to various medical emergencies. Additionally, all our locations are equipped with Automated External Defibrillators (AED), wheelchairs, and a range of antidotes for immediate response to toxic exposures. These resources enable us to provide prompt and effective medical care in case of any workplace incidents.

Other services include annual and half-yearly medical check-ups, Employee State Insurance Scheme, access to a factory medical officer, nurses, and more providing comprehensive healthcare support to our workforce. Confidentiality of workers' personal health information is strictly maintained, and this information is not used for any favourable or unfavourable treatment of workers. These services are accessed through a Work Permit System and are validated by external independent audits including ISO 14001:2018 EMS and ISO 45001:2018 OHSAS.

## Training and Capacity Building

We provide comprehensive training to our workers to ensure they are equipped with the knowledge and skills to work safely:



### Regular Training Sessions:

These sessions cover various aspects of occupational health and safety, tailored to the specific needs of our operations.



### Ongoing Education:

Continuous education and refresher courses are provided to keep our employees up-to-date with the latest safety practices and regulations.



### New Joiner Training:

All new joiners undergo health & safety (H&S) training, which includes specific training on work-related hazards, hazardous activities, and situations.

Our training calendar encompasses a wide range of crucial topics to ensure comprehensive occupational health and safety education for all employees. Training sessions include EHS policy awareness, significant aspect and impact awareness, Behaviour-Based Safety (BBS) awareness, proper usage of spill kits, hazard and risk awareness, and practical fire-fighting skills. These topics are meticulously covered in accordance with the annual training schedule, ensuring that our workforce is well-informed and equipped to handle various safety and environmental challenges effectively. Training needs are assessed through a formal identification process, and the effectiveness of training is evaluated quarterly. Training is conducted during paid working hours to ensure maximum participation.

We conduct motivational programmes like Safety Week and Fire Service Week. These efforts ensure that safety information is communicated effectively and that workers are actively involved in the development, implementation, and evaluation of the OHSAS.







## Diversity, Equity and Inclusivity

GRI 405-1, 405-2

Material Issues Addressed

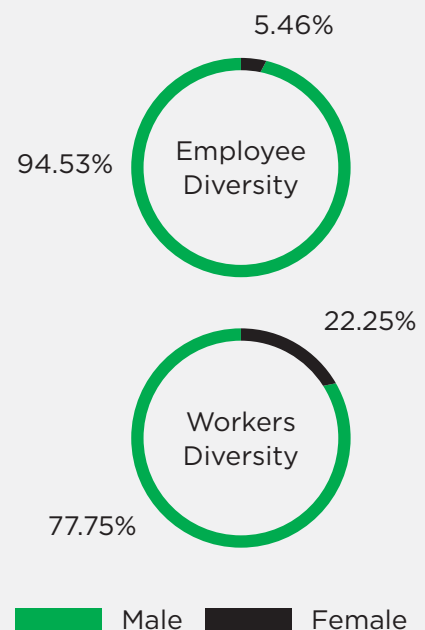


**Diversity, Equity & Inclusion**

Varroc remains firm in its commitment to promoting equal opportunities both within the organisation and beyond. Drawing from our rich legacy and bolstered by our inclusive practices and programmes, we continuously endeavor to cultivate a workplace culture where every individual is esteemed, respected, and empowered to realize their fullest potential.

Our Diversity, Equity, and Inclusion Policy encapsulates our commitment to fostering an environment where all individuals are valued and empowered. Discriminatory behaviour is actively eliminated, and we maintain a harassment-free workplace for all by creating a supportive environment that listens to and protects every employee. Confidentiality is maintained across the board where feasible across all complaints and policy observance is rigorously enforced through fair and transparent disciplinary actions.

We understand the importance of Diversity, Equity, and Inclusion in driving innovation, enhancing employee engagement, and contributing to a dynamic business environment.



Currently, 18.84% of all our employees and workers are females, and while we do not currently have any individuals who are disabled, we have designed policies and catered to the needs of those with disabilities in our workspaces. We are actively working to increase our diversity culturally, socially and across genders through a variety of initiatives designed to promote inclusivity.

## Case Study: Inspire Inclusion at Varroc

### Objective

To build a sense of inclusion and equity through diversity, we launched Inspire Inclusion Initiative at Varroc

### Brief Summary of activity/initiative

A communication series to build awareness and start dialogues around the inspirational stories of women in Varroc was conducted through:

- Recognising women at Varroc through their inspiring stories. Women were identified across businesses and backgrounds: blue collar, white collar, women in STEM, and women in leadership roles
- Inspirational Leaders Connect: We invited eight women leaders from various organisations including startups to share their stories of achievement and perseverance

### Outcome

We received 22 inspiring stories of many women employees of Varroc about their capabilities, the roles they manage and the career growth they have witnessed in Varroc - Breaking all the myths about gender-based roles.

500+ employees attended Inspirational Leaders Connect sessions

## Inspire Inclusion @Varroc



Recognising the importance of Diversity, Equity, and Inclusion (DEI), we acknowledge its role in driving innovation and creativity by integrating diverse perspectives into decision-making processes. Furthermore, DEI enhances employee engagement and retention by fostering an inclusive work environment, ultimately contributing to a more dynamic and resilient business environment.



## Talent Attraction and Retention

GRI 401-1

Material Issues Addressed



*Employee Attribution*

Our operational excellence relies on attracting, nurturing, and retaining top talent. To support today's evolving environment, we have established key performance indicators (KPIs) to collect data and analyse trends, structured within our HR Policies.

To attract top talent, we highlight our unique company culture, growth opportunities, and competitive compensation packages. As we discussed in previous sections, we strive to create a workplace where individuals are recognised for their skills and accomplishments. Our Great Place To Work certification, is a testament to our success in meeting talent aspirations and fostering a positive work environment.

Our approach includes both campus and lateral hiring programmes. Our Early Talent Programme begins with college recruitment drives for management trainees (MTs), CA trainees, and graduate and post-graduate engineering trainees (GETs). Providing a holistic experience to our trainees is paramount, and we work with them towards a useful and fulfilling experience that allows for a smooth transition into the company long-term.

Succession planning is a priority at Varroc, and we are committed to standardising this process. Emphasising professional development and succession planning aligns with our "One Varroc" vision, ensuring that we prepare our leaders for the future while fostering a unified and strong company culture. Our comprehensive succession planning policy for the directors, key managerial personnel, senior management personnel and other employees ensures the seamless filling of key leadership roles and other important positions. This policy aligns talent management with business objectives, mitigating risks associated with vacancies, project readiness, and transitions.

Retaining talent is a core goal, which we drive towards through by ongoing learning and development programmes, mentorship opportunities, and a collaborative work environment. To compliment this, we ensure timely rewards and promotions, fostering a positive employee experience. Collectively, these efforts enhance employee satisfaction, loyalty, and long-term commitment.

**16.93%**

total employee turnover rate in FY23-24

**12.80%**

total worker turnover rate in FY23-24

Indicator	Employee Categorisation	FY 2023-24			FY 2022-23		
		Male	Female	Total	Male	Female	Total
Total Number of New Employee Hires	Employees	889	65	954	965	82	1047
	Contractors/Workers	3570	840	4410	950	101	1051
	Employees	138	14	152	108	8	116
Total Number of New Employee Hires leaving the organisation in the reporting period	Contractors/Workers	1364	209	1573	442	18	460
Total Employee Attrition	Employees	575	45	620	906	83	989
	Contractors/Workers	1607	236	1843	168	2	170





## Responsible Value Chain

GRI 2-6, 204-1, 308-1, 308-2, 407-1, 414-1, 414-2

Material Issues Addressed



*Sustainable Products*



*Sustainable Supply Chain*

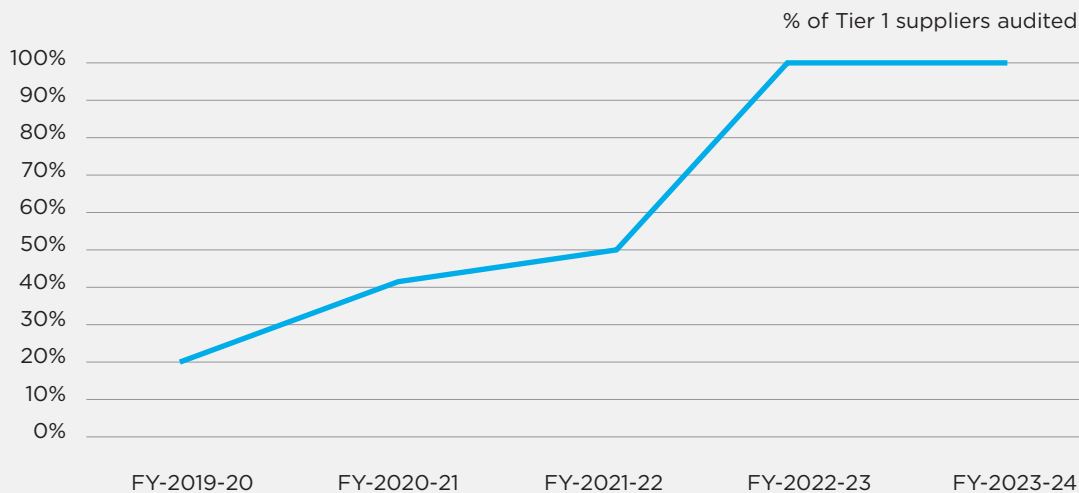
As a leading automotive component manufacturer, we recognise the importance of a sustainable and responsible value chain. Our commitment to sustainability extends beyond our internal operations to encompass our entire supply chain. By undertaking a comprehensive spend analysis, we ensure that our procurement practices align with our values and contribute to the overall sustainability of our industry.

### Spend Analysis of Supply Chain:

In the fiscal year FY 2023-24, we conducted a detailed spend analysis of our supply chain for Bill of Materials (BOM) suppliers. Notably, 38% of our spend was directed towards Micro, Small, and Medium Enterprises (MSMEs), highlighting our commitment to supporting smaller businesses. Additionally, 94% of our spend was with local suppliers, reinforcing our dedication to local sourcing and community development.

### Identifying Critical Suppliers:

We define critical suppliers as those providing essential raw materials, subcomponents, specialized materials, tooling, machinery, and logistics services. These suppliers are vital for ensuring the continuous and efficient production of high-quality automotive parts, disruptions from these suppliers can significantly impact our production process and the timely delivery of components. Through a rigorous auditing and vendor on-boarding process led by our Supplier Upgradation (SUG) team, we have identified that 20% of our suppliers are critical, contributing to 80% of our total spend.



### **Maintaining Supplier Diversity:**

To ensure a robust and resilient supply chain, we prioritise diversity among our suppliers. This approach helps mitigate risks, maintain an uninterrupted supply across geographies, and protect jobs and businesses wherever possible.

### **Capacity Building of Suppliers:**

We are committed to the long-term development of our suppliers. For select long-term suppliers, we monitor improvement actions and provide various training programmes based on our defined manufacturing Statement of Requirements (SOR). These efforts ensure that our suppliers continuously enhance their capabilities and align with our expected quality and sustainability standards.

### **Risk Assessment:**

Our risk assessment process for potential suppliers includes third-party assessments during the vendor onboarding process for non-BOM suppliers. For BOM suppliers, the SUG team conducts detailed audits. This comprehensive assessment helps us identify and mitigate potential risks early in the supplier engagement process.

### **Top Management Review:**

Our top management and board regularly review our sustainable supply chain initiatives through ECM (Executive Committee Meetings) and OPS (Operations) review meetings monthly. This continuous oversight ensures that our sustainability goals are integrated into our overall business strategy and operations.

By implementing these practices, we aim to create a responsible and resilient value chain that supports our sustainability objectives and drives positive impacts across our supply chain.

### **Sustainable Supply Chain:**

At Varroc, we are committed to sustainable business practices that minimise environmental impact, foster social responsibility, and promote ethical conduct throughout our supply chain. Given our own ongoing sustainability journey, our current policy outlines our expectations from critical suppliers, subcontractors, and business partners, while ensuring alignment with our ESG pillars and framework. The policy establishes clear sustainability and ethical conduct expectations, ensures suppliers share our commitment, encourages continuous improvement, and promotes transparency and accountability. We are committed to the following sustainability principles and expect our suppliers to embrace and adhere to these standards:



### Environmental Responsibility:

- Compliance: Suppliers must adhere to all environmental laws.
- Resource Conservation: Encourage efficient use of resources and waste reduction.
- Emissions Reduction: Work towards reducing greenhouse gases and pollutants.
- Pollution Prevention: Implement measures to minimise environmental impact.

### Social Responsibility:

- Labour Practices: Uphold fair labour practices and safe working conditions.
- Human Rights: Ensure operations do not violate human rights.
- Diversity and Inclusion: Promote diverse and inclusive work environments.
- Community Engagement: Support and engage with local communities.

### Ethical Conduct:

- Anti-Corruption: Adhere to anti-corruption laws and avoid unethical practices.
- Transparency: Maintain transparency in business practices.
- Fair Competition: Compete ethically and avoid anti-competitive behaviours.
- Conflict of Interest: Disclose any potential conflicts of interest.

### Governance:

- Committee Formation: Suppliers should establish an ESG committee to monitor and report on sustainability initiatives and performance.

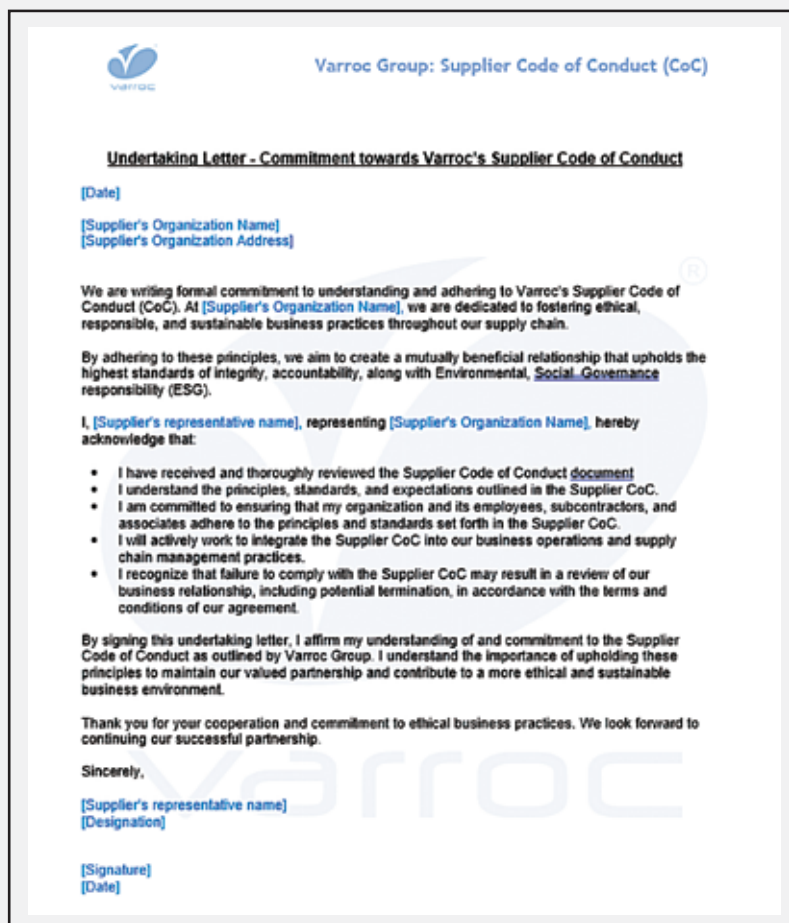
### Conflict Minerals:

- Compliance: Adhere to laws regarding conflict minerals.
- Conflict-Free Sourcing: Source minerals from responsible suppliers.

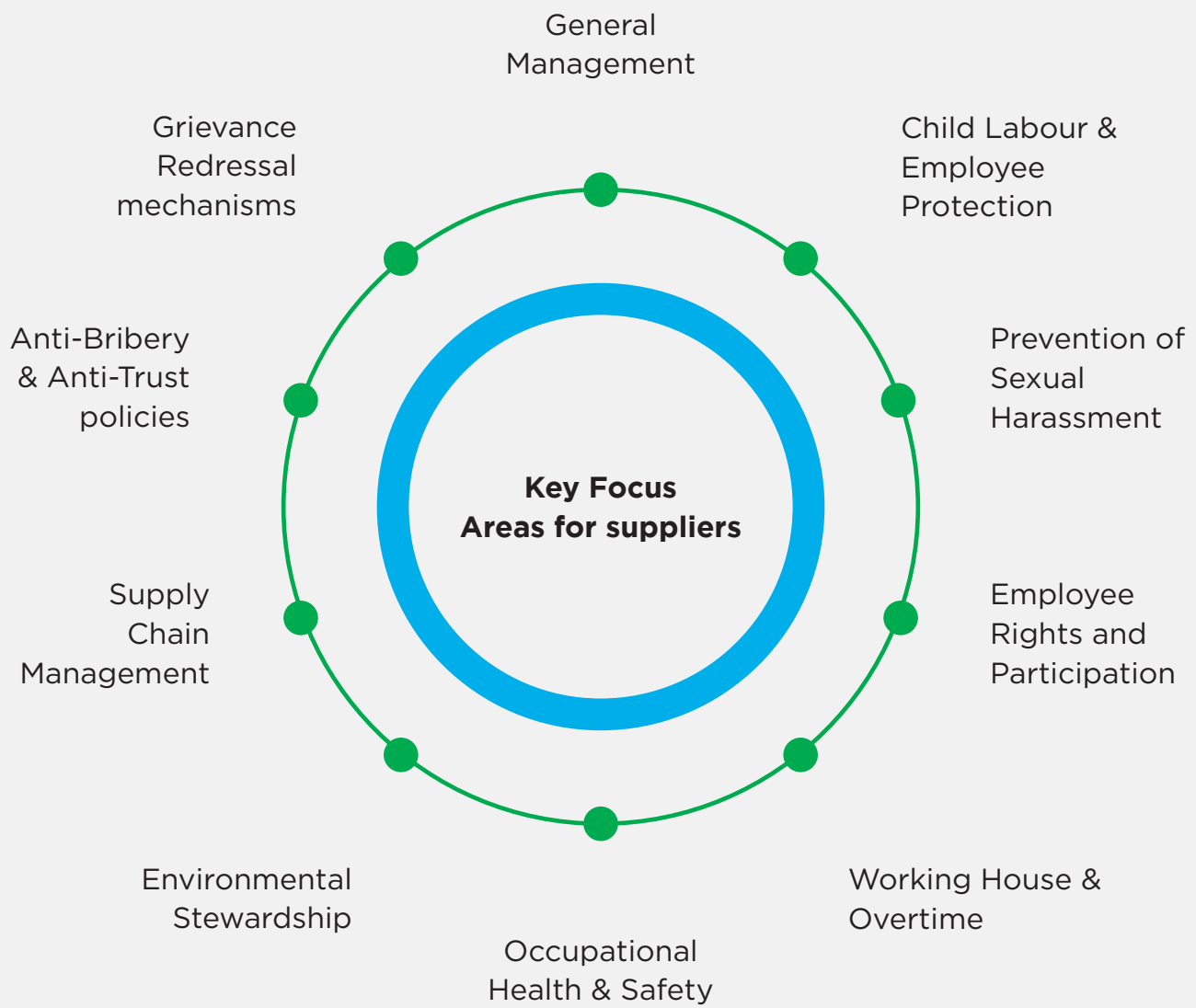
This policy will be periodically reviewed and updated to reflect changes in standards, regulations, and best practices.

## Supplier Code of Conduct:

For all suppliers (critical or otherwise) we maintain a comprehensive Supplier Code of Conduct that clearly defines our expectations for suppliers to conduct business sustainably, transparently, and ethically.



Suppliers are expected to align their practices with ethical sourcing principles, ensuring responsible procurement of materials and goods. This includes upholding high standards for labour rights, environmental protection, and integrity in all business dealings. Suppliers are required to sign an agreement to adhere to the Code of Conduct and to further promote these standards among their subcontractors and partners. At present, our key focus areas of our supplier selection are more from social compliances which are mentioned below. However, going forward we aim to include focus areas from the sustainability perspective.





## Our Downstream Stakeholders: Customers

GRI 418-1

Varroc's downstream value chain partners are broadly divided into domestic and international OEMs and aftermarkets. We serve a diverse range of segments, including passenger cars, commercial vehicles, two-wheelers, three-wheelers, and off-highway vehicles. With a robust presence both domestically and globally, we are well-equipped to cater to the distinct needs and demands of our customers across various markets.

Customer satisfaction is the cornerstone of our success. Our mission is to deliver exceptional value through precision engineering, reliability, and superior quality, impacting our clients' lives positively. We are dedicated to meeting customer needs with timely delivery and maintaining high-quality standards. Over recent years, we have significantly advanced our business sectors and technology, enhancing our new product development process to provide even greater value. Our commitment to excellence drives us to continuously improve our quality management systems, aiming for better process performance, organisational capabilities, and customer satisfaction. Our product offerings are centred on continuous innovation and meeting market demand with a strong emphasis on customer centricity. In our global lighting business, we place special emphasis on our advancements in LED, OLED Laser technology, which highlights our commitment to sustainability and cutting-edge solutions. Additionally, we have established a presence in other key emerging technologies, such as Matrix, coast to coast rear lamps, providing customised solutions that address safety and styling factors, ensuring we remain at the forefront of industry advancements to meet and exceed customer expectations.

We have a robust consumer grievance redressal mechanism. All consumer complaints are promptly acknowledged upon receipt and prioritised for resolution according to our defined schedule and organisational hierarchy. Each customer is assigned a dedicated Key Account Manager to ensure their complaints and feedback are effectively and promptly addressed. Suppliers also benefit from dedicated account managers and are subject to regular audits and reviews, with a particularly robust onboarding process. Additionally, we are proud to report that there have been zero instances of data breaches.





With our customers increasingly adhering to the Responsible Supply Chain Initiative (RSCI), which promotes ethical, sustainable, and transparent supply chain practices, we have formalised the principles of those standards within our own operations. The RSCI sets high standards for environmental stewardship, social responsibility, and corporate governance, a concept we have been aligned with since our inception. While the practices have been part of our operations since our inception, by following RSCI guidelines more formally, we consistently meet the ESG criteria of our customers, uphold high sustainability and ethical standards, and maintain long-term, trust-based relationships across the board.

Our achievement of the IATF 16949:2016 certification, the International Standard for Automotive Quality Management Systems, at all plants underscores our dedication to quality and customer satisfaction. We also have IATF-certified auditors on-site at our plant, ensuring the highest standards of quality and compliance. This certification strengthens our quality management systems and enhances our recognition within the automotive supply chain, demonstrating our commitment to excellence in the automotive industry.



## Human Rights

GRI 406-1, 408-1, 409-1, 410-1, 411-1

Our company is deeply committed to upholding human rights in all aspects of our operations. We believe that every individual deserves to be treated with dignity, respect, and fairness. This commitment is reflected in our strict adherence to international human rights standards and our proactive efforts to ensure these principles are upheld across our supply chain.

**ZERO** cases of human rights violation in FY 2023-24

### Human Rights Policy and Commitment

Our human rights policy is supported by various committees, such as Health and Safety and the Prevention of Sexual Harassment (POSH) committee, which oversee human rights-related issues and concerns within our organisation. We emphasise fair labour management, ensuring ethical treatment of workers through ensuring minimum and fair wages, reasonable working hours, and robust employee engagement. By addressing critical human rights issues, including harassment and discrimination, we strive to create a safe, inclusive, and respectful work environment for everyone.

**100%** training of employees on human rights

### Grievance Redressal Mechanisms

To ensure our employees can securely and confidentially report any grievances or policy breaches, we have established comprehensive grievance redressal mechanisms. These mechanisms provide 24/7 access for employees to raise their concerns anonymously and without fear of retaliation. Key components include

**ZERO** incidents of discrimination reported in FY 2023-24

- Whistleblower Policy: Allows employees to report unethical practices or breaches of company policies confidentially.
- Policy on Prevention and Redressal of Sexual Harassment at Workplace (POSH): Provides a framework for preventing and addressing sexual harassment in the workplace, ensuring a safe and respectful environment for all employees.
- Ethics Committee: a dedicated internal committee for employees and workers to engage with should they need a grievance redressal mechanism related to work but outside the boundaries of the Whistleblower Policy.
- Dedicated HR POCs: staff have dedicated HR persons of contact for their respective roles, who are available to address employment concerns, or guide employees to the right committees or people who can support the issue.

Through our comprehensive approach for upholding human rights and active stakeholder engagement, we remain dedicated to diligently upholding human rights throughout all aspects of our operations, reinforcing our commitment to ethical and responsible business practices.

## Our Community Interventions

GRI 413-1, 413-2

Material Issues Addressed



**Employee volunteering & CSR**

Our dedicated Corporate Social Responsibility (CSR) team is the cornerstone of our company's commitment to deeply engaging with the communities in which we operate, ensuring that our initiatives are impactful and aligned with their specific needs and aspirations.

A key aspect of our approach is its responsiveness to community feedback and grievances. We believe that effective CSR requires an ongoing dialogue with the people we aim to support. The company actively solicits input from community members and stakeholders, incorporating their feedback into the planning and execution of our CSR projects. This ensures that our initiatives are relevant, culturally sensitive, and capable of delivering tangible benefits.

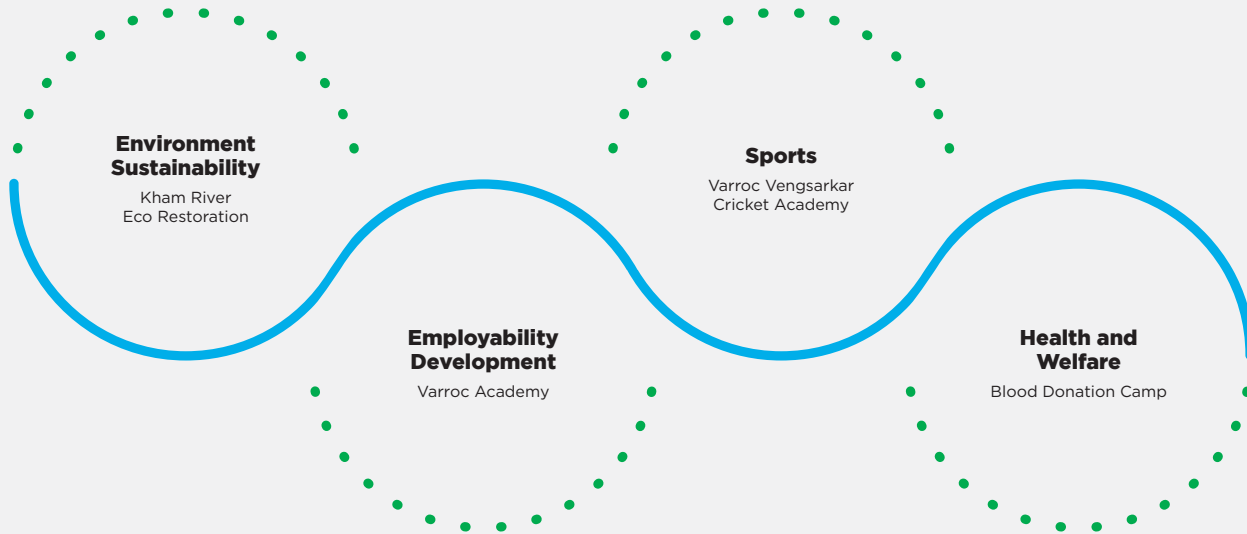
### 13000+ CSR projects beneficiaries

Varroc has formed a dedicated CSR committee responsible for overseeing and guiding the company's corporate social responsibility initiatives. This committee's responsibilities include developing a CSR policy and action plan, recommending budgets, and ensuring accountability for CSR spending. The committee approves CSR activities in collaboration with other entities and creates transparent monitoring mechanisms for implementation. It submits progress reports to the Board, monitors and recommends policy amendments, oversees partnership agreements, and nominates executives to attend relevant meetings and events. Additionally we have a Corporate CSR team with 5 full-time employees





### CSR Focus Areas:



### CSR Initiatives:

#### Kham River Eco Restoration Project

The Kham River Eco Restoration Project focuses on the rejuvenation of the 65 km long Kham River, which flows through the Marathwada region in Maharashtra. The project targets the 1.1 km stretch of the river that passes through Chhatrapati Sambhajnagar. Efforts include cleaning the river, installing waste trappers to capture garbage, and developing green bridges for environmental protection. During the DHARA summit organized by NIUA, the efforts under the Kham River Restoration Mission (KRRM) received recognition and appreciation. Additionally, the Urban River Management Planning (URMP) initiative for Aurangabad was launched. Finally, Varroc is proud to announce that Kham River’s restoration initiative was nominated as one of the top 5 examples of resilient cities by the World Resource Institute





## Key Area of Intervention - 1

- Riverfront Development

### Initiatives

- Riverbank Cleaning
- Stone Pitching
- Plantations & Ecoscaping
- Green Public Spaces

### Impact since inception

- Area Cleaned: 30,189 m2
- Area Greened: 17,400 m2
- Saplings Planted: 22,748+ saplings
- Riverbank Pitched: -460 metres

## Key Area of Intervention - 2

- Pollution Prevention

### Initiatives

- Nalla Transformations
- Improving SWM Services
- Bridge Barricading
- Plastic Trapping

### Impact

- Municipal Staff Trained: 250+ SWM, 30 special task forces set up (involving -800 staff)
- Bridge Barricading: 10 bridges barricaded to prevent solid waste dumping
- Plastic Trappings: 2 plastic traps piloted in nallas
- GVP Removal: 51 GVPs closed and reduced
- 1,80,000+ citizens engaged in waste collection & management

## Key Area of Intervention - 3

- Citizen Engagement

### Initiatives

- Riverfront Activities
- Drives & Competitions
- Online Webinars
- Training and learning session

### Impact

- 12,000+ citizens engaged across 107 events
- 150 students trained in solid waste management
- 3 riverfront parks inaugurated
- Plantation by soldiers from Aurangabad Cantonment Board
- Eco-friendly tote bag painting workshop organised in celebration of Earth Day
- Kham River Restoration Mission's Eco-friendly Ganpati making workshop
- 16 citizens of Aurangabad employed full-time to support efforts
- 25+ school staff trained as part of Green schools Campaign mission for Education for Sustainable Development







## Varroc Academy

As part of our commitment to skill development and the upliftment of underprivileged students, Varroc has established the Varroc Academy in collaboration with the Tata Institute of Social Science [and formerly with the Deccan Management Consultants Finishing School Skill Foundation (DMCFSSF)]. This academy offers an integrated three-year Bachelor of Vocational Education (B.Voc.) in Industrial Tool Manufacturing with TISS, and the curriculum is designed to equip students with the relevant practical skills and knowledge needed to work in the field, enhancing their employability and enabling them to secure better career opportunities. At present, the Academy has 147 students, with over 250 graduates since the start of the programme in 2013.

### Key Area of Intervention - 3

- B. Voc. in Industrial Tool Manufacturing

### Initiatives

- On-the-job training and stipend. Courses include content on general literacy including financial, safety and sustainability.
- Students given further career-development-centric support
- Work-related activities like Quality week, Safety week. Students also given access to long-term technical experts from within and outside Varroc.
- Co - curricular activities like Independence Day, Teacher's Day, National Day, and Dussehra celebrations

### Impact

- Since 2015, 93 bachelor graduates have been hired, with 5% starting as supervisors at Varroc plants.
- Of those not hired by Varroc, 87% are now employed elsewhere or are self-employed.



## Varroc Vengsarkar Cricket Academy (VVCA)

The Varroc Vengsarkar Cricket Academy (VVCA) in Thergaon, Pune, operates under the expert guidance of veteran cricketer Mr. Dilip Vengsarkar. This academy is dedicated to fostering the passion for cricket among young, aspiring athletes, providing them with structured training and the support needed to develop into skilled players. The Academy's alumni include international T20 team member Ruturaj Gaikwad and Shradda Pokharkar, who played in the Senior T20 Challenger Trophy 2022.

### Key Area of Intervention

- Newly constructed International Standard Pavilion

### Initiatives

- Valuable guidance by Mr. Dilip Vengsarkar to VVCA players
- Session by Mr. Akshay Patil, Sports and Fitness nutritionist

### Impact - Key Achievements

- Varroc Cup U-13, U-14 at VVCA
- Winner Under 14 HK Super Star Trophy FY 2022-23
- Winners Under 14 3rd Eye Championship FY 2022-23
- U-19 Winners MCA Invitation Championship
- Runner up open MCA Invitation Championship



## Varroc Interschool & Industrial Cricket Tournament

For the past 17 years, Varroc has been organising the Varroc Interschool & Industrial Cricket Tournament. This annual event is designed to discover and nurture cricketing talent among school students and industrial workers. By providing a competitive platform, the tournament encourages participants to hone their skills and passion for the game, contributing to the overall development of cricket in the community. Each tournament's winning teams are awarded cash prizes up to ₹1.2 lakh.







## Abhinav Bindra Foundation Trust (ABFT)

Varroc has partnered with the Abhinav Bindra Foundation Trust (ABFT) to enhance the Indian sporting ecosystem, focusing on education and social upliftment. The foundation brings global best practices through various interventions, and Varroc is actively supporting the professional ambitions of seven Indian athletes—Mansa Rawat (State Champion- Badminton), Sadhvi Dhuri (Swimming), Priya Kumar (National and State Champion- Shooting), Priyasha Deshmukh (Paralympic Champion- Shooting), Mughdhaa Wavhal (Swimming), Ajay Bhosale (Swimming), and Shrushti Chorge (Boxing). This collaboration aims to provide these athletes with the resources and support needed to achieve their full potential on the global stage.



### Key Area of Intervention

- Bringing Global Best practices through intervention, education, and social upliftment.

### Initiatives

- 7 athletes sponsored by Varroc last year
- Onboarded 4 new athletes from this year

### Impact - Key Achievements

- The 7 athletes won 32 medals in international, national, state, and regional tournaments, including 20 gold medals

## Blood Donation Camp

On March 21 of both 2023 and 2024, on the occasion of Varroc's CMD Tarang Jain's birthday, several of our plants across India hosted blood donation drives. With everyone's generous support, Varroc donated blood, positively impacting the lives of 1,038 individuals. Thanks to the success of these initial efforts, Varroc will continue to expand this initiative to all our Indian plants in due course.



GRI STANDARD	DISCLOSURE	SECTION	Page No.
GRI 2: General Disclosures 2021	2-1 Organisational details	About the Section	
	2-2 Entities included in the organisation's sustainability reporting	About the Section	
	2-3 Reporting period, frequency and contact point	About the Section	
	2-4 Restatements of information	About the Section	
	2-6 Activities, value chain and other business relationships	About Varroc	
	2-7 Employees	Social > Our employees	
	2-8 Workers who are not employees	Social > Our employees	
	2-9 Governance structure and composition	Corporate Governance > Governance Structure	
	2-10 Nomination and selection of the highest governance body	Corporate Governance > Nomination Remuneration Committee	
	2-11 Chair of the highest governance body	Corporate Governance > Governance Structure	
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance	
	2-13 Delegation of responsibility for managing impacts	Corporate Governance	
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance > Governance Structure	
	2-16 Communication of critical concerns	Corporate Governance	
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	2-18 Evaluation of the performance of the highest governance body	Governance Structure	
	2-19 Remuneration policies	Governance Structure > Nomination Remuneration Committee	
	2-20 Process to determine remuneration	Governance Structure > Nomination Remuneration Committee	
	2-22 Statement on sustainable development strategy	Our Sustainability Priorities	



GRI 3: Material Topics 2021	2-23 Policy commitments	Policy Framework
	2-24 Embedding policy commitments	Policy Framework
	2-25 Processes to remediate negative impacts	Policy Framework > Grievance Redressal Mechanism
	2-26 Mechanisms for seeking advice and raising concerns	Policy Framework > Grievance Redressal Mechanism
	2-27 Compliance with laws and regulations	Corporate Governance > Compliance, Environment > Waste
	2-28 Membership associations	Corporate Governance > Membership of associations
	2-29 Approach to stakeholder engagement	Our Materiality Approach and Stakeholder Engagement
	3-1 Process to determine material topics	Our Materiality Approach and Stakeholder Engagement
	3-2 List of material topics	Our Materiality Approach and Stakeholder Engagement
	3-3 Management of material topics	Our Materiality Approach and Stakeholder Engagement: Environment, Social
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Varroc at a Glance > Economic Performance
	201-4 Financial assistance received from government	Varroc at a Glance > Economic Performance
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Social > Responsible Value Chain
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Policy Framework > Anti-corruption
	205-2 Communication and training about anti-corruption policies and procedures	Policy Framework > Anti-corruption
	205-3 Confirmed incidents of corruption and actions taken	Social > Responsible Value Chain
GRI 302: Energy 2016	301-3 Reclaimed products and their packaging materials	Environment > Waste
	302-1 Energy consumption within the organisation	Environment > Energy Management
	302-3 Energy intensity	Environment > Energy Management
	302-4 Reduction of energy consumption	Environment > Energy Management



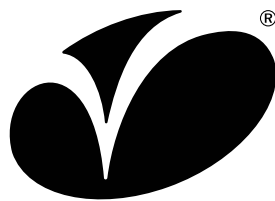
GRI 303: Water and Effluents 2018	302-5 Reductions in energy requirements of products and services	Environment > Energy Management
	303-1 Interactions with water as a shared resource	Environment > Water & Effluents Management
	303-2 Management of water discharge-related impacts	Environment > Water & Effluents Management
	303-3 Water withdrawal	Environment > Water & Effluents Management
	303-4 Water discharge	Environment > Water & Effluents Management
	303-5 Water consumption	Environment > Water & Effluents Management
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environment > Emissions Management
	305-2 Energy indirect (Scope 2) GHG emissions	Environment > Emissions Management
	305-4 GHG emissions intensity	Environment > Emissions Management
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environment > Waste Management
	306-2 Management of significant waste-related impacts	Environment > Waste Management
	306-3 Waste generated	Environment > Waste Management
	306-4 Waste diverted from disposal	Environment > Waste Management
	306-5 Waste directed to disposal	Environment > Waste Management
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Social > Responsible Value Chain
	308-2 Negative environmental impacts in the supply chain and actions taken	Social > Responsible Value Chain
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social > Talent Attraction and Retention
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social > Employee Well-being



GRI 402: Labor/Management Relations 2016 GRI 403: Occupational Health and Safety 2018	401-3 Parental leave	Social > Employee Well-being
	402-1 Minimum notice periods regarding operational changes	Social > Employee Well-being
	403-1 Occupational health and safety management system	Social > Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Social > Occupational Health and Safety
	403-3 Occupational health services	Social > Occupational Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Social > Occupational Health and Safety
	403-5 Worker training on occupational health and safety	Social > Occupational Health and Safety
	403-6 Promotion of worker health	Social > Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Social > Occupational Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Social > Occupational Health and Safety
GRI 404: Training and Education 2016	403-9 Work-related injuries	Social > Occupational Health and Safety
	403-10 Work-related ill health	Social > Occupational Health and Safety
	404-1 Average hours of training per year per employee	Social > Training & Development
GRI 405: Diversity and Equal Opportunity 2016	404-2 Programmes for upgrading employee skills and transition assistance programmes	Social > Training & Development
	404-3 Percentage of employees receiving regular performance and career development reviews	Social > Training & Development
	405-1 Diversity of governance bodies and employees	Social > Diversity, Equity, and Inclusivity
GRI 406: Non-discrimination 2016	405-2 Ratio of basic salary and remuneration of women to men	Social > Diversity, Equity, and Inclusivity
	406-1 Incidents of discrimination and corrective actions taken	Social > Human Rights



GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Social > Responsible Value Chain
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Social > Human Rights
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Social > Human Rights
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Social > Human Rights
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Social > Human Rights
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	Social > Our Community Interventions
	413-2 Operations with significant actual and potential negative impacts on local communities	Social > Our Community Interventions
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Social > Responsible Value Chain
	414-2 Negative social impacts in the supply chain and actions taken	Social > Responsible Value Chain
GRI 415: Public Policy 2016	415-1 Political contributions	Policy Framework > Anti-corruption
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social > Customers



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