

# Varroc Engineering Limited

Regd. & Corp. Office

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Maharashtra, India

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email: varroc.info@varroc.com  
www.varroc.com  
CIN: L28920MH1988PLC047335



VARROC/SE/INT/2024-25/61

August 21, 2024

To,

The Manager- Listing  
The Listing Department,  
**National Stock Exchange of India  
Limited**  
Exchange Plaza, Plot No. C/1, G  
Block,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai-400 051.  
NSE Symbol: VARROC

The Manager – Listing  
The Corporate Relation  
Department,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai-400 001.  
BSE Security Code: 541578  
[Debt: 975062]

Dear Sir/ Madam,

**Sub: Business Responsibility and Sustainability Report for the  
Financial Year 2023-24**

**Ref.: Regulation 34(2)(f) and other applicable Regulations of SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015,  
as amended (“Listing Regulations”).**

Pursuant to the Listing Regulations, please find enclosed the Business  
Responsibility and Sustainability Report for the Financial Year 2023-24.  
Aforesaid Report is also available on the website of the Company at  
[www.varroc.com](http://www.varroc.com).

We request you to take the same on record.

Yours faithfully,  
**For Varroc Engineering Limited**

**Ajay Sharma**  
**Group General Counsel and Company Secretary**

**Encl:** a/a

# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

Indicator No.	Description	Response
1	Corporate Identity Number (CIN) of the Listed Entity:	L28920MH1988PLC047335
2	Name of the Listed Entity:	Varroc Engineering Limited
3	Year of incorporation:	05/11/1988
4	Registered office address:	Plot No. L-4, MIDC, Waluj, Aurangabad (M.S.) - 431136
5	Corporate Address:	Plot No. L-4, MIDC, Waluj, Aurangabad (M.S.) - 431136
6	E-mail:	investors@varroc.com
7	Telephone:	0240-26653700
8	Website:	www.varroc.com
9	Financial year for which the reporting is done:	FY 2023-24
10	Name of the Stock Exchange(s) where shares are listed:	NSE Limited, Mumbai BSE Limited, Mumbai
11	Paid-up Capital:	₹15,27,86,400
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	Mr. Ajay Kumar Sharma Group General Counsel & Company Secretary Email: investors@varroc.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together):	Standalone Basis
14	Name of assurance provider:	Not Applicable
15	Type of assurance obtained:	Not Applicable

### II. Products/services

#### 16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacture and sale of automotive components	Electrical & electronics including lighting, metallic (transmissions & valves) supplying to Indian as well as Global OEMs and also in After Market	100%

**17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

S. No.	Product / Service	NIC Code	% of total Turnover contributed
1	Magneto, Regulator Rectifier CDI, Traction Motor and Traction Motor Controller	3607	21.08
2	Starter Motor	3609	5.42
3	Lighting, PCB, Dashboard, Switches, EV (TCMU, BMS, DC-DC), Catalytic convertor, ECU, sensors, Crankpin, Engine Valve, Handlebar Assembly, Seat Assembly, Air filter (2 & 3 wheelers)	3758	18.44
4	Automotive Lamps	29304	23.78
5	Steel Forged Products	3440	12.56
6	Plastic Moulded Parts	3139	4.21
7	Automobile parts in aftermarket	-	13.87

**III. Operations****18. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	19	3	22
International	0	0	0

**19. Markets served by the entity:****a. Number of locations**

Locations	Number
National (No. of States)	7
International (No. of Countries)	30

**b. What is the contribution of exports as a percentage of the total turnover of the entity? 5.31%****c. A brief on types of customers:**

Varroc's customers can broadly be classified into domestic and international OEMs and aftermarkets. Our customer base spans across various segments, including passenger cars, commercial vehicles, two-wheelers, three-wheelers, and off-highway vehicles. Our strong domestic and global presence allows us to efficiently meet the unique needs and requirements of our customers across various markets.

**IV. Employees****20. Details as at the end of Financial Year:****a. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	2546	2391	94%	155	6%
2.	Other than Permanent (E)	9	9	100%	0	0%
3.	<b>Total employees (D + E)</b>	<b>2555</b>	<b>2400</b>	<b>94%</b>	<b>155</b>	<b>6%</b>

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>WORKERS</b>						
4.	Permanent (F)	1361	1316	97%	45	3%
5.	Other than Permanent (G)	7274	5755	79%	1519	21%
6.	<b>Total workers (F+G)</b>	8635	7071	82%	1564	18%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Differently Abled Employees</b>						
1.	Permanent (D)	0	0	-	0	-
2.	Other than Permanent (E)	0	0	-	0	-
3.	<b>Total differently abled employees (D+E)</b>	0	0	-	0	-
<b>Differently Abled Workers</b>						
4.	Permanent (F)	0	0	-	0	-
5.	Other than Permanent (G)	0	0	-	0	-
6.	<b>Total differently abled workers (F+G)</b>	0	0	-	0	-

## 21. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.50%
Key Management Personnel	2	0	0%

## 22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

Particulars	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	15.81%	23.87%	16.30%	32.22%	61.40%	34.38%	33.45%	54.21%	34.97%
Permanent Workers	0.19%	0.00%	0.18%	0.60%	0.00%	0.58%	1.19%	0.00%	1.15%

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Varroc Polymers Limited	Subsidiary	100%	No
2	Durovalves India Private Limited	Subsidiary	72.78%	No
3	CarlQ Technologies Private Limited	Subsidiary	95%	No
4	Varroc European Holding B.V.	Subsidiary	100%	No
5	VarrocCorp Holding B.V.	Subsidiary	100%	No
6	Varroc Japan Co. Ltd.	Subsidiary	100%	No
7	Industria Meccanica E Stampaggio s.p.a.	Subsidiary	100%	No
8	Varroc Italy S.p.A.	Subsidiary	100%	No
9	Varroc Romania S.A.	Subsidiary	98.23%	No
10	Varroc Vietnam Co. Limited	Subsidiary	100%	No
11	Varroc Germany GmBH	Subsidiary	100%	No
12	Varroc Poland S.p.Z.o.o.	Subsidiary	100%	No
13	Varroc Electronics Romania S.r.l	Subsidiary	100%	No
14	Varroc Lighting Systems Bulgaria EOOD	Subsidiary	100%	No
15	Varroc Czech Republic SRO	Subsidiary	100%	No
16	Varroc Intelligent Driving R&D Center (Changzhou) Co., Ltd.	Subsidiary	100%	No
17	Varroc Dell'Orto Private Limited	Joint Venture	50%	No
18	Nuova CTS S.r.L., Italy	Joint Venture	50%	No
19	Varroc TYC Corporation BVI	Joint Venture	50%	No
20	Varroc TYC Auto Lamps Co. Limited, China	Joint Venture	50%	No
21	Chongqing Varroc TYC Auto Lamps Co. Limited, China	Joint Venture	50%	No

## VI. CSR Details

### 24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in Rs.): 45,34,96,39,192

(iii) Net worth (in Rs.): 9,10,46,27,282

**VII. Transparency and Disclosures Compliances**

**25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY2024 Current Financial Year			FY2023 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, the Corporate Social Responsibility Committee <a href="https://varroc.com/wp-content/uploads/bsk-pdf-manager/2022/12/CSR_Policy_VEL.pdf">https://varroc.com/wp-content/uploads/bsk-pdf-manager/2022/12/CSR_Policy_VEL.pdf</a> <a href="https://varroc.com/investors/compliance-officer/">https://varroc.com/investors/compliance-officer/</a>	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes, <a href="https://varroc.com/investors/compliance-officer/">https://varroc.com/investors/compliance-officer/</a>	0	0	NA	0	0	NA
Shareholders	Yes, The Stakeholder Relationship Committee <a href="https://varroc.com/investors/compliance-officer/">https://varroc.com/investors/compliance-officer/</a>	0	0	NA	0	0	NA
Employees and workers	Yes, Whistle blower policy can be refer for raising any concerns <a href="https://varroc.com/wp-content/uploads/bsk-pdf-manager/2022/12/Whistle_Blower_Policy-%20Varroc_Group.pdf">https://varroc.com/wp-content/uploads/bsk-pdf-manager/2022/12/Whistle_Blower_Policy-%20Varroc_Group.pdf</a> Additionally, we have an intranet grievance mechanism to address grievances through Ethics Committee At plant, we have a dedicated HR SPOCs to address the concerns.	0	0	NA	2	0	Both cases were resolved with appropriate action

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY2024 Current Financial Year			FY2023 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	At corporate, each employee is assigned an individual SPOC Yes, Whistle blower policy can be refer for raising any concerns <a href="https://varroc.com/wp-content/uploads/bsk-pdf-manager/2022/12/Whistle_Blower_Policy-%20Varroc_Group.pdf">https://varroc.com/wp-content/uploads/bsk-pdf-manager/2022/12/Whistle_Blower_Policy-%20Varroc_Group.pdf</a>	0	0	NA	0	0	NA
Value Chain Partners	An individual Key Account Manager is assigned to each customer to ensure that their complaint and feedback are duly received and adequately addressed in a timely manner. Yes, Whistle blower policy can be refer for raising any concerns <a href="https://varroc.com/wp-content/uploads/bsk-pdf-manager/2022/12/Whistle_Blower_Policy-%20Varroc_Group.pdf">https://varroc.com/wp-content/uploads/bsk-pdf-manager/2022/12/Whistle_Blower_Policy-%20Varroc_Group.pdf</a> Value chain partners are assigned with individual from supply chain department	0	0	NA	0	0	NA
Other (please specify)	NA	NA	NA	NA	NA	NA	NA

## 26. Overview of the entity’s material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy and GHG Emissions	Risk	GHG emissions from manufacturing contribute to climate change and global warming. Manufacturing processes often require substantial amounts of energy for machinery, heating, cooling, and lighting. Reducing GHG emissions and optimizing processes for better energy efficiency can enhance environmental stewardship, operational efficiency, and the company's overall sustainability.	Implementing strategic initiatives and working with plants to set and work towards energy conservation and renewable energy targets, wherever possible.	Negative
2	Employee Health and Safety	Opportunity	Ensuring a safe and healthy workplace is crucial for protecting the physical and mental health and wellbeing of employees. A safe work environment reduces the risk of accidents and occupational hazards at our plants and looks into OHS aspects for corporate centric employees	Implementation of a robust occupational health and safety management systems including ISO 45001:2018 and Environmental Management Systems ISO 14001:2018.	Positive
3	Labor Management and Human Rights	Opportunity	Labor management focuses on ensuring fair and ethical treatment of workers. Human rights and security issues including aspects like fair wages, working hours, and employee engagement, Prevention of Sexual Harassment (POSH), anti-discrimination, benefits like healthy meals are critical to creating a safe, inclusive, and respectful work environment for all employees and workers.	NA	Positive



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Sustainable Supply Chain	Opportunity	A sustainable supply chain enhances operational efficiency, transparency, and reduces adverse environmental impacts throughout the entire value chain. By adopting sustainable sourcing, the company can also ensure it maintains business relationships with suppliers who are committed to upholding environmental and social standards. We have an ESG guidance in place to strengthen our upstream partners.	NA	Positive
5.	Diversity, Equity & Inclusion	Opportunity	Diversity, Equity, and Inclusion (DEI) is crucial for driving innovation and creativity and is a key aspect our workplace planning. Diversity across Gender, Age, background helps in decision-making, enhancing employee engagement and retention by fostering an inclusive work environment.	NA	Positive
6.	Regulatory Compliances	Risk & Opportunity	Maintaining high regulatory compliance standards can enhance corporate reputation, earning customer trust and loyalty. Non-compliance can lead to fines, legal penalties, and litigation, impacting financial health and reputation.	Evaluation of processes and assessment for compliance with relevant laws and regulations.	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7.	Business Ethics & Transparency	Risk & Opportunity	Ethical business practices and transparency help build trust among key stakeholders, facilitate ethical decision-making across all levels of the organization, and ensure that business is conducted with the utmost integrity and accountability.	Established a strong corporate governance structure and mechanisms to ensure that business operations are conducted in an ethical, transparent and sustainable manner, including protecting stakeholders' interests.	Positive

We have conducted a comprehensive materiality assessment during the financial year. The detailed methodology and results will be shared as part of our Sustainability Report.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	ESG Policy <a href="https://varroc.com/investors/corporate-governance/">https://varroc.com/investors/corporate-governance/</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	IATF 16949 IS 14489 ISO 45001 ISO 14001 ISO 27001								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The company is in the process of setting goals for optimizing energy consumption specifically electricity, maximizing use of renewable energy, which meets all the government environmental and safety compliance and health & safety of employees and workers.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The company is in the process of setting a tracking mechanism for reviewing the performance against the set goals								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Governance, leadership and oversight</b>									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Please refer to "Message from CMD" in the annual report								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Tarang Jain, Chairman and Managing Director								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, The ESG Steering Committee is a three-member Committee chaired by Chairman and Managing Director and have two member Directors including one Independent Director which is responsible for decision making on sustainability related issues.								

10. Details of Review of NGRBCs by the Company:

Subject of Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)									
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	
Performance against Above policies and follow up action Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances						Director										Annually			
						Director										Quarterly			

11. Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.									No

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									Not Applicable
It is planned to be done in the next financial year (Yes/ No)									
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### PRINCIPLE 1

**Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable**

#### Essential Indicators

##### 1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

S. No.	Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
1	Board of Directors	2	During the year, the Board of Directors of the Company invested time on various key updates which includes Companies Act, 2013, SEBI LODR, Cyber Security, Business updates & ESG	100%
2	Key Management Personnel	2	During the year, the Key Managerial personnels of the Company invested time on various key updates which includes Companies Act, 2013, SEBI LODR, Cyber Security, Business updates & ESG	100%
3	Employees other than BODs and KMPs	77	SHIPS Values – Sincerity, Humility, Integrity, Passion & Self Discipline, Albus Competency Framework – 9 competencies for 3 categories: Business, Customer & People, Environment Health & Safety, POSH, Unconscious Bias, Creating 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	73.83%
4	Workers	426	Behavioral Safety, MOST, POSH Awareness, Positive Work Culture, SHIPS, Albus, Safety, Technical, Firefighting, Health, etc.	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	No	NA	NA	NA	NA
Settlement	No	NA	NA	NA	NA
Compounding fee	No	NA	NA	NA	NA

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	No	NA	NA	NA
Punishment	No	NA	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

S. No.	Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
		Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

We have an Anti-Corruption and Anti-Bribery policy which has been approved by the board and uploaded on the Company's website. The Anti-Bribery and Anti-Corruption Policy is designed to enforce a strict zero-tolerance stance towards bribery and corruption. The policy is applicable to all employees and associated parties across global operations. It outlines specific protocols against engaging in bribery through third parties, prohibits inappropriate gifts and hospitality, and bans political and certain charitable contributions unless approved. Additionally, it also includes measures such as monitoring and reporting systems to maintain transparency and accountability.

<https://varroc.com/investors/corporate-governance/>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY2024	FY2023
Directors	0	0
KMPs	0	0
Employees	0	1
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY2024		FY2023	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

No corrective action was required as the company had not received any complaints regarding the corruption and conflict of interests.

8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format.

	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Number of days of accounts payables	89.77	85.58

9. Openness of business Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY2024	FY2023
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	6%	5%
	b. Number of trading houses where purchases are made from	20	20
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	98%	98%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	100%	100%
	b. Number of dealers /distributors to whom sales are made	828	767
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers /distributors	16%	18%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	1.61%	0.92%
	b. Sales (Sales to related parties / Total Sales)	2.07%	1.44%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	99.54%	99.95%
	d. Investments (Investments in related parties / Total Investments made)	99.27%	100%

## Leadership Indicators

### 1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in value chain covered by the awareness programmes
25	1. PPAP 2. FMEA 3. MSA 4. SPC 5. 5S 6. ISO 7. IATF Awareness 8. TPM Basics 9. 7 QC Tools 10. Root Cause Analysis 11. Poka-Yoka 12. Kaizen	65%

### 2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, as per the Code of Conduct for the Board of Directors and Senior Management, the Directors and Senior Management shall not engage in any business, relationship or activity, which may be in conflict with the interests of the Company. In case there is likely to be a conflict of interest, they are required to make full disclosure of all the facts and circumstances thereof to the Board of Directors and the approval of the Board is required to be obtained.

## PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

## Essential Indicators

### 1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)	Details of improvements in environmental and social impacts
R & D	0%	0%	-
Capex	0.55%	1.56%	Installation of rainwater harvesting structure, ETPs, STPs, LED lightings, improvement of health management systems

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, we have a Supplier Code of Conduct, which outlines our expectations and standards for suppliers to ensure that our business is conducted in a sustainable, transparent and ethical manner. Suppliers are expected to fully comply with this Code and to encourage their subcontractors and partners to do the same.

The current key focus areas of our Supplier Code of Conduct are more from social compliances which includes General Management, Child Labor & Employee Protection, Prevention of Sexual Harassment, Employee Rights and Participation, Working Hours and Overtime, Occupational Health and Safety, Environmental, Supply Chain Management, Anti-Bribery and Anti-Trust, and Grievance Redressal. Going forward we aim to include focus areas from Sustainability perspective.

As a part of this Code of conduct, suppliers are expected to ensure that their practices align with ethical sourcing principles, including the responsible sourcing of materials and goods.

**b. If yes, what percentage of inputs were sourced sustainably?**

100% as per above definition

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Not applicable

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, the Extended Producer Responsibility (EPR) registration is currently in process and the application has been duly submitted to the Central Pollution Control Board (CPCB).

**Leadership Indicators**

**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency	Results communicated in public domain (Yes/ No) If yes, provide the web-link
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No Lifecycle Assessment was conducted in the reporting year

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
---------------------------	-----------------------------------	--------------

Not applicable

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Not Applicable	Not Applicable	Not Applicable



4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Re-used	Recycled	Safely Disposed	Re-Used	Recycled (MT)	Safely Disposed (MT)
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate Product Category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	NA

### PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

#### Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	2391	2391	100%	2391	100%	NA	NA	2391	100%	NA	NA
Female	155	155	100%	155	100%	155	100%	NA	NA	0	0%
<b>Total</b>	<b>2546</b>	<b>2546</b>	<b>100%</b>	<b>2546</b>	<b>100%</b>	<b>155</b>	<b>100%</b>	<b>2391</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
<b>Other than Permanent employees</b>											
Male	9	0	0%	0	0%	0	0%	0	0%	NA	NA
Female	0	0	0%	0	0%	NA	NA	0	0%	0	0%
<b>Total</b>	<b>9</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

- b. Details of measures for the well-being of workers:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	1316	1316	100%	1316	100%	0	0%	1316	100%	0	0%
Female	45	45	100%	45	100%	45	100%	0	0%	45	100%
<b>Total</b>	<b>1361</b>	<b>1361</b>	<b>100%</b>	<b>1361</b>	<b>100%</b>	<b>45</b>	<b>4%</b>	<b>1316</b>	<b>97%</b>	<b>45</b>	<b>3%</b>

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Other than Permanent workers</b>											
Male	5755	5755	100%	5755	100%	0	-	0	0%	0	0%
Female	1519	1519	100%	1519	100%	1519	0%	0	0%	1519	100%
<b>Total</b>	<b>7274</b>	<b>7274</b>	<b>100%</b>	<b>7274</b>	<b>100%</b>	<b>1519</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>1519</b>	<b>21%</b>

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –**

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Cost incurred on well- being measures as a % of total revenue of the company	0.100%	0.106%

2. **Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	100%	0%	Yes	NA	NA	NA
Others – please Specify	-	-	-	-	-	-

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, all the premises / offices of Varroc are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016. Separate toilets and ramps are available for differently able employees and workers.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, we have a Diversity, Equity, and Inclusion Policy which establishes the company's commitment to maintaining a discrimination-free workplace and promoting a culture of inclusivity among its workforce and stakeholders. The policy can be accessed here. Key aspects of the Diversity, Equity, and Inclusion Policy include:

- Proactive Measures: Identifying, analyzing, and addressing diversity challenges within the company and its units.
- Compliance: Ensuring all business units adhere to legal and regulatory obligations, as well as Varroc's Code of Business Conduct and Values.

- **Eliminating Discrimination:** Actively working to eliminate discriminatory behavior at all levels of the company.
- **Harassment-Free Workplace:** Guaranteeing a workplace free from harassment for all employees and service providers.
- **Supportive Environment:** Creating a supportive workplace where all individuals feel welcome, respected, and able to achieve their full potential, regardless of their diverse backgrounds.
- **Adapting Processes:** Modifying internal processes and procedures to support diversity and inclusion.
- **Training and Awareness:** Providing training to promote an understanding of diversity and inclusion, which aims to reduce judgmental behavior and enhance the efficiency of multicultural teams.
- **Confidentiality in Complaints:** Maintaining confidentiality in the whistleblower process, with strict controls on the disclosure of information related to complaints.
- **Enforcement and Discipline:** Enforcing policy observance rigorously, with potential disciplinary actions for violations which are conducted through a fair, impartial, and transparent investigation process.

#### 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	100%	82%	NA	NA
Female	100%	100%	NA	NA
<b>Total</b>	<b>100%</b>	<b>82%</b>	<b>NA</b>	<b>NA</b>

\*No parental leaves were availed by the permanent workers

#### 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No <i>(If yes, then give details of the mechanism in brief)</i>
Permanent Workers	<p>Yes, the Internal Committee (IC) conducts quarterly meetings and maintains a register for all the meeting details and incidences. We receive grievances and a thorough process is in place to investigate the grievances.</p> <p>Monthly 'Vartalap' meetings are also conducted with an idea to:</p> <ul style="list-style-type: none"> <li>• Address group of workers &amp; update them with business challenges and other key issues.</li> <li>• Townhall Meetings: Conducted by Plant head to share the last month results &amp; current/upcoming months challenges with the team</li> </ul>
Other than Permanent Workers	<p>Yes, workers can raise complaints through Internal Committee (IC) quarterly meeting, monthly 'Vartalap', townhall meeting or to HR representative. We take necessary measures to investigate and address the grievances.</p>

	Yes/No <i>(If yes, then give details of the mechanism in brief)</i>
Permanent Employees	Yes, we have a Whistle Blower Policy in place that defines the mechanism to address all the grievances. For detailed mechanism, please visit our Whistle Blower Policy <a href="https://varroc.com/investors/corporate-governance/">https://varroc.com/investors/corporate-governance/</a>
Other than Permanent Employees	Yes, we have a Whistle Blower Policy in place that defines the mechanism to address all the grievances. For detailed mechanism, please visit our Whistle Blower Policy <a href="https://varroc.com/investors/corporate-governance/">https://varroc.com/investors/corporate-governance/</a>

### 7. Membership of employees and worker in association(s) or Unions recognized by the listed entity

Category	FY2024			FY2023		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Permanent Employees</b>						
Male	Not Applicable			Not Applicable		
Female	Not Applicable			Not Applicable		
<b>Total</b>	Not Applicable			Not Applicable		
<b>Permanent Workers</b>						
Male	1315	1224	93%	1332	1332	100%
Female	45	41	91%	44	42	95%
<b>Total</b>	<b>1361</b>	<b>1265</b>	<b>93%</b>	<b>1376</b>	<b>1376</b>	<b>100%</b>

### 8. Details of training given to employees and workers:

Category	FY 2024 (Current Financial Year)					FY 2023 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	2391	2391	100%	196	8%	2175	2175	100%	2175	100%
Female	155	155	100%	11	7%	174	174	100%	174	100%
<b>Total</b>	<b>2546</b>	<b>2546</b>	<b>100%</b>	<b>207</b>	<b>8%</b>	<b>2349</b>	<b>2349</b>	<b>100%</b>	<b>2349</b>	<b>100%</b>
<b>Workers</b>										
Male	1316	636	48%	504	38%	1332	1332	100%	1332	100%
Female	45	22	49%	13	29%	44	44	100%	44	100%
<b>Total</b>	<b>1361</b>	<b>658</b>	<b>48%</b>	<b>517</b>	<b>38%</b>	<b>1376</b>	<b>1376</b>	<b>100%</b>	<b>1376</b>	<b>100%</b>

## 9. Details of performance and career development reviews of employees and worker:

Category	FY 2024 (Current Financial Year)			FY2023 (Previous Financial Year)		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
<b>Employees</b>						
Male	2391	2250	94%	2175	2117	97%
Female	155	151	97%	174	142	82%
<b>Total</b>	<b>2546</b>	<b>2401</b>	<b>94%</b>	<b>2349</b>	<b>2259</b>	<b>96%</b>
<b>Workers</b>						
Male	1316	532	40%	1332	257	19%
Female	45	23	51%	44	32	73%
<b>Total</b>	<b>1361</b>	<b>555</b>	<b>41%</b>	<b>1376</b>	<b>289</b>	<b>21%</b>

## 10. Health and safety management system:

### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, we have implemented a comprehensive occupational health & safety management system across all our manufacturing plants as per ISO 45001:2018. This system covers all employees and workers, including those who are not directly employed by us but whose work or workplace is controlled by our organization. Our occupational health and safety management processes include occupational health and safety policy, guidelines, periodic training sessions, strong governance, comprehensive record and monitoring mechanism. We have established a digital portal for recording and monitoring occupational health and safety risks, compliances and other key aspects along with reporting the same to our senior management, for better monitoring and management of health and safety related issues and concerns.

### b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We conduct hazard identification and risk assessment as per the ISO 45001:2018 across our operations to assess all aspects of the work environment, processes, equipment, and the behavior of people for identifying any existing or potential sources of harm and key risks in our operations. Each plant has a dedicated EHS personal who is responsible for health and safety related issues. We regularly undertake workplace inspections and audits to identify any potential safety hazards related to machinery, workflow, and employee behaviors. Furthermore, daily safety walks, monthly self-assessment, cross-plant audits mechanisms help in identifying any potential work-related hazards. We also engage with employees to gather firsthand information about perceived risks and potential hazards they encounter in their daily operations.

### c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, our workers can report health & safety-related concerns to their line supervisor & EHS Officer of the Plant. Further, worksite safety inspections and audits are conducted to ascertain work-related hazards. The process included multiple review meetings and surveys such as - Statutory Audits, Customer Audits, Layered Audit processes, evaluation and review mechanisms with respect to Management Review Meetings (MRM), monthly inspection meetings, transport committee reviews, safety committee meetings, plant stand down meeting etc. We have installed sign boards at all our plants mentioning the emergency phone number to be reported in case of occurrence of any safety related incident.

### d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all employees and workers of Varroc have access to non-occupational medical and healthcare services which include annual medical check-up, ESIC, access to a factory medical officer, and a health center.

**11. Details of safety related incidents, in the following format:**

Safety Incident /Number	Category*	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.185	0.55
Total recordable work-related injuries	Employees	0	0
	Workers	2	3
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

We have a robust system in place for safety management practices as per the ISO-45001:2018 standard. We conduct HIRA at scheduled intervals and have a process to improve the controls on a continuous basis. We strictly follow the basic hierarchy of safety controls i.e., Eliminate, Substitute, Administrative controls, training, display of signboards and use of PPEs. The Company also has SOPs and work instructions defined for all processes. Further, we plan an annual training calendar, promotional activities at our site to ensure a safe workplace.

Monitoring and reviewing EHS performance is a cornerstone of our health and safety management practices. The Plant Head, Plant Safety Officer, each business unit has a dedicated EHS lead to convene daily to address ongoing safety issues and review current performance metrics. Monthly business review meetings consists of the Managing Director and CEO, prioritize safety discussions.

**13. Number of Complaints on the following made by employees and workers:**

Category	FY 2023-24 (Current Financial Year)			FY 2023* (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	521	21	NA	333	0	NA
Health & Safety	51	0	NA	60	0	NA

\*We have updated the last year's response as we have changed the methodology to track and categorize the complaints on working conditions and health & safety

**14. Assessments for the year:**

Safety Incident /Number	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

The company has taken corrective actions to address the significant risk. Hazard Identification and Risk Assessment (HIRA) is prepared, and SOPs are in place for addressing significant concerns. Fire protection and fire-fighting systems, LPG leakage sensors are installed, occupational health centers, first-aid kits at various touch points across all plants, fire alarm systems are provided with alert calling and manual call points in case of any emergency.

## Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

a. Employees (Yes/No)	Yes
b. Workers (Yes/No)	Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

All the suppliers are required to comply with applicable national laws and regulations as per our agreement. The following measures are taken by the company to ensure that the statutory dues are deducted and deposited by the value chain partners:

- Contractual obligations
- Regular Audits and Inspections
- Compliance Certifications
- Training and Awareness Programs
- Monitoring Systems
- Third-party Verification
- Documentation and Record-Keeping

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	100%

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

PQCDSM stands for Productivity, Quality, Cost, Delivery, Safety and Morale which is a monitoring system that we have put in place for all LTS suppliers. This assessment covers a total of 115 suppliers.

**PRINCIPLE 4**

**Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Our stakeholder-centric approach allows us to identify and engage meaningfully with key internal and external stakeholder groups. We have identified our stakeholder groups as our senior management, employees, customers, communities and vendors to understand and categorize the various stakeholder groups that have a direct and immediate impact on the entity's operations and outcomes.

We analyze each stakeholder group to understand their potential impact and expectations with respect to our overall performance. We engage with various stakeholders through surveys, interviews, and focus groups to gain a nuanced understanding of their needs and expectations as well.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Shareholders	No	Annual General Meeting, Emails, Newspaper, Website, Press Release	Annual, Periodic	Business Performance, Business Updates
2	Investors (other than shareholders)	No	Investor Calls, meets, emails	Annual, Periodic	Business Performance, Financial Performance
3	Customers	No	Emails, SMS, advertisements, website, social media	Monthly	Offers
4	Employees and Workers	No	Town halls, training sessions, emails, intranet	Monthly	Employee engagement, talent management
5	Distributor channel partner	No	Email, SMS, advertisement, meetings, website	Monthly	Business target, incentives, query resolution
6	Vendors	No	Email, vendor meetings	Monthly	Query and grievance redressal
7	Community	Yes	On site CSR work meetings	Monthly	CSR Developmental Programmes



## Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The company has several avenues for stakeholder interaction on ESG parameters which includes internal designated ESG, EHS and compliance officers. Apart from that, ESG steering committee of the board is the apex body that reviews and approves the ESG policy, ESG goals and ESG performance and has oversight of the ESG activities in the Company. On ground implementation of the ESG policies are conducted and managed by individual operational committees for environment, social and governance.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, stakeholder consultation is used in identifying and management ESG-related topics for the entity. As a part of the materiality assessment conducted during the financial year, we engaged with our key stakeholder groups to understand their perspectives on significant material environment, social and governance issues for the entity. We endeavor to maintain regular communication with our stakeholders through various stakeholder communication channels.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

The Company's CSR initiatives focus on various aspects of community engagement and social welfare. The Company has been able to generate a positive social impact through its CSR initiatives that are focused on education, environmental restoration and sports training and welfare for youth athletes. The CSR strategy is approved and periodically reviewed by CSR Committee of the board and believes in Optimizing Impact on Communities and Beneficiaries. For more information, kindly refer to the Corporate Social Responsibility Report mentioned in Annual Report and Sustainability Report for project details.

## PRINCIPLE 5

Businesses should respect and promote human rights

### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	2546	2546	100%	2349	2349	100%
Other than permanent	9	9	100%	9	9	100%
<b>Total Employees</b>	<b>2555</b>	<b>2555</b>	<b>100%</b>	<b>2358</b>	<b>2358</b>	<b>100%</b>
<b>Workers</b>						
Permanent	1361	1361	100%	1376	1376	100%
Other than permanent	7274	7274	100%	6658	6658	100%
<b>Total Workers</b>	<b>8635</b>	<b>8635</b>	<b>100%</b>	<b>8034</b>	<b>8034</b>	<b>100%</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
<b>Permanent</b>										
Male	2391	0	0%	2391	100%	2175	0	0%	2175	100%
Female	155	0	0%	155	100%	174	0	0%	174	100%
<b>Other than permanent</b>										
Male	9	0	0%	9	100%	8	0	0%	8	100%
Female	0	0	0%	0	0%	1	0	0%	1	100%
<b>Workers</b>										
<b>Permanent</b>										
Male	1316	0	0%	1316	100%	1332	87	7%	1245	93%
Female	45	0	0%	45	100%	44	2	4%	42	96%
<b>Other than permanent</b>										
Male	5755	5130	89%	625	11%	5979	5979	100%	0	0%
Female	1519	1423	94%	95	6%	679	679	100%	0	0%

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

S. No.	Type of employee	Male		Female	
		Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
1	Board of Directors (BoD)	7	3,500,000	1	3,500,000
2	Key Management Personnel (KMP)	2	23,963,300	0	-
3	Employees other than BoD and KMP	2378	716,414	155	972,682
4	Workers	1316	43,292	45	43,078

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Gross wages paid to females as % of total wages	7.06%	7.09%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, we have Human rights policy and a focal point to address any human rights issues that are reported wherever we do business. Our policy highlights our commitment to respecting the human rights of our workforce, communities and those affected by our operations wherever we do business. In addition to our policy framework, we have committees such as Health and Safety and POSH which are responsible for overseeing the human rights-related issues and concerns in our organization.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Yes, the following mechanisms provide the employees with secure and 24x7 access to raise their grievances and to report confidentially without any fear of retaliation regarding any breach of policies and procedures in the company:

- a) Whistleblower Policy
- b) Policy on Prevention and Redressal of Sexual Harassment at Workplace
- c) Ethics Committee

**6. Number of Complaints on the following made by employees and workers:**

Category	FY2024 (Current Financial Year)			FY2023 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	1	1	<p>IC team &amp; External consultant investigated the case and the below action was concluded:</p> <p>This case is upheld as a case of sexual harassment and the respondent is liable for appropriate punishment as per the company's policy.</p> <p>Recommendations shared for Management to take actions:</p> <p>1. Complainant: Verbal sensitization for displaying professional and personal boundaries at the workplace.</p> <p>2. Respondent: Respondent should be penalized for his action – written apology and stoppage of increment for one year</p>	2	0	Both the complaints that were filed during the year has been resolved

Category	FY2024 (Current Financial Year)			FY2023 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Discrimination at workplace	0	0	-	0	-	-
Child Labor	0	0	-	0	-	-
Forced Labor/ Involuntary Labor	0	0	-	0	-	-
Wages	0	0	-	0	-	-
Other human rights related issues	0	0	-	0	-	-

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY2024	FY2023
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	2
Complaints on POSH as a % of female employees / workers	0.06%	0.22%
Complaints on POSH upheld	1	0

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The POSH policy is disclosed on the website. <https://varroc.com/investors/corporate-governance/>

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, Human rights-related issues are covered under the General Purchase Agreement as part of legal compliance.

**10. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100%
Forced/involuntary labor	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

To avoid the need of corrective actions, we have implemented process and procedures in the initial stage of resourcing, hiring and deployment. In addition, recognizing the social consequences of discrimination, labor malpractices, harassment, we have regular training sessions arranged for all employees to foster a safe and respectful workplace .

## Leadership Indicators

### 1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

No business process was modified as a result of addressing any human rights-related grievances.

### 2. Details of the scope and coverage of any Human rights due diligence conducted.

Yes, we conduct human rights due diligence at all plants and offices to identify and address any potential human rights-related risks in our business operations. The focus areas of our human rights due diligence include fair wages, POSH-related trainings and assessment, grievances-related mechanisms, and workplace safety.

### 3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, all the offices are accessible to differently abled employees, workers, and visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016. Within our premises, separate toilets and ramps are available to ensure accessibility to the differently abled.

### 4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	Not Available
Discrimination at workplace	Not Available
Child labor	Not Available
Forced/involuntary labor	Not Available
Wages	Not Available
Others – please specify	

### 5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

## PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

## Essential Indicators

### 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2024 (Current Financial Year)	FY 2023* (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A) - GJ	64,495	61,378
Total fuel consumption (B) - GJ	0	0
Energy consumption through other sources (C) - GJ	0	0
<b>Total energy consumed from renewable sources (A+B+C) - GJ</b>	<b>64,495</b>	<b>61,378</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D) - GJ	355,308	343,582
Total fuel consumption (E) - GJ	72,451	79,121
Energy consumption through other sources (F) - GJ	0	0
<b>Total energy consumed from non-renewable sources (D+E+F) - GJ</b>	<b>427,759</b>	<b>422,703</b>
<b>Total energy consumed (A+B+C+D+E+F) - GJ</b>	<b>492,254</b>	<b>484,081</b>

Parameter	FY 2024 (Current Financial Year)	FY 2023* (Previous Financial Year)
<b>Energy intensity per rupee of turnover</b> (Total energy consumed/Revenue from operations) – GJ/INR Lakhs	1.08	1.22
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP)	1.09	1.23
<b>Energy intensity in terms of physical output</b>	NA	NA
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

\*The numbers are updated for the year FY2023 based on change in the methodology to track and categorize energy sources.

b. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

PAT scheme does not apply to Varroc Engineering Limited

3. a. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	68,795	8,551
(ii) Groundwater	30,541	22,109
(iii) Third party water	122,653	226,029
(iv) Seawater / desalinated water	0	0
(v) Others	7,683	0
<b>Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)</b>	<b>229,672</b>	<b>256,689</b>
<b>Total volume of water consumption (in kiloliters)</b>	<b>230,224</b>	<b>248,687</b>
<b>Water intensity per rupee of turnover</b> (Total water consumption / Revenue from operations) – KL/INR Lakhs	0.51	0.63
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP)	0.51	0.63
<b>Water intensity in terms of physical output</b>	NA	NA
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	NA	NA

b. Indicate if any independent assessment/ evaluation/assurance has been carried out Water Withdrawal and Consumption data by an external for agency? (Yes/No)

No

4. Provide the following details related to water discharged:

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kiloliters)</b>		
(i) To Surface water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties - CETP	19,853	17,031
- No treatment	0	0
- With treatment – please specify level of treatment	19,853	17,031
(v) Others	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
<b>Total water discharged (in kiloliters)</b>	<b>19,853</b>	<b>17,031</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, we have successfully implemented Zero Liquid Discharge (ZLD) at our VEL VII plant and are actively exploring suitable opportunities to expand this initiative to our other plants.

6. a. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
NOx	mg/Nm <sup>3</sup>	29.04	35.46
SOx	mg/Nm <sup>3</sup>	16.64	16.32
Particulate matter (PM)	mg/Nm <sup>3</sup>	42.69	41.47
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

b. Indicate if any independent assessment/evaluation/assurance has been carried out for Air Emissions (other than GHG Emissions) by an external agency? (Yes/No)

No

7. a. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Please specify unit	FY2024 (Current Financial Year)	FY2023* (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	MtCO <sub>2</sub> e	5,156	5,591
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	MtCO <sub>2</sub> e	79,944	77,306
<b>Total Scope 1 and Scope 2 emission intensity per million rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	MtCO <sub>2</sub> e/INR Lakhs	0.19	0.21
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	MtCO <sub>2</sub> e/INR Lakhs	0.19	0.21
Total Scope 1 and Scope 2 emission intensity in terms of physical output	NA	NA	NA
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity	NA	NA	NA

\* The numbers are updated for the year FY2023 based on the updated calculation methodology as per the energy sources.

b. Indicate if any independent assessment/ evaluation/assurance has been carried out for total GHG Emissions by an external agency? (Yes/No)

No

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, our team leads impactful GHG emission reduction projects, targeting key areas of energy conservation. We have carried out various projects to improve energy efficiency and reduce GHG emissions. Some thematic areas include:

1. Implementation of energy efficiency and conservation programs at all our manufacturing plants: we conduct energy audits each year for all the plants to identify opportunities of reducing consumption in the areas of compressed air systems, furnace heat loss, energy efficient lightings, etc. We are targeting 3% reduction in total energy consumption through the energy audits.
2. Renewable Energy Penetration: we have installed solar rooftop systems in more than 50% of our plants and plan to increase the capacity at all the plants in the coming years. We are also identifying new opportunities to expand the Solar/Wind Captive generation capacity.
3. Environmental Management Systems (EMS): we have implemented an online EMS which helps us track the energy consumption specifically for our products and optimize wherever possible.
4. Optimizing the value chain logistics to reduce our fuel consumption.



9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	1,150.79	802.18
E-waste (B)	8.12	4.56
Bio-medical waste (C)	0.04	0.03
Construction and demolition waste (D)	0	3.02
Battery waste (E)	22.41	1.76
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	640.63	610.00
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	7,488.95	7,094.00
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>9,310.94</b>	<b>8,515.55</b>
<b>Waste intensity per rupee of turnover</b> (Total waste generated/Revenue from operations) – MT/INR Lakhs	0.0205	0.021
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP)	0.0205	0.021
<b>Waste intensity in terms of physical output</b>	NA	NA
<b>Waste intensity</b> (optional) – the relevant metric may be selected by the entity	NA	NA

Parameter	FY2023-24	FY2022-23
(i) Recycled	8,512.16	8,047
(ii) Re-used	83.68	112
(iii) Other recovery operations	1.18	0
<b>Total</b>	<b>8,597.02</b>	<b>8,159</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	161.40	91.84
(ii) Landfilling	84.74	111
(iii) Other disposal operations	339.13	0
<b>Total</b>	<b>585.27</b>	<b>202.84</b>

b. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We have adopted waste management practices as per the statutory/regulatory requirements. For managing all the waste coming from the operations, we have clearly bifurcated the hazardous and non-hazardous waste categories and separate collection bins are installed at each shop/cell. Waste remains segregated at all times, including during transit from floor to the storage and within the storage area. Relevant vendors have been identified and authorized to safety and sustainably manage the waste. All waste except E-waste is disposed within 90 days.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No	Location of operations/offices	Type of Operation	Whether the conditions of environmental approval /clearance are being complied with? (Yes/No)	If no, the reasons thereof and corrective action taken, if any.
Not Applicable				

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

S. No	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable						

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	Water (Prevention & Control of Pollution) Act, 1974	No non-compliance	Nil	NA
2	Air (Prevention & Control of Pollution) Act, 1981	No non-compliance	Nil	NA
3	Environmental Protection Act, 1986	Proposed directions received on 17-05-23 (VEL VIII) & 27-04-23 (VEL V) Interim directions received on 22-02-24 (VEL VII)	No fine/ penalty	Compliance submitted and closed
4	Hazardous & Other waste (M and T M) Rules 2016	No non-compliance	Nil	NA

### Leadership Indicators

1. **a. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):**

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
<b>Total volume of water withdrawal (in kiloliters)</b>	NA	NA
<b>Total volume of water consumption (in kiloliters)</b>	NA	NA
<b>Water intensity per rupee of turnover</b> (Water consumed/turnover?)	NA	NA
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) To Groundwater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) To Seawater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third parties	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
<b>Total water discharged (in kiloliters)</b>	NA	NA

b. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**2. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

We are in the process of identifying material Scope 3 categories as per the GHG Protocol and we will report in coming years.

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)		NA	NA
<b>Total Scope 3 emissions per rupee of turnover</b>		NA	NA
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

**4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Energy Efficiency	1. Compressed air arresting and optimization 2. Lighting automation (motion sensor) 3. Demand load optimization 4. VFD for MTC pumps 5. Switching off standby pumps 6. LED lighting replacements	More than 1.4 million kWh units saved
2	Renewable Energy	1. Installed solar rooftop systems in more than 50% of the plants. 2. Currently, two of the plants have captive solar/wind plants capacity	Total RE generation in FY24 was more than 18 million kWh
3	Water – Zero Liquid Discharge	Implemented Zero Liquid Discharge systems in one of our plants using ETP systems	Reduction in effluent discharge
4	Water – Recycling for non-process requirements	We have installed STPs, Coolant Treatment Plants (CTPs) at all our plants for recycling the wastewater and the treated water are used for gardening related activities	More than 10% of water recycled/reused

**5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

We have developed an OEP (Onsite Emergency plan) for all our sites to ensure business continuity and adequate preparedness for disaster management. We have identified potential emergencies and natural disasters such as Fire, Electrocution, Fall from height, Chemical/ Acid exposure, Earthquake, Natural disasters among others. In order to prevent any adverse impacts as a result of these events, we have incorporated the following key aspects:

- Formed emergency response teams in our plants
- Formed firefighting and first aider teams in our plants
- Deployment of minimum number of first aiders and fire fighters at all times in the plant
- Conducting mock drills and plant level evacuation at scheduled intervals

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

Not Applicable

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Not Applicable

**PRINCIPLE 7**

**Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. a. **Number of affiliations with trade and industry chambers/ associations.**

6

- b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

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

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
Not Applicable	Not Applicable	Not Applicable

**Leadership Indicators**

1. **Details of public policy positions advocated by the entity:**

S. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/ Quarterly/Others – please specify)	Web link, if available
Not Applicable					

**PRINCIPLE 8**

**Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No	Name of project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
Not applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

Since our beginnings, we have consciously and consistently intended to focus on the true CSR concept of protecting the communities we work in. We have identified our focus areas by considering three areas: promoting inclusivity, providing opportunities for social mobility, and empowering the community. Details of our CSR initiatives have been outlined in our Annual Report and Sustainability Report but briefly, we focus on youth empowerment in professional youth sports, in biodiversity conservation alongside our long-term dedicated partner EcoSattva who focuses on conservation through community engagement, and vocational education specifically to support the growing need for talent within the manufacturing industry through our tie up with TISS's bachelor's degree programmes. Grievance redressal mechanisms for these initiatives specifically are available through dedicated POCs for each project.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2024 (Current Financial Year)	FY2023 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	33%	35%
Directly from within India	95%	94%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

Location	FY 2024 (Current Financial Year)	FY2023 (Previous Financial Year)
Rural	0%	0%
Semi-urban	5%	7%
Urban	92%	90%
Metropolitan	3%	3%

## Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No	State	Aspirational District	Amount spent (in INR)
Nil	Nil	Nil	Nil

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?

No, at present we do not have preferential procurement policy for suppliers from marginalized/vulnerable groups.

- (b) From which marginalized /vulnerable groups do you procure?

No procurement was done from marginalized/vulnerable groups.

- (c) What percentage of total procurement (by value) does it constitute?

0%

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not Applicable, as no intellectual properties owned based on traditional knowledge				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1	Varroc Vengsarkar Cricket Academy (VVCA)	547	-
2	Varroc Interschool & Industrial Cricket Tournament	1,200	-
3	Varroc Academy	250	-

S. No	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
4	<b>BAJA SAEINDIA Event (PRIZE SPONSORSHIP)</b>	11,473 students (425 no. of engineering colleges)	-
5	<b>Kham River Eco Restoration Project</b>	Chh. Sambhajinagar District	-
6	<b>Abhinav Bindra Foundation Trust (ABFT)</b> – It focuses on uplifting the Indian Sporting Ecosystem	7	-

\*For more information about CSR projects, please refer to Corporate Social Responsibility section of the Annual Report and Sustainability Report FY2023-24

## PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

### Essential Indicators

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

All consumer complaints that are received are duly acknowledged on receipt and attended on priority to ensure resolution as per the defined schedule and organizational hierarchy. An individual Key Account Manager is assigned to each customer to ensure that their complaint and feedback are duly received and adequately addressed in a timely manner.

#### 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	Not Applicable
Recycling and/or safe disposal	Not Applicable

#### 3. Number of consumer complaints in respect of the following:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-



**4. Details of instances of product recalls on account of safety issues:**

Not applicable since the products are sold to OEMs and aftermarket and not directly to end customers. The primary control for the product is with the OEMs/customers.

	Number	Reasons for recall
Voluntary recalls	Not Applicable	Not Applicable
Forced recalls	Not Applicable	Not Applicable

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, the company has an internal IT policy that establishes guidelines for the company's employees and end users regarding the use of the company's IT facilities and services in the intranet. Data Security is one of the key elements of the policy, aimed at ensuring the confidentiality, integrity, and availability of data while effectively managing risks. Further, the company has obtained ISO 27001:2022 for managing and continually improving information security. Our corporate office in Pune has obtained Tisax certification.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

No such issues were reported in the current financial year; hence no corrective actions were required to be undertaken.

**7. Provide the following information relating to data breaches:**

- Number of instances of data breaches: 0**
- Percentage of data breaches involving personally identifiable information of customers: 0**
- Impact, if any, of the data breaches: 0**

**Leadership Indicators****1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

All the products and services of Varroc Engineering can be accessed on the company website [www.varroc.com](http://www.varroc.com)

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

These are part specifications that are mutually agreed upon and signed off with customers.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Not applicable

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey about consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Not Applicable