



# Vardhman

Delivering Excellence. Since 1965.

## VARDHMAN SPECIAL STEELS LIMITED

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**Ref. VSSL:SCY:AUG:2024-25**

**Dated: 28-Aug-2024**

BSE Limited, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, MUMBAI-400001. <b>Scrip Code: 534392</b>	The National Stock Exchange of India Ltd, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), MUMBAI-400 051 <b>Scrip Code: VSSL</b>
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**SUB: BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

Dear Sir,

Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Business Responsibility and Sustainability Report for the Financial Year 2023-24, which also forms part of the 14<sup>th</sup> Annual Report of the Company.

Please take the same on records.

Thanking you,

Yours faithfully,  
For **VARDHMAN SPECIAL STEELS LIMITED**

**(SONAM DHINGRA)**  
**COMPANY SECRETARY**

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity : L27100PB2010PLC033930
2. Name of the Listed Entity : Vardhman Special Steels Limited
3. Year of incorporation : 2010
4. Registered office address : Vardhman Premises, Chandigarh Road, Ludhiana - 141010.
5. Corporate address : Vardhman Premises, Chandigarh Road, Ludhiana - 141010.
6. E-mail : [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com)
7. Telephone : 0161-2228943-48, 2251200-201
8. Website : [www.vardhman.com](http://www.vardhman.com) / [www.vardhmansteel.com](http://www.vardhmansteel.com)
9. Financial year for which reporting is being done : FY 2023-24
10. Name of the Stock Exchange(s) where shares are listed : National Stock Exchange of India Limited  
BSE Limited
11. Paid-up Capital : ₹81.46 crores
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. Sachit Jain  
Vice-Chairman & Managing Director  
email ID - [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com)  
Telephone - 0161-2251201
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.
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	Manufacturing	Manufacturing of Steel Products	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	Steel bars and bright bars of various grades and sizes.	241	100%

## 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	1	10	11
International	0	0	0

### 19. Markets served by the entity:

#### a. Number of locations

Locations	Number
National (No. of States)	12
International (No. of Countries)	10

Being a consistent supplier of quality special steels to leading automotive OEMs, the Company enjoys a pan-India marketing footprint. Having adopted a customer-centric business approach since inception, the Company's client base has expanded considerably. It has also helped the Company in establishing an international presence.

#### b. What is the contribution of exports as a percentage of the total turnover of the entity?

Although, VSSL is predominantly a domestic player, it enjoys an international presence in important markets for niche products. In FY24, exports comprised 7% of the Company's turnover (which includes 3% of exports to Aichi Forge, Thailand, through their trading arm in India). This number is expected to increase over the coming years owing to its Joint Venture with Aichi Steel – it will export quality and niche steel to various global forging companies of its joint venture partner.

#### c. A brief on types of customers:

The Tier I & II suppliers for Auto OEs in India is the primary market for the Company's products. Indian and International component manufacturers for passenger cars, two wheelers, commercial vehicles, etc. form a significant part of Company's clientele.

#### 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)	426	403	94.60	23	5.40
2.	Other than Permanent (E)	3	1	33.33	2	66.67
<b>3.</b>	<b>Total employees (D + E)</b>	<b>429</b>	<b>404</b>	<b>94.17</b>	<b>25</b>	<b>5.83</b>
<b>WORKERS</b>						
4.	Permanent (F)	821	820	99.88	1	0.12
5.	Other than Permanent (G)	590	589	99.83	1	0.17
<b>6.</b>	<b>Total workers (F + G)</b>	<b>1,411</b>	<b>1,409</b>	<b>99.86</b>	<b>2</b>	<b>0.14</b>

##### 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	0	0
2.	Other than Permanent (E)	0	0	0	0	0
<b>3.</b>	<b>Total differently abled employees (D + E)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
<b>6.</b>	<b>Total differently abled workers (F + G)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

##### 21. Participation/Inclusion/Representation of women:

(as on 31<sup>st</sup> March 2024)

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	3	25.00
Key Management Personnel	3	1	33.33

##### 22. Turnover rate for permanent employees and workers:

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13.4%	0%	13.4%	9.9%	9.8%	9.9%	6.8%	4.5%	6.7%
Permanent Workers	7.0%	0%	7.0%	3.5%	0%	3.5%	4.0%	0%	4.0%

## 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)
	NIL	N.A.	N.A.	N.A.

## VI. CSR Details

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

(ii) Turnover (₹ in crores): 1,661.36

(iii) Net worth (₹ in crores): 719.35

## VII. Transparency and Disclosure 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)	FY 2023-24			FY 2022-23		
		(If Yes, then provide web-link for grievance redress policy)	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
Communities	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Employees and workers	Yes	Nil	Nil	Nil	1	0	Nil
Customers	Yes	29	0	Nil	27	0	Nil
Value Chain Partners	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Web link of grievance redressal policy is [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/\\_Whistle\\_Blower\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/_Whistle_Blower_Policy.pdf)

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

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 implication)
1	Greenhouse Gas (GHG) Emissions	Risk	<p>Given the steel industry's significant contribution to global carbon emissions, transitioning to a carbon-neutral future demands clear targets and decisive measures. VSSL's GHG emissions are relatively low compared to the broader steel industry, as it employs electric arc furnace system. VSSL emits just 0.73 tons of carbon per ton of steel produced. Committed to sustainability, VSSL is intensifying its efforts to further reduce GHG emissions as part of its journey toward achieving net-zero.</p> <p>Regulatory efforts to reduce GHG emissions in response to the risks posed by climate change may result in additional regulatory compliance costs and risks e.g. Carbon Border Adjustment Mechanism.</p>	<p>VSSL aims to mitigate the risk by proactively adopting technologies and engage in continuous dialogue with policymakers.</p> <p>In a continuous effort to implement sustainable business practices, VSSL will continue to employ relevant technologies to increase the efficiency of all their operations.</p> <p>They have set clear and measurable decarbonization targets ensuring steady progress toward their sustainability goals.</p>	Negative Financial Implications
2	Energy Management	Opportunity	<p>Steel production requires significant energy, primarily from the direct combustion of fossil fuel and energy purchased from the grid.</p> <p>The focus is on VSSL's ability to manage its energy efficiency and its ability to access alternative sources of energy. VSSL's investment in solar power plant will meet 40% of its energy demand by March 2025, is a step in this direction.</p> <p>VSSL's action plan for transitioning to green steel involves leveraging renewable energy sources and advanced technologies</p>	Not applicable	Positive Financial Implications



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 implication)
3	Water Management	Risk	Steel production requires substantial volumes of water. VSSL is located in an industrial zone and mainly depends on ground water resources for its operations. Over the years, many residential areas have come up surrounding the Industrial area. This will result in increase in operational, regulatory and reputational risks associated with water scarcity, costs of water acquisition, and regulations on effluents or the amount of water used.	VSSL is increasing water efficiency with the help of new technologies, investing in rain-water harvesting pits to recharge the ground water resources, installed a Sewage Treatment Plant & planning to install Effluent Treatment Plant also.	Negative Financial Implications
4	Occupational Health and Safety	Risk	Steel production processes present significant risks to employees and contractors working in the plants. High temperatures and heavy machinery involved, noise induced deafness, chemical exposure and electric hazards pose risk requiring a strong safety culture and comprehensive health and safety policies. Worker injuries and fatalities can result in regulatory penalties, negative publicity, low worker morale and productivity, and increased healthcare and compensation costs.	VSSL has a strong culture of safety and is committed to implement all safety compliance requirements in order to eliminate any health & safety issues to the extent possible. VSSL regularly conducts internal & external audits on ISO 14001 & ISO 45001. VSSL has a dedicated Training Centre for health & safety.	Negative Financial Implications
5	Cyber security	Risk	Vardhaman Special Steels Limited (VSSL) recognizes the critical importance of IT and cybersecurity in operations and is deeply committed to safeguarding sensitive information, technology resources, and shareholder value from the risk of cyber threats and incidents. As regulatory and statutory requirements continue to increase, it is imperative to meet these obligations concerning privacy and data protection laws to avoid enforcement actions, fines, and potential reputational damage.	VSSL is currently revising its IT policy and strategy to align with the requirements of the Digital Personal Data Protection Act, 2023, which includes establishing a robust data breach management mechanism.	Negative Financial Implications

## 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.

The National Guidelines on Responsible Business Conduct (NGRBC) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are briefly as under:

- P1 Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable
- P2 Businesses should provide goods and services in a manner that is sustainable and safe
- P3 Businesses should respect and promote the well-being of all employees, including those in their value chains
- P4 Businesses should respect the interests of and be responsive to all its stakeholders
- P5 Businesses should respect and promote human rights
- P6 Businesses should respect and make efforts to protect and restore the environment
- P7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
- P8 Businesses should promote inclusive growth and equitable development
- P9 Businesses should engage with and provide value to their consumers in a responsible manner

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)									
Materiality of Events Policy	√			√					
Vigil Mechanism/ Whistle Blower Policy	√			√					
Related Party Transaction Policy	√			√					
Corporate Social Responsibility Policy					√			√	
Familiarization Program for Board Members	√			√					
Risk Management Policy		√							
Policy for determining Material Subsidiary	√			√					
Archival Policy	√								
Child Labour Prohibition Policy					√			√	
Code of Conduct	√		√	√	√			√	
Code of Conduct for Directors & Senior Management	√			√					
Code for Independent Directors	√			√					
Forced Bonded Labour Prohibition Policy					√			√	
Sexual Harassment Redressal Policy					√			√	
Dividend Distribution Policy	√			√					
ESG Initiatives		√	√			√		√	√
Environment, Health & Safety Policy			√	√	√	√			√
Nomination and Remuneration Policy	√			√					
Determining Authority - Materiality of Events	√								
Code of Practices and Procedures for Fair Disclosure of UPSI	√						√		



Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1. b. Has the policy been approved by the Board? (Yes/No)	Yes, the policies have been approved by the Board.								
1. c. Web Link of the Policies, if available	These policies are available on Company's website at the link <a href="https://www.vardhman.com/Investors/CompanyInformation">https://www.vardhman.com/Investors/CompanyInformation</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes, policies have been translated into procedures and are being monitored regularly for implementation								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	VSSL is in the process of identifying its value chain and developing a strategy to engage them on significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.								
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.	<p>The policies of VSSL are framed and guided by National Guidelines on Responsible Business Conduct (NGRBC), based on the UN Guiding Principles for Business and Human Rights (UNGPs), UN Sustainable Development Goals (SDGs), Paris Agreement on Climate Change, Core Conventions of the International Labour Organization (ILO) and the Companies Act, 2013.</p> <p>The Company has also adopted following international codes/ certifications/ labels/ standards</p> <p>ISO 14001: 2024 - Environmental Management Systems (EMS)</p> <p>ISO 45001: 2024 - Occupational Health and Safety Management Systems</p> <p>ISO 9001: 2015 - Quality Management Systems</p> <p>ISO/IEC 17025: 2023 - General Requirements for the Competence of Testing and Calibration Laboratories</p> <p>IATF 16949: 2016 - Quality Management System Standard (Manufacture of Special Alloy Steel)</p>								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	VSSL has commitment to reduce GHG emissions and optimize energy consumption by meeting 40% of their electricity consumption by solar energy.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	We continue to adhere all the guiding principles.								

## Governance, leadership and oversight

- Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.

### Vice-Chairman's Statement

As the director responsible for the Business Responsibility and Sustainability Report (BRSR), I would like to address the critical challenges, targets, and achievements related to our Environmental, Social, and Governance (ESG) commitments.

At VSSL, we are dedicated to integrating sustainability into every facet of our strategy and operations. Our BRSR report serves as a transparent channel through which we communicate our sustainability performance to our stakeholders. Our unique position as one of the leading low-emission circular steel producer in India is primarily attributed to our reliance on recyclable scrap as the main raw material. This commitment allows us to produce steel through electric arc furnace technology, which is not only sustainable but also significantly reduces our environmental impact. Currently, 80% of our final product consists of recycled scrap, a fact that is increasingly valued by clients who prioritize responsible business practices. This not only contributes to a reduced carbon footprint for our customer companies but also demonstrates the inherent recyclability of our steel, preserving its properties while minimizing the consumption of natural resources.

Consequently, our Scope 1 and 2 CO<sub>2</sub> emissions are approximately one-fourth of those being produced by traditional blast furnaces.

We are actively progressing with our plans to expand our rolling mill capacity through the installation of Kocks Block and a new re-heating furnace. Additionally, our initiatives, such as commissioning a solar power plant of 55 MW DC and establishing more Miyawaki Forests, reflect our unwavering commitment to sustainability.

Our goal is to give back to society more than what we receive, and we are laying the foundation for this through various Corporate Social Responsibility (CSR) projects. We will remain focused on driving our transformation through innovative and circularity initiatives, enabling us to enhance our efficiency and sustainability while contributing to India's commitment to achieving net-zero emissions by 2070 and advancing the Sustainable Development Goals.

Thank you for your continued support as we strive to meet these vital objectives and responsibilities.

For more details, please refer 'Statement from the Vice-Chairman's Desk.'

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy (ies).	Mr. Sachit Jain, Vice Chairman & Managing Director (DIN: 00746409) under the guidance of the Board of Directors and its Committees is responsible for implementation and oversight of the Business Responsibility Policies.
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 Risk Management Committee and the Corporate Social Responsibility Committee constituted by the Board of Directors of the Company evaluate the sustainability related issues from time to time. In FY'25 we are in the process of finalizing the constitution of Business Responsibility Committee to oversee the Material ESG & CSR Topics.



10. Details of Review of NGRBCs by the Company:

Subject for 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 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	The senior management of the Company reviews periodically the Company's performance with respect to various policies. The Board is also updated on important aspects of these reviews.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Status of compliance with all applicable statutory requirements is reviewed by the Board on a quarterly basis.																	

11. 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.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Presently we are only doing internal assessment. In FY'25 we aspire to conduct independent assessment through external agency.								

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)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	Not Applicable								
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)	Not Applicable								
Any other reason (please specify)	Not Applicable								

## 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:

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 programme
Board of Directors	4	Key developments on ESG topics are updated to the Board members regularly for relevant strategy decisions. This includes major decisions on setting up of a solar power plant, health and safety, waste management, CSR, employee well-being, etc.	100%
Key Managerial Personnel	4	Key developments on ESG topics are updated regularly for relevant strategy decisions. This includes major decisions on setting up of a solar power plant, health and safety, waste management, CSR, employee well-being, etc.	100%
Employees other than BoD and KMPs	149	Health & Safety, POSH, Whistle Blower Mechanism, Grievance Handling complaints, Skill Upgradation, TPM & 5S, Communication & Presentation Skills.	78%
Workers	369	Health & Safety, POSH, Whistle Blower Mechanism, Grievance Handling complaints, Skill Upgradation, EHS Legal Requirements, General Safety Awareness, TPM & 5S.	85%



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 ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	NIL	NIL	NIL	NIL
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding fee	NIL	NIL	NIL	NIL	NIL

**Non-Monetary**

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

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.**

Case Details	Name of the regulatory /enforcement agencies/ judicial institutions
NA	NA

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.**

Yes, the Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Uniform Listing Agreement aims to provide a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman/ Chairman of the Audit Committee in exceptional cases.

The Vigil Mechanism/ Whistle Blower Policy is available at the Company's website at the link [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/\\_Whistle\\_Blower\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/_Whistle_Blower_Policy.pdf)

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

	FY 2023-24	FY 2022-23
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

**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.**

Not Applicable

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

	FY 2023-24	FY 2022-23
Number of days of accounts payables	63	57

**9. Open-ness 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	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealers /distributors as % of total sales	Nil	Nil
	b. Number of dealers / distributors to whom sales are made	Nil	Nil
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Nil	Nil
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.18%	0.25%
	b. Sales (Sales to related parties / Total Sales)	Nil	Nil
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	Nil	Nil



## Leadership Indicators

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

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
NIL		

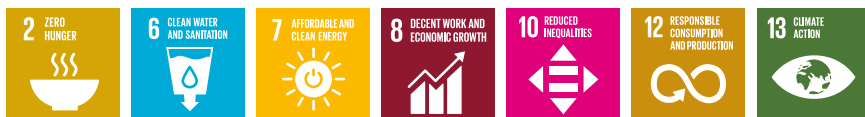
VSSL is in the process of identifying its value chain partners. Appropriate training programmes are being planned on the different principles.

### 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, the Company has a Code of conduct which is applicable to all directors and senior employees of the Company. It aims at maintaining highest standards of business conduct in line with the Ethics of the Company, provides guidance in difficult situations involving conflict of interest & moral dilemma and ensures compliance with all applicable laws. All senior employees are required to read and understand this code and agree to abide by it.

The Code of Conduct is available at the Company's website at the link: [https://www.vardhman.com/ Document/ Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Code\\_of\\_Conduct\\_for\\_Directors\\_&\\_Senior\\_Management.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Code_of_Conduct_for_Directors_&_Senior_Management.pdf)

## 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.

Category	FY 2023-24	FY 2022-23	Details of Improvements in environmental and social impacts
R&D	100%	100%	All of VSSL's R&D spending is fully aligned with one or more of the nine Principles outlined in the National Guideline for Responsible Business Conduct.
Capex	6.35%	52.05%	Commissioning of Sewage Treatment Plant for recycling of water, Pipeline for Natural Gas, Installation of Mechanical Pump in place of Steam Boiler, Ambient Air Quality monitoring system will improve ambient air quality.

#### 2. a. Does the entity have procedures in place for sustainable sourcing? - Yes

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

In FY 23-24, majority of all raw material was sustainably sourced and we are in the process of identifying the key parameters for social, ethical & environmental performance of its supply chain.

**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.**

VSSL is committed to address waste disposal in a responsible manner by ensuring all types of waste are disposed only through govt. authorized agencies.

**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, EPR is applicable to VSSL. In FY'25, VSSL is in the process of mapping the touch points where the EPR is applicable.

**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 (Yes/No)	Results -communicated in public domain (Yes/No) If yes, provide the web-link.
241	Steel bars and bright bars of various grades and sizes.	100%	Cradle to gate	No	No

**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.**

There is no significant social or environmental concerns and risks arising from the disposal of Company's products. However, the dust getting generated during production is collected through the Fume Extraction Systems installed by the Company and is disposed off with the agency duly authorized by the State Pollution Control Board.

**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	
	FY2023-24	FY2022-23
Scrap	84%	89%

**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			FY 2022-23		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	Nil	27.582	Nil	Nil	29.941
E-waste	Nil	Nil	0.410	Nil	Nil	0.210
Hazardous waste	Nil	Nil	Dust 2634.39 Spent Oil 8.830	Nil	Nil	Dust 2161.04 Spent Oil 5.780
Other waste – Bio-Medical Waste	Nil	Nil	0.008	Nil	Nil	0.016





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
NOT APPLICABLE	

**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:

% of employees covered by											
Category	Total (A)	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	403	403	100	403	100	-	-	403	100	403	100
Female	23	23	100	23	100	23	100	-	-	23	100
<b>Total</b>	<b>426</b>	<b>426</b>	<b>100</b>	<b>426</b>	<b>100</b>	<b>23</b>	<b>5.40</b>	<b>403</b>	<b>94.60</b>	<b>426</b>	<b>100</b>
<b>Other than Permanent employees</b>											
Male	1	-	-	1	100	-	-	-	-	1	100
Female	2	-	-	2	100	-	-	-	-	2	100
<b>Total</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>100</b>

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

% of workers covered by											
Category	Total (A)	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	820	820	100	820	100	-	-	820	100	820	100
Female	1	1	100	1	100	1	100	-	-	1	100
<b>Total</b>	<b>821</b>	<b>821</b>	<b>100</b>	<b>821</b>	<b>100</b>	<b>1</b>	<b>0.12</b>	<b>820</b>	<b>99.88</b>	<b>821</b>	<b>100</b>
<b>Other than Permanent workers</b>											
Male	589	-	-	589	100	-	-	-	-	589	100
Female	1	-	-	1	100	-	-	-	-	1	100
<b>Total</b>	<b>590</b>	<b>-</b>	<b>-</b>	<b>590</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>590</b>	<b>100</b>

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

	<b>FY 2023-24</b>	<b>FY 2022-23</b>
Cost incurred on well-being measures as a % of total revenue of the Company	0.09%	0.09%

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

<b>Benefits</b>	<b>FY 2023-24</b>			<b>FY 2022-23</b>		
	<b>No. of employees covered as a % of total employees</b>	<b>No. of workers covered as a % of total workers</b>	<b>Deducted and deposited with the authority (Y/N/N.A.)</b>	<b>No. of employees covered as a % of total employees</b>	<b>No. of workers covered as a % of total workers</b>	<b>Deducted and deposited with the authority (Y/N/N.A.)</b>
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	28	73	Y	32	80	Y
NPS	5	Nil	Y	2	Nil	Y

**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, VSSL has identified areas for improving accessibility.

**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.**

VSSL is in the process of defining its Equal Opportunity Policy as per the Rights of Persons with Disabilities Act, 2016.

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

<b>Gender</b>	<b>Permanent employees</b>		<b>Permanent workers</b>	
	<b>Return to work rate</b>	<b>Retention rate</b>	<b>Return to work rate</b>	<b>Retention rate</b>
Male	NA	NA	NA	NA
Female	100%	100%	NA	NA
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>NA</b>	<b>NA</b>

**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.**

	<b>Yes/No (If yes, then give details of the mechanism in brief)</b>
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

Yes. VSSL has an active POSH Committee and Health & Safety Committee. There is one Labour Welfare Officer who is in constant touch with the workers. Communication meetings between workers and senior officials are regularly conducted to redress the grievance of workers and maintain harmonious relations between the management and workers.

[https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Sexual\\_Harassment\\_Redressal\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Sexual_Harassment_Redressal_Policy.pdf)

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

Category	FY 2023-24			FY 2022-23		
	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>Total Permanent Employees</b>	Nil			Nil		
- Male						
- Female						
<b>Total Permanent Workers</b>						
- Male						
- Female						

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	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	403	317	78.66	369	91.56	382	349	91.36	370	96.86
Female	23	18	78.26	23	100	18	12	66.67	17	94.44
<b>Total</b>	<b>426</b>	<b>335</b>	<b>78.64</b>	<b>392</b>	<b>92.02</b>	<b>400</b>	<b>361</b>	<b>90.25</b>	<b>387</b>	<b>96.75</b>
<b>Workers</b>										
Male	820	553	67.44	771	94.02	723	681	94.19	625	86.45
Female	1	1	100	1	100	2	2	100	2	100
<b>Total</b>	<b>821</b>	<b>554</b>	<b>67.48</b>	<b>772</b>	<b>94.03</b>	<b>725</b>	<b>683</b>	<b>94.21</b>	<b>627</b>	<b>86.48</b>

9. Details of performance and career development reviews of employees and workers:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	403	403	100	382	382	100
Female	23	23	100	18	18	100
<b>Total</b>	<b>426</b>	<b>426</b>	<b>100</b>	<b>400</b>	<b>400</b>	<b>100</b>
<b>Workers</b>						
Male	820	820	100	723	723	100
Female	1	1	100	2	2	100
<b>Total</b>	<b>821</b>	<b>821</b>	<b>100</b>	<b>725</b>	<b>725</b>	<b>100</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 of such system?

Yes. VSSL is a certified ISO 45001 Organization which enables it to systematically identify hazards and implement Risk control measures leading to reduced workplace injuries and incidents. The Company is dedicated to develop an active occupational health and safety culture across all its activities.

Workers of the Company are getting health & safety trainings on a weekly basis through their Safety DOJO centre. The DOJO Training Centre is a dedicated training centre for occupational health & safety.

The Company also conducts mock fire safety drills on regular basis and celebrates safety month once in a year. To ensure the health of the employees, the Company organises various health check-up camps at regular intervals. VSSL has established an occupational health centre in the plant premises staffed by qualified healthcare professionals and had a tie-up with nearby hospitals.

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

Aichi Steel Corporation, Japan is VSSL's partner and has integrated worker health and safety practices into VSSL ways of working. Every day 5 minutes are dedicated to reiterate VSSL's commitment to safety of worker by holding meetings. The Company utilizes GEMBA, Hazard Identification and Risk Assessment (HIRA) Assessment, Root Cause Analysis (RCA), etc. processes to identify work-related hazards and assess risks on both routine and non-routine basis.

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

Yes, VSSL has 2 full time Safety Officers who are responsible to ensure the safety of workers. They are responsible to identify risks as well as record any Unsafe Activity & Unsafe Conditions. The HR/Admin Head is responsible to act on the data collected by the VSSL safety officers.

VSSL is committed to train and encourage employees to actively participate in identifying and addressing hazards, promoting a culture of safety.

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

Yes, employees and workers have multiple options to access non-occupational medical and health services. Apart from the inhouse Dispensary, with 2 full time Physicians, VSSL employees and workers can also avail medical services with nearest Hospital having Corporate tie-up with VSSL. Furthermore, all employees are covered under ESI scheme and Medclaim Policy which ensure that they receive the best available medical treatment.

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

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million person hours worked)	Employees	0	0
	Workers	1.96	0.68
Total recordable work-related injuries	Employees	0	0
	Workers	9	3
No. of fatalities	Employees	0	0
	Workers	1	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.**

VSSL is committed to provide a safe, progressive and sustainable work environment to all its employees. It has grievance redressal mechanism and strives to provide a work environment that is harassment free, healthy and safe. The Company is highly focused on improvement in health and safety of its workers. All hazards and its associated risks are identified across its facilities and any risk that deems to be high in the Hazard Identification and Risk Analysis (HIRA) is prioritized in the management plan. Various control measures are adopted to oversee safe functioning of business activities.

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

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	NA	Nil	Nil	NA
Health & Safety	Nil	Nil	NA	Nil	Nil	NA

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%, ISO 45001 Audit has been conducted.
Working Conditions	100%, Internal Audit

**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.**

Our Safety team performs detailed Root Cause Analysis (RCA) for every issue as per the standard RCA mechanism. It is discussed and debated in the Board rooms and shop-floor Control Rooms. Accidents and their analysis are circulated to ensure prevention of reoccurrence & increasing awareness and horizontal deployment in other work areas. We recognize that 'Near Misses' are as good as accidents. So, we define everything that come under the Near Miss umbrella. We strictly track and record 'Near Misses'.

**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)?**

Yes, the Company extends life insurance and compensatory packages in the event of the death of employees and workers. The company offers benefits under various schemes such as Employee State Insurance (ESI), Group Personal Accident (GPA) insurance, Medclaim, Group Term Insurance and Employees' Deposit Linked Insurance (EDLI) scheme.

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

The Purchase order with the value chain partners mentions all the requirements of all applicable statutory provisions, including the timely payment of statutory dues. Being a principal employer, VSSL ensures that all relevant clauses pertaining to applicable labour laws are thoroughly validated and upheld by both parties involved.

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:

	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	FY 2022-23	FY 2023-24	FY 2022-23
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

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, the Company facilitates employability and management of career endings resulting from retirement as and when requested and approved by the Management.

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	Nil
Working Conditions	Nil

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:

VSSL is in the process of identifying its value chain and developing a strategy to engage them on significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

**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.

VSSL has the process of conducting a materiality assessment & had identified the following stakeholders. List of Stakeholders as as under:

Internal Stakeholders:	External Stakeholders:
Overall Operations (ED)	NGO
Engineering Services	Customers
HR/Admin	Suppliers
Marketing - Domestic & Exports	Bankers
CFO	Investors

The Company actively engages with all its stakeholders throughout the year on its strategic aspirations. Material matters arising from stakeholder engagements are managed as a part of the risk management process.



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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Email, SMS, Advertisement, Website, Social Media, Customer Surveys, Customer Meets, Business Interactions, Audits by customers.	Regular	Product Launches, Brand Promotion & Communication, Technical & Commercial approvals, Customer Satisfaction & Feedback, New Technology or Process adopted.
Employees	No	Email, SMS, In House Magazines, Engagement Activities, Employee Satisfaction Surveys.	Regular	Career Growth, Training & Development, Improvement Plans, Long-Term Strategy, Awareness Campaigns, Health & Safety Initiatives.
Communities & NGO partners	Yes	Community & Local Authority Meets, Direct Engagement, Community Visits, Partnership with NGO's.	Regular	Need Assessment, Expectation and Feedback on impact/ success of CSR Projects.
Value Chain Partners	No	Email, SMS, Vendor Visits & Meets.	As & when required	Quality, Timely Payments, ESG Consideration (Sustainability, Safety Checks, Compliances, Ethical Behavior), ISO & OHSAS Standards, Supply Chain Issues, Technical Training Sessions, New Technology Launches by Vendors.
Media	No	Press Releases, Quarterly Results, Annual Reports.	As & when required	Performance Reporting, Award & Achievements, Initiatives etc. are reported.
Shareholders & Investors	No	Annual General Meeting, Shareholder Meets, Email, Stock Exchange intimations, Investor Meet, Annual Report, Quarterly Results, Media Releases, Company Website.	As and when required	Profitability & Stability, Growth Prospects, Major Events.

## 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.

VSSL employed a third party to conduct the materiality assessment on sustainability issues. This required one-on-one interaction with multiple stakeholders whose opinions have been gathered. This has provided 360 perspective on the risks & opportunities on the economic, environmental and social topics relevant and significant to VSSL. The Company has established Risk Committee, CSR Committee, to discuss the ESG issues and provide guidance.

Key developments on ESG topics are updated to the Board members regularly for relevant strategy decisions. This includes major decisions on setting up of a solar power plant, Health and Safety, Waste management, CSR, employee well-being etc.

These Committees meet regularly to appraise performance in the respective domains, evaluating the Company's achievements, challenges and opportunities. These evaluations are crucial for identifying areas of improvement and implementing strategies to drive positive change.

These reports are then presented to the Board. The Board, comprised of key stakeholders and decision-makers, actively analyzes reports to gain a holistic understanding of the Company's economic and ESG performance.

### 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 indeed utilized to support the identification and management of environmental and social topics within our entity. We recognize the importance of engaging with stakeholders to gather diverse perspectives and incorporate their inputs into our decision-making processes.

- a. Environmental Policy Development: While formulating our environmental policy, we conducted consultations with various stakeholders, including local communities, environmental organizations and industry experts. Through these consultations, we received valuable insights on environmental concerns, such as resource depletion and pollution. Stakeholders shared their suggestions and expectations regarding sustainable practices and we incorporated their inputs into our policy framework. This led to the inclusion of specific targets for reducing greenhouse gas emissions, adopting renewable energy sources, and implementing waste management strategies.
- b. Social Impact Assessment: Before undertaking major projects or expansions, we conduct social impact assessments to understand the potential effects on local communities. As part of this process, we engage with stakeholders, including community representatives, non-governmental organizations and indigenous groups. Their input helps us identify and mitigate any adverse social impacts.
- c. Supply Chain Management: To address social and environmental concerns in our supply chain, we actively involve stakeholders such as suppliers, workers' organizations and human rights advocates. Through ongoing dialogues and consultation sessions, we gather feedback and suggestions on responsible sourcing, labor practices, and community well-being.





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

The Company actively contributes to the socio-economic development of the community through various participatory and need-based initiatives in the field of Education, Healthcare, Rural Development & Disaster Relief.

Vulnerable Group	Concerns	Action Taken
Underprivileged Community from Rural, Urban and Peri-Urban Areas	Needy People not having access to Healthcare Facilities	<ol style="list-style-type: none"> <li>1. Providing Artificial Limbs to handicaps through Bharat Vikas Parishad.</li> <li>2. Support for conducting Cataract removal camps for needy patients.</li> <li>3. Distribution of Free Sanitary Napkins to girls in slum areas and installation of Sanitary Napkin Vending Machines in various Government Schools.</li> <li>4. Support for providing Clean Drinking Water RO and Water Filter to Government Schools/ Rural Area Colleges and other Government Offices.</li> </ol>
	Disadvantaged Sections of Society	<ol style="list-style-type: none"> <li>1. Financial support for promotion of Karate Paralympic Sports for deserving children and sportsman in rural areas/ villages.</li> </ol>
	Women Empowerment	<ol style="list-style-type: none"> <li>1. Distribution of Sewing Machines to widows/needy women.</li> <li>2. Providing support to Women as desired by District Administration by providing 3 E-Rickshaws specially designed for the purpose of selling Handmade products and earning their livelihood.</li> <li>3. Support to Hunar Vikas Kendra/Skill development Center under District Administration for Salary of Staff and Trainers and Raw Cloth for stitching practice.</li> <li>4. Providing support to self-help Group run by District Administration with the help of Widows.</li> </ol>
	Promoting Education	<ol style="list-style-type: none"> <li>1. Providing scholarship to Girl Children who are meritorious and wish to go for higher studies.</li> <li>2. Distribution of Free Stationary (School Bags/Study Material) for Slum Area Schools and other needy schools in slums of Giaspura/Mundian &amp; adjoining slum areas.</li> <li>3. Development of E-Classroom in Government Schools/ Vocational Training Centers and any other projects.</li> </ol>
	Promoting Sports	<ol style="list-style-type: none"> <li>1. Support for promotion of tennis among young aspiring players of rural areas.</li> <li>2. Construction of open 'GYM' Sports at "Kila Raipur" and Promotion of Rural Sports.</li> </ol>

**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			FY 2022-23		
	Total(A)	No. of employees / workers in covered or Union (B)	% (B/A)	Total(C)	No. of employees/workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	426	10	2.35		Nil	
Other than permanent	3	0	0			
<b>Total Employees</b>	<b>429</b>	<b>10</b>	<b>2.33</b>			
<b>Workers</b>						
Permanent		Nil			Nil	
Other than permanent						
<b>Total Workers</b>						

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

Category	FY 2023-24					FY 2022-23				
	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	403	0	0	403	100	382	40	10.47	342	89.53
Female	23	0	0	23	100	18	1	5.56	17	94.44
<b>Other than Permanent</b>										
Male	1	0	0	1	100	2	0	0	2	100
Female	2	0	0	2	100	1	0	0	1	100
<b>Workers</b>										
<b>Permanent</b>										
Male	820	62	7.56	758	92.44	723	89	12.31	634	87.69
Female	1	0	0	1	100	2	0	0	2	100
<b>Other than Permanent</b>										
Male	589	566	96.10	23	3.90	650	629	96.77	21	3.23
Female	1	1	100	0	0	5	5	100	0	0

3. a. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	9	430000	3	3802331
Key Managerial Personnel	1	8057905	1	1505191
Employees other than BoD and KMP	400	415069	21	259296
Workers	820	212656	1	161208

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

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	1.81%	0.96%

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, our grievance redressal mechanism is geared to address issues of Human Rights. VSSL is currently considering trainings for key personnel's to up skill them to recognize human rights issues and address them fairly.

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

We have an effective grievance redressal mechanism and trained staff (HR managers, Labour officers, Safety officers, Production & facilities management).

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

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment			Nil			
Discrimination at workplace						
Child Labour						
Forced Labour/ Involuntary Labour						
Wages						
Other human rights related issues						

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

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees/workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

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

We have formulated a grievance redressal mechanism to ensure a healthy work atmosphere for all employees. A labour welfare officer is assigned in our unit who ensures basic amenities to all employees.

**9. Do human rights requirements form part of your business agreements and contracts?**

Yes. For FY 24-25, VSSL is working on strengthening in incorporating the Human Rights requirement in different aspects of the business dealings.

**10. Assessments for the year:**

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labour	100% of our plant and offices are assessed for all these human rights issues.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

No such incident of non-compliance has been observed during assessment.

**Leadership Indicators**

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

VSSL has human rights policy. VSSL is considering a series of awareness sessions on Human Rights for the key management personnel in order to integrate the culture of Human Rights in the organization. The Company recognizes its responsibility of treating all employees equal in dignity, respect and rights.

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

Currently, VSSL is considering to conduct a Human Rights due diligence and is in the process of preparing it.

**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, we have accessibility in one production floor. VSSL is in the process of identifying premises where accessibility functions can be included.

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

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual Harassment	VSSL has a process of assessing its Value chain partners on issues of child labour & forced labour. The minimum criteria for approving a value chain partner is being formulated to include issues like Discrimination, Sexual Harassment etc.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
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 GJ) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
<b>From renewable sources</b>		
Total electricity consumption (A)	Nil	Nil
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
<b>Total energy consumed from renewable sources (A+B+C)</b>	Nil	Nil
<b>From non-renewable sources</b>		
Total electricity consumption (D)	651055	655592
Total fuel consumption (E)		
Natural Gas	311979	285954
Furnace Oil	7417	59385
Diesel	8324	11766
LPG	8384	27783
Energy consumption through other sources (F)	Nil	Nil
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	987159	1040480
<b>Total energy consumed (A+B+C+D+E+F)</b>	987159	1040480
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations)	0.0001 GJ/₹	0.0001 GJ/₹
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP)	0.0013 GJ/₹	0.0013 GJ/₹
<b>Energy intensity in terms of physical output</b>	4.3618 GJ/MT	4.7311 GJ/MT
Energy intensity (optional) – the relevant metric may be selected by the entity	–	–

**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

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.

Not Applicable

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

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	223192	243503
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	223192	243503
<b>Total volume of water consumption (in kilolitres)</b>	223192	243503
<b>Water intensity per rupee of turnover</b> (Total water consumption/ Revenue from operations)	0.000013 KL/₹	0.000014 KL/₹
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP)	0.0003 KL/₹	0.0003 KL/₹
<b>Water intensity in terms of physical output</b>	0.9862 KL/MT	1.1072 KL/MT
<b>Water intensity (optional)</b> – the relevant metric may be selected by the entity	–	–

**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

4. Provide the following details related to water discharged:

With the commissioning of Sewage Treatment Plant (STP) in July 2023, water discharge is negligible.

Parameter	FY 2023-24	FY 2022-23
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) To Groundwater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) To Seawater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
<b>Total water discharged (in kilolitres)</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.**

The Sewage Treatment Plant (STP) was implemented in July, 2023 and has now stabilized. So far, it has treated 23,533 cubic meters of water. In next phase, plans are now underway for implementing an Effluent Treatment Plant (ETP).

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

Parameter	Unit	FY 2023-24	FY 2022-23
NOx	Mg/Nm <sup>3</sup>	Ambient – 27	Ambient – 22.4
SOx	Mg/Nm <sup>3</sup>	Ambient – 11	Ambient – 13.7
Particulate matter (PM)	Mg/Nm <sup>3</sup>	EAF – 22.0 RHF – 23.4	EAF – 17.9 RHF – 20.6
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

**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

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

Parameter	Unit	FY 2023-24	FY 2022-23
<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)	Metric tonnes of CO <sub>2</sub> equivalent	36774	39335
<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)	Metric tonnes of CO <sub>2</sub> equivalent	129559	143544
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO <sub>2</sub> equivalent / ₹ turnover	0.00001	0.00001
<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)	Metric tonnes of CO <sub>2</sub> equivalent / \$₹	0.00022	0.00023
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>	Metric tonnes of CO <sub>2</sub> equivalent / MT	0.73	0.83
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity		–	–

**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.

Yes, assessment of Scope 1 and Scope 2 emissions has been done by CII.

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

- a. The Company is strategically taking actions by adopting nature-based solutions that lead to reduction in greenhouse gas emissions and contribute towards protection of nature.
- b. As part of our sustainability strategy, we have switched over to greener fuel, and eliminated Furnace oil consumption. We have ensured that energy intensity per rupee of turnover is maintained at 0.0001.
- c. We've swapped out our old steam boiler, which ran on furnace oil with a new VD mechanical pump powered by electricity. This change has significantly reduced emissions. Additionally, we have completely replaced the use of furnace oil for ladle heating with natural gas.
- d. The fume extraction system (FES) installed at the LRF (Ladle Refining Furnace) is designed to collect dust particles before they are released into the air.
- e. We have developed 5 acres of Miyawaki Forest in Focal Point Area, Ludhiana. Additionally, another 3 acres of Miyawaki Forest has been developed at VSSL Focal Point Ph-III, R&D Polytechnic, Ludhiana & Village Mansuran, Ludhiana (1 acre each), along with some Greenbelt areas.
- f. To safeguard our essential water resources and maintain sustainability, we prioritize proper treatment and safe disposal of wastewater. By closely monitoring effluent levels and adhering to standards set by Central and State Pollution Control Boards, we ensure that our Sewage Treatment Plant (STP), operational since July 2023 and having treated 23,533 cubic meters of water to date, continues to function effectively. Next in our agenda is the implementation of an Effluent Treatment Plant (ETP) for further enhancement.
- g. We've been consistently investing in water conservation efforts to replenish groundwater. As of March 2024, we have developed 10 Rainwater Harvesting Pits within our factory premises.
- h. We prioritize reducing and reusing waste whenever possible, only disposing of what is necessary in a responsible manner. Our dedicated facilities manage hazardous waste, e-waste, and scrap, fully compliant with legal requirements. All hazardous waste is handed over to authorized facilities approved by the State Pollution Control Board. In the financial year 2023-24, we have disposed off 2,634.39 tons of FES dust, incurring a cost of ₹1.90 Crores for its transportation and disposal.
- i. The company's proactive stance on sustainability and environmental responsibility is evident in its efforts to diversify its energy mix, conserve energy and water, and manage plastic waste. From next year, around 40% of its energy will be sourced from renewable sources, with reliance on green power and natural gas.

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

Parameter	FY 2023-24	FY 2022-23
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	27.582	29.941
E-waste (B)	0.41	0.21
Bio-medical waste (C)	0.008	0.016
Construction and demolition waste (D)	2556	14682
Battery waste (E)	1.73	2.91
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G)	Dust – 2634.39 Spent Oil – 8.830	Dust – 2161.04 Spent Oil – 5.780
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Slag – 40548	Slag – 35173
<b>Total (A+B + C + D + E + F + G + H)</b>	45776.95	52054.897





Parameter	FY 2023-24	FY 2022-23
<b>Waste intensity per rupee of turnover</b> (Total waste generated/ Revenue from operations)	0.0000028 MT/₹	0.0000030 MT/₹
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP)	0.00006 MT/₹	0.00007 MT/₹
<b>Waste intensity in terms of physical output</b>	0.2023 MT/MT	0.2367 MT/MT
<b>Waste intensity</b> (optional) – the relevant metric may be selected by the entity	–	–
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	26685	23413
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
<b>Total</b>	26685	23413
<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	NA	NA
(ii) Landfilling	2634.39	2161.04
(iii) Other disposal operations	NA	NA
<b>Total</b>	2634.39	2161.04

**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

**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.**

The Company has special facilities for managing hazardous waste, electronic waste, plastic waste, bio-medical waste and scrap materials. We make sure to follow all legal rules for handling these types of waste. Our main goal is to reduce waste and reuse whatever we can. We dispose of the rest responsibly. To manage waste effectively, we undertake the following key steps:

- Waste reduction:** We look for ways to produce less waste by improving our processes and finding better practices, aiming to reduce the total amount of waste generated. In the financial year 2023-24, we generated 45,776.95 metric tonnes of waste, down from 52,054.897 metric tonnes in the previous financial year 2022-23.
- Recycling & Reuse:** We try to adopt ways to reuse materials in our operations. In the financial year 2023-24, we recovered a total of 26,685 metric tonnes of waste through recycling.
- Responsible disposal:** We make sure to dispose of waste that can't be reduced, recycled, or reused in a responsible manner. Hazardous and biomedical waste goes to Treatment, Storage, and Disposal Facilities approved by the State Pollution Control Board. Non-hazardous waste and e-waste are given to vendors authorized by the State Pollution Control Board. This ensures that all waste disposal meets regulations and guidelines. In the financial year 2023-24, a total of 2,634.39 metric tonnes of FES dust was disposed off through landfilling.

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:

The above-mentioned requirement is not applicable to the Company as the Company does not have any of its operations/offices in/around ecologically sensitive areas.

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NA			

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

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
NA					

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:

Yes, the Company is compliance with the applicable environmental law/ regulations/ guidelines in India.

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
NA				

#### Leadership Indicators

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

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

- Name of the area
- Nature of operations
- Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</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 kilolitres)</b>	NA	NA
<b>Total volume of water consumption (in kilolitres)</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



Parameter	FY 2023-24	FY 2022-23
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) Into Groundwater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) Into 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 kilolitres)</b>	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.

No

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

Parameter	FY 2023-24	FY 2022-23
<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)	Not Assessed	Not Assessed
<b>Total Scope 3 emissions per rupee of turnover</b>		
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity		

**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

**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:**

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Water conservation	To safeguard our essential water resources and maintain sustainability, we prioritize proper treatment and safe disposal of wastewater. By closely monitoring effluent levels and adhering to standards set by Central and State Pollution Control Boards, we ensure that our Sewage Treatment Plant (STP), operational since July 2023 and having treated 23,533 cubic meters of water to date, continues to function effectively. Next in our agenda is the implementation of an Effluent Treatment Plant (ETP) for further enhancement.	Utilization of treated wastewater in process activities results in a reduction in the amount of usage of fresh water.
2	Ground water recharging initiatives	We've been consistently investing in water conservation efforts to replenish groundwater. As of March 2024, we have developed 10 Rainwater Harvesting Pits within our factory premises.	Initiative to contribute towards replenishment of ground water.
3	Waste Management	We prioritize reducing and reusing waste whenever possible, only disposing of what's necessary responsibly. Our dedicated facilities manage hazardous waste, e-waste, and scrap, fully compliant with legal requirements. All hazardous waste is handed over to authorized facilities approved by the State Pollution Control Board. In the financial year 2023-24, we disposed off 2,634.39 tons of FES dust, incurring a cost of ₹1.90 Crores for its removal and disposal.	We have adopted integrated waste management policy following a 'prevent reuse-recycle-dispose' value chain. This has led to waste reduction, compliance with regulations and thereby reducing the impact of waste on the environment.
4	Solar Plant	A solar power plant is scheduled to be installed with an expected commissioning date of March'2025.	This would reduce dependence of non-renewable sources of energy.
5	Energy Conservation	We've invested in energy-efficient technologies like the Statcom System, which has improved our power factor from 0.94 to 0.99. Reduction of EAF & LRF Power Consumption by 30 kwh/MT by using cleaner scrap resulting in Power On time also. LRF FES Power optimization by speed control. Old Oil Cooled Reactor replaced with Energy Efficient Air Core Reactor at 66 KV Sub-station for Capacitor Bank	Saving in consumption of energy.
6	Air Emissions	We've swapped out our old steam boiler, which ran on furnace oil, for a new VD mechanical pump powered by electricity. This change has significantly reduced emissions. Additionally, we've completely replaced the use of furnace oil for ladle heating with natural gas. The fume extraction system (FES) installed at the LRF (Ladle Refining Furnace) is designed to collect dust particles before they are released into the air. By optimizing the power usage through speed control, the LRF FES has achieved annual savings of ₹42 lakhs. We have developed 5 acres of Miyawaki Forest in Focal Point Area, Ludhiana. Additionally, another 3 acres of Miyawaki Forest has been developed at VSSL Focal Point Ph-III, R&D Polytechnic, Ludhiana & Village Mansuran, Ludhiana (1 acre each), along with some Greenbelt areas.	These initiatives will reduce our carbon footprint and help us to achieve our ESG goals of contributing to a greener and more sustainable environment.



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

The Company understands that emergencies and disasters can happen unexpectedly. To keep everyone safe, including our employees, local communities, and the environment, we have a plan in place. This plan helps us respond effectively to emergencies in our area. We regularly test and evaluate our plan to make sure it works well. This includes reviewing it with management, having third-party audits, and practicing mock drills. These steps help us see how prepared we are, find ways to improve, and make any necessary changes to be better at responding to emergencies.

**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.**

The Company's value chain has not resulted in any significant adverse impacts on the environment. We're committed to being environmentally responsible at every step of our business operations, working to reduce any negative effects on the environment as much as possible.

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

Value chain partners were not assessed specifically for environmental impacts. We plan to formalize the process in the coming years.

**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.** 06
- 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	Confederation of Indian Industries, CII	National
2	Engineering Export Promotion Council of India (EEPC)	National
3	Society of Indian Automobile Manufacturers	National
4	Chamber of Industrial & Commercial Undertaking (CICU)	State
5	Steel Furnace Association of India	National
6	Alloy Steel Producers Association (ASPA)	National

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
Nil		

## 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 Web Review by Link, if Board available (Annually/ Half yearly/ Quarterly/ Others – please specify)
Nil				

### 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 Results conducted by independent in external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
N.A.					

VSSL had spent ₹1.91 Crores on CSR in FY 2023-24 on issues of Environment, Promoting Education, Women Empowerment & Healthcare etc. Currently, Social Impact Assessments is not a compliance requirement, but as a responsible business, VSSL conducts internal assessments of these programs to evaluate the efficacy of the programs in terms of delivering the intended benefits to the target beneficiary and in gaining insights for improving the design and impact of future initiatives.

### 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 ₹)
N.A.						

VSSL has been in the same location i.e. C-58, Focal Point, Ludhiana (Punjab) since its inception and there has been no issues on Rehabilitation and Resettlement.

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

VSSL is a part of an industrial area and being a member of the industrial area, community grievances are addressed jointly with the industry association. VSSL has a full time CSR manager who is engaged with communities where all our CSR programs are operational. He is the contact person in case of any community grievances and the stakeholders can also send their grievances to the Compliance Officer at [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com)

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

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	14.17%	5.78%
Sourced directly from within the district and neighboring districts	47.22%	52.58%

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 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Rural	0	0
Semi-urban	0	0
Urban	99.08%	100%
Metropolitan	0.92%	0

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

#### 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 Rs. crores)
NIL			

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

No, but the Company is in the process of preparation of preferential procurement policy.

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

Not Applicable

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

Not Applicable

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
NIL				

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.	Development of Green Forests with Miyawaki technique in Focal Point, R&D Polytechnic & Village Mansuran, Ludhiana.	Community at large living in critical polluted Focal Point area, Ludhiana	100%
2.	Support for conducting Cataract removal camps for needy patients.	500	
3.	Artificial limbs to handicaps through Bharat Vikas Parishad.	2,700	
4.	Providing scholarship to Girl Children who are meritorious and wish to go for higher studies.	30	
5.	Support to Hunar Vikas Kendra/Skill Development Center for enhancing vocational skills of children and women and improve their livelihood.	200	
6.	Support for promotion of Karate Paralympic Sports for deserving children and sportsman in rural areas/ villages.	300	
7.	Distribution of Free Stationary (School Bags/Study Material) for Slum Area Schools and other needy schools in slums of Giaspura / Mundian & adjoining slum areas.	1,300	
8.	Development of E-Classroom in Government Schools/ Vocational Training Centers and any other projects.	300	

## 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.

VSSL has a B2B model where it supplies it to Tier-1 suppliers of OEMs. There are many modes of communications employed by VSSL to engage with its customers. VSSL has an elaborate SOP to handle a customer complaint within a defined timeline. The Company and its management engage with customers at multiple forums to gauge customer satisfaction levels so that necessary steps may be taken accordingly. The inputs are forwarded to the respective business teams for undertaking new developments besides corrective actions, as required. In 2023-24, the Company received 29 customer complaints. All these complaints were amicably resolved.

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

VSSL has a B2B model where it supplies it to Tier-1 suppliers of OEMs. All specifications are as per the OEM's requirement, so all information on environmental, social, recycling, safe disposal etc. is provided by OEM.

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage Recycling and/or safe disposal	
Recycling and/or safe disposal	





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

	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA
Cyber-security	Nil	Nil	NA	Nil	Nil	NA
Delivery of essential services	Nil	Nil	NA	Nil	Nil	NA
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Other	Nil	Nil	NA	Nil	Nil	NA

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

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy?**

Yes. The company has an IT Policy and in FY'25 we will be updating it to align with the requirements of Digital Personal Data Protection Act, 2023.

**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.**

Not Applicable

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

- Number of instances of data breaches along-with impact: Nil
- Percentage of data breaches involving personally identifiable information of customers: Nil
- Impact, if any, of the data breaches - Nil

**Leadership Indicators**

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

<https://www.vardhmansteel.com/>

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

We have a dedicated sales team to ensure pre to post sale services to our customer. Post-sale service ensures smooth usage of our products and problem solving through a partnership approach that helps us forge long-lasting relationships with our customers.

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

We maintain active communication channels with our customers, including instant email support and SMS messaging. These channels serve as an effective means to proactively inform customers about any potential disruptions or discontinuations of essential services.

**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 with regard to 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, being a B2B supplier we disclose the relevant information required by the customer. The company engages with its customers and conducts periodical surveys to assess the satisfaction levels related to service, delivery, quality of product, complaint handling etc.

