



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

| | |
|--|---|
| 1. Corporate Identity Number (CIN) of the Listed Entity | L29150TG1930PLC000576 |
| 2. Name of the Listed Entity | VST Industries Limited |
| 3. Year of incorporation | 10 th November 1930 |
| 4. Registered office address | 1-7-1063/1065, Azamabad, Hyderabad – 500 020, Telangana, India. |
| 5. Corporate address | 1-7-1063/1065, Azamabad, Hyderabad – 500 020, Telangana, India. |
| 6. E-mail | investors@vstind.com |
| 7. Telephone | 040-27688000 |
| 8. Website | www.vsthyd.com |
| 9. Financial year for which reporting is being done | FY 2023-24 |
| 10. Name of the Stock Exchange(s) where shares are listed | BSE/NSE |
| 11. Paid-up Capital | ₹ 15,44,19,200/- |
| 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. Phani K Mangipudi, Company Secretary & Vice President - Legal & Secretarial Telephone: +91 040 2768 8000, E-mail: phanimangipudi@vstind.com |
| 13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | We do not have any subsidiary company/companies, hence disclosures under this report are made on a standalone basis. |
| 14. Name of assurance provider | Not Applicable |
| 15. Type of assurance obtained | Not Applicable |

II. Products/services

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

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|--------|--|--------------------------------------|-----------------------------|
| | Manufacturing of Cigarettes containing tobacco | Manufacturing & marketing cigarettes | 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 | Cigarettes containing tobacco | 12003 | 76% |
| 2 | Unmanufactured tobacco | 46202 | 24% |

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 | 2 factories at Azamabad and Toopran | 13 | 15 |
| International | - | - | - |

19. Markets served by the entity:

a. Number of locations

| Locations | Number |
|----------------------------------|--------------------------------|
| National (No. of States) | 26 States, 6 Union Territories |
| International (No. of Countries) | 8 |

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

15.04%

c. A brief on types of customers

Our customers are primarily adult consumers and new-age consumers who have an open mindset and are willing to try new brands introduced by us. We have a robust brand portfolio that caters to needs of diverse adult smoker groups across socio-economic strata through our New Age Brands (NABs) and Growth Heritage Brands (GHBs)

IV. Employees

20. Details as at the end of Financial Year (FY 2023-24):

a. Employees and workers (including differently abled):

| S. No. | Particulars | Total (A) | Male | | Female | |
|------------------|--------------------------|-----------|---------|-----------|---------|-----------|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| EMPLOYEES | | | | | | |
| 1. | Permanent (D) | 383 | 369 | 96% | 14 | 4% |
| 2. | Other than Permanent (E) | - | - | - | - | - |
| 3. | Total Employees (D+E) | 383 | 369 | 96% | 14 | 4% |
| WORKERS | | | | | | |
| 4. | Permanent (F) | 389 | 389 | 100% | - | - |
| 5. | Other than Permanent (G) | - | - | - | - | - |
| 6. | Total workers (F+G) | 389 | 389 | 100% | - | - |

b. Differently abled Employees and workers:

| S. No. | Particulars | Total (A) | Male | | Female | |
|------------------------------------|---|-----------|---------|-----------|---------|-----------|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| DIFFERENTLY ABLED EMPLOYEES | | | | | | |
| 1. | Permanent (D) | - | - | - | - | - |
| 2. | Other than Permanent (E) | - | - | - | - | - |
| 3. | Total differently abled employees (D+E) | - | - | - | - | - |
| DIFFERENTLY ABLED WORKERS | | | | | | |
| 4. | Permanent (F) | - | - | - | - | - |
| 5. | Other than permanent (G) | - | - | - | - | - |
| 6. | Total differently abled workers (F + G) | - | - | - | - | - |



21. Participation/Inclusion/Representation of women

| | Total (A) | No. and percentage of Females | |
|--------------------------|--------------|-------------------------------|-----------|
| | | No. (B) | % (B / A) |
| Board of Directors | 6 | 1 | 16.67% |
| Key Management Personnel | 8 | - | - |

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

| | FY 2023-24 (Turnover rate in current FY) | | | FY 2022-23 (Turnover rate in previous FY) | | | FY 2021-22 (Turnover rate in the year prior to the previous FY) | | |
|---------------------|---|--------|-------|--|--------|--------|--|--------|--------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 21% | - | 21% | 12.78% | 11.76% | 12.74% | 8.70% | 21.43% | 9.19% |
| Permanent Workers | 3% | - | 3% | 8.53% | - | 8.53% | 10.64% | - | 10.64% |

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

23. 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) |
|--------|--|--|-----------------------------------|--|
| | | | None | |

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **(Yes/No) Yes**
- (ii) Turnover: ₹ 1,83,750.20 lakhs
- (iii) Net worth: ₹ 1,25,241.37 lakhs

VIII. Transparency and Disclosures Compliances

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

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy) | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|---|--|---|---|---------|---|---|---------|
| | | No. of complaints filed during the year | No. of complaints pending resolution at close of the year | Remarks | No. of complaints filed during the year | No. of complaints pending resolution at close of the year | Remarks |
| Communities | Yes | - | - | None | - | - | None |
| Investors (other than shareholders) | Yes | - | - | None | - | - | None |
| Shareholders | Yes | 49 | - | None | 66 | - | None |
| Employees and workers | Yes | - | - | None | - | - | None |
| Customers | Yes | - | - | None | - | - | None |
| Value Chain Partners | Yes | - | - | None | - | - | None |
| Other (please specify) | Yes | - | - | None | - | - | None |

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

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

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---------------------------|--|--|--|--|
| 1. | Energy | Risk | 1. Energy management reduces costs and risk of energy scarcity associated with energy. 2. Effective energy management reduces the GHGs emissions. 3. Energy management helps to meet the statutory compliance. | We measure the facility's energy consumption and identify opportunities to reduce energy consumption. We are also developing an energy management strategy. We educate our stakeholders i.e., employees, workers, and others on the importance of energy management and provide them guidance on managing the consumption. | Negative |
| 2. | Emissions | Risk | 1. Greenhouse gas (GHG) emissions is a vital component of a larger sustainability plan to mitigate the impact of climate change. 2. GHG emissions impose regulatory risk. | We measure emissions on an annual basis and tracking the same to identify opportunities for reduction. We are also Increasing the contribution of renewables at own premises, substituting with cleaner fuels, and promoting sustainable agricultural practice to reduce our scope 3 emissions. | Negative |
| 3. | Water | Risk | Growing tobacco is a very water-intensive process. Hence any scarcity of water is likely to impact the business. | We are supporting various initiatives towards water management & harvesting. Both of our manufacturing units have implemented Zero Liquid Discharge (ZLD). We are also finalizing KPIs on measuring water withdrawal, consumption, discharged, recycled, and track the same on periodical basis to identify opportunities for reduction. We have also introduced a Water Stewardship Policy and undertaken a water risk assessment study. Our facility at Toopran has obtained the AWS (Alliance for Water Stewardship) Gold certification. | Negative |
| 4. | Health & Safety | Risk | Health and safety impact our practice on responsible organization. Effective H&S performance assist in attracting and retaining quality talent. | We have an effective health and safety practice deployed in accordance with our policies on health and safety measures. We are also in the process of finalizing KPIs on measuring effectiveness of our safety practices including, conducting hazard identification and risk assessment across the value chain. | Positive |



| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|-----------------------------|--|--|---|--|
| 5. | Responsible Sourcing | Opportunity | <ol style="list-style-type: none"> 1. It eliminates sustainability risks in the supply chain. 2. It ensures the stakeholders especially investors and customers on the commodities that are sourced from responsible managed resources and responsible suppliers. | <p>We have processes in place for integrating sustainability aspects in leaf sourcing.</p> <p>For the non-leaf suppliers, we assess performance on quality, delivery and price. We have developed a sustainable supply chain framework and going forward we will integrate sustainability aspects in all sourcing process.</p> | Positive |
| 6. | Waste Management | Risk | <ol style="list-style-type: none"> 1. Management of tobacco product wastes (TPW) at the consumer end. 2. Waste management infrastructure has an important role in delivering sustainable development. | <p>Hazardous waste being disposed of through PCB approved recycling vendor. We monitor hazardous wastes in our manufacturing units and the wastes are within permissible limits as laid down by the regulators.</p> | Negative |
| 7. | Farmer Livelihood | Opportunity | <ol style="list-style-type: none"> 1. Assisting farmers to cope the challenges related to agricultural practices. 2. Increasing their earnings by improving farm productivity 3. Supporting farmers to thrive in a marketplace. | <p>Engaging with key stakeholders for evidence based, non-discriminatory taxation and regulations that safeguard farmer livelihoods.</p> <p>Facilitating financing of agricultural equipment, awareness on reduction of crop losses, quality storage facilities and inventory management.</p> | Positive |
| 8. | Circular Economy | Opportunity | <ol style="list-style-type: none"> 1. Achieve global climate and sustainable development commitments. 2. Resource efficiency 3. Protect human health and biodiversity. | <p>We collect back plastic from end users across states in India as a part of EPR (Extended Producer Responsibility)</p> | Positive |
| 9. | Employment | Opportunity | <ol style="list-style-type: none"> 1. Poverty reduction 2. Enhanced productivities 3. Boost companies' social performance as an attractive employer | <p>Employees are provided with skill enhancement training.</p> <p>We also undertake various feedback from employees on our HR practices and understand their need on a regular basis.</p> | Positive |
| 10. | Labour Management Relations | Risk | <ol style="list-style-type: none"> 1. Essential for the success of businesses' operations- increased productivity and morale. 2. Essential for companies' social performance as an attractive employer. 3. Better working relations with the union at the premises ensure better brand image. | <p>We make contributions to defined contribution schemes such as labor welfare fund which are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the workers. As a Company, we ensure our relationship with our workers union are cordial. We recognize the needs of the workers and address their concerns proactively through long-term solutions post interactions and discussions with the Union.</p> | Negative |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---------------------------|--|---|---|--|
| 11. | Human rights | Risk | <ol style="list-style-type: none"> 1. Potential to negatively impact companies ESG performance. 2. Violation of Human rights leads to Regulatory, legal, and legislative challenges | <p>We have all the policies to mitigate the challenges of human rights and track any issues related to child labor, forced labour, involuntary labour, sexual harassment. We also maintain harmonious working environment with the Union at the factory and undertake feedback exercise on a continuous basis. We proactively recognize the needs of the workforce and address their concerns through long-term solutions post interactions and discussions with the Union.</p> | Negative |
| 12. | Business ethics | Risk | <ol style="list-style-type: none"> 1. Highly opinionated business segment in terms of ethics 2. Regulatory and legal challenges associated with the nature of business we are in. | <p>We have ensured a strong ethical business culture, undertaken measures to have effective risk management such as responsible marketing and promotion of products.</p> | Negative |
| 13. | Innovation | Opportunity | <ol style="list-style-type: none"> 1. Development of new products 2. Access to new geographies | <p>We continue to invest in R&D of new products and often research on flavours to match customer preferences.</p> | Positive |
| 14. | Consumer welfare | Risk | <ol style="list-style-type: none"> 1. Our abilities to prevent counterfeit products. 2. Our ability to provide consumers with manufactured products that are aligned with societal expectation. 3. Access to the new geographies | <p>To prevent counterfeit products or illegal trade we are partnering with the industry to identify inter-governmental efforts and public-private alliances in adopting appropriate measures like sensible taxation</p> <p>Launching new products to meet consumer expectations through new/ innovative brands</p> | Negative |
| 15. | Community initiatives | Opportunity | <ol style="list-style-type: none"> 1. Build strong relationship with the communities where we operate. 2. Promote economic growth and improve standard of living in the areas of CSR interventions. | <p>Our CSR focus areas have been designed to cater to the needs of the community that we operate in.</p> | Positive |
| 16. | Climate resilience | Opportunity | <ol style="list-style-type: none"> 1. Disruption in tobacco raw material procurement 2. Reduced risk of climate change. 3. Building operational resilience | <p>We are undertaking various steps to facilitate financing of agricultural equipment which are environmentally friendly and economically affordable. We have also started to monitor impact of climate change on our business process.</p> | Positive |



| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|--|--|---|---|--|
| 17. | Sustainable material | Opportunity | 1. Opportunity to mitigate the challenges associated with climate change. 2. Promote circular economy. 3. Reduced environmental implications. | | Positive |
| 18. | Training and education | Opportunity | 1. Reduced turnover, reduced external hiring costs and a more engaged and committed workforce 2. Mitigate risk of non-compliance 3. Increased productivity 4. High ROI | We provide trainings to our workforce based on the needs assessment that forms a part of their performance evaluation. Our farmers are provided various trainings like training on the ALP Code, training on handling CPA and their safe disposal etc. | Positive |
| 19. | Regulatory compliance | Risk | 1. Increase the costs of running a business. 2. Reduce the attractiveness of an investment. 3. Invalidating business model | Responsibilities, accountabilities, and reporting lines are systemically defined in all divisions and conform to meet all the regulatory compliance with applicable regulations. There are also audit procedures to assess compliance preparedness. | Negative |
| 20. | Diverse and inclusive work environment | Opportunity | 1. Improve our performance as it increases the likelihood of bringing people with different types of knowledge, views, and perspectives together 2. Better innovative and problem-solving skills, improves talent attraction and retention, increases employee engagement and results in higher efficiency | We encourage the inclusion of more women in our workforce. We practice non-discrimination. | Positive |

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--|---|-----|----------------|-----|-----|---|-----|-----|----------------|
| Policy and management processes | | | | | | | | | |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No) | Yes. The policies are approved by our Board of Directors. Implementation of policy decision is carried out by the management. | | | | | | | | |
| c. Web Link of the Policies, if available | Our internal policies are available on the intranet. Other policies are available on our website, www.vsthyd.com. | | | | | | | | |
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 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. | | | ISO 45001:2018 | | | ISO 14001:2015, Indian Green Building Council (IGBC) 'Gold Rating, AWS certification for Sustainable manufacturing in cut tobacco | | | ISO 17025:2017 |

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.

| Principles | Targets | Mandatory/ Voluntary | 6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met. |
|------------|---|----------------------|--|
| P2 | 30% of contracted farmers (for Talmari & Oriental crops) to use drip irrigation by 2030 | Voluntary | 5% (On Track) |
| P2 | 30% of crop protection agents used by contracted farmers to be biofertilizer/biochemicals based by 2030 | Voluntary | 7% (On Track) |
| P2 | 20% improvement in soil organic matter by 2030 through green manuring crops for better water holding capacity | Voluntary | 5% of the contracted farmers use green manures to improve soil organic content. The soil will be tested 2-3 years later to measure improvement in soil organic content. |
| P2 | Farm Mechanization: Implement mechanization of field preparation and removal of stubbles for 100% of area under tobacco by 2030. Also, explore and implement mechanization of other farm operations (harvesting & plantation) for at least 20% of tobacco area by 2030. | Voluntary | 60% area under tobacco uses mechanization in field preparation and removal of stubbles. We are in the process of researching for the implementation of other farm operations. (On Track) |
| P2 | 100% Contracted farmers to be provided with CPA (Crop Protection Agent) boxes for safe storage | Voluntary | 48% (On Track) |
| P3 | 100% Contracted farmers to be trained on use of agrochemicals and safe disposal | Voluntary | On Track |
| P3 | Zero accident in own operations | Voluntary | Complied with (On Track) |



| Principles | Targets | Mandatory/ Voluntary | 6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met. |
|------------|--|-------------------------|---|
| P4 | Promote an inclusive work environment by: <ul style="list-style-type: none"> Being an equal opportunity employer and provide equal opportunity to all employees based on merit and ability Provide inclusiveness training to management staff to promote a work environment free from discrimination, sexual harassment and undue biases in compensation, training and employee benefits based on caste, religion, disability, gender, sexual orientation, race, colour, ancestry, marital status or affiliation with a political, religious or union organisation or majority/minority group. | Voluntary | Complied with (On Track) |
| P4 | Continue to invest in employee engagement and conduct the employee engagement survey at regular intervals to track for any course correction, track relevant KPIs for the workforce | Voluntary | Complied with (On Track) |
| P5 | Child labor/forced labour: "We have zero tolerance towards child labor or forced labour. We shall continue to have adequate measures in place to identify and mitigate such risks within the leaf supply chain" | Voluntary | Complied with (On Track) |
| P5 | Minimum wage for farm workers: "We shall continue to ensure minimum legal wage is provided to farm workers" | Voluntary | Complied with (On Track) |
| P5 | 80% Contracted farmers to be GMS (farm level data recording tool) compliant | Voluntary | 48% (On Track) |
| P6 | 50% renewable energy in overall energy mix (provided favorable regulatory scenario exists) by 2030 (Baseline 2019-20) | Voluntary | 15% (On Track) |
| P6 | Aim to operate 100% of fleet (owned and third party) on electric vehicles by 2030 (Baseline 2019-20) | Voluntary | No EV passenger Fleet. Feasibility study of EV buses in progress; 14 forklifts are battery operated; 1 EV charging stations for 4 wheelers; 3 EV charging stations for 2 wheelers; (On Track) |
| P6 | Achieve carbon neutrality for our own operations by 2030 (scope 1+2 emissions) | Voluntary | No offsets yet-VERRA/Gold standard credits to be purchased and PAS 2060 Assurance to be undertaken subsequently (On Track) |
| P6 | Rainwater Harvesting Potential equivalent to over 3 times the Net Water Consumption from own operations (Baseline 2019-20) | Voluntary | 2.47 times (On Track) |
| P6 | 95.6% utilisation of tobacco at Primary manufacturing | Voluntary | 96% (On Track) |
| P6 | 100% of packaging to be reusable, recyclable, or biodegradable by 2030 (Baseline 2019-20) | Voluntary | 100% (On Track) |
| P6 | Achieve plastic neutrality through sustainable management of waste equivalent to the amount of plastic utilized in Packaging (Baseline 2019-20) | Voluntary | 100% (On Track) |
| P7 | Continue to comply with applicable regulatory requirements | Voluntary | (On Track) |

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Our Business Responsibility and Sustainability Report (BRSR) illustrates a commendable effort to transparently communicate our dedication to sustainability and ethical business practices. By interweaving financial achievements with our non-financial performance, we not only reaffirm our commitment to generating long-term value for stakeholders but also highlight a transparent, accountable approach. Our ESG framework stands on 5 pillars. Here are some essential insights and highlights under each of the 5 ESG pillars:

Responsible Governance: We maintain the highest standards of ethics and integrity in dealing with our stakeholders and comply with the applicable laws, rules and regulations, as a responsible corporate citizen. Our policies and risk management framework provide guidance to preemptively identify, manage and mitigate business risks. While product integrity is a key focus area, we put equal impetus on reducing the negative impacts on the environment due to product manufacturing and packaging.

Sustainable Operations: We have made significant progress in integrating sustainability practices into our operations across all relevant stages. We continue to optimize natural resource use in our processes and products and aim to further improve our environmental performance aligned with technology-related advancement and evolving stakeholder expectations. Our Environment, Health & Safety (EHS) Policy establishes and showcases our vision to go beyond the required compliances, legislations, and regulations. The management and employees jointly work together to accomplish our common goal of achieving a safe, healthy, and environment-friendly workplace. Both manufacturing facilities have a well-established environment management system which are also ISO 14001:2015 certified. Our Toopran unit received Platinum Rating IGBC Green factory building Certification from CII, IGBC Hyderabad. During the reported period, our Toopran facility was honored with the AWS "Gold certification," a milestone that we view as a significant contribution to sustainable water management. The goals of AWS encompass improving water governance, enhancing water quality, and promoting responsible water usage within industries and communities. Aligned with AWS's principles, we have identified relevant risks, engaged with the appropriate stakeholders, and developed action plans catered on water reduction strategies, as well as increasing water availability through harvesting and recycling techniques. We also maintain our rainwater harvesting share at 2.47 times the net water consumption in our own facilities. Additionally, renewable energy catered to approximately 25% of our electricity requirements during the FY23-24.

Care for People: At VST, we have focused at fostering high-performance culture to achieve exceptional business growth. Throughout this endeavor, we harness the pride, passion, and resilience of our dedicated employees, which form an integral part of our organizational culture. We prioritize on the wellness of our employees and provide distinctive career opportunities. As an equal opportunity employer, our recruitment procedures are consistent and fair towards potential employees based on caste, religion, disability, gender, sexual orientation, race, colour, ancestry, marital status, or affiliation with a political, religious, or union organisation or majority/ minority group. We are committed towards Zero Harm, we guarantee a workspace that is free from safety hazards by implementing safe work procedures, promoting a robust safety culture, and monitoring and controlling unsafe work conditions. To uphold high standards of health and safety, we have developed and implemented the Health & Safety Management system in accordance with ISO 45001 requirements.



Sustainable Agriculture: Our sustainable development strategy revolves around generating value that benefits business, society, and the environment. A primary focus area is sustainable agriculture, which promotes responsible practices across the supply chain. This includes implementing good agricultural practices on a large scale to safeguard the environment, enhance farmer livelihoods, and bolster the resilience and well-being of farming communities.

The Farmer Handbook details these practices, supported by field technicians who offer ongoing guidance to farmers. Utilizing the GMS mobile application, these technicians oversee various farming activities to ensure adherence to agricultural labor practices and environmental standards. Data gathered through the GMS application is analyzed to monitor progress towards achieving sustainability objectives. 48% of our contracted farmers are GMS compliant.

We also take initiatives to enhance farmer resilience and livelihood. In this regard, we have made considerable achievements like, 48% of the contracted farmers have been trained in our ALP code and 48% of the contracted farmers have access to PPE kits to prevent themselves from GTS (Green Tobacco Sickness). In addition to this, we have been able to implement mechanization of field preparation and removal of stubbles for 100% of area under tobacco.

Inclusive Growth: We are dedicated to creating shared value and promoting inclusive growth for all our stakeholders throughout the entire value chain. We work closely with the local communities around the manufacturing facilities to identify the direct and indirect impacts of our operations on these communities and undertake development initiatives accordingly. The CSR policy and initiatives reflect our vision, mission, thrust areas and lists out various thematic areas for CSR implementation. We focus on rural development, health & sanitation, education and environment and sustainability through our CSR activities. Additionally, as a responsible corporate citizen, we continue to adhere to COTPA guidelines, for packaging and labelling, advertising, and promotion.

By dedicating resources in these thematic areas, we aim to create a positive and lasting impact that goes beyond immediate business interests. At VST, we work by collaborating with local stakeholders, understanding their needs, and contributing to their well-being while also advancing our ESG goals.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).

- Mr. Rajiv Gulati (Independent Non-Executive Director; DIN: 06820663) as the Chairman
- Ms. Rama Bijapurkar (Independent Non-Executive Director; DIN: 00001835)
- Mr. Naresh Kumar Sethi (Non-Executive Director; DIN: 08296486)
- Mr. S. Thirumalai (Non-Executive Director; DIN: 00011899)
- Mr. Aditya Deb Gooptu (Managing Director & CEO; DIN: 07849104)

Implementation of Business Responsibility policy(ies).

Mr. Phani K Mangipudi
 Company Secretary & Vice President - Legal & Secretarial
 Telephone: +91 040 2768 8000
 E-mail: phanimangipudi@vstind.com

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 Board level Corporate Social Responsibility Committee are responsible for decision-making on CSR activities and overseeing Business Responsibility policy(ies). The following are the Members of CSR committee of the Board.

- Mr. Rajiv Gulati (Independent Non-Executive Director; DIN: 06820663) as the Chairman
- Ms. Rama Bijapurkar (Independent Non-Executive Director; DIN: 00001835)
- Mr. Naresh Kumar Sethi (Non-Executive Director; DIN: 08296486)
- Mr. S. Thirumalai (Non-Executive Director; DIN: 00011899)
- Mr. Aditya Deb Gooptu (Managing Director & CEO; DIN: 07849104)

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) | | | | | | | | |
|---|--|-----|-----|-----|-----|-----|-----|-----|-----|--|-----|-----|-----|-----|-----|-----|-----|-----|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

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.

| P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|----|----|----|----|----|----|----|----|----|
| No | | | | | | | | |

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

| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|----|----|----|----|----|----|----|----|
| The entity does not consider the principles material to its business (Yes/No) | | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/ human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | All principles are covered by our policies. | | | | | | | | |

**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 programmes |
|-----------------------------------|--|---|--|
| Board of Directors | 1 | Familiarization was provided on various topics related to regulatory changes comprising NGRBC principles, economic development, and other various market scenarios. | 100% |
| Key Managerial Personnel | 1 | ESG awareness programmes by implementation partner. | 100% |
| Employees other than BoD and KMPs | 1 | EHS Trainings | 86.4% |
| Workers | 17 | | |

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

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

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 |
|--------------|---|
| | Not Applicable |

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

We do not have any standalone anti-corruption or anti-bribery policy. However, we adhere to the Code of Conduct and Ethics Policy that encapsulates our commitment to ethical practices and integrity. This policy is established to define the fundamental ethical standards, facilitate the detection and prevention of misconduct, and clarify the ethical expectations placed on the employees and directors. Link: code-of-conduct-ethics-policy-and-guidelines-on-recruitment.pdf (vsthyd.com)

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 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|-----------|--|---|
| Directors | | |
| KMPs | | |
| Employees | - | - |
| Workers | | |

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

| | FY 2023-24 (Current Financial Year) | | FY 2022-23 (Previous Financial Year) | |
|--|--|---------|---|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | - | | - | |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | - | | - | |

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.

There has been no fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

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

| | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|-------------------------------------|--|---|
| Number of days of accounts payables | 43 | 31 |



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 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|----------------------------|---|--|---|
| Concentration of Purchases | Purchases from trading houses as % of total purchases | - | - |
| | Number of trading houses where purchases are made from | - | - |
| | Purchases from top 10 trading houses as % of total purchases from trading houses | - | - |
| Concentration of Sales | Sales to dealers / distributors as % of total sales | 100% | 100% |
| | Number of dealers / distributors to whom sales are made | 970 | 943 |
| | Sales to top 10 dealers / distributors as % of total sales to dealers / distributors | 22% | 19% |
| Share of RPTs in | Purchases (Purchases with related parties / Total Purchases) | - | - |
| | Sales (Sales related parties / Total Sales) | - | - |
| | Loans & advances (Loans & advances given to related parties / Total loans & advances) | - | - |
| | Investments (Investments in related parties / Total Investments made) | - | - |

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 |
|---|---|---|
| 1 | We are committed to fostering strong and mutually advantageous relationships with partners along the value chain. By collaborating closely with suppliers, we identify opportunities for improvement and also provides guidance to retailers and wholesalers on adhering to COTPA regulations related to packaging, labeling, advertising, and sales promotion. A longstanding and vital component of our business growth is the deep-rooted partnership with the tobacco farming community. Our dedication to the sustainable livelihoods of farmers is evident in the promotion of good agricultural practices. These practices not only enhance crop yield but also bring environmental benefits. To support this, we have deployed field technicians who provide training and advice on various agricultural methods, such as soil, water, and nutrient management, cropping techniques, integrated pest management, and environmentally friendly curing processes. | 100% of our leaf suppliers |

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. We have a Related Party Transactions (RPT) Policy and has also formulated a policy for determining the Material RPT and the details of such policies for dealing with RPT are disseminated on our website at <https://www.vsthyd.com/mainsite/documents/policy-on-related-party-transactions1.pdf>. There were no materially significant related party transactions between our Company and the Directors, Promoters, Key Managerial Personnel, and other designated persons which may have a potential conflict with the interest at large. We have obtained all prior approval for all the related party transactions from the Audit Committee of the Board.

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.

| | Current Financial Year (FY 2023-24) | Previous Financial Year (FY 2022-23) | Details of improvements in Environmental and social impacts |
|-------|-------------------------------------|--------------------------------------|---|
| R&D | 39% | - | On-line Laser Ventilation unit installed on Demi slim maker, which reduced smoke deliveries by 20% |
| Capex | 7% | 0.7% | An integrated system was developed combining an on-line laser ventilation unit, Infralab, ends tester, and humidity chamber for comprehensive testing and analysis. |

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

We have established comprehensive procedures for the sustainable sourcing of tobacco leaves and stems, ensuring a responsible supply chain that aligns with both environmental and social standards. By entering long-term contracts with farmers, we mandate compliance with applicable labor laws as outlined in the Agriculture Labour Practices (ALP) code, along with adherence to the good agricultural practices specified in the farmer handbook. Field technicians play a crucial role in educating farmers about these requirements and offer the necessary guidance to implement these practices effectively. To facilitate monitoring and data collection on farmer progress, field technicians utilize the GMS application, which aids in evaluating compliance across various measures such as seedbed management, transplanting, and crop protection, among others.

Our commitment to sustainability in the tobacco supply chain is evident through several key practices:

Toxicity and Pollution Control: By securing early purchases from farms and promoting natural conditions for de-raking tobacco leaves, we ensure low levels of tobacco-specific nitrosamines (TSNAs).

Pesticide Usage: The provision of Crop Protection Agents (CPAs) approved by the Central Insecticides Board ensures that farmers use only recommended pesticides in prescribed doses, with tobacco leaves undergoing CPA residue analysis to maintain safety thresholds.

Soil Nutrient Management: Encouraging practices like crop rotation, usage of left over crop residue to enhance soil's organic carbon and the addition of farmyard manure enhances soil health, contributing to sustainable cultivation.

Curing Processes: The adoption of sun curing by most farmers, and the efficient use of fuel in fire curing by others, reflects your efforts to minimize environmental impact while improving curing efficiency.

Non-tobacco Related Material (NTRM) Removal: Through vigilant monitoring during the bailing process and the use of NTRM sorters in factories, we ensure the purity and quality of the tobacco bales.

Health and Safety Measures: The distribution of Personal Protective Equipment (PPE) kits and the provision of water for sanitation purposes safeguard against Green Tobacco Sickness (GTS) among farmers.

Human Rights Protection: Implementing the ALP code allows for regular monitoring and review of the tobacco supply chain to prevent discrimination, child labor, forced labor, and to ensure the payment of minimum wages and safe working conditions.

These practices underline our dedication to promoting sustainable and ethical practices throughout the supply chain, ensuring the well-being of farmers and the environment, and maintaining high standards of quality and safety in our products.



Sustainable Supply chain framework: We have also developed a sustainable supply chain framework and associated SOP for our suppliers of raw materials. The framework includes the mechanism to identify the critical suppliers based on set criteria and the assessment of these critical suppliers (both existing and new) for ESG risks.

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

68% of our inputs were sourced sustainably during the reporting period.

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.

Yes, we have the processes in place to safely reclaim products for reusing, recycling, and disposing at the end of life particularly related to e-waste, plastics and hazardous waste. We have partnered with SPCB approved vendors who are authorized recyclers.

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, Extended Producer Responsibility (EPR) is applicable to the company. We have partnered with SPCB approved recycler for implementation of EPR plan.

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. |
|---|--------------------------|---------------------------------|--|---|--|
| No, we have not conducted any Life Cycle Assessments for any of our products during the reporting period. | | | | | |

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

| Name of Product / Service | Description of the risk / concern | Action Taken |
|---------------------------|-----------------------------------|--------------|
| Not Applicable | | |

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

| Indicate input material | Recycled or re-used input material to total material | |
|-------------------------|--|------------------------------------|
| | FY 2023-24 Current Financial Year | FY 2022-23 Previous Financial Year |
| None | - | - |

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:

We utilize processes designed to recover packaging materials, especially plastic waste, ensuring their safe disposal once they reach the end of their lifecycle. In the fiscal year 2023-24, we have engaged in plastic waste management initiatives following Extended Producer Responsibility (EPR) guidelines to properly dispose of all non-multi-layered plastic (non-MLP) waste types. Throughout this period, we successfully gathered 208 metric tons of post-consumer plastic waste from across all states and union territories within India.

| | FY 2023-24 Current Financial Year | | | FY 2022-23 Previous Financial Year | | |
|---------------|-----------------------------------|----------|-----------------|------------------------------------|----------|-----------------|
| | Re-Used | Recycled | Safely Disposed | Re-Used | Recycled | Safely Disposed |
| Plastic Waste | - | - | 208 MT | - | - | 184.94 MT |

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 |
|---------------------------|---|
| Cigarettes | 100% |

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

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

| Category | % of employees covered by | | | | | | | | | | |
|---------------------------------------|---------------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|---------------------|------------|----------|
| | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | | |
| | Total (A) | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D / A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent employees | | | | | | | | | | | |
| Male | 369 | 369 | 100 | 369 | 100 | - | - | - | - | - | - |
| Female | 14 | 14 | 100 | 14 | 100 | 14 | 100 | - | - | - | - |
| Total | 383 | 383 | 100 | 383 | 100 | 14 | 100 | | | | |
| Other than Permanent employees | | | | | | | | | | | |
| Male | - | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - | - |

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

| Category | % of workers covered by | | | | | | | | | | |
|-------------------------------------|-------------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|---------------------|------------|-----------|
| | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | | |
| | Total (A) | Number (B) | % (B / A) | Number (C) | % (C / A) | Number (D) | % (D / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| Permanent workers | | | | | | | | | | | |
| Male | 389 | 389 | 100 | 389 | 100 | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - | - |
| Total | 389 | 389 | 100 | 389 | 100 | - | - | - | - | - | - |
| Other than Permanent workers | | | | | | | | | | | |
| Male | - | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - | - |



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

| | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|--|---|
| Cost incurred on well-being measures as a % of total revenue of the company | 0.16% | 0.15% |

2. Details of retirement benefits, for current and previous Financial Year.

| Benefits | FY 2023-24 Current Financial Year | | | FY 2022-23 Current Financial Year | | |
|----------|--|--|--|--|--|--|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100 | 100 | Y | 100 | 100 | Y |
| Gratuity | 100 | 100 | N | 100 | 100 | N |
| ESI | - | - | Y | - | 8 | Y |
| NPS | 45.7 | - | Y | 55 | - | 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, our premises have been designed to ensure inclusivity and accessibility for individuals with disabilities. This commitment is demonstrated through the provision of sufficient wheelchair accommodations and the construction of well-designed ramps, facilitating smooth navigation and movement throughout our sites.

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.

Although we do not have an equal opportunity policy in accordance with the Rights of Persons with Disabilities Act, 2016, we strive to recruit the most qualified talent who share our values. We do not discriminate based on age, color, disability, religion, caste, or sexual orientation during the recruitment process. All employees are treated with respect and dignity, and opportunities for development and career advancement are based on performance, ability, and potential in alignment with our business requirements. Most of our establishments are accessible to the differently abled. For easy commute and movements within our locations, adequate wheelchair facilities are available along with ramp structures.

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

| Gender | Permanent employees | | Permanent workers | |
|--------------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | - | - | - | - |
| Female | - | - | - | - |
| Total | - | - | - | - |

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

| | Yes/No (If yes, then give details of the mechanism in brief) |
|--------------------------------|--|
| Permanent Workers | We have implemented a structured mechanism to handle grievances from both permanent and non-permanent staff. This system is pivotal in nurturing trust and fostering a positive work culture by encouraging feedback aimed at improving the workplace. |
| Other than Permanent Workers | |
| Permanent Employees | |
| Other than Permanent Employees | Moreover, we undertake employee satisfaction surveys every 3 years, focused on six critical aspects: cultivating a positive work atmosphere, establishing trust in leadership, improving teamwork and communication, ensuring supportive management, engaging employees in meaningful tasks, and creating opportunities for professional development. We also interact with our employees through Town Halls on a quarterly basis and have established a whistleblower policy and a POSH policy. We are highly supportive of our employees in addressing their issues and concerns, empowering managers to largely address the challenges employees may face. |

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

| | 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) |
| Total Permanent Employees | 383 | - | - | 366 | - | - |
| Male | 369 | - | - | 352 | - | - |
| Female | 14 | - | - | 14 | - | - |
| Total Permanent Workers | 389 | 389 | 100 | 402 | 402 | 100 |
| Male | 389 | 389 | 100 | 402 | 402 | 100 |
| Female | - | - | - | - | - | - |

8. Details of training given to employees and workers:

| Category | FY 2023-24 Current Financial Year | | | | | FY 2022-23 Previous Financial Year | | | | |
|------------------|--------------------------------------|-------------------------------|-------------|----------------------|------------|---------------------------------------|-------------------------------|-------------|----------------------|------------|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Male | 369 | 269 | 73 | 42 | 11.4 | 352 | 42 | 11.9 | 352 | 100 |
| Female | 14 | 12 | 86 | 14 | 100 | 14 | - | - | 14 | 100 |
| Others | - | - | - | - | - | - | - | - | - | - |
| Total | 383 | 281 | 73 | 56 | 15 | 366 | 42 | 11.9 | 366 | 100 |
| Workers | | | | | | | | | | |
| Male | 389 | 337 | 86.6 | 389 | 100 | 402 | 339 | 84.3 | 402 | 100 |
| Female | - | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | - | - |
| Total | 389 | 337 | 86.6 | 389 | 100 | 402 | 339 | 84.3 | 402 | 100 |

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

| Category | FY 2023-24 Current Financial Year | | | FY 2022-23 Previous Financial Year | | |
|------------------|--------------------------------------|------------|------------|---------------------------------------|------------|------------|
| | Total (A) | No. (B) | % (B / A) | Total (C) | No. (D) | % (D / C) |
| Employees | | | | | | |
| Male | 369 | 369 | 100 | 352 | 352 | 100 |
| Female | 14 | 14 | 100 | 14 | 14 | 100 |
| Total | 383 | 383 | 100 | 366 | 366 | 100 |
| Workers | | | | | | |
| Male | 389 | 389 | 100 | 402 | 402 | 100 |
| Female | - | - | - | - | - | - |
| Total | 389 | 389 | 100 | 402 | 402 | 100 |

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

Yes. We have implemented ISO 45001:2018 occupational health and safety management system at our manufacturing units located at Azamabad and Toopran.

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

We undertake Hazard Identification and Risk Assessment (HIRA) on an annual basis and Job Safety Analysis for individual activities on a routine basis to identify work related hazards. We have developed control measures which are designed to mitigate the identified work-related hazards and record the same in the risk register.

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

Yes. We have processes for workers to report the work-related hazards and to remove themselves from such risks. We encourage our workers to remove themselves from work in unsafe conditions and create awareness amongst other workers on the mechanisms to report near miss cases while bringing to the attention of the management on any unsafe conditions for investigation. We duly undertake subsequent implementation of corrective and preventive actions.

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

Yes. The employees and workers have access to first aid through the health care center available within the premises.

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

| Safety Incident/Number | Category* | FY 2023-24 Current Financial Year | FY 2022-23 Previous Financial Year |
|--|-----------|--------------------------------------|---------------------------------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | - | - |
| | Workers | - | - |
| Total recordable work-related injuries | Employees | - | - |
| | Workers | - | - |
| Number of fatalities | Employees | - | - |
| | Workers | - | - |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | - | - |
| | Workers | - | - |

*Including in the contract workforce

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

We ensure safe and healthy workplace by:

- Implementing a robust emergency response plan in consideration of fire or explosion, electrical failures, chemical and fuel leakage; and conducting mock drills on quarterly basis
- Implementing safety guidelines to mitigate safety risks identified through job safety analysis
- Conducting internal safety audit as per IS 14489 on semiannual basis and external safety audit on biannual basis
- Quarterly reviewing of safety performance by the Board and top management
- Providing continuous training to employees and workers
- Undertaking periodic medical survey and medical checkups
- Inducing a safety culture by motivating and encouraging employees to provide suggestions to improving safety performance.
- Conducting Safety Day competitions for employees and giving rewards and recognition.
- Launch of Annual Safety Training Plan, introduced a Safety AR&VR Learning and development module and training is being conducted to workmen and employees.

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

| | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|--------------------|--|---------------------------------------|---------|---|---------------------------------------|---------|
| | 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 | - | - | None | - | - | None |
| Health & Safety | - | - | None | - | - | None |

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% |
| Working Conditions | 100% |

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

Not Applicable

Leadership Indicators**1. Does the entity extend any life insurance or any compensatory package in the event of death of**

- (A) Employees - Yes
(B) Workers - Yes

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

We engage with vendors who are 100% compliant based on the track record.



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 (Current Financial Year) | FY 2022-23 (Previous Financial Year) | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
| Employees | - | - | - | - |
| Workers | - | - | - | - |

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?

No

5. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---|
| Health and safety practices | 14% |
| Working Conditions | 14% |

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.

We conduct environmental and social assessments for our tobacco farmers, with a special focus on ensuring their health and safety as well as improving their working conditions. A particular area of concern within the tobacco supply chain is the risk associated with Green Tobacco Sickness (GTS). In efforts to mitigate this risk, we place a strong emphasis on continuous education and supervision of farmers regarding the critical importance of wearing Personal Protective Equipment (PPE) during the harvesting and curing stages. In FY 23-24, we have been able to provide PPE kits to 48% of our farmers. Going ahead, the goal is to assess the farmers through our sustainable supply chain assessment framework.

We also take measures to ensure that the farmers are trained in safe disposal of CPA. Our field technicians are responsible for monitoring compliance of contracted farmers and assisting with crop registration, providing expert guidance on nursery management and plantation activities, overseeing baling operations, and facilitating efficient purchasing transactions. Field technicians use mobile apps for data entry, ensuring accurate information is recorded in GMS, thus driving successful crop outcomes through comprehensive support and monitoring.

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.

We are committed to nurturing strong relations with our stakeholders. This is driven by a structured plan involving identification of stakeholder groups, assessment of their importance and influence on our growth and success. We understand that our operations impact a wide array of stakeholders encompassing employees, suppliers, farmers, partners, shareholders, and the communities we operate in. Consequently, we pledge to incorporate the insights and viewpoints of our stakeholders into our decision-making processes. Following are the principles based on which we prioritize stakeholders:

| | | | |
|---|-------------------------------------|--------------------------------------|----------------------------------|
| Stakeholders who have a fundamental impact on company's performance | Needs of the company's stakeholders | Stakeholders relevance and influence | Mutually beneficial relationship |
|---|-------------------------------------|--------------------------------------|----------------------------------|

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), Other | Frequency of engagement (Annually/ Half yearly/Quarterly/ others please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---------------------------|--|--|---|---|
| Investors & Shareholders | No | <ul style="list-style-type: none"> Emails Newspaper Advertisement Website Notice Board | <ul style="list-style-type: none"> Quarterly Annually | <ul style="list-style-type: none"> Our quarterly and annual earnings, plan for the next financial year New market developments Regulatory procedures |
| Customers | No | <ul style="list-style-type: none"> Product labelling | <ul style="list-style-type: none"> Ongoing activities | <ul style="list-style-type: none"> Information as per COTPA guidelines |
| Farmers | Yes | <ul style="list-style-type: none"> Advertisement, Notice, Communications during procurement | <ul style="list-style-type: none"> Ongoing | <ul style="list-style-type: none"> Procurement Quality assessment Grievance redressal Contract and Payment terms |
| Communities/ NGOs | Yes | <ul style="list-style-type: none"> Community Meetings Focused group discussion Grievance redressal | <ul style="list-style-type: none"> Annually and on need basis | <ul style="list-style-type: none"> Grievances Feedback Program improvement sessions Capacity building |
| Employee | No | <ul style="list-style-type: none"> Employee forums Leadership forums Employee surveys Workplace platform | <ul style="list-style-type: none"> Annually Need basis Ongoing | <ul style="list-style-type: none"> Learning and development Well-being Grievance redressal Growth opportunities |
| Wholesalers | No | <ul style="list-style-type: none"> Emails Meetings | <ul style="list-style-type: none"> On going | <ul style="list-style-type: none"> Product quality and availability |
| Suppliers | No | <ul style="list-style-type: none"> Vendor meetings Capacity building | <ul style="list-style-type: none"> Annual Need-basis | <ul style="list-style-type: none"> Quality Local procurement |
| Government and Regulators | No | <ul style="list-style-type: none"> Policy intervention Advocacy | <ul style="list-style-type: none"> Need basis | <ul style="list-style-type: none"> Taxation Promotions Best practices |

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.

We have established a Corporate ESG Committee consisting of the Managing Director (MD), Chief Executive Officer (CEO), and ESG Lead (Corporate Sustainability). This Committee is tasked with several key responsibilities, including the planning and development of our ESG (Environmental, Social, and Governance) strategy, conducting comprehensive reviews of overall performance, and monitoring the operational direction to ensure alignment with our ESG goals. Additionally, the Corporate ESG Committee is responsible for providing regular feedback to the CSR (Corporate Social Responsibility) Committee, ensuring continuous improvement and integration of ESG considerations into our business practices.



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, we believe that sustainable development requires not only addressing material challenges related to corporate operations and strategy, but also identifying and prioritizing the most important challenges based on stakeholder concerns. We engage in a continuous process of evaluating material topics that are an integral part of our inclusive business strategy. This process involves identifying the common issues across the business, consulting with internal and external stakeholders and prioritizing the material topics. During FY 2023-24 the environmental and social topics were reviewed following the process given below:

- **Identification:** We identified an initial list of material topics through learning from our industry peers, referring to the sector specific material topics recommended by key global and national ESG standards and frameworks.
- **Stakeholder consultations:** We invited key internal and external stakeholders to participate in a structured consultation process and recorded their response on the impact and influence of each material topic.
- **Prioritization:** Post senior management review, followed by recommendations of ESG Council, the Board of Directors reviewed and approved the final list of material topics for the organization.
- **Result:** As a result of stakeholder consultation for material topics, existing policies were modified and new policies were framed, wherever required. Existing policies and SOPs were also relooked at to include the conclusions and observations arising from stakeholder engagement process evaluation of the working of its policies.

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

Our efforts to support vulnerable and marginalized stakeholders' centers on agricultural and horticultural development, complemented by water management and harvesting techniques. By offering training in advanced farming methods, we aim to boost farmers' productivity and sustainability. Additionally, we are also engaged in several initiatives intended to enhance living conditions within tobacco-growing communities. In pursuit to enhance social equity, our CSR programs are focused on rural development, health and sanitation, education and environment and sustainability. Some of the CSR activities include installing household toilets and implementing solar street lighting, upliftment of women farmer self-help groups and farmer training in modern farming techniques. These activities are crafted to elevate the standard of living for farmers and their families by providing essential sanitation facilities and dependable, eco-friendly lighting solutions.

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:

We consider it our duty to respect and protect human rights and are committed towards creating a workplace that is diverse, inclusive, and fair for everyone. The strategy to ensure a respectful work environment and to safeguard the human rights of every individual includes enhancing our monitoring frameworks and systematically enforcing our policies and procedures. In line with our goal of achieving zero human rights violations, we educate the employees on human rights principles and encourage them to report any

incidents of violation they witness in our workplace through training. We intend to incorporate human rights training into our annual training schedule for the next reporting period to facilitate this initiative.

| Category | Current FY (2023-24) | | | Previous FY (2022-23) | | |
|----------------------|----------------------|--|---------|-----------------------|------------------------------------|--------|
| | Total (A) | No. of employees / workers covered (B) | % (B/A) | Total (C) | No. employees/ workers covered (D) | %(D/C) |
| Employees | | | | | | |
| Permanent | - | - | - | - | - | - |
| Other than permanent | - | - | - | - | - | - |
| Total Employees | - | - | - | - | - | - |
| Workers | | | | | | |
| Permanent | - | - | - | - | - | - |
| Other than permanent | - | - | - | - | - | - |
| Total Workers | - | - | - | - | - | - |

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

| Category | Current FY (2023-24) | | | | | Previous 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) |
| Employees | | | | | | | | | | |
| Permanent | 383 | - | - | 383 | 100 | 366 | - | - | 366 | 100 |
| Male | 369 | - | - | 369 | 100 | 352 | - | - | 352 | 100 |
| Female | 14 | - | - | 14 | 100 | 14 | - | - | 14 | 100 |
| Other than Permanent | - | - | - | - | - | - | - | - | - | - |
| Male | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - |
| Workers | | | | | | | | | | |
| Permanent | 389 | - | - | 389 | 100 | 402 | - | - | 402 | 100 |
| Male | 389 | - | - | 389 | 100 | 402 | - | - | 402 | 100 |
| Female | - | - | - | - | - | - | - | - | - | - |
| Other than Permanent | - | - | - | - | - | - | - | - | - | - |
| Male | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - |

3. Details of remuneration/salary/wages

a. Median remuneration/wages:

| | Number | Male | | Female | |
|----------------------------------|--------|--------|---|--------|--|
| | | Number | Median remuneration/ salary / wages of respective category (in INR) | Number | Median remuneration/ salary/ wages of respective category (in INR) |
| Board of Directors (BoD) | 5 | | 77,40,000 | 1 | 63,60,000 |
| Key Managerial Personnel | 2 | | 1,27,44,442 | - | - |
| Employees other than BoD and KMP | 366 | | 9,71,502 | 14 | 11,32,082 |
| Workers | 389 | | 10,15,910 | - | - |

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

| | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|--|---|
| Gross wages paid to females as % of total wages | 0.09% | 0.10% |



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. The Audit Committee oversees the examination of issues reported by employees through the Whistleblower mechanism. This mechanism encourages employees to voice any concerns regarding human rights abuses, including harassment, victimization, bullying, and discrimination, for thorough investigation and satisfactory grievance resolution.

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

We have implemented a Whistleblower mechanism to enable individuals to safely report any issues concerning human rights violations directly to management without the fear of retaliation, through a specified email or contact details. This system also allows employees and Directors to directly reach out to the Chairperson of the Audit Committee in special circumstances. To ensure ethical practices and adherence to human rights standards as defined in the ALP code in our tobacco supply chain, we have deployed field technicians on the ground to continually survey farm holdings for any breaches. When human rights abuses are identified, they are logged through the GMS application. Subsequently, we undertake fitting measures based on severity of the situation to address the issue.

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

| | FY 2023-24 Current Financial Year | | | FY 2022-23 Previous Financial Year | | |
|-------------------------------------|--------------------------------------|---------------------------------------|---|---------------------------------------|---------------------------------------|---------|
| | 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 | - | - | None | - | - | None |
| Discrimination at workplace | - | - | None | - | - | None |
| Child Labor | - | - | None | - | - | None |
| Forced Labor/ Involuntary Labour | - | - | None | - | - | None |
| Wages | 1 | 1 | The matter is under evaluation with Industrial Tribunal, Telangana. | - | - | None |
| Other human rights related issues | - | - | None | - | - | None |

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

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

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

Our Whistleblower system allows individuals to safely report cases of discrimination and harassment to management without fear of retaliation or unjust treatment, using the provided email or contact details.

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

Yes, human right requirements are covered in business agreements and contracts with farmers through the Agriculture Labor Practices (ALP) Code. Through implementation of the ALP code, we monitor and reviews the tobacco supply chain to prevent any form of discrimination including child labor, forced labour, payment of minimum wages, as well as adherence to safe working conditions.

10. Assessments for the year:

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

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

Nil

Leadership Indicators

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

There have been no significant changes in business processes during the reporting period.

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

Yes, human right due diligence is undertaken across the tobacco supply chain in accordance with the Agriculture Labor Practices (ALP) Code.

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?

We promote an inclusive workplace for a diverse workforce from different cultures and strive towards providing an inclusive infrastructure that takes into consideration the demographics of our workforce.

4. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---------------------------------|---|
| Sexual Harassment | 14% |
| Discrimination at workplace | 14% |
| Child Labor | 14% |
| Forced Labor/Involuntary Labour | 14% |
| Wages | 14% |
| Others- please specify | 14% |



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

Based on the assessment done, there were no cases identified in the reporting period.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

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

| Parameter | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|--|---|
| From renewable sources | | |
| Total electricity consumption (A) (GJ) | 5357 GJ | 5,188 GJ |
| Total fuel consumption (B) (GJ) | - | - |
| Energy consumption through other sources (C) (GJ) | - | - |
| Total energy consumed from renewable sources (A+B+C) | 5357 GJ | 5,188 GJ |
| From non-renewable sources | | |
| Total electricity consumption (D) (GJ) | 15,573 GJ | 12,136 GJ |
| Total fuel consumption (E) (GJ) | 13,895 GJ | 11,000 GJ |
| Energy consumption through other sources (F) (GJ) | - | - |
| Total energy consumed from non-renewable sources (D+E+F) | 29,468 GJ | 23,136 GJ |
| Total energy consumed (A+B+C+D+E+F) | 34,825 GJ | 28,324 GJ |
| Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations) | 0.0000019 GJ/INR | 0.0000017 GJ/INR |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumption/ Revenue from operations adjusted for PPP) | 0.000043 GJ/INR adjusted to PPP | 0.000039 GJ/INR adjusted to PPP |
| Energy intensity in terms of physical output | 4.40 GJ/Million Cigarettes | 4.38 GJ/Million Cigarettes |
| 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

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by Organization for Economic Cooperation and Development (OECD) for India which is 22.88.

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.

No

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

| Parameter | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|--|--|---|
| Water withdrawal by source (in kiloliters) | | |
| (i) Surface water | - | - |
| (ii) Groundwater | 27,784 KL | 23,527 KL |
| (iii) Third party water | - | 1,332 KL |
| (iv) Seawater / desalinated water | - | - |
| (v) Others (Rainwater harvesting) | - | - |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 27,784 KL | 24,859 KL |
| Total volume of water consumption (in kilolitres) | 27,784 KL | 24,859 KL |
| Water intensity per rupee of turnover (Total Water consumed / Revenue from operations) (L/Rs) | 0.0000015 KL/INR | 0.0000014 KL/INR |
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP) | 0.00003 KL/INR adjusted to PPP | 0.00003 KL/INR adjusted to PPP |
| Water intensity in terms of physical output | 3.33 KL/Million Cigarettes | 3.92KL/Million Cigarettes |
| Water 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

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by Organization for Economic Cooperation and Development (OECD) for India which is 22.88.

4. Provided the following details related to water discharged:

Due to our commitment to environmental sustainability and water stewardship, both of our manufacturing facilities have achieved zero liquid discharge status. As a result, there is no water discharge data applicable to VST.

| Parameter | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|--|--|---|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) To Surface water | - | - |
| • No treatment | - | - |
| • With treatment - please specify level of treatment | - | - |
| (ii) To Groundwater | - | - |
| • No treatment | - | - |
| • With treatment - please specify level of treatment | - | - |
| (iii) To Seawater | - | - |
| • No treatment | - | - |
| • With treatment - please specify level of treatment | - | - |
| (iv) Sent to third parties | - | - |
| • No treatment | - | - |
| • With treatment - please specify level of treatment | - | - |
| (v) Others | - | - |
| • No treatment | - | - |
| • With treatment - please specify level of treatment | - | - |
| Total water discharged (in kilolitres) | - | - |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No



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

Yes, both the manufacturing units have implemented mechanism for Zero Liquid Discharge. The treated wastewater from the effluent treatment plant is utilized for landscaping purposes.

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

| Parameter | Please specify unit | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|-------------------------------------|---------------------|--|---|
| NOx | Tonnes | 23.73 | 41.03 |
| Sox | Tonnes | 20.56 | 33.67 |
| Particulate Matter (PM) | Tonnes | 4.68 | 9.7 |
| Persistent organic pollutants (POP) | Tonnes | - | - |
| Volatile organic compounds (VOC) | Tonnes | - | - |
| Hazardous air pollutants (HAP) | Tonnes | - | - |
| Others- please specify | Tonnes | - | - |

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 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---|--|-------------------------------------|--------------------------------------|
| Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 899 tCO ₂ e | 642.51 tCO ₂ e |
| Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 3097 tCO ₂ e | 2,819.45 tCO ₂ e |
| Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) | tCO ₂ e/INR | 0.00000022 | 0.00000020 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations adjusted for PPP) | tCO ₂ e/INR of turnover adjusted to PPP | 0.00000497 | 0.00000474 |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output | tCO ₂ e/Million Cigarettes | 0.48 | 0.54 |
| Total Scope 1 and Scope 2 emission 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.

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by Organization for Economic Cooperation and Development (OECD) for India which is 22.88.

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

Yes, we have undertaken projects on GHG reduction. The projects are mentioned below:

1. Implementation of DRF/AHU Closed loop System.
2. Installation of LED lights.
3. Increased in solar power generation.

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

| Parameter | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---|--|--|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A) | 28.74 MT | 32.91 MT |
| E-waste (B) | - | - |
| Bio-medical waste (C) | 0.194 MT | 0.20 MT |
| Construction and demolition waste (D) | - | - |
| Battery waste (E) | - | - |
| Radioactive waste (F) | - | - |
| Other Hazardous waste. Please specify, if any. (G) | 0.525 MT | 0.96 MT |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector) | - | - |
| Total (A+B + C + D + E + F + G + H) | 29.46 MT | 34.07 MT |
| Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) | 0.000000016 MT/INR | 0.000000020 MT/INR |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) | 0.000000037 MT/INR of turnover adjusted to PPP | 0.000000047 MT/INR of turnover adjusted to PPP |
| Waste intensity in terms of physical output | 0.004 MT/Million Cigarettes | 0.0053 MT/Million Cigarettes |
| Waste intensity (optional) - the relevant metric may be selected by the entity | | |

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

| Category of waste | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---------------------------------|-------------------------------------|--------------------------------------|
| (i) Recycled | 29.26 MT | 33.87 MT |
| (ii) Re-used | - | - |
| (iii) Other recovery operations | - | - |
| Total | | |

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

| Category of waste | FY 2024 (Current Financial Year) | FY 2023 (Previous Financial Year) |
|---------------------------------|-------------------------------------|--------------------------------------|
| (i) Incineration | 0.194 MT | 0.20 MT |
| (ii) Landfilling | - | - |
| (iii) Other disposal operations | - | - |
| Total | | |

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

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by Organization for Economic Cooperation and Development (OECD) for India which is 22.88.

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.

Our environmental management strategies focus on preserving natural resources and implementing effective waste management practices. We consistently oversee the management of hazardous waste in our production facilities, ensuring adherence to regulatory standards by maintaining waste levels within the approved limits.



We invest dedicated efforts for segregating, monitoring and safely disposing of the waste generated at our facilities, with the concept of 3 R (Reuse, Reduce and Recycle) embedded across the value chain. We also duly categorize waste into hazardous and non-hazardous components, with hazardous wastes forming 1.8% of the total waste generated. The non-hazardous waste includes plastic wastes and biomedical waste. Hazardous waste is disposed through authorized third-party recyclers in alignment with relevant waste management guidelines provided by regulatory bodies like the Central / State Pollution Control Board (SPCB). Bio-medical waste is incinerated at a third-party incinerating facility.

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

| S. No. | Location of operations/offices | Type of 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. |
|----------------|--------------------------------|--------------------|--|
| Not Applicable | | | |

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 |
|---|----------------------|------|---|--|-------------------|
| Not applicable. VST is not required to conduct EIA as we fall under orange category | | | | | |

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:

We ensure compliance with relevant environmental laws, regulations, and guidelines in India, including the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and other legislations in the Environment Protection Act and its rules. By aligning with the protocols of the state pollution control board and enhancing our production through technological advancements, we aim to minimize pollution. We have secured the necessary Consent to Establish and Consent to Operate under the Water Act, Air Act, EPA, and other relevant regulations, with the Consent to Operate being renewed regularly.

| 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 |
|----------------|---|---------------------------------------|---|---------------------------------|
| Not Applicable | | | | |

Leadership Indicators

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

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

- Name of the area:
- Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

| Parameter | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|--|--|---|
| Water withdrawal by source (in kiloliters) | | |
| (i) Surface water | - | - |
| (ii) Groundwater | - | - |
| (iii) Third party water | - | - |
| (iv) Seawater / desalinated water | - | - |
| (v) Others | - | - |
| Total volume of water withdrawal (In kiloliters) | - | - |
| Total volume of water consumption (In kiloliters) | - | - |
| Water intensity per rupee of turnover (Water consumed / turnover) | - | - |
| Water intensity (optional) – the relevant metric may be selected by the entity | - | - |
| Water discharge by destination and level of treatment (in kiloliters) | | |
| (i) Into Surface water | - | - |
| • No treatment | - | - |
| • With treatment – please specify level of treatment | - | - |
| (ii) Into Groundwater | - | - |
| • No treatment | - | - |
| • With treatment – please specify level of treatment | - | - |
| (iii) Into Seawater | - | - |
| • No treatment | - | - |
| • With treatment – please specify level of treatment | - | - |
| (iv) Sent to third parties | - | - |
| • No treatment | - | - |
| • With treatment – please specify level of treatment | - | - |
| (v) Others | - | - |
| • No treatment | - | - |
| • With treatment – please specify level of treatment | - | - |
| Total water discharged (in kilolitres) | - | - |

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 | Unit | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|--|--|---|
| Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 3,393 | - |
| Total Scope 3 emissions per rupee of turnover | Metric tonnes of CO ₂ equivalent/INR lakh | 0.185 | - |
| Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity | Metric tonnes of CO ₂ /million cigarettes | 0.406 | - |

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.

*Category 9 – Downstream Emissions – The Company has only considered downstream emissions from transportation within India. Emissions from export of goods has not been considered for FY23-24.



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

Not Applicable

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

| S. No | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of initiative (Savings in ₹ Million) |
|-------|--|---|--|
| 1. | Boiler Fuel conversion from HSD to PNG | Identified sustainability project for conversion of fuel HSD from PNG for our boiler operations in Toopran unit. | Significant reduction of the proportion of HSD consumption to the total direct energy consumption from 48% to 8%, thereby resulting in reduction of 85 tCO ₂ e. |
| 2. | Renewable energy | Installation of 1MW solar power plant. | 25% of our power consumption is met from Solar power project. |
| 3. | Optimizing water usage | Installed low flow water fixtures at high water use areas. Installed Sensor based water taps to reduce the water consumption. Effective monitoring of water consumption Periodical maintenance of water infrastructure | Improved resource efficiency |
| 4. | Technology Upgradation | Implementation of DRF/AHU Closed loop System. Installation of LED lights. Increase in solar power generation of 2%. | Total saving of 2,57,187 Units |
| 5. | Optimizing tobacco utilization | Experimented with Blend & Process parameters | 6% improvement in cut tobacco blend fill power |

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

We are dedicated to developing and sustaining a comprehensive Business Continuity Management System (BCMS) aimed at ensuring the resilience of our business activities. In pursuit of this goal, we have crafted a holistic BCMS that identifies potential threats to our operations and crafts effective strategies to mitigate their effects. This system is seamlessly integrated with our operational and technological processes throughout the organization, facilitating the swift restoration of business functions post-disruption to minimize adverse impacts on our operations, customers, and stakeholders, while also protecting the brand and reputation.

The goal is to create, implement, practice, and uphold Business Continuity Plans for essential business functions, ensuring they remain operational despite acceptable levels of disruption. Efforts are underway to enhance business continuity awareness among all employees and relevant parties via training sessions and consultations. We are committed to routinely assess the effectiveness of the BCMS to foster continuous enhancement and instill a culture of business continuity within the Company.

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.

To promote responsible tobacco sourcing, we mandate adherence to our stringent audit processes defined in the Sustainable Tobacco Programme across the supply chain. Our agreements with farmers are structured to meet these standards, with compliance monitored by field technicians utilizing the GMS application to oversee farmers' adherence to both their contractual responsibilities and audit criteria.

Detailed below are the principal environmental risks tied to our tobacco value chain, alongside our approaches to mitigating these risks:

- I. Waste Management: Tobacco cultivation necessitates substantial use of agrochemicals; the containers of these agrochemicals pose environmental risks. Our contracts include directives for the proper disposal of these containers. Farmers must thrice-rinse emptied containers, draining the rinse into the spray tank, then puncture the container to deter reuse. Finally, the container should be disposed of or recycled following the manufacturer's guidelines and/or national laws. Approximately, 48% of our contracted farmers have received training on use of agrochemicals and their safe disposal. Going forward, we are planning to encourage the use of bio-fertilizers and the distribution of CPA storage boxes and CPA waste collection boxes to the contracted farmers.
- II. Water Management: A segment of our farmers relies on irrigation for tobacco cultivation. To address this concern, we are enhancing access to micro-sprinklers and drip irrigation systems to reduce water use and augment soil water retention via green manuring. During FY2023-24, 38.6% of our nurseries have been equipped with micro-sprinklers for irrigation.
- III. Climate Change: The prevalent method for curing tobacco leaves globally is flue curing, leading to significant deforestation for firewood. In our supply chain, most farmers adopt sun curing, reducing the risk to biodiversity. During FY2023-24 the proportion of tobacco leaf purchased that was cured at no risk of deforestation of primary and protected forests stood at 100%. For the minority employing flue curing, we are reducing the environmental impact by encouraging the use of agricultural by-products like tobacco stalks, maize husk, sawdust, sunflower heads, groundnut shells, and cotton stalks as firewood alternatives. Going forward we also plan to encourage our farmers to use biofertilizers.

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

14% of our value chain partners, including material suppliers and contract farmers, undergo continuous assessment based on environmental criteria.

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. - 4**
- 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. | All India Management Association | National |
| 2. | Telangana and Andhra Pradesh Chambers of Commerce and Industry | State |
| 3. | Confederation of Indian Industry | National |
| 4. | Tobacco Institute of India | National |

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

We have not engaged in any anti-competitive conduct.

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



Leadership Indicators

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

| S. No. | Public policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of Review by Board (Annually / Half yearly/ Quarterly / Others - please specify) | Web Link, if available |
|--------|---|--|--|--|--|
| 1. | We pursue a Policy of interaction with the relevant regulatory authorities on issues pertaining to our Industry | We work with industry level associations which are governed by values of trust and commitment in the interest of all relevant stakeholders | Information under this head forms part of the Report of the Board Of Directors & Management Discussion Analysis for the year ending 31 st March 2024. | - | www.vsthyd.com |

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.

There has been no Social Impact Assessments (SIA) of projects undertaken in compliance with laws such as the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

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

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

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

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

We regularly engage in dialogue with the community and design interventions to address their concerns. We also carry out annual need assessment studies to identify societal needs of target groups. We prioritize the requirements and allocates funds for the various social interventions in alignment with our CSR policy.

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

| | FY 2023-24 | FY 2022-23 |
|-----------------------------|------------|------------|
| Directly sourced from MSMEs | 1.7% | 1.49% |
| Directly from within India | 97% | 96% |

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 | 22% | 20% |
| Semi-urban | 14% | 5% |
| Urban | 27% | 40% |
| Metropolitan | 37% | 36% |

(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 INR) |
|----------------|-------|-----------------------|-----------------------|
| Not Applicable | | | |

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? No
- (b) From which marginalized / vulnerable groups do you procure? None
- (c) What percentage of total procurement (by value) does it constitute? 0%

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

We have not engaged with any entity during the reporting period for deriving or sharing any benefits from the intellectual properties owned and acquired by us.

| S. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|----------------|--|--------------------------|---------------------------|------------------------------------|
| Not Applicable | | | | |

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 | Brief of the Case |
|-------------------|-------------------|-------------------|
| Not Applicable | | |

**6. Details of beneficiaries of CSR Projects**

| S. No. | CSR Project | No. of persons benefited from CSR projects | % of beneficiaries from vulnerable and marginalised groups |
|--------|---------------------|--|--|
| 1 | Naari Shakti | 10,900 | 100% |
| 2 | Swachh Ghar Mission | 2,875 | 100% |
| 3 | VST Cares | 1,70,000 | 100% |
| 4 | Swachh Roshni | 800 | 100% |
| 5 | Mid-day Meal | 5,000 | 100% |
| 6 | Gyandeep | 8,000 | 100% |

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.**

We have implemented a robust consumer grievance handling system. Consumers can register their complaints through a toll-free number, which is prominently displayed on the product label and on our website. Once a complaint is registered, a grievance redressal executive reviews it to understand its nature, after which it is forwarded to the relevant department for prompt resolution.

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

| | As a percentage to total turnover |
|---|-----------------------------------|
| Environmental and social parameters relevant to the product | 100% |
| Safe and responsible usage | 100% |
| Recycling and/or safe disposal | 100% |

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

| | FY 2023-24 | | | FY 2022-23 | | |
|--------------------------------|--------------------------|-----------------------------------|---------|--------------------------|-----------------------------------|---------|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | - | - | None | - | - | None |
| Advertising | - | - | None | - | - | None |
| Cyber-security | - | - | None | - | - | None |
| Delivery of essential services | - | - | None | - | - | None |
| Restrictive Trade practices | - | - | None | - | - | None |
| Unfair Trade Practices | - | - | None | - | - | None |
| Others | - | - | None | - | - | None |

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

| | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | - | Not applicable |
| Forced recalls | - | Not applicable |

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

We possess a comprehensive framework and policy addressing cybersecurity and data privacy risks. We firmly understand the loss or misuse of sensitive information, or its disclosure to outsiders, including competitors and trading partners, could potentially have a significant adverse impact on our business operations and potentially cause legal challenges in both monetary and non-monetary terms. Considering these potential impacts on us, we have put in place information technology policies and procedures which are reviewed periodically. We also have established information technology controls like data backup mechanism, disaster recovery centre, authorisation verification, etc. to protect the system

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

No cases were raised during the reporting year and hence no corrective actions were taken.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches along-with impact - None
- Percentage of data breaches involving personally identifiable information of customers - 0%
- Impact, if any, of the data breaches - None

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

We ensure that our product packaging and labelling are in accordance with the Cigarettes and other Tobacco Products (prohibition of advertisement and regulation of trade and commerce, production, supply and distribution) Act, 2003 (COTPA). The labelling on the products carries information on the product's characteristics including health impacts, traceability of product batch.

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

Our product labelling carries information on the product's characteristics, including health impacts, in strict adherence to COTPA regulations.

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

As tobacco and cigarette products are not essential to consumers, hence there is no mandate to communicate any risk due to disruption/discontinuation of essential services to our consumers.

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 regarding consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

We do not display product information over and above applicable acts and regulations. However, we ensure product packaging and labelling are in accordance with the COTPA rules (Cigarettes and other Tobacco Products Act).