

# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

|     |   |   |
|-----|---|---|
| 1.  | Corporate Identity Number (CIN) of the Listed Entity  | L27100PB2010PLC033930   |
| 2.  | Name of the Listed Entity   | Vardhman Special Steels Limited   |
| 3.  | Year of incorporation   | 2010  |
| 4.  | Registered office address   | Vardhman Premises, Chandigarh Road, Ludhiana - 141010   |
| 6.  | Corporate address   | Vardhman Premises, Chandigarh Road, Ludhiana - 141010   |
| 6.  | E-mail  | <a href="mailto:secretarial.lud@vardhman.com">secretarial.lud@vardhman.com</a>  |
| 7.  | Telephone   | 0161-2228943-48, 2251200-201  |
| 8.  | Website   | <a href="http://www.vardhman.com">www.vardhman.com</a> / <a href="http://www.vardhmansteel.com">www.vardhmansteel.com</a>   |
| 9.  | Financial year for which reporting is being done  | FY 2024-25  |
| 10. | Name of the Stock Exchange(s) where shares are listed   | National Stock Exchange of India Limited<br>BSE Limited   |
| 11. | Paid-up Capital   | ₹81.73 crores   |
| 12. | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report  | Mr. Jagdish Chand Sharma<br>Chief Sustainability Officer<br>email ID - <a href="mailto:secretarial.lud@vardhman.com">secretarial.lud@vardhman.com</a><br>Telephone - 0161-2251201 |
| 13. | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together) | Standalone  |
| 14. | Name of assurance provider  | Not Applicable  |
| 15. | Type of assurance obtained:   | Not Applicable  |

### II. Products/services:

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

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|--------|------------------------------|----------------------------------|-----------------------------|
| 1      | Manufacturing                | Manufacturing of Steel Products  | 100%                        |

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

| S. No. | Product/ Service                                       | NIC Code | % of Total Turnover Contributed |
|--------|--|----------|---------------------------------|
| 1      | Steel bars and bright bars of various grades and sizes | 241      | 100%                            |

### III. Operations

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

| Location      | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National      | 1                | 10                | 11    |
| International | 0                | 0                 | 0     |

#### 19. Markets served by the entity:

##### a. Number of locations

| Locations                        | Number |
|----------------------------------|--------|
| National (No. of States)         | 13     |
| International (No. of Countries) | 9      |

As a trusted supplier of high-quality special steels to leading automotive OEMs, the Company has built a nationwide marketing network. Its unwavering focus on customer needs has fueled rapid domestic growth and laid the foundation for a strong international footprint.

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

Although, VSSL is predominantly a domestic player, it enjoys an international presence in important markets for niche products. In FY25, exports comprised 6% of the Company's turnover (which includes 3% of exports to Aichi Forge, Thailand, through its trading arm in India).

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

The Company primarily serves as Tier II supplier to automotive OEMs in India. Its customer base includes both Indian and international component manufacturers across segments such as passenger vehicles, two-wheelers, and commercial vehicles.

### IV. Employees

#### 20. Details as at the end of Financial Year:

##### a. Employees and workers (including differently abled):

| S. No.    | Particulars              | Total (A) | Male    |           | Female  |           |
|-----------|--------------------------|-----------|---------|-----------|---------|-----------|
|           |                          |           | No. (B) | % (B / A) | No. (C) | % (C / A) |
| EMPLOYEES |                          |           |         |           |         |           |
| 1.        | Permanent (D)            | 451       | 428     | 94.90     | 23      | 5.10      |
| 2.        | Other than Permanent (E) | 3         | 1       | 33.33     | 2       | 66.67     |
| 3.        | Total employees (D + E)  | 454       | 429     | 94.49     | 25      | 5.51      |
| WORKERS   |                          |           |         |           |         |           |
| 4.        | Permanent (F)            | 912       | 911     | 99.89     | 1       | 0.11      |
| 5.        | Other than Permanent (G) | 596       | 594     | 99.66     | 2       | 0.34      |
| 6.        | Total workers (F + G)    | 1508      | 1505    | 99.80     | 3       | 0.20      |

##### b. Differently abled Employees and workers:

| S. No.                      | Particulars                               | Total | Male    |           | Female  |           |
|-----------------------------|---|-------|---------|-----------|---------|-----------|
|                             |   | (A)   | No. (B) | % (B / A) | No. (C) | % (C / A) |
| DIFFERENTLY ABLED EMPLOYEES |   |       |         |           |         |           |
| 1.                          | Permanent (D)                             | 0     | 0       | 0         | 0       | 0         |
| 2.                          | Other than Permanent (E)                  | 0     | 0       | 0         | 0       | 0         |
| 3.                          | Total differently abled employees (D + E) | 0     | 0       | 0         | 0       | 0         |

| S. No.                    | Particulars                                    | Total    | Male     |           | Female   |           |
|---------------------------|--|----------|----------|-----------|----------|-----------|
|                           |  | (A)      | No. (B)  | % (B / A) | No. (C)  | % (C / A) |
| DIFFERENTLY ABLED WORKERS |  |          |          |           |          |           |
| 4.                        | Permanent (F)                                  | 0        | 0        | 0         | 0        | 0         |
| 5.                        | Other than permanent (G)                       | 0        | 0        | 0         | 0        | 0         |
| 6.                        | <b>Total differently abled workers (F + G)</b> | <b>0</b> | <b>0</b> | <b>0</b>  | <b>0</b> | <b>0</b>  |

**21. Participation/Inclusion/Representation of women:**  
 (as on 31<sup>st</sup> March 2025)

|                          | Total<br>(A) | No. and percentage of Females |           |
|--------------------------|--------------|-------------------------------|-----------|
|                          |              | No. (B)                       | % (B / A) |
| Board of Directors       | 13           | 3                             | 23.08     |
| Key Management Personnel | 3            | 1                             | 33.33     |

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

|                     | FY 2024-25 |        |        | FY 2023-24 |        |       | FY 2022-23 |        |       |
|---------------------|------------|--------|--------|------------|--------|-------|------------|--------|-------|
|                     | Male       | Female | Total  | Male       | Female | Total | Male       | Female | Total |
| Permanent Employees | 11.5%      | 15.3%  | 11.85% | 13.4%      | 0%     | 13.4% | 9.9%       | 9.8%   | 9.9%  |
| Permanent Workers   | 6.43%      | 0%     | 6.43%  | 7.0%       | 0%     | 7.0%  | 3.5%       | 0%     | 3.5%  |

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

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

| S. No. | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|---|--|-----------------------------------|--|
| 1.     | Sone Solar Private Limited  | Associate  | 26%                               | No   |

**VI. CSR Details**

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

(ii) Turnover (₹ in crores): 1,764.41

(iii) Net worth (₹ in crores): 797.92

**VII. Transparency and Disclosure Compliances**

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

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in place (Yes/ No)<br><br>(If Yes, then provide web link for grievance redress policy) | FY 2024-25                                 |  |         | FY 2023-24                                 |  |         |
|---|--|--|--|---------|--|--|---------|
|   |  | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities                                       | Yes  | Nil  | Nil  | Nil     | Nil  | Nil  | Nil     |
| Investors (other than shareholders)               | Yes  | Nil  | Nil  | Nil     | Nil  | Nil  | Nil     |

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in place (Yes/ No) | FY 2024-25   |  |  | FY 2023-24 |  |  |
|---|--|--|--|--|------------|--|--|
|   |  | (If Yes, then provide web link for grievance redress policy) | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks    | Number of complaints filed during the year | Number of complaints pending resolution at close of the year |
| Shareholders                                      | Yes  | Nil  | Nil  | Nil  | Nil        | Nil  | Nil  |
| Employees and workers                             | Yes  | 1  | Nil  | Nil  | Nil        | Nil  | Nil  |
| Customers   | Yes  | Nil  | Nil  | Nil  | Nil        | Nil  | Nil  |
| Value Chain Partners                              | Yes  | Nil  | Nil  | Nil  | Nil        | Nil  | Nil  |
| Other (please specify)                            | Nil  | Nil  | Nil  | Nil  | Nil        | Nil  | Nil  |

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

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

The Company has a structured Materiality Assessment process to identify business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to the Company. The assessment was conducted in FY 2023-24 by external advisors, in line with global standards. As the outcome of the exercise, the material issues pertaining to environmental and social matters identified by the Company remains the same, covering both risks and opportunities.

| S No. | Material issue identified      | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity  | In case of risk, approach to adapt or mitigate   | Financial implications of the risk or opportunity (Indicate positive or negative implication) |
|-------|--------------------------------|--|---|--|---|
| 1     | Greenhouse Gas (GHG) Emissions | Risk                                       | Given the steel industry's significant contribution to global carbon emissions, transitioning to a carbon-neutral future demands clear targets and decisive measures. VSSL's GHG emissions are relatively low compared to the broader steel industry, as it employs electric arc furnace system. VSSL emits just 0.73 tons of carbon per ton of steel produced. Committed to sustainability, VSSL is intensifying its efforts to further reduce GHG emissions as part of its journey toward achieving net-zero. | VSSL aims to mitigate the risk by proactively adopting technologies and engage in continuous dialogue with policymakers. In a continuous effort to implement sustainable business practices, VSSL will continue to employ relevant technologies to increase the efficiency of all their operations. They have set clear and measurable decarbonization targets ensuring steady progress toward their sustainability goals. | Negative Financial Implications   |

| S No. | Material issue identified      | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity  | In case of risk, approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate positive or negative implication) |
|-------|--------------------------------|--|---|---|---|
|       |                                |  | Regulatory efforts to reduce GHG emissions in response to the risks posed by climate change may result in additional regulatory compliance costs and risks e.g. Carbon Border Adjustment Mechanism.   |   |   |
| 2     | Energy Management              | Opportunity                                | <p>Steel production requires significant energy, primarily from the direct combustion of fossil fuel and energy purchased from the grid.</p> <p>The focus is on VSSL's ability to manage its energy efficiency and its ability to access alternative sources of energy. VSSL's investment in solar power plant will meet 40% of its energy demand tentatively by Q3 of FY'26, is a step in this direction.</p> <p>VSSL's action plan for transitioning to green steel involves leveraging renewable energy sources and advanced technologies.</p> | Not applicable  | Positive Financial Implications   |
| 3     | Water Management               | Risk                                       | Steel production requires substantial volumes of water. VSSL is located in an industrial zone and mainly depends on ground water resources for its operations. Over the years, many residential areas have come up surrounding the Industrial area. This will result in increase in operational, regulatory and reputational risks associated with water scarcity, costs of water acquisition, and regulations on effluents or the amount of water used.  | VSSL is increasing water efficiency with the help of new technologies, investing in rain-water harvesting pits to recharge the ground water resources, installed a Sewage Treatment Plant & planning to install Effluent Treatment Plant also.  | Negative Financial Implications   |
| 4     | Occupational Health and Safety | Risk                                       | Steel production processes present significant risks to employees and contractors working in the plants. High temperatures and heavy machinery involved, noise induced deafness, chemical exposure and electric hazards pose risk requiring a strong safety culture and comprehensive health and safety policies. Worker injuries and fatalities can result in regulatory penalties, negative publicity, low worker morale and productivity, and increased healthcare and compensation costs.   | <p>VSSL has a strong culture of safety and is committed to implement all safety compliance requirements in order to eliminate any health &amp; safety issues to the extent possible.</p> <p>VSSL regularly conducts internal &amp; external audits on ISO 14001 &amp; ISO 45001.</p> <p>VSSL has a dedicated Training Centre for health &amp; safety.</p> | Negative Financial Implications   |

| S No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity  | In case of risk, approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate positive or negative implication) |
|-------|---------------------------|--|---|---|---|
| 5     | Cyber security            | Risk                                       | Vardhaman Special Steels Limited (VSSL) recognizes the critical importance of IT and cybersecurity in operations and is deeply committed to safeguarding sensitive information, technology resources, and shareholder value from the risk of cyber threats and incidents. As regulatory and statutory requirements continue to increase, it is imperative to meet these obligations concerning privacy and data protection laws to avoid enforcement actions, fines, and potential reputational damage. | VSSL has an IT policy and strategy in line with the requirements of the Digital Personal Data Protection Act, 2023. Further, we are in the process of implementing an integrated ERP solution, SAP S/4 HANA, which will provide a more robust and dependable system with enhanced controls. | Negative Financial Implications   |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

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

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

| Disclosure Questions   | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>Policy and management processes</b>   |     |     |     |     |     |     |     |     |     |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) |     |     |     |     |     |     |     |     |     |
| Materiality of Events Policy   | ✓   |     |     | ✓   |     |     |     |     |     |
| Vigil Mechanism/ Whistle Blower Policy   | ✓   |     |     | ✓   |     |     |     |     |     |
| Related Party Transaction Policy   | ✓   |     |     | ✓   |     |     |     |     |     |
| Corporate Social Responsibility Policy   |     |     |     |     | ✓   |     |     | ✓   |     |

| Disclosure Questions  | P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|----|----|----|----|----|----|----|----|
| Familiarization Program for Board Members   | ✓   |    |    | ✓  |    |    |    |    |    |
| Risk Management Policy  |   | ✓  |    |    |    |    |    |    |    |
| Policy for determining Material Subsidiary  | ✓   |    |    | ✓  |    |    |    |    |    |
| Archival Policy   | ✓   |    |    |    |    |    |    |    |    |
| Child Labour Prohibition Policy   |   |    |    |    | ✓  |    |    | ✓  |    |
| Code of Conduct   | ✓   |    | ✓  | ✓  | ✓  |    |    | ✓  |    |
| Code of Conduct for Directors & Senior Management   | ✓   |    |    | ✓  |    |    |    |    |    |
| Code for Independent Directors  | ✓   |    |    | ✓  |    |    |    |    |    |
| Forced Bonded Labour Prohibition Policy   |   |    |    |    | ✓  |    |    | ✓  |    |
| Sexual Harassment Redressal Policy  |   |    |    |    | ✓  |    |    | ✓  |    |
| Dividend Distribution Policy  | ✓   |    |    | ✓  |    |    |    |    |    |
| ESG Initiatives   |   | ✓  | ✓  |    |    | ✓  |    | ✓  | ✓  |
| Environment, Health & Safety Policy   |   |    | ✓  | ✓  | ✓  | ✓  |    |    | ✓  |
| Nomination and Remuneration Policy  | ✓   |    |    | ✓  |    |    |    |    |    |
| Determining Authority - Materiality of Events   | ✓   |    |    |    |    |    |    |    |    |
| Code of Practices and Procedures for Fair Disclosure of UPSI  | ✓   |    |    |    |    |    | ✓  |    |    |
| 1. b. Has the policy been approved by the Board? (Yes/No)   | Yes, the policies have been approved by the Board.  |    |    |    |    |    |    |    |    |
| 1. c. Web Link of the Policies, if available  | These policies are available on Company's website at the link <a href="https://www.vardhman.com/Investors/CompanyInformation">https://www.vardhman.com/Investors/CompanyInformation</a>   |    |    |    |    |    |    |    |    |
| 2. Whether the entity has translated the policy into procedures. (Yes / No)   | Yes, policies have been translated into procedures and are being monitored regularly for implementation.  |    |    |    |    |    |    |    |    |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No)   | Yes, few of the enlisted policies of the Company have extended coverage to the value chain partners.  |    |    |    |    |    |    |    |    |
| 4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | <p>The policies of VSSL are framed and guided by National Guidelines on Responsible Business Conduct (NGRBC), based on the UN Guiding Principles for Business and Human Rights (UNGPs), UN Sustainable Development Goals (SDGs), Paris Agreement on Climate Change, Core Conventions of the International Labour Organization (ILO) and the Companies Act, 2013. The Company has also adopted following international codes/ certifications/ labels/ standards</p> <p>ISO 14001: 2015 - Environmental Management Systems (EMS)</p> <p>ISO 45001: 2018 - Occupational Health and Safety Management Systems</p> <p>ISO 9001: 2015 - Quality Management Systems</p> <p>ISO/IEC 17025: 2017 - General Requirements for the Competence of Testing and Calibration Laboratories</p> <p>IATF 16949: 2016 - Quality Management System Standard (Manufacture of Special Alloy Steel)</p> |    |    |    |    |    |    |    |    |

| Disclosure Questions |  | P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|----------------------|--|---|----|----|----|----|----|----|----|----|
| 5.                   | Specific commitments, goals and targets set by the entity with defined timelines, if any.                                      | VSSL has commitment to reduce GHG emissions and optimize energy consumption by meeting 40% of their electricity consumption by solar energy. The same is expected to be operational by Q3 of FY'26. |    |    |    |    |    |    |    |    |
| 6.                   | Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | We continue to adhere all the guiding principles.   |    |    |    |    |    |    |    |    |

## Governance, leadership and oversight

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

### Vice-Chairman's Statement

We are pleased to present our Business Responsibility and Sustainability Report, which reflects Vardhman Special Steels Limited's deep-rooted commitment to sustainability as a guiding force in our strategy, operations, and long-term value creation. Sustainability at VSSL is not a standalone objective, but an integral part of how we grow—with care for people and planet with purpose.

We have embraced decarbonisation not as an obligation but as a conscious strategic priority, aligned with our identity as a leading producer of Green Steel in the near future. We are making continuous efforts towards process optimisation, circular material flows, and have a determined shift towards cleaner energy sources. As we move forward, our focus remains on deepening our impact—from intent to execution—and building resilient systems across our value chain.

We continue to invest in our people, recognising that an engaged, skilled, and safe workforce is the bedrock of our success. Our safety-first culture, combined with strong leadership accountability is transforming our workplace into a model of trust, well-being, and continuous improvement.

Our environmental journey is evolving, with active measures in place to optimise energy usage, reduce emissions, and manage natural resources responsibly. As part of our commitment to environmental stewardship, we are also enhancing water efficiency and adopting nature-based solutions, such as Miyawaki afforestation and rainwater harvesting.

At the same time, we are nurturing deeper bonds with our communities, ensuring that every action we take is guided by empathy and inclusivity. Our initiatives have empowered beneficiaries in education, supported individuals in accessing health services, and strengthened the resilience of households through environmental programs. In keeping with our thrust areas, we are especially proud to have restored mobility and dignity by providing artificial limbs to 17,500 persons with disabilities, and to have opened doors of opportunity through education sponsorships for 450 students, till date. These efforts reflect our conviction that true industrial growth is not measured by economic progress alone, but by the shared prosperity and sustainable development it creates for society at large.

We recognise the path ahead is not without challenges—be it embedding circularity, decarbonising the supply chain, or scaling renewable energy adoption. But we view these as opportunities for innovation, partnerships, and leadership. At VSSL, we believe the future belongs to those who are committed to responsible growth. We are prepared—and inspired—to shape that future with resolve and responsibility."

|    |   |   |  |  |  |  |  |  |  |  |
|----|---|---|--|--|--|--|--|--|--|--|
| 8. | Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy (ies).  | Mr. Jagdish Chand Sharma, Chief Sustainability Officer under the guidance of the Board of Directors and its Committees is responsible for implementation and oversight of the Business Responsibility Policies. |  |  |  |  |  |  |  |  |
| 9. | Does the entity have a specified Committee of the Board/ Directors responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details. | Yes, the Environment, Social and Governance (ESG) Committee constituted by the Board of Directors of the Company evaluate the sustainability related issues from time to time.                                  |  |  |  |  |  |  |  |  |



10. Details of Review of NGRBCs by the Company:

| Subject for Review  | Indicate whether review was undertaken by Director/Committee of the Board / Any other Committee Frequency  | (Annually/ Half yearly/ Quarterly/ Any other – please specify) |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
|---|--|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|   |  | P 1  | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| Performance against above policies and follow up action   | The senior management of the Company reviews periodically the Company's performance with respect to various policies. The Board is also updated on important aspects of these reviews. |  |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non- compliances | Status of compliance with all applicable statutory requirements is reviewed by the Board on a quarterly basis.   |  |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |

11. **Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**
- | P 1  | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|--|-----|-----|-----|-----|-----|-----|-----|-----|
| No, in this financial year, we have conducted only internal assessments. |     |     |     |     |     |     |     |     |

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

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

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

### **PRINCIPLE 1** Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.



#### Essential Indicators

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

| Segment                           | Total number of training and awareness | Topics/ principles covered under the training and its impact   | %age of persons in respective category covered by the awareness programme |
|-----------------------------------|--|--|---|
| Board of Directors                | 4                                      | Business performance and strategy, Changes in economic and industrial scenario, CSR, Sustainability initiatives, Renewable energy related matters, health and safety, employee well-being, etc.  | 100%  |
| Key Managerial Personnel          | 4                                      | Business performance and strategy, Changes in economic and industrial scenario, CSR, Sustainability initiatives and Renewable energy related matters, health and safety, employee well-being, etc.   | 100%  |
| Employees other than BoD and KMPs | 166                                    | Health & Safety, POSH, Whistle Blower Mechanism, Grievance Handling, employee well being, HIRA Awareness, Emergency Evacuation, Accident Prevention Training, skillupgradationandSustainability(TPM & 5S Awareness, Kaizen, Problem Solving & Analytical Tools).     | 100%  |
| Workers                           | 318                                    | Health & Safety, POSH, Whistle Blower Mechanism, Grievance Handling, employee well being, HIRA Awareness, Emergency Evacuation, Accident Prevention Training, skill upgradation and Sustainability (TPM & 5S Awareness, Kaizen, Problem Solving & Analytical Tools). | 100%  |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

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

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

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

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

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

Yes, we have anti-corruption or anti-bribery policy whose objective is to conduct our operations and business activities in consonance with applicable laws, highest ethical standards and to ensure the prevention as well as the detection of fraud, bribery and corruption. Our policy aligns seamlessly with our unwavering commitment to preventing corruption, as enshrined in the Company's Code of Conduct and Ethics. The policy is available on the website of the Company at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Anti-Bribery,\\_Anti-Corruption\\_&\\_Anti-Money\\_Laundering\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Anti-Bribery,_Anti-Corruption_&_Anti-Money_Laundering_Policy.pdf)

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

|           | FY 2024-25 | FY 2023-24 |
|-----------|------------|------------|
| Directors | Nil        | Nil        |
| KMPs      | Nil        | Nil        |
| Employees | Nil        | Nil        |
| Workers   | Nil        | Nil        |

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

|  | FY 2024-25 |         | FY 2023-24 |         |
|--|------------|---------|------------|---------|
|  | Number     | Remarks | Number     | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil        | Nil     | Nil        | Nil     |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs      | Nil        | Nil     | Nil        | Nil     |

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

Not Applicable

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

|                                     | FY 2024-25 | FY 2023-24 |
|-------------------------------------|------------|------------|
| Number of days of accounts payables | 48         | 63         |

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties alongwith loans and advances & investments, with related parties, in the following format:

| Parameter                  | Metrics  | FY 2024-25 | FY 2023-24 |
|----------------------------|--|------------|------------|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases                                 | Nil        | Nil        |
|                            | b. Number of trading houses where purchases are made from                                | Nil        | Nil        |
|                            | c. Purchases from top 10 trading houses as % of total purchases from trading houses      | Nil        | Nil        |
| Concentration of Sales     | a. Sales to dealers /distributors as % of total sales                                    | Nil        | Nil        |
|                            | b. Number of dealers / distributors to whom sales are made                               | Nil        | Nil        |
|                            | c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors  | Nil        | Nil        |
| Share of RPTs in           | a. Purchases (Purchases with related parties / Total Purchases)                          | Nil        | 0.18%      |
|                            | b. Sales (Sales to related parties / Total Sales)  | Nil        | Nil        |
|                            | c. Loans & advances (Loans & advances given to related parties / Total loans & advances) | Nil        | Nil        |
|                            | d. Investments (Investments in related parties / Total Investments made)                 | Nil        | Nil        |

#### Leadership Indicators

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

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

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

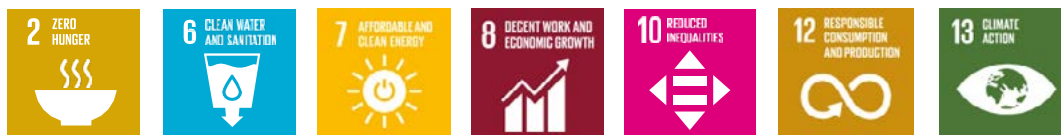
2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

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

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

**PRINCIPLE  
2**

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


**Essential Indicators**

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

| Category | FY 2024-25 | FY 2023-24 | Details of Improvements in environmental and social impacts  |
|----------|------------|------------|--|
| R&D      | 100%       | 100%       | All of VSSL's R&D spending is fully aligned with one or more of the nine Principles outlined in the National Guideline for Responsible Business Conduct.   |
| Capex    | 0%         | 6.35%      | In the next year, we are planning to put up an Effluent Treatment Plan and upgrade Fume Extraction System, which will help us to conserve water and further improve ambient air quality, respectively. |

- Does the entity have procedures in place for sustainable sourcing?**  
Yes. We are into manufacturing of steel and majority of our raw material is iron scrap, contributing towards Circular Economy initiative of the Nation.
  - If yes, what percentage of inputs were sourced sustainably?**  
In FY 24-25, 100% of our raw material was sourced sustainably.
- 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.**  
In line with our dedication to sustainability, we've set up dedicated facilities throughout our entity to manage different types of waste, including hazardous waste, e-waste and scrap material. To ensure responsible disposal, we partner with authorized recyclers and file returns with the appropriate statutory bodies. Our main goal is to prioritize reduction and reuse, striving to minimize waste.
- 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.**  
Not Applicable.

**Leadership Indicators**

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

| NIC Code | Name of Product / Service                               | % of total Turnover contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results -communicated in public domain (Yes/No) If yes, provide the web-link. |
|----------|---|---------------------------------|--|---|---|
| 241      | Steel bars and bright bars of various grades and sizes. | 100%                            | Cradle to gate   | No  | No  |

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

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

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

| Indicate input material | Recycled or re-used input material to total material |            |
|-------------------------|--|------------|
|                         | FY 2024-25   | FY 2023-24 |
| Scrap                   | 89%  | 84%        |

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

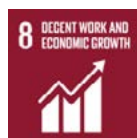
|                                 | FY 2024-25 |          |                                | FY 2023-24 |          |                                |
|---------------------------------|------------|----------|--------------------------------|------------|----------|--------------------------------|
|                                 | Re-used    | Recycled | Safely Disposed                | Re-used    | Recycled | Safely Disposed                |
| Plastics (including packaging)  | Nil        | Nil      | 29.14                          | Nil        | Nil      | 27.582                         |
| E-waste                         | Nil        | Nil      | 0.32                           | Nil        | Nil      | 0.410                          |
| Hazardous waste                 | Nil        | Nil      | Dust 3637.38<br>Spent Oil 5.23 | Nil        | Nil      | Dust 2634.39<br>Spent Oil 8.83 |
| Other waste – Bio-Medical Waste | Nil        | Nil      | 0.006                          | Nil        | Nil      | 0.008                          |

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

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---------------------------|---|
|                           | NOT APPLICABLE  |

### PRINCIPLE 3

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



#### Essential Indicators

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

| Category            | Total<br>(A) | % of employees covered by |            |                    |            |                    |            |                    |            |                     |            |
|---------------------|--------------|---------------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|---------------------|------------|
|                     |              | Health insurance          |            | Accident insurance |            | Maternity benefits |            | Paternity benefits |            | Day Care facilities |            |
|                     |              | Number<br>(B)             | %<br>(B/A) | Number<br>(C)      | %<br>(C/A) | Number<br>(D)      | %<br>(D/A) | Number<br>(E)      | %<br>(E/A) | Number<br>(F)       | %<br>(F/A) |
| Permanent employees |              |                           |            |                    |            |                    |            |                    |            |                     |            |
| Male                | 428          | 428                       | 100        | 428                | 100        | -                  | -          | 428                | 100        | 428                 | 100        |
| Female              | 23           | 23                        | 100        | 23                 | 100        | 23                 | 100        | -                  | -          | 23                  | 100        |
| Total               | 451          | 451                       | 100        | 451                | 100        | 23                 | 5.10       | 428                | 94.90      | 451                 | 100        |

| Category                       | Total<br>(A) | % of employees covered by |            |                    |            |                    |            |                    |            |                     |            |
|--------------------------------|--------------|---------------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|---------------------|------------|
|                                |              | Health insurance          |            | Accident insurance |            | Maternity benefits |            | Paternity benefits |            | Day Care facilities |            |
|                                |              | Number<br>(B)             | %<br>(B/A) | Number<br>(C)      | %<br>(C/A) | Number<br>(D)      | %<br>(D/A) | Number<br>(E)      | %<br>(E/A) | Number<br>(F)       | %<br>(F/A) |
| Other than Permanent employees |              |                           |            |                    |            |                    |            |                    |            |                     |            |
| Male                           | 1            | -                         | -          | 1                  | 100        | -                  | -          | -                  | -          | 1                   | 100        |
| Female                         | 2            | -                         | -          | 2                  | 100        | -                  | -          | -                  | -          | 2                   | 100        |
| Total                          | 3            | -                         | -          | 3                  | 100        | -                  | -          | -                  | -          | 3                   | 100        |

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

| Category                     | Total (A) | % of workers covered by |         |                    |         |                    |         |                    |         |                     |         |
|------------------------------|-----------|-------------------------|---------|--------------------|---------|--------------------|---------|--------------------|---------|---------------------|---------|
|                              |           | Health insurance        |         | Accident insurance |         | Maternity benefits |         | Paternity benefits |         | Day Care facilities |         |
|                              |           | Number (B)              | % (B/A) | Number (C)         | % (C/A) | Number (D)         | % (D/A) | Number (E)         | % (E/A) | Number (F)          | % (F/A) |
| Permanent workers            |           |                         |         |                    |         |                    |         |                    |         |                     |         |
| Male                         | 911       | 911                     | 100     | 911                | 100     | -                  | -       | 911                | 100     | 911                 | 100     |
| Female                       | 1         | 1                       | 100     | 1                  | 100     | 1                  | 100     | -                  | -       | 1                   | 100     |
| Total                        | 912       | 912                     | 100     | 912                | 100     | 1                  | 0.11    | 911                | 99.89   | 912                 | 100     |
| Other than Permanent workers |           |                         |         |                    |         |                    |         |                    |         |                     |         |
| Male                         | 594       | -                       | -       | 594                | 100     | -                  | -       | -                  | -       | 594                 | 100     |
| Female                       | 2         | -                       | -       | 2                  | 100     | -                  | -       | -                  | -       | 2                   | 100     |
| Total                        | 596       | -                       | -       | 596                | 100     | -                  | -       | -                  | -       | 596                 | 100     |

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

|   | FY 2024-25 | FY 2023-24 |
|---|------------|------------|
| Cost incurred on well-being measures as a % of total revenue of the Company | 0.17%      | 0.15%*     |

\* Previous year figure has been revised to make it comparable with current year.

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

| Benefits | FY 2024-25   |  |  | FY 2023-24   |  |  |
|----------|--|--|--|--|--|--|
|          | 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  | Y  | 100  | 100  | Y  |
| ESI      | 29   | 71   | Y  | 28   | 73   | Y  |
| NPS      | 5  | Nil  | Y  | 5  | Nil  | Y  |

### 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard. - Yes, in compliance with the Rights of Persons with Disabilities Act, 2016, we have implemented several measures to ensure that our premises is accessible to differently abled employees and workers.

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

Yes. The policy is available at the Company's website at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Equal\\_Opportunity\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Equal_Opportunity_Policy.pdf)

### 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         | NA                  | NA             | NA                  | NA             |
| Female       | NA                  | NA             | NA                  | NA             |
| <b>Total</b> | <b>NA</b>           | <b>NA</b>      | <b>NA</b>           | <b>NA</b>      |

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

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

Yes, a grievance redressal mechanism is in place for employees and workers under the Grievance Redressal Policy. This policy defines a clear 3-tier process for addressing and resolving grievances:

**Stage I:** The employee or worker must submit their grievance in writing to their immediate supervisor. If the resolution is unsatisfactory, they can escalate the matter further.

**Stage II:** The grievance can be escalated in writing to the concerned Sectional Head. If the worker remains dissatisfied with the outcome, he/she may escalate the issue to the Head of Department and, if needed, to the Industrial Relations Department.

**Stage III:** If the grievance remains unresolved after Stage II, it can be referred to the Grievance Redressal Committee for a final resolution.

This structured approach ensures that all concerns are addressed fairly and promptly at each level.

Policy Link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Stakeholders\\_Grievance\\_Redressal\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Stakeholders_Grievance_Redressal_Policy.pdf)



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

| Category                         | FY 2024-25   |  |         | FY 2023-24   |   |         |
|----------------------------------|--|--|---------|--|---|---------|
|                                  | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B/A) | Total employees / workers in respective category (C) | No. of employees/ workers in respective category, who are part of association(s) or Union (D) | % (D/C) |
| <b>Total Permanent Employees</b> | <b>451</b>   | -  | -       | <b>426</b>   | -   | -       |
| - Male                           | 428  | -  | -       | 403  | -   | -       |
| - Female                         | 23   | -  | -       | 23   | -   | -       |
| <b>Total Permanent Workers</b>   | <b>912</b>   | -  | -       | <b>821</b>   | -   | -       |
| - Male                           | 911  | -  | -       | 820  | -   | -       |
| - Female                         | 1  | -  | -       | 1  | -   | -       |

8. Details of training given to employees and workers:

| Category         | FY 2024-25 |                               |            |                      |              | FY 2023-24 |                               |              |                      |              |
|------------------|------------|-------------------------------|------------|----------------------|--------------|------------|-------------------------------|--------------|----------------------|--------------|
|                  | Total (A)  | On health and safety measures |            | On skill upgradation |              | Total (D)  | On health and safety measures |              | On skill upgradation |              |
|                  |            | No. (B)                       | % (B/A)    | No. (C)              | % (C/A)      |            | No. (E)                       | % (E/D)      | No. (F)              | % (F/D)      |
| <b>Employees</b> |            |                               |            |                      |              |            |                               |              |                      |              |
| Male             | 428        | 428                           | 100        | 391                  | 91.36        | 403        | 317                           | 78.66        | 369                  | 91.56        |
| Female           | 23         | 23                            | 100        | 22                   | 95.65        | 23         | 18                            | 78.26        | 23                   | 100          |
| <b>Total</b>     | <b>451</b> | <b>451</b>                    | <b>100</b> | <b>413</b>           | <b>91.57</b> | <b>426</b> | <b>335</b>                    | <b>78.64</b> | <b>392</b>           | <b>92.02</b> |
| <b>Workers</b>   |            |                               |            |                      |              |            |                               |              |                      |              |
| Male             | 911        | 911                           | 100        | 857                  | 94.07        | 820        | 553                           | 67.44        | 771                  | 94.02        |
| Female           | 1          | 1                             | 100        | 1                    | 100          | 1          | 1                             | 100          | 1                    | 100          |
| <b>Total</b>     | <b>912</b> | <b>912</b>                    | <b>100</b> | <b>858</b>           | <b>94.08</b> | <b>821</b> | <b>554</b>                    | <b>67.48</b> | <b>772</b>           | <b>94.03</b> |

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

| Category         | FY 2024-25 |            |            | FY 2023-24 |            |            |
|------------------|------------|------------|------------|------------|------------|------------|
|                  | Total (A)  | No. (B)    | % (B / A)  | Total (C)  | No. (D)    | % (D/C)    |
| <b>Employees</b> |            |            |            |            |            |            |
| Male             | 428        | 428        | 100        | 403        | 403        | 100        |
| Female           | 23         | 23         | 100        | 23         | 23         | 100        |
| <b>Total</b>     | <b>451</b> | <b>451</b> | <b>100</b> | <b>426</b> | <b>426</b> | <b>100</b> |
| <b>Workers</b>   |            |            |            |            |            |            |
| Male             | 911        | 911        | 100        | 820        | 820        | 100        |
| Female           | 1          | 1          | 100        | 1          | 1          | 100        |
| <b>Total</b>     | <b>912</b> | <b>912</b> | <b>100</b> | <b>821</b> | <b>821</b> | <b>100</b> |

**10. Health and safety management system:**

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

Yes. VSSL is a certified ISO 45001 Organization which enables it to systematically identify hazards and implement Risk control measures leading to reduced workplace injuries and incidents. The Company is dedicated to develop an active occupational health and safety culture across all its activities. Workers of the Company are getting health & safety trainings on a weekly basis through their Safety DOJO centre, inspired by the Japanese term "dojo," which means a dedicated training space where employees learn and practice specific skills, often replicating real-world working conditions.

The Company also conducts mock fire safety drills on regular basis and celebrates safety month once in a year. To ensure the health of the employees, the Company organises various health check-up camps at regular intervals. VSSL has established an occupational health centre in the plant premises staffed by 2 qualified doctors along with supporting staff and also have tie-ups with nearby hospitals.

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

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

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

Yes, VSSL has 2 full time Safety Officers who are responsible to ensure the safety of workers. They are responsible to identify risks as well as record any Unsafe Activity & Unsafe Conditions. The HR/Admin Head is responsible to act on the data collected by the VSSL safety officers through their interaction with the workers, safety audit, observations in the audit conducted by customers and/or suggestions coming out from the root cause analysis of the accidents.

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

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

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

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

| Safety Incident/Number  | Category  | FY 2024-25 | FY 2023-24 |
|---|-----------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million person hours worked) | Employees | 0          | 0          |
|   | Workers   | 1.23       | 1.96       |
| Total recordable work-related injuries  | Employees | 0          | 0          |
|   | Workers   | 6          | 9          |
| No. of fatalities   | Employees | 0          | 0          |
|   | Workers   | 0          | 1          |
| High consequence work-related injury or ill-health (excluding fatalities)     | Employees | 0          | 0          |
|   | Workers   | 0          | 0          |

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

The Company implements proactive measures to ensure a safe and healthy workplace environment. Regular Hazard Identification and Risk Assessment (HIRA) is conducted to identify and eliminate potential risks effectively in routine and non-routine activities. By addressing these hazards at their source, the Company significantly reduces the likelihood of accidents or injuries. The Company ensures that all employees undergo comprehensive training in occupational health and safety practices which includes Behavior-based safety (BBS), which is a proactive approach to workplace safety that focuses on observing, analyzing, and modifying employee behaviors to prevent accidents and injuries. Also we focus on providing required instructions on the safe operation of machinery and equipment, proper handling of hazardous substances and adherence to safety protocols. Moreover, the Company places a high priority on providing appropriate Personal Protective Equipment (PPE) to its employees. Comprehensive training is provided to ensure that employees have access to and are proficient in the correct use of safety gear such as helmets, gloves, safety shoes, goggles and ear protection.

Furthermore, the Company actively promotes visual safety aids and messages throughout its facilities. Utilizing a variety of mediums including Health Camps, Sharing Safety Best Practices & Kaizens, signs, labels, posters and other visual aids, important safety information and reminders are effectively communicated to employees. These visual aids serve as constant reminders of safe practices and play a pivotal role in reinforcing a robust safety culture within the organization.

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

|                    | FY 2024-25            |                                       |         | FY 2023-24            |                                       |         |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                    | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | Nil                   | Nil                                   | NA      | Nil                   | Nil                                   | NA      |
| Health & Safety    | Nil                   | Nil                                   | NA      | Nil                   | Nil                                   | NA      |

## 14. Assessments for the year:

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

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

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

### Leadership Indicators

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

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

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

The Purchase order with the value chain partners mentions all the requirements of all applicable statutory provisions,

including the timely payment of statutory dues. Being a principal employer, VSSL ensures that all relevant clauses pertaining to applicable labour laws are thoroughly validated and upheld by both parties involved.

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

|           | Total no. of affected employees/workers |            | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment |            |
|-----------|---|------------|---|------------|
|           | FY 2024-25                              | FY 2023-24 | FY 2024-25  | FY 2023-24 |
| Employees | Nil                                     | Nil        | Nil   | Nil        |
| Workers   | Nil                                     | Nil        | Nil   | Nil        |

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?**

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

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

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

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

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

## PRINCIPLE 4

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



### Essential Indicators

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

The Company adopts a comprehensive approach for identifying key stakeholder groups, using methods such as surveys, interviews, focus groups and consultation sessions to gather valuable feedback, insights and concerns from a wide range of individuals and groups.

Externally, our key stakeholders include shareholders, investors and suppliers who are integral to our supply chain, as well as local communities impacted by our operations. Internally, stakeholders include our dedicated employees, who are central to our daily operations and overall success and our senior management team, which is responsible for guiding strategic decisions and leadership.

Through active engagement with both internal and external stakeholders, the Company ensures that the needs and expectations of all relevant parties are considered in its decision-making processes. This inclusive approach highlights our commitment to transparency, accountability and sustainable growth, fostering strong relationships and driving long-term success.

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

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

## Leadership Indicators

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

The materiality assessment on sustainability issues was conducted by a third party in the previous financial year, wherein one-on-one interaction was done with multiple stakeholders and their opinions were gathered. This provided 360 perspective on the risks & opportunities on the economic, environmental and social topics relevant and significant to VSSL. The Company has established ESG Committee to discuss the ESG issues and provide guidance.

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

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

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

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

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

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

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

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

| Vulnerable Group  | Concerns   | Action Taken   |
|---|--|--|
| <b>Underprivileged Community from Rural, Urban and Peri-Urban Areas</b> | Healthcare facilities to needy people  | <ol style="list-style-type: none"> <li>1. Provided Artificial Limbs to needy persons in the state of Punjab, Haryana and J&amp;K.</li> <li>2. Provided financial support to needy people for eye cataract surgery in the state of Punjab.</li> <li>3. Organized medical camps, undertook fogging spray in summers in the rural areas, installed sanitary napkin machines in school &amp; colleges and distributed sanitary napkins in slum areas.</li> <li>4. Created awareness among masses for BP/Sugar/ BMI etc. by conducting Health Awareness Run.</li> <li>5. Provided e-rickshaws to Army Medical Centre.</li> </ol>  |
|   | Underprivileged Women  | <ol style="list-style-type: none"> <li>1. Created digital awareness among slum Women micro entrepreneurs through the 'Mera bill App Project'.</li> <li>2. Provided financial support for the development of one new Skill Development Centre and also provided financial support to other skill development centres where women are learning stitching and sewing skills to earn their livelihood.</li> <li>3. Provided financial assistance to Punjab State Rural Livelihood Mission (PSRLM) towards Aajeevika Scheme.</li> <li>4. Provided financial support to DC, Kapurthala for Aajeevika self-help group, for purchasing stitching machines for making school uniforms under 'Project Pehal'.</li> </ol> |
|   | Education to needy students  | <ol style="list-style-type: none"> <li>1. Supported education of children belonging to slum area and/or needy families.</li> <li>2. Developed two e-classroom in villages of Punjab.</li> <li>3. Developed five Bal Vatika classrooms in Chandigarh.</li> <li>4. Provided financial support to Samanta foundation for child education.</li> </ol>  |
|   | Financial support in the field of Sports to needy and disadvantaged section of society | <ol style="list-style-type: none"> <li>1. Provided financial assistance for the promotion of sports among blind children &amp; children with autism and other disabilities.</li> <li>2. Provided financial support to Paralympic Karate Champion, Mr. Tarun Sharma, for teaching Karate to girls studying in Govt. School.</li> <li>3. Provided financial support for promotion of Lawn Tennis in rural areas.</li> </ol>  |
|   | Greenbelt development and other initiatives for overall betterment of environment      | <ol style="list-style-type: none"> <li>1. Developed various forests and parks in the State of Punjab.</li> <li>2. Constructed rain water recharge pits in Government office for urban &amp; rural lands.</li> <li>3. Organized Community Plantation Drive in various schools through children and/or others.</li> <li>4. Provided e-rickshaws to PAU, Ludhiana under Clean Ludhiana Initiatives.</li> <li>5. Provided e-rickshaws in district Sangrur under Swachh Bharat Scheme, for the purpose of lifting and shifting of waste to solid Waste Management pits for making organic manures.</li> </ol>   |

## PRINCIPLE 5

Businesses should respect and promote human rights.



### Essential Indicators

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

| Category               | FY 2024-25  |  |              | FY 2023-24  |                                       |             |
|------------------------|-------------|--|--------------|-------------|---------------------------------------|-------------|
|                        | Total (A)   | No. of employees / workers covered (B) | % (B/A)      | Total (C)   | No. of employees/ workers covered (D) | % (D/C)     |
| <b>Employees</b>       |             |  |              |             |                                       |             |
| Permanent              | 451         | 52                                     | 11.53        | 426         | 10                                    | 2.35        |
| Other than permanent   | 3           | -                                      | -            | 3           | -                                     | -           |
| <b>Total Employees</b> | <b>454</b>  | <b>52</b>                              | <b>11.45</b> | <b>429</b>  | <b>10</b>                             | <b>2.33</b> |
| <b>Workers</b>         |             |  |              |             |                                       |             |
| Permanent              | 912         | 78                                     | 8.55         | 821         | -                                     | -           |
| Other than permanent   | 596         | -                                      | -            | 590         | -                                     | -           |
| <b>Total Workers</b>   | <b>1508</b> | <b>78</b>                              | <b>5.17</b>  | <b>1411</b> | <b>-</b>                              | <b>-</b>    |

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

| Category             | FY 2024-25   |                          |         |                           |         | FY 2023-24   |                          |         |                           |         |
|----------------------|--------------|--------------------------|---------|---------------------------|---------|--------------|--------------------------|---------|---------------------------|---------|
|                      | Total<br>(A) | Equal to<br>Minimum Wage |         | More than<br>Minimum Wage |         | Total<br>(D) | Equal to<br>Minimum Wage |         | More than<br>Minimum Wage |         |
|                      |              | No. (B)                  | % (B/A) | No. (C)                   | % (C/A) |              | No. (E)                  | % (E/D) | No. (F)                   | % (F/D) |
|                      |              |                          |         | Employees                 |         |              |                          |         |                           |         |
| Permanent            |              |                          |         |                           |         |              |                          |         |                           |         |
| Male                 | 428          | 0                        | 0       | 428                       | 100     | 403          | 0                        | 0       | 403                       | 100     |
| Female               | 23           | 0                        | 0       | 23                        | 100     | 23           | 0                        | 0       | 23                        | 100     |
| Other than Permanent |              |                          |         |                           |         |              |                          |         |                           |         |
| Male                 | 1            | 0                        | 0       | 1                         | 100     | 1            | 0                        | 0       | 1                         | 100     |
| Female               | 2            | 0                        | 0       | 2                         | 100     | 2            | 0                        | 0       | 2                         | 100     |
|                      |              |                          |         | Workers                   |         |              |                          |         |                           |         |
| Permanent            |              |                          |         |                           |         |              |                          |         |                           |         |
| Male                 | 911          | 75                       | 8.23    | 836                       | 91.77   | 820          | 62                       | 7.56    | 758                       | 92.44   |
| Female               | 1            | 0                        | 0       | 1                         | 100     | 1            | 0                        | 0       | 1                         | 100     |
| Other than Permanent |              |                          |         |                           |         |              |                          |         |                           |         |
| Male                 | 594          | 569                      | 95.79   | 25                        | 4.21    | 589          | 566                      | 96.10   | 23                        | 3.90    |
| Female               | 2            | 2                        | 100     | 0                         | 0       | 1            | 1                        | 100     | 0                         | 0       |



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

|                                  | Male   |   | Female |   |
|----------------------------------|--------|---|--------|---|
|                                  | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD)         | 10     | 460000  | 3      | 6080365   |
| Key Managerial Personnel         | 1      | 7919186   | 1      | 2183043   |
| Employees other than BoD and KMP | 425    | 442716  | 21     | 264348  |
| Workers                          | 911    | 222974  | 1      | 221586  |

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

|   | FY 2024-25 | FY 2023-24 |
|---|------------|------------|
| Gross wages paid to females as % of total wages | 2.18%      | 1.81%      |

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, all employees can reach out to the management to address their concerns and the Company also have grievance redressal mechanism.

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

The Grievance Redressal System is governed by the Grievance Handling Policy. Employees have the right to formally submit any grievance in writing to their Head of Department or Supervisor. The complaint will be thoroughly investigated and resolved within a reasonable time frame from the date it is raised.

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

|                                   | FY 2024-25            |                                       |         | FY 2023-24            |                                       |         |
|-----------------------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                                   | 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                 |                       |                                       |         |                       |                                       |         |
| Discrimination at workplace       |                       |                                       |         |                       |                                       |         |
| Child Labour                      |                       |                                       |         |                       |                                       |         |
| Forced Labour/ Involuntary Labour |                       |                                       |         |                       |                                       |         |
| Wages                             |                       |                                       |         |                       |                                       |         |
| Other human rights related issues |                       |                                       |         |                       |                                       |         |

Nil

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

|   | FY 2024-25 | FY 2023-24 |
|---|------------|------------|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | Nil        | Nil        |
| Complaints on POSH as a % of female employees/ workers  | Nil        | Nil        |
| Complaints on POSH upheld   | Nil        | Nil        |

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

The Company maintains a zero-tolerance policy towards discrimination and sexual harassment. Any concerns related to these issues are addressed with the utmost confidentiality. Individuals found guilty of such misconduct will be subject to disciplinary action.

Links of the policies:

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

Human Rights Policy - [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Human\\_Right\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Human_Right_Policy.pdf)

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

Yes, Human rights requirements form an integral part of our agreements, service PO's and contracts which contain all conditions necessary for ensuring the health, safety, welfare of workmen executing tasks for the Company. The Annexure of these Terms & Conditions is circulated along with the Work Order Copy.

**10. Assessments for the year:**

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

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

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

**Leadership Indicators**

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

The Company is dedicated in ensuring that all employees are treated with equal dignity, respect and rights. To support this commitment, we have established a Human Rights Policy. The primary goal of this policy is to uphold and protect human rights, while fostering a safe and healthy working environment for all employees.

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

Currently, VSSL is in the process of conducting Human Rights due diligence.

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

Yes.

#### 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                | VSSL has a process of assessing its Value chain partners on issues of child labour & forced labour. The minimum criteria for approving a value chain partner is being formulated to include issues like Discrimination, Sexual Harassment etc. |
| Discrimination at workplace      |  |
| Child Labour                     |  |
| Forced Labour/Involuntary Labour |  |
| Wages                            |  |
| Others – please specify          |  |

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

Not Applicable

### PRINCIPLE 6

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



#### Essential Indicators

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

| Parameter  | FY 2024-25     | FY 2023-24    |
|--|----------------|---------------|
| <b>From renewable sources</b>  |                |               |
| Total electricity consumption (A)  | Nil            | Nil           |
| Total fuel consumption (B)   | Nil            | Nil           |
| Energy consumption through other sources (C)   | Nil            | Nil           |
| <b>Total energy consumed from renewable sources (A+B+C)</b>  | <b>Nil</b>     | <b>Nil</b>    |
| <b>From non-renewable sources</b>  |                |               |
| Total electricity consumption (D)  | 681394         | 651055        |
| Total fuel consumption (E)   |                |               |
| Natural Gas  | 340645         | 311979        |
| Furnace Oil  | 2350           | 7417          |
| Diesel   | 5797           | 8324          |
| LPG  | 1826           | 8384          |
| Energy consumption through other sources (F)   | Nil            | Nil           |
| <b>Total energy consumed from non-renewable sources (D+E+F)</b>  | <b>1032012</b> | <b>987159</b> |
| <b>Total energy consumed (A+B+C+D+E+F)</b>   | <b>1032012</b> | <b>987159</b> |
| Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)   | 0.0001 GJ/₹    | 0.0001 GJ/₹   |
| <b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*</b> (Total energy consumed / Revenue from operations adjusted for PPP) | 0.0012 GJ/₹    | 0.0013 GJ/₹   |
| <b>Energy intensity in terms of physical output</b>  | 4.1675 GJ/MT   | 4.3618 GJ/MT  |
| <b>Energy intensity (optional)</b> – the relevant metric may be selected by the entity   |                | –             |

\* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 by IMF which is 20.66 for India.

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

No

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

Not Applicable

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

| Parameter   | FY 2024-25         | FY 2023-24         |
|---|--------------------|--------------------|
| <b>Water withdrawal by source (in kilolitres)</b>   |                    |                    |
| (i) Surface water   | 0                  | 0                  |
| (ii) Groundwater  | 232799             | 223192             |
| (iii) Third party water   | 0                  | 0                  |
| (iv) Seawater / desalinated water   | 0                  | 0                  |
| (v) Others  | 0                  | 0                  |
| <b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>   | 232799             | 223192             |
| <b>Total volume of water consumption (in kilolitres)</b>  | 232799             | 223192             |
| <b>Water intensity per rupee of turnover</b> (Total water consumption/ Revenue from operations)   | 0.000013<br>KL/\$₹ | 0.000013<br>KL/\$₹ |
| <b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*</b> (Total water consumption / Revenue from operations adjusted for PPP) | 0.0003<br>KL/\$₹   | 0.0003<br>KL/\$₹   |
| <b>Water intensity in terms of physical output</b>  | 0.9401 KL/MT       | 0.9862 KL/MT       |
| <b>Water intensity (optional)</b> – the relevant metric may be selected by the entity   | -                  | -                  |

\* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 by IMF which is 20.66 for India.

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

No

4. Provide the following details related to water discharged:

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

| Parameter  | FY 2024-25 | FY 2023-24 |
|--|------------|------------|
| <b>Water discharge by destination and level of treatment (in kilolitres)</b> |            |            |
| (i) To Surface water   |            |            |
| - No treatment   | NA         | NA         |
| - With treatment – please specify level of treatment                         | NA         | NA         |
| (ii) To Groundwater  |            |            |
| - No treatment   | NA         | NA         |
| - With treatment – please specify level of treatment                         | NA         | NA         |
| (iii) To Seawater  |            |            |
| - No treatment   | NA         | NA         |
| - With treatment – please specify level of treatment                         | NA         | NA         |

| Parameter  | FY 2024-25 | FY 2023-24 |
|--|------------|------------|
| (iv) Sent to third-parties                           |            |            |
| - No treatment                                       | NA         | NA         |
| - With treatment – please specify level of treatment | NA         | NA         |
| (v) Others   |            |            |
| - No treatment                                       | NA         | NA         |
| - With treatment – please specify level of treatment | NA         | NA         |
| <b>Total water discharged (in kilolitres)</b>        |            |            |

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

No

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

The Sewage Treatment Plant (STP) was implemented in July, 2023 and has now stabilized. In FY 24-25, it has treated 30,919 cubic meters of water. In next phase, plans are underway for implementing an Effluent Treatment Plant (ETP).

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

| Parameter                           | Unit               | FY 2024-25             | FY 2023-24               |
|-------------------------------------|--------------------|------------------------|--------------------------|
| NOx                                 | Mg/Nm <sup>3</sup> | Ambient – 32           | Ambient – 27             |
| SOx                                 | Mg/Nm <sup>3</sup> | Ambient – 14           | Ambient – 11             |
| Particulate matter (PM)             | Mg/Nm <sup>3</sup> | EAF-16.2<br>RHF - 14.8 | EAF – 22.0<br>RHF - 23.4 |
| Persistent organic pollutants (POP) | NA                 | NA                     | NA                       |
| Volatile organic compounds (VOC)    | NA                 | NA                     | NA                       |
| Hazardous air pollutants (HAP)      | NA                 | NA                     | NA                       |
| Others–please specify               | NA                 | NA                     | NA                       |

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

No

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

| Parameter  | Unit  | FY 2024-25 | FY 2023-24 |
|--|---|------------|------------|
| <b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent             | 45401      | 36774      |
| <b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent             | 140646     | 129559     |
| <b>Total Scope 1 and Scope 2 emission intensity per ru- pee of turnover</b> (Total Scope 1 and Scope 2 GHG emis- sions / Revenue from operations)                            | Metric tonnes of CO <sub>2</sub> equivalent /₹ turnover | 0.00001    | 0.00001    |

| Parameter  | Unit                                 | FY 2024-25 | FY 2023-24 |
|--|--------------------------------------|------------|------------|
| <b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*</b> - (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | Metric tonnes of CO2 equivalent /\$₹ | 0.00021    | 0.00022    |
| <b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>  | Metric tonnes of CO2 equivalent /MT  | 0.73       | 0.73       |
| <b>Total Scope 1 and Scope 2 emission intensity</b> (option- al) – the relevant metric may be selected by the entity   |                                      | -          | -          |

\* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 by IMF which is 20.66 for India.

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

Yes, assessment of Scope 1 and Scope 2 emissions has been done by DNV Business Assurance India Private Limited.

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

- The Company is strategically taking actions by adopting nature-based solutions that lead to reduction in greenhouse gas emissions and contribute towards protection of nature.
- As part of our sustainability strategy, we have switched over to greener fuel, and eliminated Furnace oil consumption. We have ensured that energy intensity per rupee of turnover is maintained at 0.0001.
- We've swapped out our old steam boiler, which ran on furnace oil with a new VD mechanical pump powered by electricity. This change has significantly reduced emissions. Additionally, we have completely replaced the use of furnace oil for ladle heating with natural gas.
- The fume extraction system (FES) installed at the LRF (Ladle Refining Furnace) is designed to collect dust particles before they are released into the air.
- We have developed 11.7 acres of forests using Miyawaki Technique at various locations in Ludhiana and at Chali Khoo, Amritsar. In addition to this, we have also developed Greenbelt areas and parks at various locations in Ludhiana.
- To safeguard our essential water resources and maintain sustainability, we prioritize proper treatment and safe disposal of wastewater. By closely monitoring effluent levels and adhering to standards set by Central and State Pollution Control Boards, we ensure that our Sewage Treatment Plant (STP), operational since July 2023 and having treated 30,919 cubic meters of water in 2024-25 continues to function effectively. Next in our agenda is the implementation of an Effluent Treatment Plant (ETP) for further enhancement.
- We've been consistently investing in water conservation efforts to replenish groundwater. As of March 2025, we have developed 10 Rainwater Harvesting Pits within our factory premises.
- We prioritize reducing and reusing waste whenever possible, only disposing of what is necessary in a responsible manner. Our dedicated facilities manage hazardous waste, e-waste, and scrap, fully compliant with legal requirements. All hazardous waste is handed over to authorized facilities approved by the State Pollution Control Board. In the financial year 2024-25, we have disposed off 3,637.38 tons of FES dust, incurring a cost of ₹2.87 Crores for its transportation and disposal.
- The Company's proactive stance on sustainability and environmental responsibility is evident in its efforts to diversify its energy mix, conserve energy and water, and manage plastic waste. From Q3 of FY 25-26, around 40% of its energy is expected to be sourced from renewable sources.

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

| Parameter   | FY 2024-25                         | FY 2023-24                         |
|---|------------------------------------|------------------------------------|
| <b>Total Waste generated (in metric tonnes)</b>   |                                    |                                    |
| Plastic waste (A)   | 29.14                              | 27.58                              |
| E-waste (B)   | 0.32                               | 0.41                               |
| Bio-medical waste (C)   | 0.006                              | 0.008                              |
| Construction and demolition waste (D)   | 1534                               | 2556                               |
| Battery waste (E)   | 3.96                               | 1.73                               |
| Radioactive waste (F)   | Nil                                | Nil                                |
| Other Hazardous waste. Please specify, if any. (G)  | Dust - 3637.38<br>Spent Oil - 5.23 | Dust - 2634.39<br>Spent Oil - 8.83 |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | Slag – 36990                       | Slag - 40548                       |
| <b>Total (A+B + C + D + E + F + G + H)</b>  | 42200.036                          | 45776.95                           |

| Parameter   | FY 2024-25     | FY 2023-24     |
|---|----------------|----------------|
| <b>Waste intensity per rupee of turnover</b> (Total waste generated/ Revenue from operations)   | 0.0000024 MT/₹ | 0.0000028 MT/₹ |
| <b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*</b> (Total waste generated / Revenue from operations adjusted for PPP) | 0.00005 MT/\$₹ | 0.00006 MT/\$₹ |
| <b>Waste intensity in terms of physical output</b>  | 0.1704 MT/MT   | 0.2023 MT/MT   |
| <b>Waste intensity</b> (optional) – the relevant metric may be selected by the entity   |                | –              |
| <b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>              |                |                |
| <b>Category of waste</b>  |                |                |
| (i) Recycled  | 30784          | 26685          |
| (ii) Re-used  | NA             | NA             |
| (iii) Other recovery operations   | NA             | NA             |
| <b>Total</b>  | 30784          | 26685          |
| <b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>   |                |                |
| <b>Category of waste</b>  |                |                |
| (i) Incineration  | NA             | NA             |
| (ii) Landfilling  | 3637.38        | 2634.39        |
| (iii) Other disposal operations   | NA             | NA             |
| <b>Total</b>  | 3637.38        | 2634.39        |

\* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 by IMF which is 20.66 for India.

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

No

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

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

- Waste reduction: We look for ways to produce less waste by improving our processes and finding better practices, aiming to reduce the total amount of waste generated. In the financial year 2024-25, we generated 42,200.036 metric tonnes of waste, down from 45,776.95 metric tonnes in the previous financial year 2023-24.
- Recycling & Reuse: We try to adopt ways to reuse materials in our operations. In the financial year 2024-25, we recovered a total of 30,784 metric tonnes of waste through recycling.
- Responsible disposal: We make sure to dispose of waste that can't be reduced, recycled, or reused in a responsible manner. Hazardous and biomedical waste goes to Treatment, Storage, and Disposal Facilities approved by the State Pollution Control Board. Non-hazardous waste and e-waste are given to vendors authorized by the State Pollution Control Board. This ensures that all waste disposal meets regulations and guidelines. In the financial year 2024-25, a total of 3,637.38 metric tonnes of FES dust was disposed off through landfilling.

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

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

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

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

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant Web link |
|-----------------------------------|----------------------|------|---|--|-------------------|
| NA                                |                      |      |   |  |                   |

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

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

| S. No. | Specify the law/ regulation/ guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|--------|---|---------------------------------------|---|---------------------------------|
| NA     |   |                                       |   |                                 |



## Leadership Indicators

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

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

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

| Parameter   | FY 2024-25 | FY 2023-24 |
|---|------------|------------|
| <b>Water withdrawal by source (in kilolitres)</b>                                     |            |            |
| (i) Surface water   | NA         | NA         |
| (ii) Groundwater  | NA         | NA         |
| (iii) Third party water   | NA         | NA         |
| (iv) Seawater / desalinated water   | NA         | NA         |
| (v) Others  | NA         | NA         |
| <b>Total volume of water withdrawal (in kilolitres)</b>                               | NA         | NA         |
| <b>Total volume of water consumption (in kilolitres)</b>                              | NA         | NA         |
| <b>Water intensity per rupee of turnover</b> (Water consumed / turnover)              | NA         | NA         |
| <b>Water intensity (optional)</b> – the relevant metric may be selected by the entity | NA         | NA         |

| Parameter  | FY 2024-25 | FY 2023-24 |
|--|------------|------------|
| <b>Water discharge by destination and level of treatment (in kilolitres)</b> |            |            |
| (i) Into Surface water   | NA         | NA         |
| - No treatment   | NA         | NA         |
| - With treatment – please specify level of treatment                         | NA         | NA         |
| (ii) Into Groundwater  | NA         | NA         |
| -No treatment  | NA         | NA         |
| - With treatment – please specify level of treatment                         | NA         | NA         |
| (iii) Into Seawater  | NA         | NA         |
| - No treatment   | NA         | NA         |
| - With treatment – please specify level of treatment                         | NA         | NA         |
| (iv) Sent to third-parties   | NA         | NA         |
| - No treatment   | NA         | NA         |
| - With treatment – please specify level of treatment                         | NA         | NA         |
| (v) Others   | NA         | NA         |
| - No treatment   | NA         | NA         |
| - With treatment – please specify level of treatment                         | NA         | NA         |
| <b>Total water discharged (in kilolitres)</b>                                | NA         | NA         |

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

No

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

| Parameter  | FY 2024-25   | FY 2023-24   |
|--|--------------|--------------|
| <b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) |              |              |
| <b>Total Scope 3 emissions per rupee of turnover</b>   | Not Assessed | Not Assessed |
| <b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity   |              |              |

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

No

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

Not Applicable

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

| Sr. No. | Initiative undertaken               | Details of the initiative (Web-link, if any, may be provided along-with summary)   | Outcome of the initiative  |
|---------|-------------------------------------|--|--|
| 1       | Water conservation                  | To safeguard our essential water resources and maintain sustainability, we prioritize proper treatment and safe disposal of wastewater. By closely monitoring effluent levels and adhering to standards set by Central and State Pollution Control Boards, we ensure that our Sewage Treatment Plant (STP), operational since July 2023 and treated 30,919 cubic meters of water in 2024-25, continues to function effectively. Next in our agenda is the implementation of an Effluent Treatment Plant (ETP) for further enhancement. | Utilization of treated wastewater in process activities results in a reduction in the amount of usage of fresh water.  |
| 2       | Ground water recharging initiatives | We've been consistently investing in water conservation efforts to replenish groundwater. As of March 2025, we have developed 10 Rainwater Harvesting Pits within our factory premises.  | Initiative to contribute towards replenishment of ground water.  |
| 3       | Waste Management                    | We prioritize reducing and reusing waste whenever possible, only disposing of what's necessary responsibly. Our dedicated facilities manage hazardous waste, e-waste, and scrap, fully compliant with legal requirements. All hazardous waste is handed over to authorized facilities approved by the State Pollution Control Board. In the financial year 2024-25 we disposed off 3,637.38 tons of FES dust, incurring a cost of ₹2.87 Crores for its removal and disposal.   | We have adopted integrated waste management policy following a 'prevent reuse-recycle-dispose' value chain. This has led to waste reduction, compliance with regulations and thereby reducing the impact of waste on the environment.' |
| 4       | Solar Plant                         | A solar power plant is expected to be operational by Q3 of FY'26.  | This would reduce dependence of non-renewable sources of energy.   |

| Sr. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary)   | Outcome of the initiative  |
|---------|-----------------------|--|--|
| 5       | Energy Conservation   | We've invested in energy-efficient technologies like the Statcom System, which has improved our power factor from 0.94 to 0.99. Reduction of EAF Power Consumption by 25 kwh/MT by using cleaner scrap resulting in Power On time also. LRF FES Power optimization by speed control. Old Oil Cooled Reactor replaced with Energy Efficient Air Core Reactor at 66 KV Sub-station for Capacitor Bank.   | Saving in consumption of energy.   |
| 6       | Air Emissions         | We've swapped out our old steam boiler, which ran on furnace oil, for a new VD mechanical pump powered by electricity. This change has significantly reduced emissions. Additionally, we've completely replaced the use of furnace oil for ladle heating with natural gas. The fume extraction system (FES) installed at the LRF (Ladle Refining Furnace) is designed to collect dust particles before they are released into the air. By optimizing the power usage through speed control, the LRF FES has achieved annual savings of ₹42 lakhs. We have developed 11.7 acres of forests using Miyawaki Technique at various locations in Ludhiana and at Chali Khoo, Amritsar. In addition to this, we have also developed Greenbelt areas and parks at various locations in Ludhiana. | These initiatives will reduce our carbon footprint and help us to achieve our ESG goals of contributing to a greener and more sustainable environment. |

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

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

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

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

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

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

**8 a. Green credits generated or procured by the entity.**

Nil

8 b. Green credits generated or procured by top ten value chain partners (in terms of value of purchases and sales respectively).

Nil

## PRINCIPLE 7

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



### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. 06
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/ National) |
|--------|---|--|
| 1      | Confederation of Indian Industries, CII               | National   |
| 2      | Engineering Export Promotion Council of India (EEPC)  | National   |
| 3      | Society of Indian Automobile Manufacturers            | National   |
| 4      | Chamber of Industrial & Commercial Undertaking (CICU) | State  |
| 5      | Steel Furnace Association of India                    | National   |
| 6      | Alloy Steel Producers Association (ASPA)              | National   |

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

| Name of authority | Brief of the case | Corrective action taken |
|-------------------|-------------------|-------------------------|
|                   | Nil               |                         |

### Leadership Indicators

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

| S. No | Public policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of Web Review by Link, if Board available (Annually/ Half yearly/ Quarterly/ Others – please specify) |
|-------|-------------------------|-----------------------------------|--|---|
|       |                         |                                   | Nil  |   |

**PRINCIPLE  
8**
**Businesses should promote inclusive growth and equitable development.**

**Essential Indicators**

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

| Name and brief details of project | SIA Notification No. | Date of Notification | Whether Results conducted by independent in external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant Web link |
|-----------------------------------|----------------------|----------------------|--|--|-------------------|
|-----------------------------------|----------------------|----------------------|--|--|-------------------|

N.A.

VSSL had spent ₹ 2.30 Crores on CSR in FY 2024-25 on issues of Environment, Promoting Education, Women Empowerment, Healthcare, Promoting Sports, etc. Currently, Social Impact Assessments is not a compliance requirement, but as a responsible business, VSSL conducts internal assessments of these programs to evaluate the efficacy of the programs in terms of delivering the intended benefits to the target beneficiary and in gaining insights for improving the design and impact of future initiatives.

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

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In D) |
|--------|--|-------|----------|---|--------------------------|---------------------------------------|
|--------|--|-------|----------|---|--------------------------|---------------------------------------|

N.A.

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

- Describe the mechanisms to receive and redress grievances of the community.**

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

- Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

|   | FY 2024-25 | FY 2023-24 |
|---|------------|------------|
| Directly sourced from MSMEs/ small producers                        | 22.88%     | 14.17%     |
| Sourced directly from within the district and neighboring districts | 34.14%     | 47.22%     |

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

| Location     | FY 2024-25 | FY 2023-24 |
|--------------|------------|------------|
| Rural        | 0          | 0          |
| Semi-urban   | 0          | 0          |
| Urban        | 100%       | 99.08%     |
| Metropolitan | 0%         | 0.92%      |

#### 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 ₹ crores) |
|--------|-------|-----------------------|----------------------------|
| NIL    |       |                       |                            |

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

No

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

Not Applicable

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

Not Applicable

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

| S. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes/ No) | Basis of calculating benefit share |
|--------|--|--------------------------|--------------------------|------------------------------------|
| NIL    |  |                          |                          |                                    |

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

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

## 6. Details of beneficiaries of CSR Projects:

| S. No. | CSR Project  | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|--------|--|---|--|
| 1.     | Developed Green Forests with Miyawaki technique at PAU Ludhiana, DMC Malakpur and Chali Khoo, Amritsar. Around 45,000 trees have been planted cumulatively at these locations. | Community at large                          | 100%   |
| 2.     | Provided financial support for conducting Cataract removal camps for needy patients across Punjab.   | 180   |  |
| 3.     | Provided Artificial limbs to handicaps through Bharat Vikas Parishad in the State of Punjab.   | 3,500                                       |  |
| 4.     | Provided scholarship to girl children living in slum areas.  | 27  |  |
| 5.     | Financial support to Hunar Vikas Kendra/Skill Development Center for enhancing vocational skills of children and women and improve their livelihood.                           | 270   |  |
| 6.     | Financial support for teaching Karate in rural areas/ villages of Punjab.  | 350   |  |
| 7.     | Distributed stationary viz. school bags/ study material, to needy children living in slum areas of Ludhiana, Punjab.   | 700   |  |
| 8.     | Developed e-classroom in Government Schools of Punjab.   | 2,000                                       |  |

## PRINCIPLE 9

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



## Essential Indicators

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

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

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

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

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

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

|                                | FY 2024-25               |                                   |         | FY 2023-24               |                                   |         |
|--------------------------------|--------------------------|-----------------------------------|---------|--------------------------|-----------------------------------|---------|
|                                | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy                   | Nil                      | Nil                               | NA      | Nil                      | Nil                               | NA      |
| Advertising                    | Nil                      | Nil                               | NA      | Nil                      | Nil                               | NA      |
| Cyber-security                 | Nil                      | Nil                               | NA      | Nil                      | Nil                               | NA      |
| Delivery of essential services | Nil                      | Nil                               | NA      | Nil                      | Nil                               | NA      |
| Restrictive Trade Practices    | Nil                      | Nil                               | NA      | Nil                      | Nil                               | NA      |
| Unfair Trade Practices         | Nil                      | Nil                               | NA      | Nil                      | Nil                               | NA      |
| Other                          | Nil                      | Nil                               | NA      | Nil                      | Nil                               | NA      |

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

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

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

Yes. The policy is available at the Company's website at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Privacy\\_&\\_Data\\_Protection\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Privacy_&_Data_Protection_Policy.pdf)

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

Not Applicable

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

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

**Leadership Indicators**

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

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

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

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

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

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

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

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