

Varroc Engineering Limited

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Regd. Office:

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CIN: L28920MH1988PLC047335
Email: Varroc.info@varroc.com



VARROC/SE/INT/2026-27/44

July 28, 2026

To,

The Manager – Listing
The Listing Department,

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai-400051
NSE Symbol: VARROC

The Manager – Listing

The Corporate Relation Department,

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001.
BSE Security Code: 541578

Dear Sir/ Madam,

Sub: Business Responsibility and Sustainability Report (“BRSR”) for the Financial Year 2025-26

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

Pursuant to the Listing Regulations, please find enclosed the Business Responsibility and Sustainability Report (“BRSR”) for the Financial Year 2025-26. Aforesaid Report is also available on the website of the Company at www.varroc.com.

The BRSR also forms part of the Annual Report for Financial Year 2025-26, submitted to the stock exchanges vide letter dated July 28, 2026.

We request you to take the same on record.

Yours faithfully,

For Varroc Engineering Limited

Anil Ghatiya

Company Secretary & Compliance Officer

Membership No. A-16620

Encl: a/a

Business Responsibility and Sustainability Reporting

FY2025-26



Section A

General Disclosures



Section B

Management and
Process Disclosures



Section C

Principle wise
Performance Disclosure



Principle 1

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



Principle 2

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



Principle 3

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



Principle 4

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



Principle 5

Businesses should respect and promote human rights



Principle 6

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



Principle 7

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



Principle 8

Businesses should promote inclusive growth and equitable development



Principle 9

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

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Indicator No.	Description	Response
1	Corporate Identity Number (CIN) of the Listed Entity:	L28920MH1988PLC047335
2	Name of the Listed Entity:	Varroc Engineering Limited
3	Year of incorporation:	1988
4	Registered office address:	Plot No. L-4, MIDC, Waluj, Chhatrapati Sambhajinagar (M.S.) - 431136
5	Corporate Address:	Plot No. L-4, MIDC, Waluj, Chhatrapati Sambhajinagar (M.S.) - 431136
6	E-mail:	investors@varroc.com
7	Telephone:	0240-6653700
8	Website:	www.varroc.com
9	Financial year for which the reporting is done:	FY 2025-26
10	Name of the Stock Exchange(s) where shares are listed:	1. National Stock Exchange of India Limited, Mumbai 2. BSE Limited, Mumbai
11	Paid-up Capital:	INR 152.79 million
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. Avinash Chintawar Whole-time Director & COO Email: avinash.chintawar@varroc.com
13	Reporting boundary – Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together):	Standalone Basis
14	Name of assurance provider:	Not Applicable
15	Type of assurance obtained:	Not Applicable

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacture and sale of automotive components	Varroc is a global automotive technology solution company that designs, develops, and manufactures electrical, electronics, lighting, polymer, metallic, and advanced safety solutions for OEMs worldwide in the two-wheeler, three-wheeler, passenger car, commercial vehicle, and off-highway vehicle ("OHV") segments. Additionally, Varroc has a strong aftermarket division serving over 27 countries across the world.	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.	Electrical & Lighting Auto parts	2740	41.41%
2.	Steel-Forged Products	2410	7.03%
3.	Polymer Auto parts	2220	34.83%
4.	Engine valves	2813	1.91%
5.	After Market Auto parts		10.90%
6.	Toolings		1.46%
7.	Job work		0.58%

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	30	3	33
International	0	0	0

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	8
International (No. of Countries)	30

b. What is the contribution of exports as a percentage of the total turnover of the entity? 3.8%

c. A brief on types of customers:

Varroc's customer base comprises both domestic and international OEMs as well as aftermarket clients. We cater to a wide range of segments, including passenger cars, commercial vehicles, two-wheelers, three-wheelers, and off-highway vehicles. Our robust presence in both Indian and global markets enables us to effectively address the diverse needs and expectations of customers across geographies.

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)	3482	3246	93%	236	6.8%
2.	Other than Permanent (E)	22	16	72%	6	27%
3.	Total employees (D+ E)	3504	3262	93%	242	6.9%

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
WORKERS						
4.	Permanent (F)	1890	1831	97%	59	3.1%
5.	Other than Permanent (G)	23227	16941	72%	6286	27%
6.	Total workers (F + G)	25117	18772	74%	6345	25%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	1	0	0	1	100%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	1	0	0	1	100%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	0	0	0	0	0

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors - Varroc	4	0	0%
Independent Board of Directors	4	1	25%
Key Management Personnel	2	0	0%

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

Particulars	FY 2026 (Turnover rate in current FY)			FY 2025 (Turnover rate in previous FY)			FY 2024 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	17.09%	22.57%	17.46%	16.50%	18.40%	16.60%	14.70%	18.70%	15%
Permanent Workers	1.68%	4.72%	1.77%	6.30%	20.10%	6.80%	4%	9.50%	4.10%

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.	Durovalves India Private Limited	Subsidiary	72.78%	No
2.	Varroc Connect Pvt Ltd	Subsidiary	95%	No
3.	Varroc European Holding BV.	Subsidiary	100%	No
4.	VarrocCorp Holding BV	Subsidiary	100%	No
5.	Varroc Japan Co. Ltd.	Subsidiary	100%	No
6.	Industria Meccanica E Stampaggio S.p.A.	Subsidiary	100%	No
7.	Varroc Italy S.p.A.	Subsidiary	100%	No
8.	Varroc Romania S.A.	Subsidiary	98.23%	No
9.	Varroc Vietnam Co. Ltd	Subsidiary	100%	No
10.	Varroc Electronics Romania SRL	Subsidiary	100%	No
11.	Varroc Germany GmbH	Subsidiary	100%	No
12.	Varroc Poland S.p.Z.oo	Subsidiary	100%	No
13.	Varroc Intelligent Driving R&D center (Changzhou)Co.Ltd.	Subsidiary	100%	No
14.	Varroc (Thailand) Co.Ltd.	Subsidiary	100%	No
15.	Varroc Dell'Orto Pvt Ltd	Joint Venture	50%	No
16.	Nuova CTS S.r.L., Italy	Joint Venture	50%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
- (ii) Turnover (in ₹): ₹ 81,455.32 million
- (iii) Net worth (in ₹): ₹ 20,651.41 million

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY2026 Current Financial Year			FY2025 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, the Corporate Social Responsibility Committee https://www.varroc.com/upload/financial_results/17068631711735884362.pdf	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes, https://varroc.com/investors/compliance-officer/	0	0	NA	0	0	NA
Shareholders	Yes, The Stakeholder Relationship Committee https://varroc.com/investors/compliance-officer/	0	0	NA	0	0	NA
Employees and workers	Yes, Whistle blower policy can be referred to for raising any concerns https://www.varroc.com/upload/financial_results/170686363170852865.pdf	9	0	All the complaints filed during the year has been resolved	3	0	All the complaints filed during the year has been resolved
Customers	Yes, Whistle blower policy can be referred for raising any concerns https://www.varroc.com/upload/financial_results/170686363170852865.pdf	0	0	NA	0	0	NA

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY2026 Current Financial Year			FY2025 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Value Chain Partners	Yes, Whistle blower policy can be refer for raising any concerns https://www.varroc.com/upload/financial_results/170686363170852865.pdf	0	0	NA	0	0	NA
Other (please specify)	NA	NA	NA	NA	NA	NA	NA

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy and GHG Emissions	Risk	GHG emissions from manufacturing significantly contribute to climate change and global warming. These processes typically demand considerable energy for machinery, heating, cooling, and lighting. Therefore, reducing emissions and improving energy efficiency not only support environmental stewardship but also enhance operational performance and overall corporate sustainability	Implementing strategic initiatives focused on energy conservation and the transition to renewable energy across all plants, wherever it is feasible.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Employee Health and Safety	Opportunity	Ensuring a safe and healthy workplace is essential for safeguarding the physical and mental well-being of employees. A secure work environment minimizes the risk of accidents and occupational hazards while also enhancing employee morale and productivity.	Implementation of a robust occupational health and safety management systems including ISO 14001 & ISO 45001.	Positive
3	Labor Management and Human Rights	Opportunity	Labor management emphasizes fair and ethical treatment of workers, covering key areas such as fair wages, working hours, and employee engagement. Addressing human rights concerns, including the Prevention of Sexual Harassment (POSH) and discrimination, is vital to fostering a safe, inclusive, and respectful workplace for all employees and workers.	NA	Positive
4.	Sustainable Supply Chain	Opportunity	A sustainable supply chain improves operational efficiency, enhances transparency, and minimizes negative environmental impacts across the value chain. Through sustainable sourcing practices, the company also ensures strong partnerships with suppliers who are committed to uphold environmental and social responsibility standards.	NA	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Diversity, Equity & Inclusion	Opportunity	Diversity, Equity, and Inclusion (DEI) play a vital role in driving innovation and creativity by incorporating diverse perspectives into decision-making. DEI also strengthens employee engagement and retention by promoting an inclusive workplace, thereby contributing to a more dynamic and resilient business environment.	NA	Positive
6.	Regulatory Compliances	Risk & Opportunity	Maintaining high standards of regulatory compliance strengthens corporate reputation and fosters customer trust and loyalty. Conversely, non-compliance may result in fines, legal penalties, and litigation, adversely affecting both financial performance and brand reputation.	Evaluation of processes and assessment to ensure compliance with applicable laws and regulations.	Positive
7.	Business Ethics & Transparency	Risk & Opportunity	Ethical business practices and transparency foster trust among key stakeholders, promote ethical decision-making at all organizational levels, and ensure that business is conducted with the highest standards of integrity and accountability.	Established a robust corporate governance framework and mechanisms to ensure ethical, transparent, and sustainable business operations, while safeguarding the interests of all stakeholders	Positive

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

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	ESG Policy https://varroc.com/investors/corporate-governance/								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	IATF 16949 IS 14489 ISO 45001 ISO 14001 ISO 27001								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The company is actively setting goals to optimize energy, water, and waste management, with a focus on maximizing the use of renewable energy and establishing clear targets for water and waste management. These initiatives aim to meet all environmental and safety compliance requirements set by government bodies and align with the expectations of external stakeholders, including investors and customers.								
6.	6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The company is in the process of establishing a robust tracking mechanism to regularly review performance against defined sustainability goals, as part of its Business Process Re-engineering (BPR) initiative. This system will enable continuous monitoring, identify areas for improvement, and support data-driven decision-making to enhance operational efficiency and alignment with long-term strategic objectives.								
Governance, leadership and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Please refer to “Message from CMD” in the annual report								
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Tarang Jain, Chairman and Managing Director								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9. 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The ESG Steering Committee is a four-member Committee chaired by Chairman and Managing Director and have two member Directors including one Independent Director. The committee is responsible for key decision making on sustainability related matters								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee										Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9		P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against Above policies and follow up action									Director										Annually
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances									Director										Quarterly

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
No									

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable -								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	At present, Varroc is voluntarily reporting under the BRSR framework and has initiated internal ESG assessments and audits, with a particular focus on strengthening ESG compliance across our supply chain. As we progressively expand ESG compliance coverage and maturity across a significant portion of our supply chain operations, we intend to undertake formal independent/third-party evaluations and assurance of our ESG policies and practices in the future to further enhance transparency, governance, and stakeholder confidence. Currently, Varroc does not fall within the category of mandatory BRSR compliance entities as prescribed by SEBI based on market capitalization rankings.								
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:

S. No.	Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
1	Board of Directors	14	During the year, the Board of Directors of the Company invested time on various key trainings & updates regarding Leadership-Offsite, SHIPS, POSH, LYD Toolkit, Panel Intervention, 7 dysfunction of the team, Employee Health & general Safety, Albus competency framework & financial planning & awareness	50%
2	Key Management Personnel	74	During the year, the Key Managerial personnels of the Company invested time on various trainings & updates regarding SEED Leadership Program, Mindful Inclusion, Managerial Skills Development, Entrepreneurial Spirit, POSH etc.	89%
3	Employees other than BODs and KMPs	230	POSH, SHIPS, EHS, IT & Data Security, ALBUS model, Develop Self & Nurture Teams, Submastery, THORS, Finance for non finance, Collaboration & Team work etc.	83%
4	Workers	300	Behavioral Safety, MOST, POSH Awareness, Positive Work Culture, SHIPS, Albus, Safety, Technical, Firefighting, Health, etc.	100%

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

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

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

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

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

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

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

https://www.varroc.com/upload/financial_results/17201785531209245516.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:

Category	FY2026	FY2025
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

	FY2026		FY2025	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

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

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

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

	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Number of days of accounts payables	93.15	94.42

9. Open-ness of business

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

Parameter	Metrics	FY2026	FY2025
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	33%	33%
	b. Number of trading houses where purchases are made from	118	118
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	30%	30%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	10.9%	10.5%
	b. Number of dealers /distributors to whom sales are made	981	849
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers /distributors	17.83%	15.4%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	2.0%	0.3%
	b. Sales (Sales to related parties / Total Sales)	0.5%	0.4%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	97.6%	2.3%
	d. Investments (Investments in related parties / Total Investments made)	99%	98%

Leadership Indicators

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

Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in value chain covered by the awareness programmes
30	1. PPAP & I do I Check 2. FMEA 3. MSA 4. SPC 5. 5S 6. ISO 7. IATF Awareness 8. TPM Basics 9. 7 QC Tools 10. Root Cause Analysis 11. Poka-Yoka 12. Kaizen 13. 4M Change Management 14. OEE	76%

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

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

PRINCIPLE 2:

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

Essential Indicators

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

	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	38%	27.3%	Capital and operational expenditure in R&D during the reporting year included investments specifically allocated towards Electric Vehicle (EV) technologies and Environment, Health & Safety (EHS) enhancement projects.
Capex	3.7%	5.1%	-

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

Yes, we have established a Supplier Code of Conduct that defines our expectations and standards to ensure that all business is conducted in a sustainable, transparent, and ethical manner. Suppliers are required to adhere to this Code and are encouraged to ensure that their subcontractors and partners uphold the same principles.

The key focus areas of our Supplier Code of Conduct encompass General Management, Child Labor and Employee Protection, Prevention of Sexual Harassment, Employee Rights and Participation, Working Hours and Overtime, Occupational Health and Safety, Environmental, Social & Governance (ESG) practices, Supply Chain Management, Anti-Bribery and Anti-Trust measures, and Grievance Redressal mechanisms.

As part of this Code, suppliers are expected to align their operations with ethical sourcing principles, including the responsible procurement of materials and goods.

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

100% as per above definition

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.

Varroc ensures responsible end-of-life management of plastic packaging materials through the Extended Producer Responsibility (EPR) mechanism. We obtain EPR credits from our authorized packaging material vendors who are registered with the Central Pollution Control Board (CPCB). These EPR credits, along with relevant details, are disclosed and regularly updated on the CPCB EPR portal in compliance with the Plastic Waste Management Rules, 2016 (as amended). This approach ensures that plastic packaging waste is effectively collected, recycled, or co-processed in an environmentally sound manner.

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

Yes, Varroc has successfully secured Extended Producer Responsibility (EPR) certification across all applicable manufacturing plants through CPCB-registered recyclers.

Leadership Indicators

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

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency	Results communicated in public domain (Yes/ No) If yes, provide the web-link
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No Lifecycle Assessment was conducted in the reporting year. Preparatory studies have been undertaken; detailed assessment and product sustainability disclosures will be furnished in the next reporting cycle.

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

Name of Product/ Service	Description of risk and concern	Action taken
No significant social or environmental risks associated with the production, use, or disposal of the Company's products have been identified through Life Cycle Assessment (LCA) studies or other assessment mechanisms. The Company continues to monitor and strengthen its environmental and social management practices through applicable compliance measures and sustainable operational initiatives.		

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 2026 Current Financial Year	FY 2025 Previous Financial Year
At present, no recycled or reused input materials are being utilized in Varroc's manufacturing operations. Hence, the percentage of recycled or reused input material to the total material consumed is currently not applicable.	Not Applicable	Not Applicable

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

	FY 2026			FY 2025		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	943	1438	NA	464	1609	NA
E-waste	NA	16.8	NA	NA	16.57	NA
Hazardous waste	NA	1194	1209	NA	1873	1361
Other waste	479	10291	NA	201	6850	NA

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

Indicate Product Category	Reclaimed products and their packaging materials as % of total products sold in respective category
The reclaimed products and packaging materials are not reused within Varroc's operations. Such materials are handled through authorized recyclers and are recycled or utilized externally. Hence, disclosure of reclaimed products and packaging materials as a percentage of products sold is currently not applicable.	NA

PRINCIPLE 3:

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

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	3246	3246	100%	3246	100%	NA	NA	3246	100%	NA	NA
Female	236	236	100%	236	100%	236	100%	NA	NA	0	0
Total	3482	3482	100%	3482	100%	236	6.7%	3246	93%	0	0
Other than Permanent employees											
Male	16	16	100%	16	100%	NA	NA	16	100%	NA	NA
Female	6	6	100%	6	100%	6	100%	NA	NA	0	0
Total	22	22	100%	22	100%	6	27%	16	73%	0	0

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

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	No. (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	1831	1831	100%	1831	100%	NA	NA	1831	100%	NA	NA
Female	59	59	100%	59	100%	59	100%	NA	NA	0	0
Total	1890	1890	100%	1890	100%	59	3%	1831	97%	0	0
Other than Permanent workers											
Male	16941	16941	100%	16941	100%	NA	NA	16941	100%	NA	NA
Female	6286	6286	100%	6286	100%	6286	100%	NA	NA	0	0
Total	23227	23227	100%	23227	100%	6286	28%	16941	72%	0	0

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

	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Cost incurred on well- being measures as a % of total revenue of the company	0.4%	0.10%

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

Benefits	FY 2026 Current Financial Year			FY 2025 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	100%	100%	Yes	100%	100%	Yes
Others – please Specify	-	-	-	-	-	-

3. Accessibility of workplaces

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

Yes, all the premises / offices of Varroc are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016. Separate toilets and ramps are available for differently 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, we have a Diversity, Equity, and Inclusion Policy which establishes the company's commitment to maintaining a discrimination-free workplace and promoting a culture of inclusivity among its workforce and stakeholders. The policy can be accessed here. https://www.varroc.com/upload/financial_results/17201786461747451488.pdf. Key aspects of the Diversity, Equity, and Inclusion Policy include:

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

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

*No parental leaves were availed by the permanent workers

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

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes, the Internal Committee (IC) conducts quarterly meetings and maintains a register for all the meeting details and events. We receive grievances and a thorough process is in place to investigate the grievances. Monthly 'Vartalap' meetings are also conducted with an idea to: - Address group of workers & update them with business challenges and other key issues. - Townhall Meetings: Conducted by Plant head to share the last month results & current/upcoming months challenges with the team
Other than Permanent Workers	Yes, workers can raise complaints through Internal Committee (IC) quarterly meeting, monthly 'Vartalap', townhall meeting or to HR representative. We take necessary measures to investigate and address the grievances.
Permanent Employees	Yes, we have a Whistle Blower Policy in place that defines the mechanism to address all the grievances. For detailed mechanism, please visit our Whistle Blower Policy https://www.varroc.com/upload/financial_results/170686363170852865.pdf
Other than Permanent Employees	Yes, we have a Whistle Blower Policy in place that defines the mechanism to address all the grievances. For detailed mechanism, please visit our Whistle Blower Policy https://www.varroc.com/upload/financial_results/170686363170852865.pdf

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

Category	FY2026			FY2025		
	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)
Permanent Employees						
Male	NA			NA		
Female						
Total						

Category	FY2026			FY2025		
	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)
Permanent Workers						
Male	1831	1831	100%	2294	2294	100%
Female	59	59	100%	79	79	100%
Total	1890	1890	100%	2373	2373	100%

8. Details of training given to employees and workers:

Category	FY 2026 (Current Financial Year)					FY 2025 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	3262	1058	32%	2643	81%	3118	900	29%	326	10.4%
Female	242	72	30%	242	100%	215	56	26%	28	13%
Total	3504	1130	32%	2885	82%	3333	956	29%	354	10.62%
Workers										
Male	1831	1395	76%	1250	68%	2294	1193	52%	918	40%
Female	59	42	71%	38	64%	79	40	50%	25	32%
Total	1890	1437	76%	1288	68%	2373	1233	51%	943	39%

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

Category	FY 2026 (Current Financial Year)			FY2025 (Previous Financial Year)		
	Total (A)	No. (B)	%(B/A)	Total (C)	No. (D)	%(D/C)
Employees						
Male	3262	2818	86%	3118	2806	90%
Female	242	185	76%	215	194	90%
Total	3504	3003	85%	3333	3000	90%
Workers						
Male	1831	1231	67%	2294	1376	60%
Female	59	38	64%	79	44	56%
Total	1890	1269	67%	2373	1420	60%

10. Health and safety management system:

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

Yes, we have implemented a comprehensive Occupational Health & Safety (OHS) Management System across all our manufacturing plants, aligned with ISO 45001 standards. This system extends to all employees and workers, including those not directly employed by us but whose work or workplace is under our control. Our OHS framework includes a formal policy, detailed guidelines, regular training programs, strong governance practices, and a robust system for documentation and monitoring. Additionally, we have developed a digital portal to track and manage OHS risks, compliance requirements, and other critical aspects. This platform also facilitates reporting to senior management, enabling more effective oversight and resolution of health and safety concerns.

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

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

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

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

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

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

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

Safety Incident/Number	Category*	FY2025	FY2024
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.030	0.031
Total recordable work-related injuries	Employees	0	0
	Workers	2	2
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

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

Monitoring and reviewing EHS performance is a cornerstone of our health and safety management practices. The Plant Head and Plant Safety Officer convene daily to address ongoing safety issues and review current performance metrics. Our senior management is committed to ensuring a safe and healthy workplace. Monthly business review meetings, which include the Managing Director and CEO, prioritize safety discussions.

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

	FY 2026 (Current Financial Year)			FY 2025 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	442	0	NA	480	0	NA
Health & Safety	22	0	NA	38	0	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%
Working Conditions	100%

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

The company has taken corrective actions to address the significant risk. Hazard Identification and Risk Assessment (HIRA) is prepared, and SOPs is in place for addressing significant concerns. LPG leakage sensors are installed for alerts related to LPG leakages, fire alarm systems are provided for alert calling in case of any emergency, and manual call points are provided for emergency alerts.

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

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

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

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

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

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

	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 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

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

No

5. Details on assessment of value chain partners:

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

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

The supplier assessment involves a PQCDMS monitoring system which covers Productivity, Quality, Cost, Delivery, Safety and Morale. This PQCDMS monitoring system is in place for LTS suppliers. This assessment covers a total of 196 suppliers.

PRINCIPLE 4:**Businesses should respect the interests of and be responsive to all its stakeholders****Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the entity.**

Our stakeholder-centric approach enables us to effectively identify and engage with key internal and external stakeholder groups. The company follows a structured methodology to map and categorize stakeholders who have a direct and significant influence on our operations and outcomes.

We assess each stakeholder group to understand their expectations and the extent of their impact on our performance. Engagement methods such as surveys, interviews, and focus group discussions are employed to gain deeper insights into their needs and perspectives.

This engagement framework allows us to identify and prioritize stakeholders based on their relevance to the organization's strategic objectives and operational performance. Our primary stakeholder groups include senior management, employees, customers, communities, and vendors.

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

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

Leadership Indicators

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

The company has established multiple channels for stakeholder engagement on ESG matters, including designated internal ESG, EHS, and compliance officers. At the highest level, the ESG Steering Committee of the Board serves as the apex body responsible for reviewing and approving ESG policies, setting goals, and overseeing overall ESG performance. The implementation of ESG initiatives is carried out at the operational level by dedicated committees for environment, social, and governance, ensuring effective on-ground execution of the company's ESG strategy.

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 plays a key role in identifying and managing ESG-related topics for the organization. As part of the materiality assessment conducted during the financial year, we engaged with key stakeholder groups to gain insights into their perspectives on material environmental, social, and governance issues relevant to the company. We are committed to maintaining ongoing communication with our stakeholders through various established engagement channels.

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

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

PRINCIPLE 5:

Businesses should respect and promote human rights

Essential Indicators

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

Category	FY 2026 Current Financial Year			FY 2025 Previous Financial Year		
	Total (A)	No. of Employees / workers covered (B)	% (B / A)	Total (C)	No. of employee/ workers covered (D)	% (D / C)
Employees						
Permanent	3482	1390	40%	3333	502	15.1%
Other than permanent	22	22	100%	25	25	100%
Total Employees	3504	1412	40%	3358	527	15.7%
Workers						
Permanent	1890	1172	62%	2373	1370	57.7%
Other than permanent	23227	10452	45%	21872	7500	34.3%
Total Workers	25117	11624	46.27%	24245	8870	36.58%

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

Category	FY 2026 Current Financial Year					FY 2025 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B /A)	No. (C)	% (C /A)		No. (E)	% (E /D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	3246	0	0%	3262	100%	3118	0	0%	3118	100%
Female	236	0	0%	242	100%	215	0	0%	215	100%
Other than Permanent										
Male	16	0	0%	16	100%	18	0	0%	18	100%
Female	6	0	0%	6	100%	7	0	0%	7	100%
Workers										
Permanent										
Male	1831	0	0%	1831	100%	2294	0	0%	2294	100%
Female	59	0	0%	59	100%	79	0	0%	79	100%
Other than Permanent										
Male	16941	16941	100%	0	0	17612	17612	100%	0	0
Female	6286	6286	100%	0	0	4260	4260	100%	0	0

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

S. No.	Type of employee	Male		Female	
		Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
1	Board of Directors (BoD)	8	NA	1	-
2	Key Management Personnel (KMP)	2	2,05,06,876	0	-
3	Employees other than BOD and KMP	3262	8,76,000	242	10,00,008
4	Workers	1831	5,62,517	59	5,26,503

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

	FY2026 (Current Financial Year)	FY2025 (Previous Financial Year)
Gross wages paid to females as % of total wages	7.06%	7.00%

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

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

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

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

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

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

Category	FY2026 (Current Financial Year)			FY2025 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	9	0	All the complaints filed during the year has been resolved	3	0	All the complaints filed during the year has been resolved
Discrimination at workplace	0	0	-	0	-	-
Child Labor	0	0	-	0	-	-
Forced Labor/ Involuntary Labor	0	0	-	0	-	-
Wages	0	0	-	0	-	-
Other human rights related issues	0	0	-	0	-	-

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

	FY2026	FY2025
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	9	3
Complaints on POSH as a % of female employees / workers	0.13%	0.07%
Complaints on POSH upheld	0	0

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

Mechanisms to prevent adverse consequences to the complainant are covered under the POSH Policy. The POSH policy is disclosed on the website.

https://www.varroc.com/upload/financial_results/17388250081416387886.pdf

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

(Yes/No)

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

10. Assessments for the year:

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

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

No significant risks or concerns were identified during the specific assessments detailed in Question 10.

Leadership Indicators

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

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

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

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

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

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

4. Details on assessment of value chain partners:

	% of your value chain partners that were assessed (by entity or statutory authorities or third parties)
Sexual harassment	100%
Discrimination at workplace	100%
Child labor	100%
Forced/involuntary labor	100%
Wages	100%
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.

No corrective actions were required, as the assessments conducted by Varroc's Supply Chain team did not identify any significant risks or concerns among the Tier 1 suppliers assessed during the reporting period.

PRINCIPLE 6:

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

Essential Indicators

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

Parameter	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A) – GJ	259,406.79	172,731.82
Total fuel consumption (B) – GJ	0	0
Energy consumption through other sources (C) – GJ	0	0
Total energy consumed from renewable sources (A+B+C) – GJ	259,406.79	172,731.82
From non-renewable sources		
Total electricity consumption (D) – GJ	482976.53	450,284.38
Total fuel consumption (E) – GJ	12,502	9,652
Energy consumption through other sources (F) – GJ	0	0
Total energy consumed from non-renewable sources (D+E+F) – GJ	495,478.53	459,936.38
Total energy consumed (A+B+C+D+E+F) – GJ	754,885.32	632,668.20
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations) – GJ/INR Lakhs	0.92	0.85
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.92	0.85
Energy intensity in terms of physical output	NA	NA
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

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

No

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

PAT scheme does not apply to Varroc Engineering Limited

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

Parameter	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	165,238.57	158,788.4
(ii) Groundwater	189,232.03	159,834.9
(iii) Third party water	116,589	107,667
(iv) Seawater / desalinated water	0	0

Parameter	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
(v) Others	27174	17699
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	498,233.60	443,989
Total volume of water consumption (in kiloliters)	419,024	412,228
Water intensity per rupee of turnover (Total water consumption / Revenue from operations) – KL/INR Lakhs	0.51	0.55
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.51	0.55
Water intensity in terms of physical output	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA

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

No

4. Provide the following details related to water discharged:

Parameter	FY 2026	FY 2025
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	21,787	20,241
- No treatment	0	0
- With treatment – please specify level of treatment	21,787	20,241
(ii) To Groundwater	13245	11,780.60
- No treatment		0
- With treatment – please specify level of treatment	13245	11,780.6
(iii) To Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties	13,626	11,519.97
- No treatment	180.42	234.97
- With treatment – please specify level of treatment	13,445	11,285
(v) Others	30,551	26,320.79
- No treatment	0	0
- With treatment – please specify level of treatment	30,551	26,320.79
Total water discharged (in kiloliters) – outside the operational boundary((i)+(iv))	35,413	31,760.97

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

No

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

Yes, we have successfully implemented Zero Liquid Discharge (ZLD) at our VEL VII, VEL P5, VEL P8, VEL P14, VEL-BH(4W) plants and are actively exploring suitable opportunities to expand this initiative to our other plants.

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

Parameter	Please specify unit	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
NOx	mg/Nm3	27.62	28.35
SOx	mg/Nm3	17.22	16.58
Particulate matter (PM)	mg/Nm3	44.30	42.85
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

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

Yes

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

Parameter	Please specify unit	FY2026 (Current Financial Year)	FY2025 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	MtCO ₂ e	8020	2157
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	MtCO ₂ e	75805	100,639
Total Scope 1 and Scope 2 emission intensity per million rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	MtCO ₂ e/INR Lakhs	0.10	0.14
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	MtCO ₂ e/INR Lakhs	0.10	0.14
Total Scope 1 and Scope 2 emission intensity in terms of physical output	NA	NA	NA
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	NA	NA	NA

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

No

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

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

1. Implementation of energy efficiency and conservation programs at all our manufacturing plants: We conduct energy audits each year for the plants to identify opportunities of reducing consumption in the areas of compressed air systems, furnace heat loss, energy efficient lightings, etc. We are targeting 3% reduction in energy consumption through the audits.
2. Renewable Energy Penetration: We have installed solar rooftop systems at over 90% of our plants and made significant investments in open access procurement through Renewable Purchase Obligations (RPO). As a result, more than 45% of our renewable energy is sourced through this mechanism. For FY 2026, renewable energy accounts for 45% of Varroc's total electricity consumption and 36% of overall energy mix. We are actively planning to enhance renewable energy capacity across all plants in the coming years and are exploring new opportunities to expand our solar and wind captive generation capabilities.
3. Environmental Management Systems (EMS): We have implemented EMS system, which helps us track Energy, Water & Waste Management across all of our plants and optimize it wherever possible.
4. Optimizing the value chain logistics to reduce our fuel consumption.

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

Parameter	FY2026	FY2025
Total Waste generated (in metric tonnes)		
Plastic waste (A)	2381	2073
E-waste (B)	16.82	16.57
Bio-medical waste (C)	1.80	0.03
Construction and demolition waste (D)	0	0
Battery waste (E)	36.4	39.56
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	2386	3234
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	11466	7,012
Total (A+B + C + D + E + F + G + H)	16288	12,375
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations) – MT/INR Lakhs	0.02	0.02
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.02	0.02
Waste intensity in terms of physical output	NA	NA
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Parameter	FY2026	FY2025
Category of waste		
(i) Recycled	13237	10349
(ii) Re-used	943	464
(iii) Other recovery operations	479	201
Total	14659	11014

Parameter	FY2026	FY2025
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	868	557
(ii) Landfilling	73	258
(iii) Other disposal operations	688	546
Total	1629	1361

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

No

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

We have implemented waste management practices in alignment with applicable regulatory requirements. All operational waste is clearly classified into hazardous and non-hazardous categories, with separate collection bins installed at each shop floor and workstation. Waste remains segregated throughout its handling—from the point of collection to transit and final storage. Authorized and qualified vendors have been engaged to manage waste safely and sustainably. Except for e-waste, all other waste is disposed of within 90 days in accordance with regulatory guidelines, using Form 10 (manifest forms) as mandated.

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

S. No.	Location of operations/offices	Type of Operation	Whether the conditions of environmental approval / clearance are being complied with? (Yes/No)	If no, the reasons thereof and corrective action taken, if any.
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No, the entity does not have any operations/offices located in or around ecologically sensitive areas.

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

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

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

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	Water (Prevention & Control of Pollution) Act, 1974	No-noncompliance	Nil	NA
2	Air (Prevention & Control of Pollution) Act, 1981	No-noncompliance	Nil	NA
3	Environmental Protection Act, 1986	No-noncompliance	Nil	NA
4	Hazardous & Other waste (M and T M) Rules 2016	No-noncompliance	Nil	NA

Leadership Indicators

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

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

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

Not applicable

Parameter	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(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
Total volume of water withdrawal (in kiloliters)	NA	NA
Total volume of water consumption (in kiloliters)	NA	NA
Water intensity per rupee of turnover (Water consumed/ turnover?)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA

Parameter	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
(ii) To Groundwater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) To Seawater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third parties	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kiloliters)	NA	NA

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

No.

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

We are currently in the process of identifying material Scope 3 emission categories in accordance with the GHG Protocol. Based on this assessment, we will undertake the estimation of the identified material Scope 3 categories in the coming years.

Parameter	Unit	FY 2026	FY 2025
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	TCO ₂ eq	NA	NA
Total Scope 3 emissions per rupee of turnover	TCO ₂ eq/INR. Lakhs	NA	NA
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

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

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:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Energy Efficiency	1. Compressed air arresting and optimization 2. Lighting Automation (motion sensor) 3. Demand load optimization 4. VFD for MTC Pumps 5. Switching off standby pumps 6. LED lighting replacements	More than 2.8 million kWh units saved
2	Renewable Energy	1. Installed solar rooftop systems in more than 50% of the plants.	Total RE generation in FY2026 was more than 77 million kWh units
3	Water – Zero Liquid Discharge	Implemented Zero Liquid Discharge (ZLD) systems in five of Varroc's plants.	This initiative will significantly reduce freshwater dependency and eliminate liquid effluent discharge from the identified plants, contributing to improved water stewardship, regulatory compliance, and long-term environmental sustainability
4	Water – Recycling for non-process requirements	We have installed STPs, ETPs, Coolant Treatment plants (CTPs), ZLD's at all our plants for recycling the wastewater and the treated water is used for gardening & utility related activities	45% of water withdrawn is recycled and reused.

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

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

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

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

Not Applicable

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

Not Applicable.

PRINCIPLE 7:

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

Essential Indicators

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

6

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

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

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

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

Leadership Indicators

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

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

PRINCIPLE 8:**Businesses should promote inclusive growth and equitable development****Essential Indicators**

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

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

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

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

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

Through the Varroc Foundation, the entity duly fulfills its CSR obligation. It is through the foundation, that the Company understands the specific needs and requirements of the communities and develops its CSR initiatives through a detailed needs assessment. The foundation fully considers any feedback and grievances received from the community and incorporates the same while designing and carrying out the CSR initiatives. Details of our CSR initiatives have been outlined in our Annual Report and Sustainability report.

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

	FY 2026	FY 2025
Directly sourced from MSMEs/ small producers	30%	29%
Directly from within India	96%	96%

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

Location	FY 2026	FY 2025
Rural	0%	0%
Semi-urban	5%	5%
Urban	93%	93%
Metropolitan	2%	2%

Leadership Indicators

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

Details of negative social impact identified	Corrective action taken
Not applicable	

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

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

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

No, at present we do not have preferential procurement policy for suppliers from marginalized/vulnerable groups. As a part of supplier on boarding we have a sustainable supply chain policy and supplier code of conduct in place which is used for assessing the supplier based on identified checklist. Preference is given to the suppliers based on the compliance level of our supplier code of conduct.

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

No procurement was done from marginalized/vulnerable groups.

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

0%

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

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

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

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

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1	Varroc Vengsarkar Cricket Academy (VVCA) - VVCA is a cricket academy in Thergaon, Pune under the guidance of Veteran cricketer Mr. Dilip Vengsarkar. It aims to uplift the enthusiasm among the budding talent to produce skillful players.	749	-
2	Varroc Interschool & Industrial Cricket Tournament – For the past 17 years, we have continued to organize the Inter-School and Industrial Cricket Tournament. It aims to boost and nurture talent in the field of cricket.	1,391	-
3	Varroc Academy – As a part of the Skill Development Program for upliftment of underprivileged students, we have established the Varroc Academy in collaboration with the Tata Institute of Social Science and the Deccan Management Consultants Finishing School Skill Foundation (DMCFSSF) which runs a 3-year curriculum on Bachelor of Vocational Education (B.Voc.) at Chhatrapati Sambhajinagar	120	-
4	BAJA SAEINDIA Event (PRIZE SPONSORSHIP) The BAJA SAE Series is an event for the undergraduate engineering students, organized globally by SAE International, USA. The event originated in the name of Mini BAJA, in the year 1976 at University of Carolina. Since then, the event spread its wings to several countries like Mexico, South Africa, Korea, Brazil and India.	7360 students (184 no. of engineering colleges)	-
5	Kham River Eco Restoration Project – The Kham is a 65 km long seasonal river in the Marathwada region, Maharashtra. It joins the Godavari River at Nathsagar in Paithan. In its upstream stretch, it flows through the city of Chatrapati Sambhajinagar for 8.8km. This project is aimed at cleaning the river and installing trappers in the river to trap waste materials/garbage. It aims at developing a green bridge, guarding of the bridge, protecting it and beautification. Tree saplings planted near the surroundings = 13,600 nos.	Chatrapati. Sambhajinagar District	-
6	Abhinav Bindra Foundation Trust (ABFT) - Varroc joined hands with the ABFT which works for uplifting of the Indian Sporting Ecosystem, Education and Social Upliftment bringing Global best Practices through intervention. It supports 3 Indian Athletes, Mughdhaa Wavhal (Swimming), Ajay Bhosale (Swimming) & Shrushti Chorge (Boxing) to grow in their respective fields.	3 players	-

PRINCIPLE 9:
Businesses should engage with and provide value to their consumers in a responsible manner
Essential Indicators
1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

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

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

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

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

	FY 2026 (Current Financial Year)			FY2025 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

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

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

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

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

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

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

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

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

- a. Number of instances of data breaches: 0
- b. Percentage of data breaches involving personally identifiable information of customers: 0
- c. Impact, if any, of the data breaches: 0

Leadership Indicators

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

All the products and services of Varroc Engineering can be accessed on the company website www.varroc.com

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

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

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

Not applicable

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

Not Applicable