



VST Industries Limited

June 30, 2025

The General Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001

The Manager
Listing Department
National Stock Exchange of India Ltd.
“Exchange Plaza”
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

STOCK CODE : 509966

STOCK SYMBOL : VSTIND

Dear Sir/Madam,

Sub : Business Responsibility & Sustainability Report (BRSR)

Please find enclosed a copy of the Business Responsibility & Sustainability Report (BRSR) forming part of the Annual Report 2025.

Please take the same on record.

Yours faithfully,
For VST INDUSTRIES LIMITED

PHANI K. MANGIPUDI
Company Secretary &
Vice President – Legal & Secretarial

Encl : As above.

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L29150TG1930PLC000576
2. Name of the Listed Entity	VST Industries Limited
3. Year of incorporation	10 th November 1930
4. Registered office address	1-7-1063/1065, Azamabad, Hyderabad - 500 020, Telangana, India*
5. Corporate address	1-7-1063/1065, Azamabad, Hyderabad - 500 020, Telangana, India*
6. E-mail	investors@vstind.com
7. Telephone	040-27688000
8. Website	www.vsthyd.com
9. Financial year for which reporting is being done	FY 2024-25
10. Name of the Stock Exchange(s) where shares are listed	BSE/NSE
11. Paid-up Capital	₹1,69,86,11,200
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Phani K Mangipudi is Company Secretary & Vice President - Legal & Secretarial Telephone: +91 040 2768 8000, E-mail: phanimangipudi@vstind.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	We do not have any subsidiary company/ companies, hence disclosures under this report are made on a standalone basis.
14. Name of assurance provider	Not Applicable
15. Type of assurance obtained	Not Applicable

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing of Cigarettes containing tobacco	Manufacturing & marketing cigarettes	100%

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

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Cigarettes containing tobacco	12003	73.80%
2	Unmanufactured tobacco	46202	26.20%

III. Operations

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

Location	Number of plants	Number of offices	Total
National	1	13	14
International	0	0	0

19. Markets served by the entity:

a. Number of locations

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

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

22.37%

c. A brief on types of customers

Our core customer base comprises adult and new-age consumers with an open mindset, receptive to exploring new brands introduced by us. Our strong brand portfolio addresses the diverse preferences of adult smokers across socio-economic segments through our New Age Brands (NABs) and Growth Heritage Brands (GHBs).

IV. Employees

20. Details as at the end of Financial Year (FY 2024-25):

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)	343	333	97	10	3
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total Employees (D+E)	343	333	97	10	3
WORKERS						
4.	Permanent (F)	353	353	100	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total workers (F+G)	353	353	100	0	0

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)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D+E)	0	0	0	0	0
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	6	1	17
Key Management Personnel	6	0	0

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

	FY 2024-25 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	33%	40%	34%	21%	0%	21%	12.78%	11.76%	12.74%
Permanent Workers	10%	0%	10%	3%	0%	3%	8.53%	0%	8.53%

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)
			None	

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 (Yes/No): Yes
(ii) Turnover (in ₹): ₹18,09,43,40,563
(iii) Net worth (in ₹): ₹13,22,68,93,458

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)	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	None	0	0	None
Investors (other than shareholders)	Yes	0	0	None	0	0	None
Shareholders	Yes*	67	0	None	49	0	0
Employees and workers	Yes	0	0	None	0	0	None
Customers	Yes	0	0	None	0	0	None
Value Chain Partners	Yes	0	0	None	0	0	None
Other (please specify)	Yes	0	0	None	0	0	None

* Shareholder complaints are received either through dedicated email provided by VST or routed to us through SEBI regulators as governed by the statute. These complaints are reviewed by a committee headed by an independent director, i.e., stakeholders relationship committee.

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In-case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy	Risk	1. Energy management reduces costs and risk of scarcity associated with energy. 2. Effective energy management reduces GHG emissions. 3. Energy management helps to meet statutory compliance.	We measure the facility's energy consumption and identify opportunities to reduce energy consumption. We are also developing an energy management strategy. We educate our stakeholders, i.e., employees, workers, and others, on the importance of energy management and provide them guidance on managing the consumption.	Negative

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	Emissions	Risk	<ol style="list-style-type: none"> Greenhouse gas (GHG) emissions is a vital component of a larger sustainability plan to mitigate the impact of climate change. GHG emissions impose regulatory risk. 	<p>We measure emissions on an annual basis and track the same to identify opportunities for reduction.</p> <p>We are also increasing the contribution of renewables at our own premises, substituting with cleaner fuels, and promoting sustainable agricultural practice to reduce our scope 3 emissions.</p>	Negative
3	Water	Risk	<ol style="list-style-type: none"> Growing tobacco is a very water-intensive process. Hence any scarcity of water is likely to impact the business. 	<ol style="list-style-type: none"> We are supporting various initiatives towards water management & harvesting. Our manufacturing unit at Toopran has implemented Zero Liquid Discharge (ZLD). We monitor and measure water withdrawal, consumption and discharged on periodical basis to identify opportunities for reduction. We have also introduced a Water Stewardship Policy and undertaken a water risk assessment study. Our facility at Toopran has obtained the AWS(Alliance for Water Stewardship) Gold certification. 	Negative
4	Health & Safety	Risk	Effective H&S performance assists in attracting and retaining quality talent.	We have an effective health and safety practice deployed in accordance with our policies on health and safety measures. We monitor and measure the effectiveness of our safety practices including, conducting hazard identification and risk assessment across the value chain.	Positive
5	Responsible Sourcing	Opportunity	<ol style="list-style-type: none"> Eliminates sustainability risks in the supply chain. Ensure the customers that the products are sourced from responsible managed resources and responsible suppliers. 	<p>We have processes in place for integrating sustainability aspects in leaf sourcing.</p> <p>For the non-leaf suppliers, we assess performance on quality, delivery and price. We have developed a sustainable supply chain framework and going forward we will integrate sustainability aspects in all sourcing process.</p>	Positive

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)
6	Waste Management	Risk	<ol style="list-style-type: none"> Management of tobacco product waste (TPW) at the consumer end. Waste management infrastructure has an important role in delivering sustainable development. 	Hazardous waste is being disposed of through PCB approved recycling vendor. We monitor hazardous waste in our manufacturing units and the wastes are within permissible limits as laid down by the regulators.	Negative
7	Farmer Livelihood	Opportunity	<ol style="list-style-type: none"> Assisting farmers to address the challenges related to agricultural practices. Increasing their earnings by improving farm productivity Supporting farmers to thrive in a marketplace. 	<ol style="list-style-type: none"> enhancing farm productivity through a range of initiatives, including raising awareness about soil quality management, seed quality, and the mechanisation of field operations. ensuring that levels of pesticide residues and Tobacco Specific Nitrosamines (TSNAs) comply with international standards. prevent any human rights abuses and guarantee sustainable and equitable working conditions. upgrade barn structures, which serves to discourage deforestation activities. substituting traditional chemicals with biochemicals. adopting drip irrigation and the use of micro-sprinklers. 	Positive
8	Circular Economy	Opportunity	<p>Achieve global climate and sustainable development commitments.</p> <ol style="list-style-type: none"> Resource efficiency Protect human health and biodiversity. 	We collect back plastic from end users across 26 States, 6 Union Territories in India as a part of EPR (Extended Producer Responsibility) plan through authorised waste handlers	Positive
9	Employment	Opportunity	<ol style="list-style-type: none"> Poverty reduction Enhanced productivities Boost companies' social performance as an attractive employer 	<ol style="list-style-type: none"> Employees are provided with skill enhancement training. We also undertake various feedback from employees on our HR practices and understand their needs on a regular basis. 	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)
10	Labour Management Relations	Risk	<ol style="list-style-type: none"> Essential for the success of businesses' operations-increased productivity and morale. Essential for company's social performance as an attractive employer. Better working relations with the union at the premises ensure better brand image. 	<p>We make contributions to defined contribution schemes such as labour welfare funds which are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the workers. As a company, we ensure our relationship with our workers unions is cordial. We recognise the needs of the workers and address their concerns proactively through long-term solutions, post interactions and discussions with the Union. We also undertake various feedback mechanisms on ESG aspects.</p>	Negative
11	Human rights	Risk	<ol style="list-style-type: none"> Potential to negatively impact companies ESG performance. Violation of Human Rights leads to Regulatory, legal, and legislative challenges. 	<p>We mitigate the challenges of human rights and monitor issues related to child labour, forced labour and sexual harassment. We also maintain a harmonious working environment with the Union at the factory and undertake feedback exercise on a continuous basis. We proactively recognise the needs of the workforce and address their concerns through long-term solutions post interactions and discussions with the Union.</p>	Negative
12	Business ethics	Risk	<ol style="list-style-type: none"> Highly opinionated business segment in terms of ethics. Regulatory and legal challenges associated with the nature of business we are in. 	<p>We have ensured a strong ethical business culture by upholding our Code of Conduct and Ethics Policy and Guidelines on Recruitment, and have undertaken measures for effective risk management, including responsible marketing and promotion of products.</p>	Negative
13	Innovation	Opportunity	<ol style="list-style-type: none"> Development of new products. Access to new geographies. 	<p>We continue to invest in R&D for development of new products to match customer preferences.</p>	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In-case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
14	Consumer welfare	Risk	<ol style="list-style-type: none"> Our abilities to prevent counterfeit products. Our ability to provide consumers with manufactured products that are aligned with societal expectation. Access to the new geographies 	<ol style="list-style-type: none"> To prevent counterfeit products or illegal trade we are partnering with the industry to identify inter-governmental efforts and public-private alliances in adopting appropriate measures like sensible taxation. Launching new products to meet consumer expectations through new/ innovative brands. 	Negative
15	Community initiatives	Opportunity	<ol style="list-style-type: none"> Build strong relationships with the communities where we operate. Promote economic growth and improve the standard of living in the areas of CSR interventions. 	<p>Our CSR focus areas have been designed to cater to the needs of the community that we operate in. Below are our four focus areas:</p> <ul style="list-style-type: none"> Rural Development Health & Sanitation Education & Sports Environment & Sustainability 	Positive
16	Climate resilience	Opportunity	<ol style="list-style-type: none"> Disruption in tobacco raw material procurement. Reduced risk of climate change. Building operational resilience. 	<p>We are undertaking various steps to facilitate financing of agricultural equipment which is environmentally friendly and economically affordable. We have also started to monitor the impact of climate change on our business processes through a comprehensive climate risk assessment process. This process involves identifying potential physical and transitional risks from climate change, evaluating their potential impact on our operations, and integrating these insights into our long-term planning to ensure business resilience.</p>	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In-case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
17	Sustainable material	Opportunity	<ol style="list-style-type: none"> Opportunity to mitigate the challenges associated with climate change. Promote circular economy. Reduced Environmental Implications. 		Positive
18	Training and education	Opportunity	<ol style="list-style-type: none"> Reduced turnover. Reduced external hiring costs Additionally, more engaged and committed workforce Increased productivity High ROI 	1. We provide training to our workforce based on the needs assessment that forms a part of their performance evaluation.	Positive
19	Regulatory compliance	Risk	<ol style="list-style-type: none"> Increase the costs of running a business. Reduce the attractiveness of an investment. 	Responsibilities, accountabilities, and reporting lines are systemically defined in all departments and conform to meet all regulatory compliance with applicable regulations. There are audit procedures to assess compliance preparedness.	Negative
20	Diverse and inclusive work environment	Opportunity	<ol style="list-style-type: none"> Enhance performance by fostering a diverse environment that brings together individuals with varied knowledge, perspectives, and viewpoints. Boost innovation and problem-solving abilities, improve talent attraction and retention, increase employee engagement, and drive higher efficiency. 	<ol style="list-style-type: none"> The company fosters a diverse workforce by increasing representation of women and using employee feedback to enhance development programmes. It focuses on health and safety, emphasises mental health wellbeing, and promotes inclusion for all employees. We practice non-discrimination. 	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	
Policy and management processes										
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
b. Has the policy been approved by the Board? (Yes/No)	Yes. The policies are approved by our Board of Directors. Implementation of policy decisions is carried out by the management.									
c. Web Link of the Policies, if available	Our internal policies are available on the intranet. Other policies are available on our website, www.vsthyd.com .									
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.			ISO 45001:2018			ISO 14001:2015, Indian Green Building Council (IGBC) 'Gold Rating', Adopting Alliance for Water Stewardship (AWS) Certification for Sustainable manufacturing in cut tobacco			ISO 17025:2017	
5. Specific commitments, goals and targets set by the entity with defined timelines, if any						6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.				
P2	30% of contracted farmers (for Talmari & Oriental crops) to use drip irrigation by 2030			Voluntary		10% (on track)				
P2	30% of crop protection agents used by contracted farmers to be biofertiliser/biochemicals based by 2030			Voluntary		10% (on track)				
P2	20% improvement in soil organic matter by 2030 through green manuring crops for better water holding capacity			Voluntary		5% of the contracted farmers use green manures to improve soil organic content. The soil will be tested 2-3 years later to measure improvement in soil organic content.				
P2	Farm Mechanisation: Implement mechanisation of field preparation and removal of stubbles for 100% of area under tobacco by 2030. Also, explore and implement mechanisation of other farm operations (harvesting & plantation) for at least 20% of tobacco area by 2030.			Voluntary		Field preparation has achieved 100% mechanisation, while 80% of farmers adopted mechanised stubble removal in FY 2024				
P2	100% Contracted farmers to be provided with CPA (Crop Protection Agent) boxes for safe storage			Voluntary		70% (on track)				

P3	100% Contracted farmers to be trained on use of agrochemicals and safe disposal	Voluntary	70% (on track)
P3	Zero accident in own operations	Voluntary	Zero
P4	Promote an inclusive work environment by: • Being an equal opportunity employer and provide equal opportunity to all employees based on merit and ability • Provide inclusiveness training to management staff to promote a work environment free from discrimination, sexual harassment and undue biases in compensation, training and employee benefits based on caste, religion, disability, gender, sexual orientation, race, colour, ancestry, marital status or affiliation with a political, religious or union organisation or majority/ minority group	Voluntary	Complied with (On Track)
P4	Continue to invest in employee engagement and conduct the employee engagement survey at regular intervals to track for any course correction, track relevant KPIs for the workforce	Voluntary	Complied with (On Track)
P5	Child labour/forced labour: "We have zero tolerance towards child labour or forced labour. We shall continue to have adequate measures in place to identify and mitigate such risks within the leaf supply chain"	Voluntary	Complied with (On Track)
P5	Minimum wage for farm workers: "We shall continue to ensure minimum legal wage is provided to farm workers"	Voluntary	Complied with (On Track)
P6	80% Contracted farmers to be GMS (farm level data recording tool) compliant	Voluntary	100% (Achieved)
P6	50% renewable energy in overall energy mix (provided favourable regulatory scenario exists) by 2030 (Baseline 2019-20)	Voluntary	In FY24-25, we have reached to 30% of green power mix in overall plant consumption
P6	Aim to operate 100% of fleet (owned and third party) on electric vehicles by 2030 (Baseline 2019- 20)	Voluntary	No EV passenger Fleet. Feasibility study of EV buses in progress; 14 forklifts are battery operated; 1 EV charging stations for 4 wheelers; 3 EV charging stations for 2 wheelers; (On Track)
P6	Achieve carbon neutrality for our own operations by 2030 (scope 1+2 emissions)	Voluntary	Offset measures are planned for subsequent years
P6	Rainwater Harvesting Potential equivalent to over 3 times the Net Water Consumption from own operations (Baseline 2019-20)	Voluntary	In Azamabad, the rainwater harvesting potential is more than 3times and in Toopran more than 4times than the site net water consumption
P6	95.6% utilisation of tobacco at Primary manufacturing	Voluntary	97% (Achieved)
P6	100% of packaging to be reusable, recyclable, or biodegradable by 2030 (Baseline 2019-20)	Voluntary	100% (Achieved)
P6	Achieve plastic neutrality through sustainable management of waste equivalent to the amount of plastic utilised in Packaging (Baseline 2019-20)	Voluntary	100% (Achieved)
P7	Continue to comply with applicable regulatory requirements	Voluntary	Complied with (On track)

Governance, leadership and oversight

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

As we reflect on another impactful year, I am honoured to present the ESG Report of VST Industries for FY 2024-25. This year has been a pivotal one in advancing our sustainable, ethical, and responsible business practices, reinforcing our role as a leader in corporate responsibility. We are progressing in a landscape that demands action on sustainability, and I am proud of our efforts to consistently integrate Environmental, Social, and Governance (ESG) principles into our business strategy. This report showcases the tremendous work done across our value chain, where our comprehensive ESG framework serves as the foundation for managing risks, identifying opportunities, and tracking our progress. Through our 2030 sustainability goals, we remain steadfast in our commitment to transparency, accountability, and continuous improvement. Our progress is evident in many areas. From expanding our solar energy capacity—now accounting for 30% of our electricity consumption—to achieving Gold certification for water stewardship at our Toopran facility, we continue to lead with purpose. We have also taken a significant step forward in material innovation by transitioning fully to biodegradable BOPP in our packaging. These are not just environmental milestones—they represent our philosophy of doing well by doing good.

Our contributions towards sustainable agriculture have been equally commendable. We are proud to announce that 100% of our contract farmers are now a part of our Grower Management System (GMS) compliant systems aligned with Sustainable Tobacco Programme. During the reporting period we have significantly invested on improving their livelihood by taking noticeable steps to enhance their yield. All farmers have mechanised their field preparation activities, while 80% of farmers adopted modern practices for stubble removal. Approximately 10% of farmers for Talmari & Oriental crops are now having access to drip irrigation facilities and use biofertilisers as Crop Protection Agents (CPA). Also, more than 70% of farmers are now having access to CPA boxes for safe storage of hazardous chemical containers and are trained for its safe disposal.

At the heart of it all, this journey is about people. It is their passion and resilience that fuel our purpose. We foster a work environment that is both inclusive and safe. Committed towards zero incidents, we uphold the highest standards of safety management system. We promote a work environment where every employee feels valued and receive equal opportunity in career growth and development.

Responsibility is a core value that drives our business ethos, and we are dedicated to setting a benchmark in corporate social responsibility by actively contributing to community development and improving infrastructure. As part of this dedication, we have broadened our community engagement efforts through a range of initiatives focused on healthcare and sanitation, rural development, education, and environmental sustainability. In FY 2024-25, we launched several significant projects, including the introduction of electric vehicles (EVs) for food transportation, menstrual hygiene programmes and mobile dispensaries, all aimed at improving the quality of life for underserved communities.

These initiatives have positively impacted 1 Million lives, reflecting our ongoing commitment to making a positive difference in the communities we serve.

Our journey thus far has been both fulfilling and rewarding, and we are more committed than ever to shaping a future that is sustainable, innovative, and resilient. I extend my deepest thanks to all our stakeholders for their continued support and engagement. Together, we will continue to drive positive change and create a lasting legacy for future generations.

Thank you for being part of this incredible journey.

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

1. Mr. Rajeev Bakshi (Independent Non-executive Director; DIN: 00044621) as the Chairman
2. Ms. Rama Bijapurkar (Independent Non-executive Director; DIN: 00001835)
3. Mr. Naresh Kumar Sethi (Non-executive Director; DIN: 08296486)
4. Mr. S. Thirumalai (Non-executive Director; DIN: 00011899)
5. Mr. Aditya Deb Gooptu (Managing Director & CEO; DIN: 07849104)

Implementation of Business Responsibility policy(ies).

Mr. Phani K Mangipudi Company Secretary & Vice President - Legal & Secretarial

Telephone: +91 040 2768 8000

E-mail: phanimangipudi@vstind.com

9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.

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

1. Mr. Rajeev Bakshi (Independent Non-executive Director; DIN: 00044621) as the Chairman
2. Ms. Rama Bijapurkar (Independent Non-executive Director; DIN: 00001835)
3. Mr. Naresh Kumar Sethi (Non-executive Director; DIN: 08296486)
4. Mr. S. Thirumalai (Non-executive Director; DIN: 00011899)
5. Mr. Aditya Deb Gooptu (Managing Director & CEO; DIN: 07849104)

10. Details of Review of NGRBCs by the Company:

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

P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
No								

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

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA								
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 categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	Familiarisation was provided on various topics related to regulatory changes comprising NGRBC principles, economic development, and other various market scenarios.	100%
Key Managerial Personnel	1		100%
Employees other than BoD and KMPs	9	ESG awareness programmes by implementation partner.	100%
Workers	14	EHS trainings	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					
Settlement			Nil		
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment					
Punishment			Nil		

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

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
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 uphold a strong commitment to ethical business practices and integrity across all levels of operation. While a separate anti-corruption or anti-bribery policy is not in place, these principles are comprehensively embedded within the Company's Code of Conduct and Ethics Policy and Guidelines on recruitment. This policy serves as a foundational document that defines key ethical standards, enables the prevention and detection of misconduct, and sets clear expectations for employees and directors regarding responsible conduct.

Web-link of the policy: <https://www.vsthyd.com/mainsite/documents/code-of-conduct-ethics-policy-and-guidelines-on-recruitment.pdf>

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

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directors	0	0
KMPs		
Employees		
Workers		

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

	FY 2024-25 (Current Financial Year)		FY 2023-24 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	0	0	0
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	0	0	0

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

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

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

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Number of days of accounts payables	46	43

9. Open-ness of business

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

Parameter	Metrics	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0%	0%
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0%	0%
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	100%	100%
	b. Number of dealers/distributors to whom sales are made	982	970
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	23.9%	22%
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	0%	0%
	b. Sales (Sales related parties/Total Sales)	0%	0%
	c. Loans & advances (Loans & advances given to related parties /Total loans & advances)	0%	0%
	d. Investments (Investments in related parties/Total Investments made)	0%	0%

Leadership Indicators

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

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

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

Yes. We have a Related Party Transactions (RPT) Policy and have also formulated a policy for determining the Material RPT and the details of such policies for dealing with RPT are disseminated on our website at https://www.vsthyd.com/mainsite/documents/policy_for_determination_of_materialitylast_updated_on_14-7-2023.pdf. There were no materially significant related party transactions between our company and the Directors, Promoters, Key Managerial Personnel, and other designated people which may have a potential conflict with the interest at large. We have obtained prior approval for all the related party transactions from the Audit Committee of the Board. The Code of Conduct and Ethics Policy and Guidelines for recruitment reinforces our commitment to ethical conduct and integrity, outlining expectations for transparency, responsible decision-making, and the avoidance of actual or apparent conflicts of interest in personal and professional relationships by Directors and employees.

In addition, the Company ensures strong oversight at the Board level through its Independent Directors. Their roles, responsibilities, and conduct expectations are clearly articulated in the Terms and Conditions of Appointment of Independent Directors, which emphasise independence, objectivity, and acting in the best interests of the Company and its stakeholders.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

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

	Current Financial Year (FY 2024-25)	Previous Financial Year (FY 2023-24)	Details of improvements in Environmental and social impacts
R&D	0%	39%	Not Applicable
Capex	5.51%	7%	Energy efficiency projects such as implementation of Auto controlled Air wash unit, LED lights, dust removal fan with bag filter, water coolers, centralised DRF for Dust recovery system, CFC conveying System and PU flooring

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

We have implemented robust procedures for the sustainable sourcing of tobacco leaves and stems, ensuring a responsible supply chain that meets both environmental and social standards. By forming long-term contracts with farmers, we require adherence to labour laws outlined in the Agriculture Labour Practices (ALP) code and the Good Agricultural Practices (GAP) set forth in the farmer handbook. Our field technicians are instrumental in educating farmers about these requirements and providing guidance on effective implementation. To monitor and collect data on farmer progress, field technicians use the GMS application, which helps track compliance across key areas like seedbed management, transplanting, and crop protection.

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

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

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

Soil Nutrient Management: We encourage practices such as crop rotation, utilising leftover crop residues to boost soil organic carbon, and applying farmyard manures to improve soil health, contributing to long-term sustainable farming.

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

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

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

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

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

Sustainable Supply chain framework: To further strengthen our efforts, we have established a Sustainable Supply Chain Framework with associated Standard Operating Procedures (SOPs) for raw material suppliers. This framework includes mechanisms for identifying critical suppliers based on set criteria and evaluating them for ESG risks, ensuring that all suppliers align with our sustainability goals.

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

28.90% of our input was sourced sustainably during the reporting period.

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

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

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

Yes, Extended Producer Responsibility (EPR) is applicable to the company. We have collaborated with SPCB-approved recyclers to implement the EPR plan and ensure compliance with waste collection and disposal guidelines.

Leadership Indicators

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

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
No, we have not conducted any Life Cycle Assessments for any of our products during the reporting period.					

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

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

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
	Nil	Nil

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

	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastic Waste (including packaging)	0	0	172 MT	0	0	208 MT
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0
Other waste	0	0	0	0	0	0

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Cigarettes	100%

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

Essential Indicators

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

Category	% of employees covered by										
	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	333	333	100	333	100	0	0	0	0	0	0
Female	10	10	100	10	100	10	100	0	0	0	0
Total	343	343	100	343	100	10	100	0	0	0	0
Other than Permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

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

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	353	353	100	353	100	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	353	353	100	353	100	0	0	0	0	0	0
Other than Permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

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

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company	0.16%	0.16%

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

Benefits	FY 2024-25 Current Financial Year			FY 2023-24 Current Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	N	100	100	N
ESI	0	0	Y	0	0	Y
NPS	38.8	0	Y	45.7	0	Y

3. Accessibility of workplaces

Yes, our premises have been designed to support inclusiveness and accessibility for individuals with disabilities. This includes features such as wheelchair-accessible pathways, well-constructed ramps, and easy access points, ensuring comfortable and safe movement across the site. These efforts reflect our commitment to creating a work environment that is inclusive and accessible to all.

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.

We are committed to fostering an inclusive and respectful work environment that provides equal opportunities for all individuals. While a formal Equal Opportunity Policy in line with the Rights of Persons with Disabilities Act, 2016 is not currently in place, our hiring practices are guided by merit and alignment with our core values. We do not discriminate on the basis of age, colour, being differently abled, religion, caste, or sexual orientation during the recruitment process. All employees are treated with dignity and respect, with career development and advancement opportunities based on performance, capability, and potential, in line with our business needs. To support accessibility, most of our establishments are equipped with wheelchair-friendly facilities and ramp structures to ensure ease of movement for the differently abled.

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

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

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

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

	FY 2024-25			FY 2023-24		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	343	0	0	383	0	0
Male	333	0	0	369	0	0
Female	10	0	0	14	0	0
Total Permanent Workers	353	353	100	389	389	100
Male	353	353	100	389	389	100
Female	0	0	0	0	0	0

8. Details of training given to employees and workers:

Category	FY 2024-25 Current Financial Year					FY 2023-24 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	333	35	10.51	279	83.78	369	269	73	42	11.4
Female	10	4	40	1	10	14	12	86	14	100
Others	0	0	0	0	0.00	0	0	0	0	0
Total	343	39	11.37	280	81.63	383	281	73	56	15
Workers										
Male	353	332	94	113	32.01	389	337	86.6	389	100
Female	0	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0	0
Total	353	332	94	113	32.01	389	337	86.6	389	100

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

Category	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	333	333	100	369	369	100
Female	10	10	100	14	14	100
Total	343	343	100	383	383	100
Workers						
Male	353	353	100	389	389	100
Female	0	0	0	0	0	0.00
Total	353	353	100	389	389	100

10. Health and safety management system:

- a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?
Yes. We have implemented ISO 45001:2018 occupational health and safety management system at our manufacturing unit located at Toopran.
- b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
We undertake Hazard Identification and Risk Assessment (HIRA) on an annual basis and Job Safety Analysis for individual activities on a routine basis to identify work related hazards. We have developed control measures which are designed to mitigate the identified work-related hazards and record the same in the risk register.
- c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)
Yes. We have processes for workers to report work-related hazards and to remove themselves from such risks. We encourage our workers to remove themselves from work in unsafe conditions and create awareness amongst other workers on the mechanisms to report near missed cases while bringing to the attention of the management on any unsafe conditions for investigation. We duly undertake subsequent implementation of corrective and preventive actions.
- d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No).
Yes. The employees and workers have access to first aid through the health care center available within the premises.

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

Safety Incident/Number	Category*	FY 2024-25 Current Financial Year		FY 2023-24 Previous Financial Year	
Lost Time Injury Frequency Rate (LTIFR) (per one Million-person hours worked)	Employees	0	0	0	0
	Workers	0	0	0	0
Total recordable work-related injuries	Employees	0	0	0	0
	Workers	0	0	0	0
Number of fatalities	Employees	0	0	0	0
	Workers	0	0	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0	0	0
	Workers	0	0	0	0

*Including in the contract workforce

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

We ensure a safe and healthy workplace by:

- Implementing a robust emergency response plan in consideration of fire or explosion, electrical failures, chemical and fuel leakage; and conducting mock drills on quarterly basis
- Implementing safety guidelines to mitigate safety risks identified through job safety analysis
- Conducting an internal safety audit as per IS 14489 on a semi-annual basis and external safety audit on a biannual basis
- Quarterly reviewing safety performance by the Board and top management
- Providing continuous training to employees and workers
- Undertaking periodic medical survey and medical checkups
- Inducing a safety culture by motivating and encouraging employees to provide suggestions to improve safety performance.
- Conducting Safety Day competitions for employees and giving rewards and recognition.

Launch of Annual Safety Training Plan, introduced a Safety AR&VR Learning and development module and training is being conducted to workmen and employees

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

	FY 2024-25 (Current Financial Year)			FY 2023-24 (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	0	0	None	0	0	None
Health & Safety	0	0	None	0	0	None

14. Assessments for the year:

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

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

Not Applicable

Leadership Indicators

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

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

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

We engage with vendors who demonstrate a consistent track record of 100% compliance. Furthermore, all contract agreements with our value chain partners explicitly incorporate provisions related to applicable statutory requirements, including the payment and deduction of statutory dues. The Company ensures that all relevant compliance clauses are clearly defined, validated, and duly honoured by both parties throughout the duration of the engagement.

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

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

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

No

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	24%
Working Conditions	24%

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

We carry out environmental and social assessments for our tobacco farmers, with a strong focus on safeguarding their health and safety and enhancing their working conditions. One key concern in the tobacco supply chain is the risk of Green Tobacco Sickness (GTS). To mitigate this, we prioritise continuous farmer education and supervision, particularly emphasising the use of Personal Protective Equipment (PPE) during harvesting and curing. In FY 2024-25, we provided PPE kits to 50% of our farmers. Looking ahead, we aim to evaluate farmers under our sustainable supply chain assessment framework.

We also ensure farmers are trained in the safe disposal of Crop Protection Agents (CPA). Our field technicians play a critical role in monitoring compliance among contracted farmers, assisting with crop registration, offering expert guidance on nursery and plantation management, overseeing baling operations, and supporting efficient procurement. Using mobile applications for data entry, field technicians ensure accurate records in our Grower Management System (GMS), enabling effective monitoring and improved crop outcomes.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

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

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



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

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

Leadership Indicators

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

We have established a Corporate ESG Committee consisting of the Managing Director (MD) & Chief Executive Officer (CEO), and ESG Lead (Corporate Sustainability). This committee is tasked with several key responsibilities, including the planning and development of our ESG (Environmental, Social, and Governance) strategy, conducting comprehensive reviews of overall performance, and monitoring the operational direction to ensure alignment with our ESG goals. The committee also engages in Townhall discussions, providing a platform for open communication with employees at all levels. This new method of discussion allows for greater transparency.

Furthermore, the Corporate ESG Committee is responsible for providing regular feedback to the CSR (Corporate Social Responsibility) committee, ensuring continuous improvement and integration of ESG considerations into our business practices.

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

Yes, we believe that sustainable development requires not only addressing material challenges related to corporate operations and strategy, but also identifying and prioritising the most important challenges based on stakeholder concerns. We engage in a continuous process of evaluating material topics that are an integral part of our inclusive business strategy. This process involves identifying the common issues across the business, consulting with internal and external stakeholders and prioritising the material topics. During FY 2024-25 the environmental and social topics were reviewed following the process given below:

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

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

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

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

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

Category	Current FY (2024-25)			Previous FY (2023-24)		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. employees/workers covered (D)	%(D/C)
Employees						
Permanent	343	343	100	383	383	100
Other than permanent	0	0	0	0	0	0
Total Employees	343	343	100	383	383	100
Workers						
Permanent	353	353	100	389	389	100
Other than permanent	0	0	0	0	0	0
Total Workers	353	353	100	389	389	100

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

Category	Total (A)	Current FY (2024-25)				Total (D)	Previous FY (2023-24)			
		Equal to Minimum Wage		More than Minimum Wage			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	343	0	0	343	100%	383	0	0	383	100%
Male	333	0	0	333	100%	369	0	0	369	100%
Female	10	0	0	10	100%	14	0	0	14	100%
Other than Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent	353	0	0	353	100%	389	0	0	389	100%
Male	353	0	0	353	100%	389	0	0	389	100%
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0

3. Details of remuneration/salary/wages

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/salary/wages of respective category (in INR)	Number	Median remuneration/salary/wages of respective category (in INR)
Board of Directors (BoD)	5	51,80,000	1	47,80,000
Key Managerial Personnel	2	1,29,37,831	0	0
Employees other than BoD and KMP	330	10,38,856	10	11,85,890
Workers	353	9,55,872	0	0

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

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Gross wages paid to females as % of total wages	0.10%	0.09%

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

Yes, the Audit Committee supervises the review of concerns raised by employees through the Whistleblower mechanism. This mechanism empowers employees to report issues related to human rights violations, such as harassment, victimisation, bullying, and discrimination, ensuring a comprehensive investigation and effective grievance resolution.

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

We have established a whistleblower mechanism that enables individuals to confidentially report human rights violations directly to management without fear of retaliation, using a designated email or contact details. In special cases, employees and directors also have the option to escalate concerns directly to the Chairperson of the Audit Committee.

To uphold ethical practices and ensure compliance with human rights standards outlined in the ALP Code within our tobacco supply chain, we have deployed field technicians to regularly monitor farm holdings for any violations. Identified human rights concerns are recorded through the GMS application, allowing us to take appropriate corrective actions based on the severity of the issue.

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

	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	None	0	0	None
Discrimination at workplace	0	0	None	0	0	None
Child Labor	0	0	None	0	0	None
Forced Labor/ Involuntary Labour	0	0	None	0	0	None
Wages	0	0	None	1	1	None
Other human rights related issues	0	0	None	0	0	None

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

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/ workers	0	0
Complaints on POSH upheld	0	0

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

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

All complaints are handled with strict confidentiality, and identities are not disclosed except as required by law or regulatory authorities. Any attempt to victimise, intimidate, or retaliate against a complainant, witness, or anyone cooperating in an investigation is subject to strict disciplinary action. Our policies ensure a fair and transparent redressal process to uphold a safe and respectful workplace.' Case in point is one such complaint from the employee in 2021, which was managed with utmost sensitivity and confidentiality.

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

Yes, human rights requirements are incorporated into business agreements and contracts with farmers through the Agriculture Labor Practices (ALP) Code. By implementing the ALP Code, we actively monitor and assess the tobacco supply chain to prevent discrimination, including child labour and forced labour, ensure the payment of minimum wages, and uphold safe working conditions.

10. Assessments for the year:

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

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

Nil

Leadership Indicators

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

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

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

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

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

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

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

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	24%
Discrimination at workplace	24%
Child Labor	24%
Forced Labor/Involuntary Labour	24%
Wages	24%
Others- please specify	24%

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

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

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

Essential Indicators

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

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A) (GJ)	5,201 GJ	5,357 GJ
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)	5,201 GJ	5,357 GJ
From non-renewable sources		
Total electricity consumption (D) (GJ)	11,495.91 GJ	15,784 GJ
Total fuel consumption (E) (GJ)	15,069 GJ	13,895 GJ
Energy consumption through other sources (F) (GJ)	-	-
Total energy consumed from non-renewable sources (D+E+F)	26,565.35 GJ	29,679 GJ
Total energy consumed (A+B+C+D+E+F)	35,843 GJ	35,036 GJ
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations)	0.0000019 GJ/INR	0.0000019 GJ/INR
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumption/ Revenue from operations adjusted for PPP)	0.000041 GJ/per INR adjusted to PPP	0.000043 GJ/per INR adjusted to PPP
Energy intensity in terms of physical output	6.83 GJ/Million Cigarettes*	5.53 GJ/Million Cigarettes
Energy intensity (optional) – the relevant metric may be selected by the entity		

Note: The revenue from operations has been restated for FY 2025 and adjusted for PPP, based on the PPP conversion factor published for the year 2025 by IMF (for India) which is 20.66.

*The production at our Primary Manufacturing Unit in Azamabad was discontinued in August 2024, however we remained operational till December 2024, for the purpose of shifting of plant machinery. This has resulted in an increase in our intensity figures across environmental parameters.

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

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

No

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

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	23,326	27,784 KL
(iii) Third party water	10,755	11,745
(iv) Seawater/desalinated water	0	0
(v) Others (Rainwater harvesting)	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	34,081	39,529KL
Total volume of water consumption (in kilolitres)	34,081*	39,529KL*
Water intensity per rupee of turnover (Total Water consumed/Revenue from operations) (kL/Rs)	0.0000018 KL/INR	0.0000021 KL/INR
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP)	0.00004 KL/INR adjusted to PPP	0.00005 KL/INR adjusted to PPP
Water intensity in terms of physical output	6.49 KL/Million Cigarettes*	6.24 KL/Million Cigarettes
Water intensity (optional) – the relevant metric may be selected by the entity		-

Note: The revenue from operations has been restated for FY 2025 and adjusted for PPP, based on the PPP conversion factor published for the year 2025 by IMF (for India) which is 20.66

* The values of water consumption has been extrapolated for FY 2024 and FY 2025 based on the headcount of the sales office and the estimated consumption is 45 litres per head per working day for offices (as per CGWA guideline)

*The production at our Primary Manufacturing Unit in Azamabad was discontinued in August 2024, however we remained operational till December 2024, for the purpose of shifting of plant machinery. This has resulted in an increase in our intensity figures across environmental parameters

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

4. Provide the following details related to water discharged:

In line with our commitment to environmental sustainability and water stewardship, our manufacturing facility in Toopran has attained zero liquid discharge status. Consequently, there is no water discharge applicable to VST.

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
(iv) Sent to third parties	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(v) Others	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

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, our manufacturing unit in Toopran has implemented a mechanism for Zero Liquid Discharge. The wastewater treated from the effluent treatment plant is utilised for landscaping purposes.

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

Parameter	Please specify unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
NOx	Tonnes	17.65	23.73
Sox	Tonnes	14.58	20.56
Particulate Matter (PM)	Tonnes	3.74	4.68
Persistent organic pollutants (POP)	Tonnes	0	0
Volatile organic compounds (VOC)	Tonnes	0	0
Hazardous air pollutants (HAP)	Tonnes	0	0
Others- please specify	Tonnes	0	0

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

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

Parameter	Unit	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	984.743 tCO ₂ e	910 tCO ₂ e
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	2,322 tCO ₂ e	3,139 tCO ₂ e
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	tCO ₂ e/INR	0.00000018	0.00000022

Parameter	Unit	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations adjusted for PPP)	tCO ₂ e/per INR of turnover adjusted to PPP	0.000003776	0.000004936
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO ₂ e/Million Cigarettes	0.66 tCO ₂ eq/Million Cigarettes*	0.64 tCO ₂ eq//Million Cigarettes
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: The revenue from operations has been restated for FY 2025 and adjusted for PPP, based on the PPP conversion factor published for the year 2025 by IMF (for India) which is 20.66

*The production at our Primary Manufacturing Unit in Azamabad was discontinued in August 2024, however we remained operational till December 2024, for the purpose of shifting of plant machinery. This has resulted in an increase in our intensity figures across environmental parameters

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.

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

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

1. Implementation of DRF, AHU & Compressor Closed loop System: This initiative has led to energy savings of ~19,410kWH/month, a 6.9% reduction in compressor loading and an annual avoidance of approx 249 tons of CO₂ emissions.
2. Installation of LED and Solar lights: We have installed 10KW of solar-powered street and parking lights, significantly reducing grid dependency and lowering carbon emissions. Additionally, the efficiency of our solar plant has increased by 5% compared to FY23-24, driven by best maintenance practices. Installation of 1.18 MW solar plant resulting in 30% of the power from renewable sources.
3. Increased solar power generation: As part of our solar power generation expansion, we have reduced energy consumption in utilities by 6.5% through optimal layout design at the Toopran plant, further contributing to our GHG reduction efforts.
4. Identified sustainability project for conversion of fuel PNG from LPG for our Canteen cooking operations in Toopran unit: This resulted in reduction of 65tons of CO₂ emission annually, and improved burner efficiency contributing to better heat utilisation.

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

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	31.59 MT	28.74 MT
E-waste (B)	0	0
Bio-medical waste (C)	0.059 MT	0.194 MT
Construction and demolition waste (D)	1 MT	0
Battery waste (E)	0	0

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G) Used oil	0.86 MT	0.525 MT
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	0	0
Total (A+B + C + D + E + F + G + H)	33.51 MT**	29.46 MT
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.0000000018 MT/INR	0.0000000016 MT/INR
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.000000038 MT/INR of turnover adjusted to PPP	0.000000036 MT/INR of turnover adjusted to PPP
Waste intensity in terms of physical output	0.0063 MT/Million Cigarettes*	0.004 MT/Million Cigarettes
Waste intensity (optional) - the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	32.45 MT	29.26 MT
(ii) Re-used	1MT	0
(iii) Other recovery operations	0	0
Total	33.45 MT	29.26 MT
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.059 MT	0.194 MT
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0.059 MT	0.194 MT

Note: The revenue from operations has been restated for FY 2025 and adjusted for PPP, based on the PPP conversion factor published for the year 2025 by IMF (for India) which is 20.66

*The production at our Primary Manufacturing Unit in Azamabad was discontinued in August 2024, however we remained operational till December 2024, for the purpose of shifting of plant machinery. This has resulted in an increase in our intensity figures across environmental parameters.

** During the reporting year, 1 metric tonne of Construction and Demolition (C&D) waste was generated due to the discontinuation of operations at Azamabad. This waste was repurposed and reused to create shaded resting zones and seating areas.

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

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

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

with the concept of 3 R (Reuse, Reduce and Recycle) embedded across the value chain. We also duly categorise waste into hazardous and non-hazardous components, with hazardous waste forming 2.6% of the total waste generated. The non-hazardous waste includes plastic waste and biomedical waste. Hazardous waste is disposed through authorised third-party recyclers in alignment with relevant waste management guidelines provided by regulatory bodies like the Central/State Pollution Control Board (SPCB). Bio-medical waste is incinerated at a third-party incinerating facility. We do not consume hazardous chemicals in our process.

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

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

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public Domain (Yes/No)	Relevant Web Link
Not applicable. VST is not required to conduct EIA as we fall under orange category					

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

Yes, we adhere to all applicable environmental laws, regulations, and guidelines in India, including the Water (Prevention and Control of Pollution) Act, the Air (Prevention and Control of Pollution) Act, and various provisions under the Environment Protection Act and its associated rules. By complying with state pollution control board protocols and integrating technological advancements into our production processes, we strive to minimise pollution. Additionally, we have obtained the required Consent to Establish and Consent to Operate under the Water Act, Air Act, and EPA, ensuring timely renewal of our operational permits.

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

Leadership Indicators

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

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

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

This is not applicable for VST

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(I) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	0	0
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (In kiloliters)	0	0
Total volume of water consumption (In kiloliters)	0	0
Water intensity per rupee of turnover (Water consumed/turnover)	0	0
Water intensity (optional) – the relevant metric may be selected by the entity	0	0
Water discharge by destination and level of treatment (in kiloliters)	0	0
(i) Into Surface water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) Into Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) Into Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

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

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

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
*Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	2,856.92	3,410
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO ₂ /equivalent/INR lakh	0.015	0.018
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Metric tonnes of CO ₂ /Million cigarettes	0.544	0.538

*Category 9 – Downstream Emissions – The Company has only considered downstream emissions from transportation within India. Emissions from export of goods has not been considered for FY24-25

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

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

Not Applicable

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

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of initiative
1	Fuel substitution	Identified sustainability project for conversion of fuel PNG from LPG for our Canteen cooking operations in Toopran unit.	This resulted in reduction of 65tons of CO ₂ emission annually, and improved burner efficiency contributing to better heat utilisation.
2	Renewable energy	Installation of 1.18MW solar power plant.	30% of our power consumption is met from Solar power project.
3	Optimising water usage	1. Installed low flow water fixtures at high water use areas. 2. Installed Sensor based water taps to reduce the water consumption. 3. Effective monitoring of water consumption. 4. Periodical maintenance of water infrastructure. 5. Direct Utilisation of Rainwater. 6. Usage of collected rainwater from the pond.	Improved resource efficiency and reduced the plant water usage by 5% compared to last year. Additionally, we have reduced the water consumption for civil construction in Toopran plant by 60%.
4	Technology Upgradation	1. Implementation of DRF/AHU & compressors Closed loop System. 2. Installation of LED lights. 3. Increase in solar power generation of 3%. 4. Solar street lights and Garden lighting.	• Implementation of DRF/AHU has led to energy savings of ~19,410kWH/month, a 6.9% reduction in compressor loading and an annual avoidance of approx 249 tons of CO ₂ emissions.
5	Optimising tobacco utilisation	Experimented with Blend & Process parameters.	2% improvement in cut tobacco blend fill power, Reduced Cigarette Density by 2points and saved blend cost by 90Lacs/Annum.

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

We are committed to establishing and maintaining a robust Business Continuity Management System (BCMS) to ensure the resilience of our operations. Our comprehensive BCMS is designed to identify potential threats and implement effective mitigation strategies. It is seamlessly integrated into our operational and technological frameworks, enabling the swift recovery of business functions following disruptions. This minimises the impact on our operations, customers, and stakeholders while safeguarding our brand and reputation.

Our objective is to develop, implement, test, and sustain Business Continuity Plans for critical functions, ensuring their continued operation despite acceptable levels of disruption. We are actively working to enhance awareness of business continuity among employees and relevant stakeholders through training and consultations. Additionally, we are dedicated to regularly evaluating the effectiveness of our BCMS to drive continuous improvement and embed a strong culture of business continuity within the organisation.

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

To ensure responsible tobacco sourcing, we enforce strict audit processes outlined in the Sustainable Tobacco Programme across our supply chain. Our agreements with farmers are designed to meet these standards, with compliance monitored by field technicians using the GMS application to track adherence to contractual obligations and audit requirements.

Outlined below are the key environmental risks associated with our tobacco value chain and the measures we implement to mitigate them:

I. Waste Management

Tobacco cultivation involves extensive use of agrochemicals, and improper disposal of their containers poses environmental risks. Our contracts mandate responsible disposal practices, requiring farmers to triple-rinse empty containers, drain the rinse water into the spray tank, puncture the containers to prevent reuse, and dispose of them according to manufacturer guidelines and national regulations. Currently, 70% of our contracted farmers have received training on agrochemical usage and safe disposal. Moving forward, we plan to promote the use of bio-fertilisers and facilitate the distribution of CPA storage and waste collection boxes to contracted farmers.

II. Water Management

Some farmers in our supply chain rely on irrigation for tobacco cultivation. To enhance water efficiency, we are expanding access to micro-sprinklers and drip irrigation systems while improving soil water retention through green manuring. As of FY 2024-25, 80% of our nurseries have been equipped with micro-sprinklers to optimise irrigation.

III. Climate Change

Flue curing, the predominant global method for drying tobacco leaves, contributes significantly to deforestation due to firewood consumption. However, most farmers in our supply chain practice sun curing, eliminating the risk to biodiversity. In FY 2024-25, 100% of the tobacco leaf we procured was cured without contributing to deforestation in primary or protected forests. For the small number of farmers who still use flue curing, we are reducing environmental impact by promoting the use of agricultural by-products—such as tobacco stalks, maize husks, sawdust, sunflower heads, groundnut shells, and cotton stalks—as sustainable firewood alternatives. Additionally, we plan to further encourage the adoption of bio-fertilisers among our farmers.

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

24% of our value chain partners, including material suppliers and contract farmers, undergo continuous assessment based on environmental criteria.

8. Number of Green Credits that have been generated or procured:

- By the company: Nil
- By their top 10 value chain partners (in terms of value of purchases and sales, respectively) - Nil

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

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

4

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

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	All India Management Association	National
2.	Telangana and Andhra Pradesh Chambers of Commerce and Industry	State
3.	Confederation of Indian Industry	National
4.	Tobacco Institute of India	National

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

We have not engaged in any anti-competitive conduct.

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

Leadership Indicators

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

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/ Quarterly/Others - please specify)	Web Link, if available
1.	We pursue a Policy of interaction with the relevant regulatory authorities on issues pertaining to our Industry	We work with industry level associations which are governed by values of trust and commitment in the interest of all relevant stakeholders	Information under this head forms part of the Report for the Board Of Directors & Management Discussion Analysis for the Year ending 31 st March 2025.	Annually	www.vsthyd.com

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

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

There is no applicability for the Company to carry out Social Impact Assessments (SIA) of projects in compliance with laws such as the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

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

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

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

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

We actively engage with the community through ongoing dialogue and design targeted interventions to address their concerns. Additionally, we conduct annual needs assessment studies to identify the key societal needs of our target groups. Based on these insights, we prioritise requirements and allocate funds for various social initiatives in alignment with our CSR policy.

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

	FY 2024-25*	FY 2023-24*
Directly sourced from MSMEs	0.63%	1.7%
Directly from within India	92%	97%

*Procurement spent percentage is based on non-leaf suppliers

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

Location	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Rural	18%	22%
Semi-urban	17%	14%
Urban	34%	27%
Metropolitan	31%	37%

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

Leadership Indicators

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

Details of negative social impact identified	Corrective action taken
Not Applicable	

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

S. No.	State	Aspirational District	Amount spent (In INR)
Not Applicable			

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

No

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

None

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

0%

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

During the reporting period, we have not collaborated with any entity to derive or share benefits from our owned or acquired intellectual properties.

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

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

Name of authority	Brief of the Case	Brief of the Case
Not Applicable		

6. Details of beneficiaries of CSR Projects

S. No.	CSR Project	No. of persons benefited from CSR projects	% of beneficiaries from vulnerable and marginalised groups
1	Health and sanitation	29,400	60%
2	Rural Development	15,413	70%
3	Education and sports	7,340	50%
4	Environment & sustainability	1,02,200	98%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

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

We have established a strong consumer grievance management system to ensure efficient complaint resolution. Consumers can lodge their complaints via a toll-free number, which is clearly displayed on product labels and on our website. Upon receiving a complaint, a grievance redressal executive reviews it to assess its nature before directing it to the appropriate department for prompt resolution.

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

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

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

	FY 2024-25			FY 2023-24		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	None	0	0	None
Advertising	0	0	None	0	0	None
Cyber-security	0	0	None	0	0	None
Delivery of essential services	0	0	None	0	0	None
Restrictive Trade practices	0	0	None	0	0	None
Unfair Trade Practices	0	0	None	0	0	None
Others	0	0	None	0	0	None

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

	Number	Reasons for recall
Voluntary recalls	Nil	Not applicable
Forced recalls	Nil	Not applicable

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

We have a robust framework and policy in place to address cybersecurity and data privacy risks. We recognise that the loss, misuse, or unauthorised disclosure of sensitive information—whether to external parties, competitors, or trading partners—could significantly impact our business operations and lead to legal and financial consequences. To mitigate these risks, we have implemented well-defined policies and procedures that undergo regular reviews. Additionally, we have established strong IT controls, including data backup mechanisms, a disaster recovery center, and authorisation verification protocols to safeguard our systems.

Weblink: <https://eportal.vstind.com/DataFiles/IT%20POLICY.pdf>

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

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

7. Provide the following information relating to data breaches:

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

Leadership Indicators

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

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

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

Our product labelling strictly complies with COTPA regulations and includes essential details such as product characteristics and health warnings. Product packaging and Point of Sale Materials (POSM) effectively communicate risks associated with consuming tobacco products.

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

Since tobacco and cigarette products are non-essential for consumers, there is no regulatory requirement to communicate risks related to service disruptions or discontinuation.

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

We do not display product information over and above applicable acts and regulations. However, we ensure that our product packaging and labelling fully comply with the regulations set forth in the COTPA (Cigarettes and Other Tobacco Products Act).

We have not carried out any survey relating to consumer satisfaction with our major products.