

V O L V O



Sustainable & Smart Mobility



SUSTAINABILITY REPORT
(FY 2024-25)

 **VE COMMERCIAL VEHICLES** 
A VOLVO GROUP AND EICHER MOTORS JOINT VENTURE





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<u>About the Report</u>	4-5
<u>From the desk of MD & CEO</u>	5-7
<u>VECV at a Glance</u>	8-9
Our Journey over the Years	10-11
Our State of the Art Facilities	14-15
Mobility Solutions	16-17
Our Guiding Path: Mission, Vision, and Core Values	20-21
Our Key Accomplishments	22
Recognising Excellence	23
<u>Strengthening our Sustainability Journey</u>	24
Stakeholder Engagement	25
Materiality Assessment	27
Framework for Sustainable Excellence	30
<u>Responsible and Sustainable Business Excellence</u>	32
Corporate Governance	33
Business Ethics, Policies and Compliance	36
Sustainability Governance	42
Economic Performance	44
Sustainable Supply Chain	46
Product Innovation and Sustainable Mobility	56
Product Quality and Safety	61
Customer Engagement and Satisfaction	66
Cybersecurity	72
<u>Pioneering our Environmental Responsibility</u>	77
Emissions Management	78
Energy Management	80
Water Management	84
Waste Management	88
Resource Optimisation and Operational Eco-Efficiency	91
Protecting Natural Capital	93
<u>People at the Core</u>	94
Diversity, Equal Opportunity and Inclusion	95
Employee Engagement and Wellbeing	98
Occupational Health and Safety	106
Human Rights	112
<u>Building Stronger Communities</u>	114
<u>Our Path Forward</u>	132
<u>Appendix</u>	134
ESG Performance Tables	135
GRI Content Index	142



ABOUT THE REPORT

Since its inception in 2008, VE Commercial Vehicles (hereinafter referred to as 'VECV', 'we', or 'the Company'), a joint venture between the Volvo Group and Eicher Motors Limited, has been a key driver in modernizing India's commercial vehicle industry. Over the years, we have introduced several industry-first innovations, including India's first fully connected fleet of trucks and buses, monitored for uptime at our advanced Uptime Centre in Pithampur. Recently, we have engineered and delivered trucks and buses that meet India's stringent BS VI OBD II emission norms and have also launched electric vehicle solutions.

As a leading manufacturer in India's commercial vehicle segment, we recognize both the essential role our

trucks and buses play in the country's evolving economy and our responsibility to reduce the environmental impact of transportation. In line with this, VECV is developing a diverse range of transport solutions powered by Electric, Compressed and Liquefied Natural Gas, Hydrogen Fuel Cell, Hydrogen Internal Combustion, and Bio-fuels. This is supported by our ongoing commitment to maximizing asset productivity through best-in-class uptime. More recently, we have pledged support for the Government of India's Scrappage Policy, which incentivizes the removal of old, unsafe, and polluting vehicles from Indian roads.

This year, we present VECV's fourth Sustainability Report, themed 'Sustainable & Smart Mobility', prepared

in accordance with the Global Reporting Initiative (GRI) Standards, following the Reporting Principles, Universal Standards, and Topic Standards throughout. This report has been reviewed and approved by the Board of Directors and senior management, who play a critical role in identifying and prioritizing the material topics covered.

The report is structured to align with global reporting frameworks and address stakeholder expectations. We have followed a robust methodology of assessment, identification, and disclosure, with the aim of embedding sustainability into our innovations and solutions.

SCOPE AND BOUNDARY

Our fourth Sustainability Report presents VECV's performance across key sustainability indicators for the period spanning April 1, 2024, to March 31, 2025 (FY 2024–2025). The reporting scope includes our corporate headquarters and operational facilities at Eicher Trucks and Buses in Pithampur, Baggad, and Bhopal; VE Powertrain in Pithampur; Volvo Buses India in Bangalore; VE Parts Distribution Center in Pithampur; and Eicher Engineering Components in Dewas. Through this report, we reinforce our commitment to transparent communication, addressing the evolving expectations of stakeholders—particularly regarding the Company's environmental, social, and governance (ESG) performance.

FORWARD LOOKING STATEMENT

This report includes forward-looking statements concerning possible future developments that may influence VECV's operations. These projections are grounded in current assumptions and are inherently subject to risks and uncertainties. Stakeholders are cautioned against relying on the precision of these forecasts, as actual outcomes and future circumstances may vary substantially from those anticipated.

VECV assumes no responsibility to revise or update these statements after publication, as they represent the context and conditions prevailing at the time of writing.





From the desk of MD & CEO

Dear Stakeholder,
At VE Commercial Vehicles (VECV), sustainability is not merely an agenda item—it is a core belief that shapes every decision, product, and process across our organization. Guided by our purpose of driving modernization in commercial transportation, we are deeply committed to enabling green mobility and creating long-term value for all stakeholders.

Our sustainability framework is anchored in three pillars—Product, Process, and People—supported by a robust governance structure. We have established clear long-term goals and measurable KPIs to ensure transparency and accountability. Periodic reviews at multiple organizational levels enable us to benchmark best practices, foster innovation, and capture lessons learned. Progress is shared openly and monitored rigorously. With this disciplined approach, VECV remains steadfast in its resolve to achieve Net Zero emissions by 2045.

Vinod Aggarwal

Managing Director &
Chief Executive Officer
VE Commercial Vehicles Ltd.

Accelerating the Transition to Green Energy

Energy efficiency and renewable transition are central to our decarbonization roadmap. Today, nearly 26% of VECV's total energy comes from green sources, including a 14.2 MW Group Captive Power Purchase Agreement (PPA) and 7.2 MW of rooftop solar installations. This represents a significant improvement from 19% last year. Further, an additional 6 MW rooftop solar project has been commissioned, which will raise our renewable energy share to 33% by March 2026.

Our targets are clear and ambitious: 70% green energy by 2026 and 100% renewable energy by 2030. These milestones underline our determination to decouple growth from carbon intensity and position VECV as a leader in sustainable manufacturing.

Conserving Water, Preserving the Future

VECV has made remarkable strides in reducing freshwater intake. At our Engine Test Bench (ETB) operations, we have achieved a 30% reduction through reuse and recycling of treated waste water, supported by advanced ETP/STP plants and extensive rain water harvesting initiatives. Our 52-million-liter pond at ETB Bhopal now provides sufficient water for the paint shop's operations for nearly three months.

We aim to reach 60% reduction in freshwater usage by 2026 and become 100% water positive by 2030—a testament to our stewardship of this precious natural resource.

Driving a Circular Economy

Waste management is another critical component of our sustainability journey. VECV has achieved Zero Waste to Landfill status by responsibly co-processing 165 metric tonnes of paint sludge through authorized recyclers such as UltraTech Cement—ensuring hazardous waste is safely used as fuel in cement kilns.

Our emphasis on packaging waste reduction has resulted in replacing over 475 tonnes of conventional packaging with reusable and returnable alternatives in FY2025. These circular economy initiatives reinforce our intent to reduce environmental impact across the value chain.

Electrifying the Future of Mobility

Through continuous innovation, we are rapidly advancing towards electrified transportation solutions. Four of our vehicle platforms are now EV-ready, and over 700 electric vehicles have already been produced. Reflecting our internal commitment, 48 electric buses are now deployed for employee commutes across VECV facilities.

Our ambition is clear: to make all VECV platforms EV-ready by 2030, accelerating the transition to green mobility across India and beyond.

Engaging the Ecosystem for Shared Impact

We recognize that sustainability cannot be achieved in isolation. To address Scope 3 emissions, we have initiated engagement programs with suppliers and dealers to build a green supply chain and logistics network. By collaborating with industry experts, we aim to strengthen collective climate action across

our extended ecosystem.

We are also nurturing biodiversity and green cover through extensive tree plantation drives. In FY2025 alone, 56,000 trees were planted, taking our cumulative total to 106,000 trees. Our goal is to reach 200,000 trees by 2026, enhancing carbon sequestration and local ecological balance.

Building an Inclusive Organization

Sustainability also means inclusivity. At VECV, we are committed to fostering gender diversity and empowering women across roles. At our Bhopal plant, an all-women crew now manages one of our assembly lines—an initiative that reflects both capability and confidence. Our current 6.33% female workforce will increase to 20% by 2030, underscoring our belief that diversity drives innovation and performance.

Designing for a Sustainable Tomorrow

Sustainability is embedded right from the product design stage. Our structured design process focuses on increasing recyclable and serviceable content. In our latest models, nearly 70% of parts are recyclable, and 25% are serviceable, reducing lifecycle waste and enhancing product circularity.

As we release this Sustainability Report, I would like to express my gratitude to all our employees, partners, suppliers, and stakeholders for their unwavering support and commitment. The journey ahead is long, but our direction is clear. Together, we will continue to drive modern, sustainable, and inclusive mobility, contributing meaningfully to India's and the world's green transition.

VECV AT A GLANCE

ABOUT VE COMMERCIAL VEHICLES



In 2008, two global brands with complementary expertise, Volvo Group and Eicher Motors, joined forces with a shared vision of 'Driving modernization in the commercial vehicle industry in India and the developing world'. This collaboration led to the formation of VE Commercial Vehicles Limited (VECV), which has since evolved into a multi-brand, multi-division enterprise offering a wide spectrum of Eicher Trucks and Buses, Volvo Buses, and serving as the exclusive distributor of Volvo Trucks in India. VECV also functions as a strategic engine manufacturing

and export hub for the Volvo Group, while establishing a strong presence in the non-automotive engine and component and component segment under the Eicher brand.

VECV continues to lead the transformation of India's commercial mobility landscape. At the Bharat Mobility Global Expo 2025, the company unveiled its Sustainable and Smart Mobility range—featuring eco-friendly trucks, buses, and services designed to enhance efficiency, safety, and driver comfort.

VECV has consistently grown into a successful joint venture, with 8 modern manufacturing facilities, the widest product portfolio, a 900+ dealership network and a presence in more than 40 countries.

These vehicles are engineered to meet the evolving demands of logistics, mining, and passenger transport, while supporting India's green mobility goals through electric, LNG, and alternate fuel technologies. VECV's participation also spotlighted its Industry 4.0-enabled Bhopal plant, where the newly launched Eicher Pro X Range is assembled on an all-women production line, reinforcing the company's dedication to gender inclusivity and advanced manufacturing practices. This showcase reinforces VECV's role in advancing the 'Make in India' initiative and contributing to the 'Viksit Bharat 2047' vision, while delivering on its Uptime promise and sustainability commitments.

VECV continues to advance its sustainability agenda through strategic collaborations and clean mobility initiatives. In August 2024, the company signed an MoU with Baidyanath, followed by a formal agreement in January 2025, to deploy 500 Eicher Pro 6055 LNG trucks—marking a significant step toward low-emission freight solutions. Complementing this, VECV partnered with Statiq in May 2024 to integrate over 8,000 EV charging points into the My Eicher app, enhancing accessibility and infrastructure for electric vehicles. These initiatives reflect VECV's commitment to decarbonizing transport, promoting alternative fuels, and enabling a more sustainable logistics ecosystem.



OUR JOURNEY OVER THE YEAR

2008



Joint venture between the Volvo Group and Eicher Motors to establish VE Commercial Vehicles Ltd.

2010



VE Series of Eicher Heavy Duty trucks launched redefining the commercial vehicle space in India.

2012



New Engineering Component plant, Bus Body plant, LMD line, Cab plant & Paint Shop set up at Pithampur, Madhya Pradesh.

2013



Addition of two new manufacturing facilities: Bus body plant at Baggad and Gear manufacturing plant unit II at Dewas. Eicher's Pro series of trucks and buses released.

2017



Indigenously developed Automated Manual Transmission technology launched Successful introduction of BSIV product range with i3EGR and SCR technology.

2016



Vehicles with CNG engine technology launched.

2018



Zero-emission fully electric buses unveiled.

2019



Launched the first BS-VI Commercial Vehicles range.

2020



BS-VI range with Innovative EUTECH6 solution launched Production starts at state-of-the-art Bhopal plant built with Industry 4.0 principles of a connected factory.

2021

Eicher establishes new standard in intercity luxury bus travel with new coach & sleeper platform. Eicher introduces My Eicher, a holistic fleet management App.



2025

Eicher unveiled its Pro X Range—India's first EV-focused small commercial vehicles alongside LNG variants—at the Bharat Mobility Expo.



2024

The Baggad facility marked a major production milestone with the rollout of its 50,000th fully built bus



2023

VECV celebrated 15 Years of Driving Modernization.



2022

Volvo Buses India launches Volvo 9600 platform, inspired by award-winning European design.



OUR STATE-OF-ART FACILITIES

We, at VE Commercial Vehicles (VECV) runs cutting-edge manufacturing units across prime locations, utilizing advanced technology and innovation to build trucks and buses. These modern facilities are engineered to deliver top-tier quality and operational excellence. Prioritizing sustainability, our plants incorporate smart automation, lean production techniques, and stringent quality checks to manufacture future-ready vehicles.

- 32,000+ Direct & Indirect employees
- 8 plants in India 7 in Madhya Pradesh
- Global Supplier for BSVI Engines
- 100+ ancillaries & suppliers base with 2500+ crore investment



New Truck Plant - Bhopal



Gear Box Unit - SEZ Pithampur



Eicher Bus Plant - Baggad



Volvo Bus India - Bangalore



Eicher Engineering Component - Dewas



Eicher Truck Plant - Pithampur



Parts Distribution Center -Pithampur



VE Powertrain - Pithampur

All of our plants are certified for Quality, Environmental Management, and Employee Health & Safety under IATF 16949:2016, ISO 14001:2015, and ISO 45001:2018.

PITHAMPUR PLANT



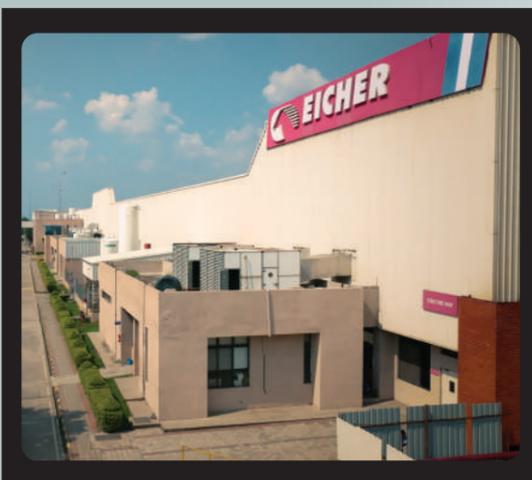
Eicher Trucks and Buses marked 38 years of operations in India in June 2024, having rolled out its first truck from the Pithampur manufacturing plant in Madhya Pradesh in 1986. Over the years, the brand has earned the trust of hundreds of thousands of satisfied customers. Spanning 87 acres, the plant boasts a current production capacity of 90,000 vehicles annually, with an impressive output of over 1,000 vehicles per acre. Operating in a highly flexible, lean, and agile environment, the plant consistently delivers high-quality trucks, engines, and bus chassis. It features a smart factory model that combines automation with efficiency, certified under an Integrated Management System that covers Quality, Health and Safety, Environment, and Energy Management. The Volvo Production System serves as the foundation for its manufacturing operations. Additionally, the facility houses a fully equipped vehicle and engine development center, complete with a fatigue lab, advanced virtual vehicle integration capabilities, and a Simulation lab.

To cater to rising market demands and shifting customer expectations, VECV inaugurated its Bhopal manufacturing facility in November 2019. Impressively, the plant achieved its first engine assembly rollout within the same month of launch. Dedicated to producing the Pro2000 light-duty BSVI vehicle range, the facility spans 148 acres. It was initially built with an annual capacity of 40,000 trucks, with scalability provisions to reach up to 100,000 units as business needs expand. Equipped with state-of-the-art powertrain and vehicle assembly lines, the plant adheres to BSVI norms and integrates automation with cost-efficiency. It functions under a robust Integrated Management System (IMS) and embraces Industry 4.0 technologies. The site also features streamlined material flow, supported by proximity to key suppliers and a vendor-managed inventory system. VECV's sustainability ethos is reflected in the facility's eco-friendly practices, including zero liquid discharge, water-saving techniques, optimized daylight usage, and rainwater harvesting systems.

BHOPAL PLANT



BAGGAD PLANT



To capitalize on the expanding prospects driven by enhanced road infrastructure and the emergence of smart cities, VECV commissioned a state-of-the-art bus body manufacturing facility in Baggad, Madhya Pradesh, in September 2013. Spread across 43 acres, the plant currently supports an annual production capacity of 15,600 buses, with scalability provisions to reach up to 19,200 units. It caters to a diverse portfolio of light, medium, and heavy-duty buses, powered by Diesel, CNG, and electric drivetrains. Notably, the Baggad facility is the first of its kind to deploy an advanced robotic paint system capable of executing wet-on-wet epoxy and polyurethane (PU) applications using a single robotic unit—enhancing precision, consistency, and operational efficiency. The plant functions under a comprehensive Integrated Management System (IMS), encompassing Quality, Occupational Health and Safety, Environmental, and Energy Management standards. Its operations are aligned with the Volvo Production System, ensuring world-class manufacturing excellence and continuous improvement.

VE POWERTRAIN



Established in 2013, VE Powertrain (VEPT) serves as VECV's dedicated engine manufacturing hub, supporting the Volvo Group's medium-duty engine requirements across Europe and Asia. Positioned on a 10-acre site, VEPT stands among India's most advanced engine production facilities, with an annual capacity of 80,000 units. Since inception, it has successfully delivered over 4,00,000 engines to global markets. Functioning as a global center for five- and eight-litre engine production, VEPT holds a prestigious Gold Certification under the Volvo Production System (VPS) and is widely recognized within the Volvo Group for its exceptional cleanliness and operational standards. The facility operates under a comprehensive Integrated Management System (IMS), encompassing Quality, Occupational Health and Safety, Environmental, and Energy Management protocols. Leveraging over seven years of expertise in manufacturing Euro VI base engines for Volvo, VECV has seamlessly transitioned this knowledge to develop BS VI-compliant engines for the Indian market. VEPT's readiness to meet stringent BS VI emission norms underscores its strategic role in advancing sustainable mobility and automotive excellence.

Established in 2008 by Volvo Buses, the Hosakote facility stands as India's first fully integrated bus manufacturing plant, offering comprehensive end-to-end production capabilities. Operating on a two-shift model, the advanced assembly unit has an annual capacity of 1,000 buses. The plant delivers a broad spectrum of products, from chassis to fully customized buses, directly to customers. Its flexible layout enables efficient multi-product manufacturing on a single line with minimal reconfiguration. Assembly processes are finely tuned to ensure high levels of repeatability and reproducibility. Volvo Buses India (VBI) consistently incorporates global best practices from Volvo's international operations. The facility also includes a dedicated skill development center, equipping its workforce with cutting-edge industry expertise.

VOLVO BUSES INDIA, HOSAKOTE FACILITY



EICHER ENGINEERING COMPONENTS (EEC), DEWAS PLANT



Located in the industrial zone of Dewas, Madhya Pradesh, the Eicher Engineering Components (EEC) facility spans 34 acres, with an additional 16 acres reserved for future expansion. This advanced manufacturing site is equipped with cutting-edge technology for gear production, including Crown Wheel Pinion, Bevels, and transmission assembly. Recognized as one of India's largest commercial gear manufacturing units, the plant specializes in precision gear grinding and heat treatment processes. It also houses a dedicated New Product Development cell to accelerate product innovation. The transmission assembly line is powered by a Manufacturing Execution System (MES), enabling efficient, high-quality output and streamlined operations.

MOBILITY SOLUTION



By effectively implementing strategic initiatives and fostering robust cross-functional collaboration, VECV introduced a range of cutting-edge, technology-driven products. This innovation journey was further strengthened by the acquisition of 164 new patents, reflecting significant advancements in design and engineering.

Key highlights for FY 2024-25 include:

- A total of 162 new products and variants were introduced across different segments.
- VECV's first heavy-duty CNG-powered bus and truck, equipped with 6-cylinder engine.
- Industry-first Pro 8035 Tipper launched, featuring a 9-speed AMT and a 19.5 cum rock body.
- Enhanced heavy-duty haulage range with upgraded engine power for improved performance.
- Implementation of advanced safety technologies like Electronic Stability Control (ESC) and Fire Alarm Protection System (FAPS) in buses.
- Launch of the Volvo FM Electric truck, tailored for e-commerce applications.
- Introduction of the industry's first 5.5-ton Electric Truck.

Eicher Light and Medium Duty Trucks



SUB 5 TON



LIGHT DUTY



MEDIUM DUTY



TIPPER

Eicher Heavy Duty Trucks



HAULAGE



TIPPER



TRACTOR TRAILERS

Eicher Buses



SCHOOL BUSES



ROUTE PERMIT



STAFF BUSES



BUS CHASSIS

Eicher Engineering Components



GEARS AND SHAFTS



AUTOMOTIVE COMPONENTS



TRANSMISSION ASSEMBLY



AUXILIARY AGGREGATES



Eicher Power Solutions



Engines For Power Generation



Engines For Industrial Application



Engines With Transmission

Small Commercial Vehicle



Pro X EV



Pro X Diesel



Pro X CNG

Volvo Buses India



VOLVO 9600

Electric Commercial Vehicles - Trucks



Pro 2049 EV



Pro 2055 EV

Volvo Trucks India



Mining And Coal Transportation



Construction And Infra



Mineral Transportation

Electric Commercial Vehicles - Buses



Eicher Skyline Pro E 9m



Eicher Skyline Pro E 9m School



Eicher Skyline Pro E 13.5m Intercity



Long Haul



Heavy Haul



OUR GUIDING PATH

MISSION VISION **CORE VALUE**

OUR VISION

To be recognized as the industry leader driving modernization in commercial transportation in India and the developing world.

OUR SUSTAINABILITY VISION

To be recognized as one of the leading organizations driving Sustainability initiatives by adopting best practices and modern techniques in all business areas of VECV.

OUR MISSION

aims to continuously improve transportation efficiency in India and developing markets, thereby reducing logistics costs for goods and people – leading to higher enablement of specialization in manufacturing, agriculture and services, thereby increasing the nation's economic activity and productivity.

- We choose to do this in a sustain- able manner by having the safest, most durable and efficient products in the market.
- We care for our customers holistically by offering not just trucks and buses, but also the best services and soft products which enable them to achieve maximum profits.
- We work with the driver community to enhance their productivity and overall working environment.
- We partner with all stake- holders to deliver maximum uptime of the vehicles through innovative support services.
- We work with professionalism, passion, and the greatest respect for all individuals.

OUR VALUES

Respect - At VECV, respecting all our stakeholders is a central belief that makes us deliver on our promises and hold ourselves accountable to all commitments.

Fair and Ethical - We strive to conduct our business with integrity, treat everyone fairly, and be reasonable and ethical in all our dealings.

Excellence - We constantly challenge ourselves to innovate for the future and strive uncompromisingly to develop new standards for exceeding customer expectations.

Customer Centric - At VECV, we aim to create a mutually beneficial long-term relationship with our customers by proactively focusing on their changing needs and consistently delivering excellent service.

Passion - We revel in our work, demonstrate constant enthusiasm and strongly believe in making a difference to our customers by walking the extra mile.



OUR KEY ACCOMPLISHMENTS

Market Share Development with Profitable Growth

Overall Sales FY 2024-25 90,161 5.4%	LMD & LD Trucks Sales 40,351 (LMD MS- 35.4%) 0.51%	Eicher HD Trucks Sales 22,037 -MS 9.0%	2.4% HD consolidated -MS 9.7%
Eicher Buses Sales 20,028 (MS-21.0%) 15.9%	Volvo Trucks Sales 1,819 UNITS 14.6%	Volvo Bus Sales 618 UNITS 81.2%	

Manufacturing and Operations

VEPT Engines & Long block Sales 60,155~ 2.0%	Electric Vehicles delivered in FY 2024-25 189+ EV Bus 62 SCV 127	De-merits Across all Models <20	Annual Roll-out (HD+LMD) FY 2024-25 in Pithampur Plant 60,000+
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People and Competence Building

Employees Hired
900+

Customers Centricity

1200+
Touchpoints in India

New Site Support

+355 Total	503	KAM customers having	30K+ vehicle
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RECOGNISING EXCELLENCE

VECV Wins Transport Solution Provider of the Year
Presented by the esteemed Apollo CV Awards 2025
Mar, 2025

VECV Wins School Bus of the Year for Starline Premium School Bus
Presented by the esteemed Apollo CV Awards 2025
Mar, 2025

VECV Wins the ICV Carrier of the Year for Eicher Pro 2119 33ft
Presented by the esteemed Apollo CV Awards 2025
Mar, 2025

VECV Wins the Staff Bus of the Year for Skyline Pro 3010L AC Staff Bus with Rear Air Suspension
Presented by the esteemed Apollo CV Awards 2025
Mar, 2025

STRENGTHENING OUR SUSTAINABILITY JOURNEY

STAKEHOLDER ENGAGEMENT

Stakeholder engagement acts as a vital channel for VECV to understand and respond to the priorities, expectations, and concerns of diverse groups who are directly or indirectly connected to its operations. These structured interactions enable the organization to remain agile and responsive to shifting market dynamics and societal imperatives, while reinforcing principles of equity, transparency, and shared progress. VECV's collaborative engagement model is purposely designed to cultivate constructive relationships that advance organizational objectives and contribute meaningfully to the broader sustainability ecosystem.

KEY STAKEHOLDER GROUPS

Key stakeholder groups represent the individuals and entities most closely connected to VECV's business and sustainability journey. These include shareholders and investors, employees, regulatory authorities, local communities, dealerships, and suppliers. Each group is engaged via tailored communication channels designed to address their distinct priorities and interests.

VECV follows a structured and continuous engagement process to integrate stakeholder perspectives into strategic and operational decision-making, ensuring alignment with evolving expectations and enhancing organisational responsiveness. Stakeholder interactions are conducted through both formal and informal platforms, supporting a dynamic and continuous exchange of perspectives.

This comprehensive engagement enables stakeholder feedback to meaningfully shape VECV's sustainability initiatives. Input from investors has strengthened VECV's commitment to financial transparency, while community engagement has supported the vocational training and healthcare programmes. Regular dialogue with employees, using performance evaluations and satisfaction surveys, has led to initiatives fostering growth, recognition, and well-being. Collaboration with suppliers promotes sustainable sourcing and technological innovation, aligning the supply chain with long-term sustainability objectives.

The following table summarises the principal stakeholder categories, the mechanisms of engagement, and the thematic focus areas guiding these interactions.

STAKEHOLDER GROUP

STAKEHOLDER GROUP

	Engagement Channels	Key Topics and Concerns
Shareholders and Investors 	<ul style="list-style-type: none"> • Press releases and publications • Investor meetings • Financial disclosures and reporting 	<ul style="list-style-type: none"> • Financial performance • Future projects and growth strategy • ESG concerns and approach
Employees 	<ul style="list-style-type: none"> • Performance appraisals • Annual satisfaction survey • Grievance redressal mechanism • Training programs 	<ul style="list-style-type: none"> • Occupational health and safety • Personal development and growth • Empowering work environment
Government and Regulators 	<ul style="list-style-type: none"> • Compliance reports • Onsite inspections • Meetings • Sustainable transportation 	<ul style="list-style-type: none"> • Road safety and pollution control • Compliance with environmental regulations
Communities 	<ul style="list-style-type: none"> • Local area development programs • Education and healthcare initiatives • Vocational training programs 	<ul style="list-style-type: none"> • Well-being of drivers • Healthcare and education support • Local infrastructure development
Dealerships 	<ul style="list-style-type: none"> • Customer feedback sessions • Conferences and seminars • Customer service quality and support 	<ul style="list-style-type: none"> • Business sales performance • Customer service quality and support
Suppliers 	<ul style="list-style-type: none"> • Supplier conferences • Technology sharing initiatives • Performance reviews • Supplier feedback and collaboration 	<ul style="list-style-type: none"> • Quality delivery and cost control (QDCF) • Innovation and development in technology



ENGAGEMENT OUTCOMES AND CONTINUOUS IMPROVEMENT

Stakeholder feedback remains instrumental in informing and refining VECV's sustainability strategy. Insights from investors have shaped our commitment to enhanced financial transparency, while community engagement has catalyzed the expansion of vocational training and healthcare programs. Regular interactions with employees—via performance

evaluations and satisfaction surveys—have led to initiatives that foster a supportive work environment focused on growth, recognition, and well-being. Strategic collaboration with suppliers has further advanced sustainable sourcing and technological innovation, aligning our supply chain with long-term sustainability objectives.



MATERIALITY ASSESSMENT

At VECV, the materiality assessment serves as a foundational element of our sustainability strategy, enabling systematic identification and prioritization of issues most relevant to both our stakeholders and business operations. Initiated in FY 2021–22, this process has progressively matured, drawing on globally recognized methodologies and robust stakeholder engagement practices. In FY 2023–24, we reviewed our materiality

assessment to align with the latest Global Reporting Initiative (GRI) 2021 Standards, ensuring our approach remain comprehensive and consistent with global sustainability benchmarks. Building on this foundation, VECV continues to report on the same set of material topics in FY 2024–25, reaffirming our commitment to consistency, transparency, and strategic alignment with stakeholder expectations and evolving sustainability imperatives.



OUR APPROACH TO MATERIALITY ASSESSMENT

Our materiality assessment approach builds upon the established framework of previous years, reinforcing our commitment to stakeholder inclusivity and a comprehensive evaluation of organizational impacts across internal operations and the broader value chain.

Identification of Material Topics

Our first step is identifying relevant material topics under the ESG parameters. This phase includes:

Stakeholder Mapping: Identifying and engaging key stakeholders including employees, shareholders, customers, suppliers, and local communities who have a vested interest in our sustainability Performance

Peer Benchmarking: Analysing sustainability practices of industry peers to identify trends and challenges specific to the commercial vehicle sector.

Sectoral Review: Assessing sustainability standards and guidelines relevant to the automobile sector, ensuring that the topics we focus on are aligned with global and industry-specific sustainability trends.

Alignment with Sustainability Standards: Aligning our process with GRI 2021 standards to ensure consistency, relevance, and credibility in our sustainability disclosures.

Prioritization, Assessment, & Categorization

Following the identification phase, material topics are categorized and prioritized based on their relevance to VECV's long-term business strategy and stakeholder interests:

Materiality Survey: A comprehensive questionnaire is shared with stakeholders to gather insights on which sustainability topics are of greatest importance to them and their expectations from VECV.

Impact Assessment: Each identified topic is evaluated for its potential impact on VECV's business operations, covering economic, environmental, social, and governance aspects. Topics with high stakeholder relevance and significant business impact are given priority.

Stakeholder-Specific Concerns: Specific issues raised by various stakeholder groups, including employees, suppliers, local communities, and regulatory bodies, are integrated into the assessment.

Finalization of Material Topics

The final step involves the consolidation and analysis of data from the prioritization phase to select the most significant topics for VECV's sustainability strategy and reporting:

Data Analysis: In-depth analysis of the feedback from stakeholders is carried out to prioritize material topics that align with VECV's core competencies, organizational values, and strategic goals.

Alignment with Key Organizational Values: Material topics are reviewed against VECV's sustainability commitments and objectives, ensuring that they reflect the organization's long-term value creation strategy.

Focus on Sustainable Development: Topics that contribute directly to global sustainability goals, including the UN Sustainable Development Goals (SDGs), are highlighted.

KEY MATERIAL TOPICS AND RELEVANT SDGs

Material Topics	Impact	SDGs
1. Business Ethics, Compliance and Transparency	High Impact	8, 9, 11, 12, 16
2. Customer Engagement and Satisfaction	High Impact	5, 8, 10
3. Product Innovation and Sustainable Mobility	Medium Impact	3, 8, 11, 12
4. Cyber Security	High Impact	3, 8, 9, 11
5. Responsible Supply Chain and Sourcing	Medium Impact	3, 8, 9, 11
6. Economic Performance	High Impact	3, 8, 9, 11
7. Product Quality and Safety	Medium Impact	3, 8, 9, 11
8. Climate and GHG Emission	High Impact	7, 11, 12, 13
9. Energy Management	High Impact	7, 11, 12, 13
10. Water Management	High Impact	6, 11, 12, 14
11. Waste Management	Medium Impact	9, 11, 12, 13, 15

Material Topics	Impact	SDGs
12. Resource Optimisation and Operational Eco-Efficiency	High Impact	8, 11, 12
13. Human Rights	High Impact	3, 5, 8, 10
14. Employee Engagement and Wellbeing	Medium Impact	3, 5, 8, 10, 11
15. Community Development	High Impact	1, 2, 3, 5, 8, 10
16. Occupational Health and Safety	Medium Impact	3, 5, 8, 10
17. Diversity, Equal Opportunity and Inclusion	High Impact	3, 5, 8, 10, 11





FRAMEWORK FOR SUSTAINABLE EXCELLENCE

As a frontrunner in the commercial vehicle sector, VECV acknowledges its pivotal role in shaping the future of mobility, advancing operational excellence alongside long-term Environmental, Social, and Governance (ESG) sustainability. Our sustainability framework is strategically aligned with the objective of fostering a resilient, resource-conscious, and ethically responsible ecosystem, thereby promoting sustainable mobility across all facets of our operations.

This structured framework enables VECV to systematically address ESG priorities throughout the value chain, ensuring that innovation and progress are pursued with integrity and accountability. The commercial mobility landscape is undergoing rapid transformation, driven by evolving regulatory mandates, shifting consumer expectations, and global sustainability imperatives. In response, VECV remains committed to

proactively adapting to these dynamics. Key environmental considerations, including Greenhouse Gas (GHG) emissions tracking, energy efficiency, water conservation and resource optimization, are central to our approach, along with critical social dimensions such as workforce safety, diversity, employee awareness trainings and community engagement. Furthermore, robust governance practices are essential to uphold stakeholder trust and reinforce transparency and ethical conduct across the organization. To effectively navigate these multifaceted challenges, VECV's sustainability strategy is anchored in three foundational pillars: Environmental Stewardship, Social Responsibility, and Governance and Ethics.

ESG PILLARS

Environmental Responsibility



VECV's commitment to environmental responsibility is grounded in a thorough understanding of the ecological implications of our operations. The organisation remains dedicated to reducing greenhouse gas emissions, increasing the use of renewable energy, implementing rainwater harvesting and circular economy practices, and enhancing the environmental performance of its products and services. These efforts are closely aligned with global decarbonization goals, reinforcing VECV's role in advancing sustainable mobility.

Social Responsibility

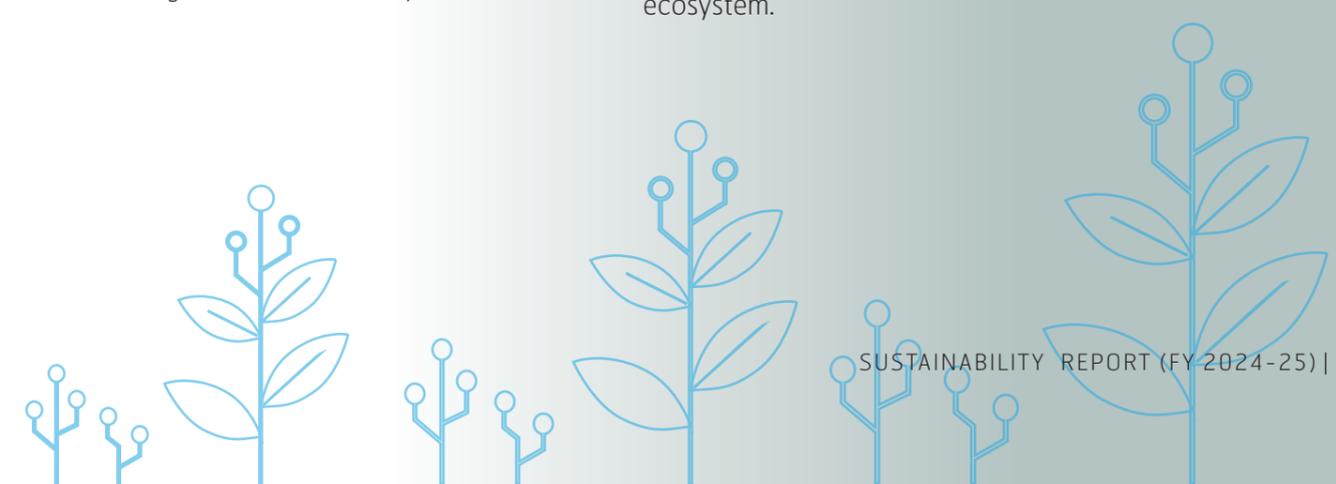


VECV places strong emphasis on the well-being of its people, both within the organization and across the communities it serves. Our social sustainability programs are designed to promote employee welfare, encourage diversity and inclusion, and increasing awareness through targeted employee education initiatives. These efforts reflect VECV's dedication to creating a positive and equitable impact across its stakeholder ecosystem.

Governance and Ethics



Robust governance is essential to the successful execution of VECV's sustainability strategy. The Company's governance framework is built on principles of transparency, ethical conduct, and accountability. By embedding responsible governance practices throughout the organization, VECV ensures long-term business integrity, stakeholder trust, and strategic alignment with its ESG objectives.



RESPONSIBLE AND SUSTAINABLE BUSINESS EXCELLENCE



CORPORATE GOVERNANCE

VECV's corporate governance framework is anchored in robust ethical principles and a steadfast commitment to transparency. It ensures that all facets of business

operations are conducted in full compliance with applicable regulatory requirements and consistently reflect the organization's core values.

This approach reinforces accountability, integrity, and long-term stakeholder trust across the enterprise.

BOARD OF DIRECTORS

At VECV, the Board of Directors serves as a strategic anchor, guiding the organization toward sustained growth and long-term value creation. Comprising a distinguished and multidisciplinary group of professionals, the Board brings deep expertise across sectors. This ensures that VECV's strategic priorities remain responsive to the dynamic landscape of the automotive industry, while firmly integrating ESG imperatives into the company's core operating model.

The Board exercises comprehensive oversight across critical domains, including operational efficiency, risk mitigation, financial stewardship, and sustainability advancement. Through active engagement in policy formulation, it fosters a culture of ethical governance, drives innovation in product development, and promotes responsible business expansion in alignment with regulatory frameworks and emerging industry benchmarks.



SOFIA HELENA FRANDBERG
Chairperson - VE Commercial Vehicles Ltd.



SIDDHARTHA LAL
Executive Chairman Eicher Motors Ltd



VINOD AGGARWAL
MD and CEO VE Commercial Vehicles Ltd



JAN HJELMGREN
SVP Product Management Volvo Trucks



RAUL RAI
Director



LILA POONAWALLA
Non-Executive Woman Director



INDER MOHAN SINGH
Independent Director



BRUNO BLIN
Senior Advisor Volvo Group

BOARD COMMITTEES

BOARD COMMITTEES

Audit Committee Members	SOFIA HELENA FRANDBERG Chairperson	LILA POONAWALLA Non-Executive Woman Director	INDER MOHAN SINGH Independent Director	
Nomination And Remuneration Committee Members	SOFIA HELENA FRANDBERG Chairperson	SIDDHARTHA LAL Non-Executive Director	LILA POONAWALLA Non-Executive Woman Director	INDER MOHAN SINGH Independent Director
Corporate Social Responsibility Committee Members	SIDDHARTHA LAL Chairperson	JAN HJELMGREN Director	INDER MOHAN SINGH Independent Director	

EXECUTIVE MANAGEMENT TEAM



VINOD AGGARWAL
MD and CEO - VE Commercial Vehicles Ltd.



R.S. SACHDEVA
Deputy Chief Executive Officer & Chief Transformation Officer, VECV



S S GILL
Chief Commercial Officer, VECV



B SRINIVAS
Chief Operating Officer, Eicher Trucks & Buses



RAJESH MISHRA
EVP & Chief Digital Officer, VECV



ADITYA K SHRIVASTAVA
EVP - Manufacturing, Strategy & Sustainability, VECV



B DINAKAR
EVP - Volvo Trucks India



VISHAL MATHUR
EVP - LMD Trucks and Eicher Power Solutions, VECV



RAMESH RAJAGOPALAN
EVP- Customer Service, Retail Excellence & Network Development, VECV



SACHIN AGARWAL
EVP- Product Development, Eicher Trucks & Buses



VIMAL MULCHANDANI
EVP- Manufacturing Operation, Eicher Trucks & Buses & Volvo Buses



BHAGWAN K BINDIGANAVILE
EVP - Strategic Planning, Brand & Communications, VECV



GYANENDRA DASS
EVP, Eicher Engineering Components



SUDEEP KUMAR DEV
EVP - Chief Human Resources Officer- VECV



KEN TROLLE
EVP & CFO, VECV



SURESH CHETTIAR
EVP-Bus Division, VECV



GAGANDEEP SINGH GANDHOK
EVP, HD Trucks - Sales & Marketing, VECV



ABHISHEK CHAUDHARY
SVP, SCV - Sales & Marketing, VECV



BADRISH SINHA
SVP- Purchasing VE Commercial Vehicles Ltd.



AMAN ARORA
SVP-International Business



JAGDISH RATHORE
SVP & Business Head Company Operated retail business



DEOBRAT SINGH
SVP, HD Tippers, Sales & Marketing, VECV

EXECUTIVE MANAGEMENT TEAM

BUSINESS ETHICS, POLICIES AND COMPLIANCE



VECV's corporate governance framework is built on strong ethical foundations and a commitment to transparency, guaranteeing full compliance with regulatory standards and alignment with organization's core values. These policies guide internal operations and cultivate a culture of integrity across all stakeholder groups, including employees, customers, suppliers, and investors.

We uphold high standards of governance through structured planning and oversight. Annual Board Meeting preparations begin in autumn with an Approach Note, followed by business plan approvals by February and strategic dialogues shared by June. Board meetings

are convened as required, while monthly business updates are circulated by the MD and CEO to maintain alignment and accountability.

Our Code of Conduct serves as a guiding framework for ethical behaviour and responsible decision-making. VECV remains proactive in fulfilling regulatory, environmental, and social compliance obligations.

Notably, no instances of fraud & financial violations affecting company financials were reported during the current period of reporting.

All other code of conduct issues if any, are thoroughly investigated by audit committee.

AUDIT POLICY

The Audit Policy at VECV ensures robust oversight of financial reporting and internal control mechanisms. Our comprehensive Audit Manual guides all audit activities, which are conducted independently by an internal audit

team reporting directly to the Audit Committee. Comprising Board members, the committee reviews audit findings and ensures that the company complies with legal standards, mitigates risks, and maintains transparency.

A compliance manager tool is used for tracking all compliances and is monitored at CFO level.

NOMINATION AND REMUNERATION POLICY

VECV's Nomination and Remuneration Policy plays a pivotal role in the selection and compensation of board members, senior leadership, and critical personnel. Governed by the Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013, this policy focuses on identifying and recommending candidates for leadership roles based on their expertise, integrity, and independence. It ensures that remuneration structures for directors and senior executives are equitable, market-aligned, and reflective of the company's performance standards. The framework incorporates both fixed and variable elements to reward immediate results while supporting long-term strategic objectives.

POLICY ON DIRECTOR'S APPOINTMENT & REMUNERATION

VECV follows a stringent policy for the appointment and remuneration of directors, focusing on qualifications, positive attributes, and independence, in compliance with Sections 134(3)(e) and 178(3) of the Companies Act, 2013. This guarantees a well-balanced leadership team capable of steering the company towards its strategic goals. Remuneration is performance-linked, securing the retention and motivation of key personnel.

CONFLICT OF INTEREST POLICY

VECV's Conflict of Interest Policy is designed to prevent employees and directors from engaging in actions or relationships that could create conflicts between personal interests and those of the company. All employees are required to disclose any potential conflicts, including relationships with suppliers, customers, or competitors, as well as any external employment. Each disclosure is reviewed by the Company which then takes appropriate steps to mitigate risks, including the reallocation of responsibilities or disqualification from certain decision-making processes to maintain the integrity of operations.



ANTI-BRIBERY AND ANTI CORRUPTION POLICY

VECV maintains a firm commitment to preventing, detecting, and deterring fraud, bribery, and corruption across all levels of its operations. The organization's Anti-Bribery and Anti-Corruption Policy mandates that all business activities be conducted with integrity and in alignment with the highest ethical standards. Any form of bribery, whether direct or indirect, financial or otherwise, is strictly prohibited

under this policy, which applies to employees, contractors, and business partners alike. VECV guarantees full compliance with both domestic and international anti-bribery regulations, including provisions addressing bribery involving public officials. Employees are regularly informed and trained on relevant legal requirements to uphold compliance, and the policy prescribes stringent

consequences for any violations. Through rigorous oversight and a zero-tolerance stance, VECV reinforces its ethical commitment across global operations. As part of its governance practices, the company conducts corruption risk assessments throughout its business units, and notably, no incidents of corruption were reported during FY 2024-25.

SEXUAL HARASSMENT PREVENTION POLICY

VECV upholds a strict zero-tolerance stance against sexual harassment within the workplace, in full compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013. The organization is committed to creating a safe, respectful, and

harassment-free environment for all personnel. To support this commitment, VECV has constituted an internal committee responsible for the confidential and timely investigation of complaints, thereby ensuring fair and equitable treatment for all employees.

This policy is uniformly applicable to all members of the workforce, including those engaged on contractual or temporary terms, thereby safeguarding the dignity and well-being of every individual across the organization.

DATA RESPONSIBILITY AND CUSTOMER PRIVACY

VECV demonstrates a strong commitment to safeguarding customer and stakeholder data through the implementation of stringent data protection protocols. The organization guarantees that all personal and sensitive information is securely managed, with no breaches of

privacy occurring during the reporting period. Comprehensive cybersecurity frameworks are in place, supported by regular risk assessments to proactively identify and mitigate potential threats. VECV remains fully compliant with relevant data protection

regulations, reinforcing its dedication to maintaining the confidentiality, integrity, and security of stakeholder information across all operations. Notably, there were no reported incidents of data theft or security breaches in FY 2024-25.

GRIEVANCE REDRESSAL POLICY AND WHISTLE BLOWER POLICY

VECV fosters a culture of openness and accountability through its Whistleblower Policy, which provides a secure and confidential mechanism for directors, employees, vendors, and external stakeholders to report unethical conduct, policy violations, financial irregularities, or other forms of misconduct. The policy is designed to protect whistle-blowers from retaliation or victimization, thereby

reinforcing the company's commitment to ethical governance. In alignment with Section 177(9) of the Companies Act, 2013, the policy enables the escalation of concerns, including critical matters, directly to the Chairperson of the Audit Committee when warranted. All reported cases are thoroughly investigated by the Whistle Blower Committee, which is

chaired by the Managing Director and CEO, to uphold impartiality and due diligence in the resolution process. This vigilant framework underscores VECV's dedication to transparency and integrity across its operations. During the FY 2024-25 reporting period, no critical concerns were raised under this policy.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

VECV's CSR initiatives are designed to create economic value while advancing the growth of a sustainable society. The policy, formulated in line with the Companies

(Corporate Social Responsibility Policy) Rules, 2014 and Section 135 of the Companies Act, 2013, directs the company's social and environmental investments.

Our focus areas include community engagement, environmental sustainability, and societal benefits, all aligned with Schedule VII of the Act.



ACCOUNTING POLICY

VECV's Accounting Policy is designed to uphold transparency and integrity in financial reporting across all business activities. It outlines clear principles for the ethical management of financial resources, including the treatment of assets under construction, which are recorded at cost net of any identified impairment. Additionally, borrowing costs related to qualifying assets are capitalized in accordance with applicable standards. This structured approach ensures precision in financial disclosures and reinforces VECV's commitment to sound fiscal governance.

CREDIT RISK MANAGEMENT

To effectively manage credit risk, VECV maintains a strict policy of transacting solely with financially sound counterparties. Comprehensive evaluation procedures are implemented to assess and verify counterparty credibility, thereby minimizing exposure to potential defaults. This disciplined approach reinforces financial resilience and supports the sustained success of the company's operations.

RISK MANAGEMENT SYSTEM

VECV's Risk Management Policy offers a robust framework for identifying, evaluating, and mitigating potential risks, including the growing threat of cybersecurity incidents. Although no customer data breaches or losses have occurred to date, the company remains vigilant in continuously enhancing its data protection measures. This proactive approach ensures that any risk with the potential to affect business continuity is swiftly addressed, thereby safeguarding VECV's operational integrity and long-term resilience.

INTEGRATED MANAGEMENT SYSTEM (IMS) POLICY

VECV's Integrated Management System (IMS) policy underscores our unwavering commitment to sustainability and regulatory compliance across all operational domains. As a leading manufacturer of light, medium, and heavy commercial vehicles, along with non-automotive engines, we uphold exemplary standards in environmental responsibility, occupational health and safety, and energy efficiency. Our initiatives focus on minimizing ecological impact, managing OHS risks, conserving natural resources, and curbing greenhouse gas emissions. Through continuous monitoring, swift resolution of safety and environmental issues, and a culture of improvement driven by training and accountability, we ensure that employees, contractors, and stakeholders remain aligned with our mission to foster sustainable growth and elevate IMS performance.

CODE OF CONDUCT

VECV's Code of Conduct serves as a foundational framework guiding all facets of our business operations—from product innovation to customer engagement. We are committed to delivering world-class products and services in full compliance with applicable laws and industry standards. Our practices uphold fair competition, safeguard confidential market intelligence, and strictly prohibit any form of anti-competitive conduct.



Dealings with Customers

We prioritize fairness and transparency in every customer interaction, firmly upholding privacy rights and adhering to all relevant data protection laws. Our Data Responsibility Policy enforces rigorous protocols for safeguarding personal information, and to date, VECV has maintained a flawless record with no incidents of data theft or breaches—reflecting our unwavering dedication to customer privacy.



Fair Competition

VECV actively fosters open and competitive market environments. We refrain from any conduct that may constitute market abuse or cartel behaviour, and ensure that all competitive intelligence is sourced ethically and in accordance with legal frameworks. Our adherence to fair competition principles supports the development of healthy markets globally.



Value Chain Partners

We select suppliers and service providers through a transparent and equitable process, partnering only with those who demonstrate a strong commitment to ethical standards. All exchanges of gifts or hospitality are governed by our Gifts and Hospitality Policy, ensuring strict compliance with anti-bribery regulations.



Stakeholder Engagement

VECV is committed to enhancing shareholder value while maintaining full legal compliance. We provide timely, accurate, and transparent disclosures to financial stakeholders, and uphold the highest standards of governance in our interactions with regulatory authorities and government agencies.



Government Engagement

Our engagements with government bodies are conducted with integrity and transparency, reinforcing our commitment to responsible governance. VECV does not participate in any actions that could improperly influence investigations or obstruct regulatory reviews, thereby maintaining the trust and confidence of all stakeholders.

SUSTAINABILITY GOVERNANCE

ESG GOVERNANCE

The Board acknowledges that sustainable practices are integral to advancing both corporate performance and broader societal well-being. It plays an active role in guiding and monitoring VECV's ESG strategy, helping to embed sustainability in the company's operational priorities. The Board also champions the pursuit of ambitious targets across key areas such as climate action, diversity and inclusion, and responsible supply chain governance, reinforcing VECV's commitment to long-term impact and ethical growth.

SUSTAINABILITY FRAMEWORK

VECV's sustainability governance framework is structured to embed sustainability principles across all business functions in a systematic and strategic manner. It establishes a defined process for formulating sustainability strategies, implementing action plans, and establishing Key Performance Indicators (KPIs) to monitor progress. To support ongoing enhancement, the framework includes a tiered review system that offers oversight and strategic direction, maintaining sustained focus and accountability in the company's sustainability initiatives.

- **Quarterly Review Meeting (QRM)**

The Managing Director and CEO, convenes the Executive Management Team (EMT) to evaluate sustainability performance, monitor KPIs, review strategic priorities, and approve budgets. As a central component of VECV's sustainability governance framework, the QRM ensures active leadership involvement in guiding and advancing the company's sustainability agenda.

- **Steering Committee**

Led by the Deputy CEO and comprising members of the Executive Management Team (EMT), this committee meets monthly to review functional progress and future plans. It integrates sustainability initiatives with the company's overarching business strategy and oversees key decisions that shape VECV's long-term sustainability goals.

- **TBEMF Committee**

Chaired by the Chief Operating Officer, this committee comprises senior leadership and functional heads, and plays a key role in monitoring progress against defined sustainability KPIs. It is responsible for identifying performance gaps, recommending corrective measures, and formulating actionable plans to ensure alignment with VECV's sustainability objectives.

Additionally, it facilitates the execution of sustainability initiatives across multiple business units, driving operational consistency and impact.

- **Core Committee**

Led by a Vice President from senior management and comprising functional and plant heads, the Core Committee drives the operational execution of sustainability initiatives across VECV. Its primary focus lies in fostering cross-functional collaboration, generating innovative ideas, and translating them into actionable initiatives. The committee plays a vital role in harmonizing sustainability efforts across diverse business units, ensuring that forward-thinking initiatives are effectively implemented to advance the company's sustainability agenda.

ECONOMIC PERFORMANCE

In the financial year 2024-25, VECV delivered total income of ₹ 2,37,335.9 million, driven by sustained innovation and increasing demand for commercial vehicles. Our adherence to BS VI OBD II standards and continuous innovation in electric vehicles and emerging technologies has allowed us to maintain a leading position in the market.

VECV's growth has been supported by a strategic approach that aligns product innovation with environmental sustainability and operational excellence across all business units. In FY 2024-25, VECV distributed significant economic value, focusing on operating costs, employee wages, payments to capital providers, taxes, and community investments.

The total economic value distributed was: ₹ 204,260.1 million, which included:



₹186,529.5 million

Cost of Raw Materials & Purchase of Traded Goods



₹14,534.4 million

Employee Costs



₹281.3 million

Finance Costs



₹2,761.2 million

Tax Expenses



₹153.7 million

Corporate Social Responsibility (CSR) Expenditure

This distributed value reflects our commitment to sustaining economic development through our operations and contributions to society. VECV's CSR initiatives have focused on skill development, education, and environmental conservation, aimed at driving long-term, positive community impact. After accounting for these distributions, ₹33,075.8 million of economic value was retained. This surplus

will be reinvested into VECV's growth, focusing on enhancing our product portfolio, improving operational efficiency, and increasing our market presence in both domestic and international markets. This retained value will also support our continued investment in emerging technologies, particularly in electric vehicles and fuel-efficient commercial transport solutions.

VECV'S APPROACH TO TAXATION:

VECV upholds a robust commitment to tax compliance and ethical conduct across all taxation-related functions. The organization follows a well-defined tax strategy, jointly overseen by the Chief Financial Officer (CFO) and the Vice President of Corporate Taxation, who conduct periodic reviews to ensure adherence to all relevant tax regulations. This strategic approach enables VECV to integrate its tax obligations seamlessly with its operational framework and overarching sustainable development objectives.

KEY ELEMENTS OF VECV'S APPROACH TO TAXATION INCLUDE

Regulatory Compliance : VECV consistently upholds its tax obligations through timely payments and strict adherence to all relevant legal requirements. This commitment is reinforced by an ongoing review of evolving tax legislation, ensuring that each business unit remains aligned with current regulatory standards.

Effective Risk Management : VECV manages tax risks through regular audits and expert consultation, enabling proactive identification and control of potential exposures.

Sustainability Alignment : VECV's tax strategy is closely integrated with its broader business objectives and sustainability commitments. This alignment ensures that tax practices not only comply with regulations but also actively contribute to long-term growth, responsible governance, and strategic investments in infrastructure.



₹3,766.98 million

Total financial assistance from government



₹1,055.7 million

Subsidies



₹571.9 million

Export credit agency



₹2,139.38 million

Other Financial Benefits

This financial support from the government has been instrumental in driving VECV's strategic initiatives, enabling the company to invest in advanced manufacturing technologies, expand its sustainability initiatives, and enhance its competitive position in the global market.

LOOKING AHEAD

The upcoming fiscal year is expected to witness continued growth, driven by sustained demand in key commercial vehicle segments such as tippers, tractors, and buses. Government initiatives—including the Union Budget’s record ₹11.11 trillion capital expenditure outlay for infrastructure, the Atmanirbhar Bharat mission, and Production-Linked Incentive (PLI) schemes are expected to further stimulate market momentum for VECV’s offerings. Nonetheless, the company remains vigilant in light of emerging risks, including geopolitical instability, inflationary pressures, and volatility in fuel and commodity prices. VECV is well-positioned to address these uncertainties through a customer-first strategy, a diversified product range, and ongoing investments in innovation and sustainability.

SUSTAINABLE SUPPLY CHAIN

In today’s globally connected economy, building a sustainable and ethically managed supply chain is essential for long-term business resilience and for addressing critical ESG imperatives. At VECV, sustainability is integrated into our procurement and sourcing practices. As a leading manufacturer of commercial vehicles, our supply network spans multiple geographies and sectors, including raw materials, components, packaging, and service providers. We recognize the significant environmental, social, and community-level impacts that supply chain decisions can generate. Accordingly, our responsible sourcing strategy is designed to reduce ecological footprints, uphold fair labour standards, and strengthen the overall sustainability of our operations. This approach is closely aligned with the GRI 2021 guidelines, which emphasize transparency in managing supply chain risks, supplier engagement, and the implementation of sustainable sourcing protocols.

COMMITMENT TO SUSTAINABLE PROCUREMENT

At VECV, sustainability forms a core pillar of our procurement strategy, extending well beyond traditional financial and operational metrics. Our approach places deliberate emphasis on environmental responsibility and social equity, ensuring that procurement decisions contribute meaningfully to our broader ESG objectives. By adopting this integrated and forward-looking framework, we not only strengthen our ability to identify and mitigate supply chain risks but also foster innovation and enhance organizational resilience in a dynamic global business environment.



Supplier Selection

At VECV, we collaborate closely with suppliers who demonstrate a shared commitment to sustainability and ethical business practices. Our supplier evaluation framework integrates criteria such as environmental stewardship, social accountability, and compliance with fair labour standards. Beyond conventional parameters like cost and quality, we assess suppliers on their adoption of sustainable raw materials, energy efficiency, and responsible waste management. This holistic approach aligns supplier performance with both operational requirements and long-term sustainability objectives.



Sustainable Raw Material Sourcing

We recognize that raw material sourcing constitutes a substantial portion of our environmental footprint, hence we actively engage with suppliers who offer responsibly sourced inputs. This includes recycled metals, certified sustainable materials, and products with demonstrably lower carbon intensity. We favour partners who are committed to minimizing dependence on finite natural resources and who integrate circular economy principles into their production processes, thereby supporting resource efficiency and environmental resilience.



Local Sourcing

To reduce emissions associated with transportation and to bolster regional economic development, VECV emphasizes local sourcing wherever feasible. This approach not only enhances supply chain responsiveness and agility but also contributes to lowering the environmental impact of long-haul logistics. By procuring locally, we also support job creation and inclusive growth in the communities where we operate, reinforcing our commitment to sustainable and socially responsible business practices.

ENVIRONMENTAL AND SOCIAL STANDARDS IN SUPPLY CHAIN

Maintaining rigorous environmental and social standards across our supply chain is a fundamental element of VECV's responsible sourcing strategy. We maintain close collaboration with our suppliers to ensure full compliance with applicable national and international regulations, as well as alignment with VECV's internal sustainability benchmarks. This proactive engagement enables us to promote ethical practices, enhance transparency, and drive continuous improvement in supplier performance across key ESG dimensions.



Environmental Standards

VECV requires all suppliers to implement comprehensive environmental management systems that support sustainable operations. Key expectations include the reduction of greenhouse gas emissions, conservation of water and energy resources, and the adoption of environmentally responsible manufacturing practices. We actively encourage our suppliers to pursue recognized certifications such as ISO 14001, which provide structured frameworks for ongoing environmental performance and continuous improvement.



Social Responsibility

Upholding ethical labour standards is fundamental to VECV's supplier engagement strategy. We mandate that all suppliers comply with globally accepted labor norms, including the provision of fair wages, safe working environments, and the protection of human rights. VECV enforces a strict zero-tolerance policy against forced labor, child labor, and discriminatory practices. All suppliers are expected to adhere to our Code of Conduct, which outlines the minimum social and ethical standards required for continued partnership.



Supplier Audits and Assessments

To maintain consistent adherence to our environmental and social expectations, VECV conducts periodic audits and evaluations across its supplier base. These assessments encompass a wide range of criteria, including labor conditions, environmental performance, occupational health and safety, and alignment with sustainability objectives. In instances of non-compliance, we collaborate with suppliers to implement corrective measures. Where violations are severe or unresolved, VECV reserves the right to discontinue the supplier relationship.

LIFECYCLE APPROACH TO SUPPLY CHAIN SUSTAINABILITY

VECV's supply chain strategy is adopts a lifecycle perspective, enabling us to evaluate the full environmental and social implications of materials and products, from extraction and manufacturing, to usage and end-of-life disposal. This comprehensive approach allows us to proactively identify opportunities for impact reduction and value creation across the entire supply chain.



Product Carbon Footprint (PCF)

We conduct PCF assessments for critical raw materials and components used in our products to quantify their emission impact at each stage of their lifecycle. These assessments inform strategic decisions around material substitution and design optimization, reducing carbon intensity and enhancing the sustainability profile of our products.



Circular Economy Integration

We integrate circular economy principles into our sourcing and product development practices. In collaboration with our suppliers, we promote the use of recycled inputs, waste minimization, and the design of components for longevity and recyclability. By encouraging resource-efficient manufacturing and closed-loop systems, we aim to build a supply chain that is both environmentally responsible and economically resilient.

SUSTAINABILITY IN PACKAGING

Beyond responsible raw material sourcing, we are committed to minimizing the environmental footprint of packaging materials across our supply chain.

In FY 2024–25, we undertook targeted initiatives to reduce the use of non-sustainable packaging and enhance the recyclability of packaging solutions.



Wooden + Corrugation Packaging
Converted into returnable Plastic Bin packaging

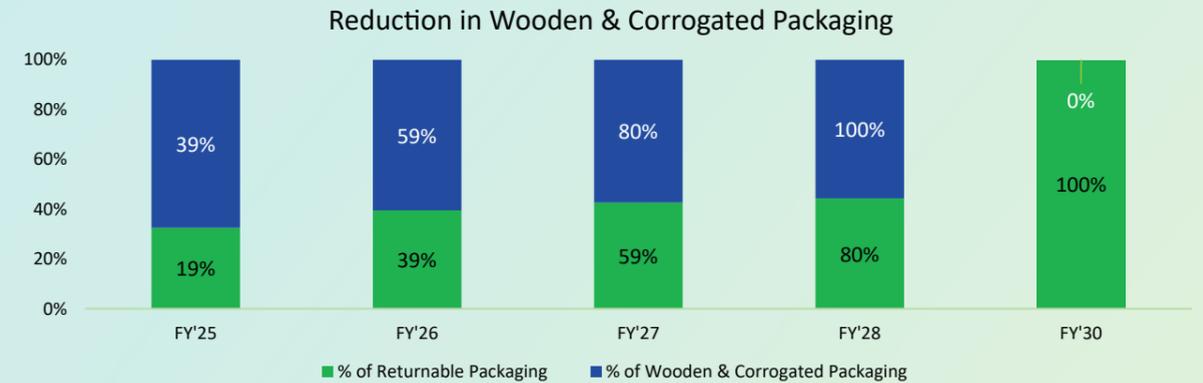
Corrugation Packaging
Converted into returnable Plastic packaging

Wooden Packaging
Converted into returnable Metallic packaging

Corrugation Packaging
Converted into returnable Foldable Plastic Pallet Box

TARGETING 50 % REDUCTION IN WOODEN & CORROGATED PACKAGING.

- Targeting 50 % Reduction in Wooden & Corroged Packaging on Base Year 2023
- Total 1486 Tons reduced by converting wooden & Corroged packaging into returnable foldable Plastic pallets, bins, Metallic packaging aiming 2417 Tons of reduction till FY'30



CONTINUOUS SUPPLIER ENGAGEMENT AND IMPROVEMENT

Our dedication to a sustainable supply chain goes well beyond initial supplier onboarding & compliance audits. We actively cultivate a culture of continuous improvement by partnering with suppliers to co-develop and achieve shared sustainability objectives.



Supplier Engagement Programs

Between April 2024 and March 2025, we achieved a reduction of 450 tons in non-sustainable packaging materials. Cumulatively, we have reduced 1486 tons. This progress was driven by the adoption of environmentally friendly alternatives such as recyclable packaging, and biodegradable packaging materials.

Sustainability Targets for Suppliers

In alignment with our ESG priorities, VECV collaborates with suppliers to establish quantifiable sustainability targets in key areas including energy optimization, waste minimization, and emissions control. Progress is systematically tracked and reviewed on an annual basis, with performance-linked incentives offered to suppliers who meet or exceed their goals. This approach enables us to foster enduring partnerships with suppliers who are committed to innovation and continuous advancement in sustainability.



Reduction in Non-Sustainable Packaging

Between April 2024 and March 2025, we achieved a reduction of 450 tons in non-sustainable packaging materials. Cumulatively, we have reduced 1486 tons. This progress was driven by the adoption of environmentally friendly alternatives such as recyclable packaging, and biodegradable packaging materials.

Recyclable and Reusable Packaging Solutions

In collaboration with our supplier network, we are actively developing packaging systems that prioritize recyclability and reusability. By shifting to materials designed for multiple-use cycles or easy end-of-life recycling, we are significantly reducing waste generation, and contributing to a lower overall environmental impact across our logistics and distribution operations.



TRANSPARENCY AND ACCOUNTABILITY IN SUPPLY CHAIN MANAGEMENT

At VECV, transparency underpins our approach to ethical sourcing and supplier collaboration. We prioritize open, consistent dialogue with our suppliers to build trust and ensure alignment with our sustainability commitments.

Supplier Code of Conduct
Our Supplier Code of Conduct defines clear expectations around ethical behaviour, environmental stewardship, and social responsibility. It serves as a guiding framework for suppliers, reflecting the principles that inform our procurement decisions. Signing and adhering to this Code is a mandatory part of our supplier onboarding process, reinforcing our shared commitment to responsible business practices.

Performance Monitoring and Reporting
We evaluate supplier performance through a structured assessment system that incorporates sustainability indicators, regulatory compliance, and alignment with VECV's ESG standards. These evaluations are reviewed periodically and inform strategic decisions regarding supplier partnerships. Our annual Sustainability Report includes detailed disclosures on supply chain performance, offering stakeholders a transparent view of our progress and impact.

Certifications and Standards
To strengthen accountability and align with global best practices, VECV encourages suppliers to obtain internationally recognized certifications such as ISO 14001 (Environmental Management Systems) and ISO 45001 (Occupational Health and Safety). These certifications offer third-party validation of a supplier's sustainability efforts and reinforce the integrity of our supply chain.

DRIVING INNOVATION FOR SUSTAINABLE SOURCING

VECV's sustainability approach is driven by a commitment to innovation. We continuously explore advanced materials, cutting-edge technologies, and process improvements that contribute to a more sustainable supply chain and help minimize our environmental impact.

Alternative Materials
We actively engage in the research and evaluation of alternative materials that deliver environmental benefits without compromising product performance. This includes lightweight options that enhance fuel efficiency, bio-based materials, and recyclable advanced composites with high durability. Through sustained investment in R&D, we are accelerating the shift toward more responsible and sustainable material sourcing.

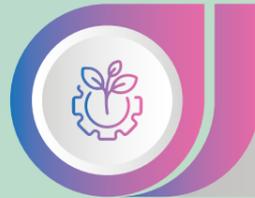
Digitalization and Smart Supply Chain Solutions
Digital technologies are increasingly central to our supply chain sustainability efforts. Leveraging digital supply chain platforms, we monitor supplier performance, manage risks proactively, and uncover real-time opportunities for improvement. These smart solutions also enable us to streamline logistics, lower emissions, and boost overall operational efficiency.

Our approach to responsible sourcing is deeply embedded in the broader sustainability vision. By placing emphasis on ethical labour practices, environmental stewardship, and continuous innovation, and supplier engagement on various sustainability fronts, we are shaping a supply chain that is not only resilient and future-ready but also reflective of our core values. Our commitment goes beyond mere compliance—it represents a proactive effort to generate positive outcomes for the planet, society, and the communities we serve. As we scale our operations, we continue to remain focused on reinforcing supplier relationships, integrating sustainability across every link of our value chain, and contributing meaningfully to a more equitable and sustainable future.



VECV Dealership Network

Sustainability at the **CORE**



Sustainability as the Foundation

- Dealerships are partners in driving VECV's sustainability vision.
- Every facility is built to be safe, efficient, and environmentally responsible.
- Sustainability is getting embedded as the guiding principle in operations, infrastructure, and customer service.

Safety & Preparedness

- Personnel trained in fire safety, emergency response, and workplace safety protocols.
- Regular drills and updates ensure readiness for all contingencies.
- Sustainability includes protecting people, assets, and the environment.



Structured Onboarding with Compliance

- New dealerships undergo stringent evaluation for service quality, fire safety, and environmental norms.
- Mandatory adherence to green infrastructure and compliance guidelines from day one.
- Ensures sustainability is embedded at the foundation of dealership operations.

Customer Experience through Sustainability

- Sustainable facilities enhance trust, safety, and customer satisfaction.
- Cleaner, greener, and safer spaces create positive customer impressions.
- Eco-conscious dealerships reinforce VECV's reputation for responsible growth.



Environmentally Responsible Operations by adopting best practices

- Implementation of waste oil handling, responsible disposal, and rainwater harvesting.
- Deployment of energy-efficient infrastructure and eco-conscious facility design.
 - Foray into Electric Vehicles (EVs) – enabling sustainable mobility solutions.
 - Sapling with every electric vehicle delivery – reinforcing commitment to a greener tomorrow.
 - Charging infrastructure at dealerships – building readiness for EV adoption.
 - Solar rooftop systems – harnessing renewable energy for operations.
 - Comprehensive waste management – reducing landfill impact through segregation and recycling.



Waste Storage & Disposal



Waste Segregation



Oil & Fuel Filter Segregation



Usage of Renewable Energy (Solar Panels)

PRODUCT INNOVATION AND SUSTAINABLE MOBILITY

In today's dynamic automotive landscape, embedding sustainability into product innovation has become a strategic necessity. With rising global concerns around climate change, air pollution, and resource scarcity, the demand for cleaner, safer, and more efficient mobility solutions is more urgent than ever. We are proactively responding to this challenge by integrating sustainability principles across its product development and mobility offerings.

Our vision is to contribute to a future where transportation is not only economically viable and operationally efficient, but also environmentally responsible. In line with the global transition toward low-emission energy sources, we are deeply invested in advancing electric and hybrid vehicle technologies that deliver sustainable and high-performance solutions for commercial mobility.

DRIVING INNOVATION FOR A GREENER FUTURE

At the heart of VECV's product development efforts is the pursuit of reducing the environmental impact of our vehicles while meeting the growing demand for high-performance commercial transport solutions. Our innovation strategy focuses on enhancing fuel efficiency, lowering emissions, and integrating alternative energy technologies—each aimed at shrinking our ecological footprint and advancing sustainability throughout the value chain.

Alternative Fuel Solutions

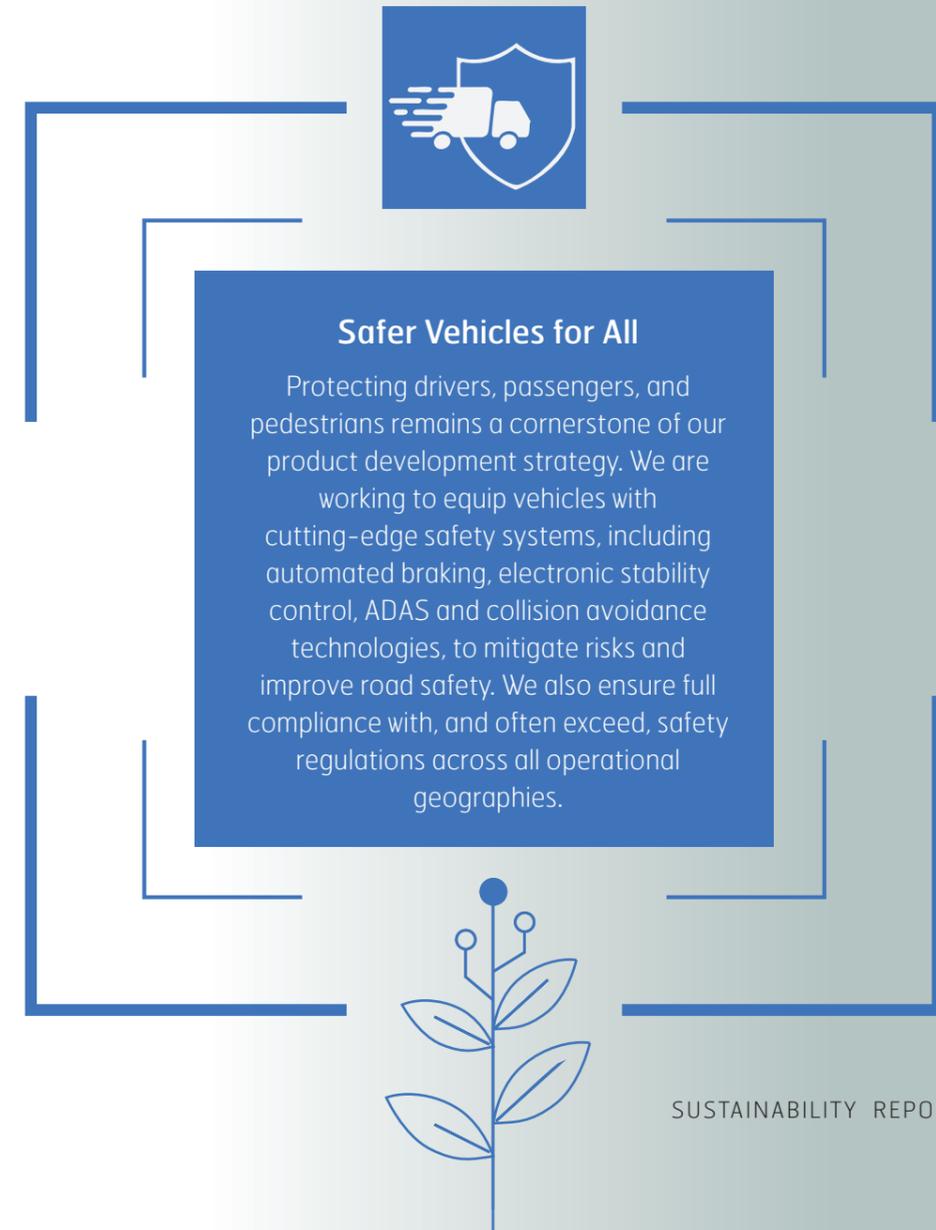
We are actively engaged in the development of vehicles powered by cleaner fuel alternatives. Our research spans natural gas, biofuels, and hydrogen-based propulsion systems, all of which offer significantly lower greenhouse gas (GHG) emissions compared to conventional diesel engines. These solutions are designed to support environmentally responsible transportation across both urban and rural markets.

Electric Mobility

In alignment with the global shift toward electrification, we are driving efforts in electric mobility innovation. Our R&D teams are focused on engineering electric commercial vehicles (EVs) that meet rigorous environmental benchmarks while delivering exceptional performance, reliability, and energy efficiency. We have already introduced EV products in Bus and Light commercial vehicles in the market and further working to develop Heavy duty Trucks and intercity Buses. Electric mobility remains a cornerstone of our strategy to reduce sector-wide emissions and support the transition to clean energy solutions.

ENHANCING VEHICLE SAFETY FOR SUSTAINABLE MOBILITY

At VECV, we recognize that meaningful mobility innovation must prioritize both human safety and environmental stewardship. Our continuous product enhancements are designed to uphold the highest safety standards while integrating environmentally responsible features that reflect our commitment to sustainable transport.



FUEL EFFICIENCY AND EMISSION REDUCTION

One of the biggest challenges facing the automotive industry today is the reduction of emissions, particularly in the commercial vehicle sector. The commercial vehicle segment faces mounting pressure to curb emissions, and we, at VECV, are proactively responding by engineering products that prioritize fuel efficiency and environmental performance. These efforts are central to our commitment to shaping a cleaner, more sustainable future for transportation.

Engine Efficiency Improvements

Our engineering teams are continually innovating to improve fuel economy across our vehicle portfolio. Through advanced engine design and precision optimization, we have achieved notable reductions in fuel consumption. These enhancements not only lower our emissions but also deliver cost savings for fleet operators, delivering both environmental and economic value.

Emission Control Technologies

At VECV, we continue to lead in the deployment of advanced emission control systems. Our vehicles are equipped with cutting-edge technologies that effectively reduce pollutants such as nitrogen oxides (NOx) and particulate matter (PM), ensuring compliance with evolving global emission norms. By integrating selective catalytic reduction (SCR), diesel particulate filters (DPFs), and exhaust gas recirculation (EGR), we are significantly mitigating the environmental footprint of our fleet.

Hybrid Solutions

As part of our transition strategy toward full electrification, we are actively exploring hybrid vehicle technologies. These systems combine internal combustion engines (ICE) with electric motors to enhance fuel efficiency and reduce emissions. Hybrid solutions offer a viable and sustainable option for operators seeking improved environmental performance without fully shifting to electric power.

SUSTAINABILITY THROUGH LIFECYCLE INNOVATION

At VECV, we adopt a lifecycle approach to sustainability in product innovation, which integrates sustainability across the entire lifecycle of its vehicles, starting from design and manufacturing, through operational use, and extending to end-of-life disposal. This ensures that environmental considerations along with circularity are embedded at every stage of product development.



Eco-Design and Materials

We prioritize the use of environmentally responsible materials in our manufacturing processes. This includes incorporating recycled inputs, lightweight alloys, and biodegradable components that collectively reduce the lifecycle impact of our vehicles. Sustainability-driven design principles are embedded throughout our development pipeline, ensuring that every product reflects our commitment to eco-conscious innovation from inception to rollout.



End-of-Life Management

Facilitating efficient dismantling and recycling of vehicles at the end of their service life is a key pillar of our sustainability agenda. We focus on using recyclable materials and designing components for easy disassembly and serviceability, thereby minimizing environmental disruption during disposal. These initiatives support waste reduction and strongly establish our contribution to a circular economy.

COLLABORATIVE INNOVATION FOR A SUSTAINABLE FUTURE

Achieving meaningful progress in sustainable mobility requires collaboration across the entire automotive value chain, and at VECV, we recognize that advancing sustainable mobility demands coordinated efforts across the ecosystem. We actively engage with a broad spectrum of stakeholders, including suppliers, technology collaborators, academic institutions, and regulatory bodies, to accelerate innovation and embed sustainability throughout the value chain.

Partnerships for Sustainable Innovation



We collaborate with premier technology firms and research organizations to jointly develop advanced solutions for sustainable transportation. These partnerships enable us to harness cutting-edge developments in battery systems, energy optimization, and alternative fuel technologies, ensuring our vehicles remain at the leading edge of sustainable mobility.

Customer-Centric Innovation



Our innovation strategy is deeply rooted in understanding customer usage patterns and expectations. We maintain an ongoing dialogue with customers to capture insights that inform product enhancements. By integrating this feedback into our development process, we deliver commercial vehicles that not only meet operational needs but also align with evolving sustainability priorities.

Our product innovation strategy is anchored in a forward-looking vision to deliver transportation solutions that are cleaner, safer, and more efficient. Sustainability is embedded throughout our vehicle design and development processes, enabling us to tackle current environmental challenges while proactively positioning for future opportunities. As we advance the frontiers of mobility, our unwavering focus is on creating high-performance products that also foster a more responsible and sustainable transport ecosystem.

PRODUCT QUALITY AND SAFETY

In the commercial vehicle segment of the automotive industry, ensuring superior product quality and safety is of critical importance. As a trusted manufacturer of trucks and buses, we are deeply committed to delivering vehicles that consistently meet rigorous standards of safety, reliability, and performance. This dedication is not only essential to our operational excellence but also central to safeguarding the lives of drivers, passengers, and the broader communities that rely on our vehicles every day.

ENSURING SUPERIOR PRODUCT QUALITY

At VECV, product quality is ingrained across every stage of our vehicle lifecycle, from initial design and engineering to manufacturing and after-sales support. Our vehicles are built to deliver consistent performance across varied applications, including long-distance haulage, urban transit, and demanding environments such as construction and mining, reflecting our steadfast commitment to excellence.

Robust Quality Management Systems



Our Quality Management Systems (QMS) serve as the backbone of our quality assurance framework. These systems govern all operational processes, ensuring that each vehicle component meets stringent internal benchmarks and complies with global standards. We adhere to internationally recognized protocols such as ISO 9001, which guide our production practices and reinforce alignment with industry best practices.

Precision in Manufacturing



Our production facilities leverage advanced technologies to ensure precision in vehicle assembly and testing. Automated robotics, combined with expert human supervision, uphold rigorous quality standards. Our zero-defect manufacturing philosophy emphasizes meticulous inspections at every stage, enabling early detection and resolution of potential issues before final dispatch.

Continuous Improvement Programs



We foster a culture of continuous improvement through the adoption of 8D and Kaizen methodologies. These initiatives empower us to regularly assess and refine our manufacturing processes, eliminate inefficiencies, and elevate product quality. This commitment to operational excellence ensures our vehicles remain competitive and responsive to evolving customer expectations.

Supplier Quality Assurance



High-quality products begin with high-quality inputs. We enforce robust quality controls across our supply chain to ensure that all components meet our exacting standards. This includes periodic audits of supplier operations, performance evaluations, and rigorous material testing to confirm durability and compatibility. These measures guarantee that every part integrated into our trucks and buses contributes to the overall reliability and excellence of the final product.

PRIORITIZING VEHICLE SAFETY

Safety is at the core of our product development strategy. At VECV, safety is a foundational element in the design and delivery of our commercial vehicles. We recognize the responsibility we carry in safeguarding the lives of drivers and passengers, whether navigating highways on long-haul journeys or manoeuvring through densely populated urban areas. For us, safety is not optional, it is imperative.

Safety-Focused Product Development

Our engineering and product development teams continuously strive to integrate cutting-edge safety innovations into every vehicle. From initial design to final production, stringent safety protocols are executed. Our engineers conduct detailed simulations and crash assessments to proactively identify and mitigate risks, ensuring our vehicles are equipped to handle real-world conditions with resilience, safety and reliability.



Telematics and Predictive Safety Technologies

We leverage telematics to elevate safety across our fleet. Our vehicles are equipped with intelligent systems that monitor key parameters like engine health, and driver behaviour in real time. Predictive diagnostics enable early detection of mechanical issues, supporting preventive maintenance and reducing accident risks. These insights also help identify unsafe driving patterns, allowing for targeted corrective actions such as coaching and training for drivers.



Focus on Accident Prevention

Preventing accidents is central to our safety philosophy. Our proactive approach include initiatives like "Uptime," a suite of services designed to optimize vehicle performance and availability. By anticipating breakdowns and ensuring vehicles remain in peak condition, we significantly reduce the likelihood of road incidents and reinforce our commitment to safe mobility.



Enhanced Visibility and Control

Navigating complex terrains and confined spaces demands superior visibility and control. We address these operational challenges by equipping vehicles with wide-angle mirrors. For environments with limited visibility, such as construction zones, we offer enhanced lighting systems and night-vision capabilities to improve situational awareness and driver confidence.



Driver and Passenger Protection

At VECV, our vehicles are outfitted with comprehensive safety features to protect occupants. Advanced braking technologies such as Anti-lock Braking Systems (ABS) and Electronic Brakeforce Distribution (EBD) enhance control and stability during critical moments. Additional protective measures, including airbags, seatbelt reminders, and reinforced structural components development is in progress to absorb impact, and minimize injury in the event of a collision.



Comprehensive Training for Drivers

Recognizing that human error remains a primary contributor to road accidents, we have prioritized driver education through robust training initiatives. In FY 2024-25, we conducted 2,039 structured training programs, reaching over 38,817 drivers with modules focused on safe driving behaviour, vehicle upkeep, and fuel-efficient techniques. By cultivating responsible driving habits, we not only ensure road safety but also support environmental sustainability through reduced emissions and optimized fuel usage.



After-Sales Safety Support

Our dedication to safety continues well beyond the point of sale. Our after-sales framework includes a suite of services designed to uphold vehicle safety throughout the lifecycle. These services encompass scheduled inspections, proactive recall management, and timely implementation of safety enhancements. When emerging risks are identified, our Quality team swiftly launches targeted campaigns to resolve issues, ensuring customer protection without imposing additional costs.

REGULATORY COMPLIANCE AND PRODUCT LIABILITY

Being a responsible manufacturer, we ensure that all our products meet or exceed the regulatory requirements for safety and quality in the markets we operate in. We remain committed to upholding the highest standards of safety and quality across all markets we serve. We actively track and respond to evolving regulatory frameworks, both domestic and international, to make sure our products consistently align with current compliance requirements. This dynamic approach enables us to maintain regulatory integrity while delivering safe, reliable vehicles.



Adherence to Safety Standards

We, at VECV, adhere to a comprehensive set of safety regulations, including Automotive Industry Standards (AIS), Central Motor Vehicle Rules (CMVR), and other region-specific codes. These guidelines inform the design, engineering, and maintenance protocols of our vehicles, ensuring robust protection for both drivers and passengers.



Product Liability Management

Understanding the critical implications of product liability in the automotive sector, we have instituted rigorous controls to mitigate associated risks. Regular safety evaluations through internal audits, customer insights, and field performance analytics are conducted. In the event that a safety concern is identified, we initiate prompt recall and remediation actions to safeguard our customers and uphold product integrity.



Global Best Practices

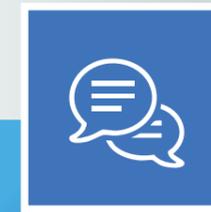
We integrate internationally recognized best practices into our safety and quality management systems to ensure global competitiveness. We routinely benchmark our processes against leading standards and engage with industry associations to remain at the forefront of regulatory advancements and safety innovations.

CUSTOMER-CENTRIC APPROACH TO QUALITY AND SAFETY

Customer satisfaction is directly linked to the quality and safety of the vehicles we produce. At VECV, our commitment to customer-centricity drives every aspect of our quality and safety strategy. We proactively address customer expectations and concerns, ensuring that our vehicles consistently deliver a secure and dependable experience across diverse operating conditions.

Engagement with Customers on Safety

We maintain ongoing, multi-channel engagement with customers to strengthen safety outcomes. Through regular safety audits and direct interactions with fleet operators, drivers, and passengers, we gather actionable insights into vehicle performance. This feedback plays a critical role in refining future product designs and swiftly addressing emerging safety issues.



Transparent Communication

Transparency is a cornerstone of our safety assurance approach. In the event of any identified safety risks, we ensure prompt and clear communication with affected customers. We provide detailed guidance on corrective measures, reinforcing trust and confidence in our commitment to vehicle safety and operational integrity.

At VECV, safety and quality are not merely compliance requirements, they are integral to our mission of delivering innovative and reliable commercial mobility solutions. Our safety-first philosophy spans the entire product lifecycle, from design and manufacturing to post-delivery support. We place the well-being of our customers, drivers, and communities at the forefront, which strengthens our reputation as a dependable industry leader. Looking ahead, we remain focused on advancing safety technologies and upholding world-class quality standards in pursuit of continuous excellence.

CUSTOMER ENGAGEMENT AND SATISFACTION

At VECV, our customers are valued collaborators in our pursuit of sustainable growth and operational excellence. As a prominent player in the commercial vehicle industry, our long-term success is closely tied to our ability to understand, engage with, and respond to the evolving needs of a diverse customer base. This section presents our structured approach to customer engagement and satisfaction, built on globally recognized best practices and aligned with the GRI 2021 standards for sustainable development.

CUSTOMER ENGAGEMENT STRATEGY

At VECV, we adopt a comprehensive approach to customer engagement, designed to foster consistent dialogue, maintain transparency, and build collaborative partnerships across our stakeholder ecosystem. Our engagement framework is anchored in the following strategic pillars:



Proactive Communication

We maintain open lines of communication with our customers throughout their journey with VECV. From the moment a potential customer expresses interest in our products, we prioritize timely and transparent interactions, ensuring they are well-informed about product specifications, features, and performance. This proactive communication is facilitated through various channels, including direct sales consultations, digital platforms, and regular customer feedback loops.



Feedback Mechanisms

Continuous improvement is a core principle at VECV, and customer feedback is one of the primary drivers of innovation and development. We have robust feedback mechanisms in place, such as our "iConnect" feedback system, which captures customer insights at multiple touchpoints. In FY 2023-24 alone, we gathered over 65,000 pieces of feedback through this platform, allowing us to make data-driven decisions to improve products and services.



Customer Relationship Executives (CREs)

Our dedicated Customer Relationship Executives (CREs) play a critical role in maintaining ongoing engagement with our clients. CREs undergo rigorous training in both technical and soft skills to ensure they provide excellent customer service. We continue to certify CREs ensuring that they are equipped with the knowledge and skills to manage customer relationships effectively, resolve issues promptly, and maintain customer satisfaction.



Predictive Diagnostics and Uptime Solutions

As part of our commitment to delivering exceptional service, we offer predictive diagnostics services that utilize telematics data to anticipate vehicle breakdowns and prevent costly disruptions. These insights are shared with customers in real time, helping them maintain optimal vehicle performance while ensuring the safety of drivers and passengers. This service saves an estimated 200+ engines each month, enhancing customer trust in our brand's reliability.



Site Support Initiatives

In addition to vehicle sales and service, VECV provides specialized site support for large fleet customers operating in remote areas. Our team ensures that our commercial vehicles maintain industry-best uptime, supporting construction, mining, and irrigation sectors. In FY 2023-24, our site support services covered over 295 sites, delivering superior uptime and ensuring customers can meet their project deadlines efficiently.

DRIVING CUSTOMER SATISFACTION THROUGH INNOVATION AND IMPROVEMENT

Innovation forms the backbone of our business strategy, with customer insights playing a pivotal role in shaping our product development and enhancement efforts. Through continuous engagement and a deep understanding of shifting customer expectations, we deliver solutions that are tailored to market-specific requirements and aligned with emerging industry dynamics. Notable areas where customer feedback has directly influenced innovation include:



Product Design and Features

Our Research & Development and Product Support teams collaborate to integrate safety, comfort, and performance across all vehicle designs. During the reporting period, there were no cases of non-compliance with product health and safety norms. Continuous feedback from drivers and fleet managers helped refine usability and operational performance. Our approach spans every aspect, from design and packaging to labeling and after-sales, while maintaining transparency in marketing and communication. No deviations were recorded regarding product information or promotional materials.



Enhanced Safety Measures

We have integrated comprehensive safety protocols into both product design and aftermarket support services. Our driver training programs emphasize the importance of safe driving practices, leading to safer roads and vehicles. In FY 2023-24, Eicher successfully trained 36,336 heavy commercial vehicle drivers, with 26,805 in haulage and 9,531 in tipper operations, ensuring enhanced safety and skill development across the industry. As part of its CSR initiatives, Eicher has screened 2,70,358 truck drivers across 25 states up to FY 2023-24, and continues to provide eye and ear care services to over 150,000 drivers annually, demonstrating its commitment to the well-being and safety of India's trucking community. This effort not only boosts customer satisfaction but also helps reduce carbon emissions in the commercial vehicle sector.



Technical Support and After-Sales Service

VECV's customer support does not end with the sale of a vehicle. Our extensive after-sales services include training on vehicle operations, regular maintenance support, and immediate response to any safety concerns that arise. Should any health and safety risks related to our products be identified, our Quality Assurance team works swiftly to address the issue through recall or repair campaigns at no cost to the customer.

CUSTOMER SATISFACTION KPIs

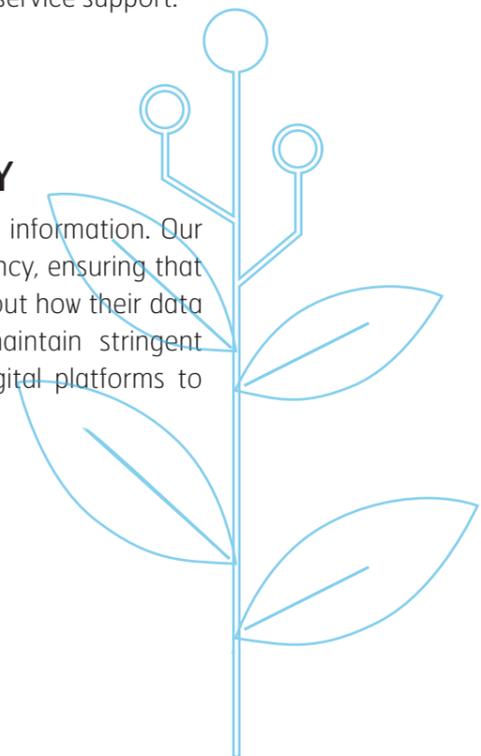
To assess how effectively we are fulfilling customer expectations, we monitor a range of performance metrics that provide insights into our achievements as well as opportunities for enhancement. The following indicators for FY 2024–25 reflect our ongoing commitment to customer-centric excellence:

	<p>Customer Complaints Response Time</p> <p>We are proud to report that 95% of customer complaints were responded to within 24 hours as of March 2024, demonstrating our commitment to prompt service and effective resolution of issues.</p>
	<p>Predictive Diagnostics Performance</p> <p>Our predictive diagnostics service consistently delivers high performance, preventing potential vehicle breakdowns and improving operational efficiency. The service has a track record of saving over 200 engines monthly.</p>
	<p>Customer Satisfaction Ratings</p> <p>We achieved one of our highest-ever PRS (Product Rating Score) ratings in March 2024, with a top-2 score of 94%. This reflects our success in meeting customer expectations in terms of vehicle quality, reliability, and service support.</p>

CUSTOMER DATA PROTECTION AND PRIVACY

We are committed to upholding the highest standards of data privacy and protection, in full compliance with relevant legal frameworks. In today's digitally connected environment, securing personal and business information is fundamental to sustaining customer confidence. We have established a robust data protection framework that governs the responsible collection,

storage, and usage of customer information. Our approach emphasizes transparency, ensuring that customers are fully informed about how their data is handled. Furthermore, we maintain stringent security protocols across all digital platforms to safeguard every interaction.



FAIR COMPETITION AND ETHICAL DEALINGS

Our approach to customer engagement is firmly grounded in both satisfaction and ethical conduct. We uphold the principles of fair competition, operating within open and transparent market environments. In strict compliance with competition laws, we refrain from any practices that could result in undue advantage, such as price manipulation, collusion, or anti-competitive behaviour. We are committed to fostering a level playing field where innovation, service excellence, and customer-centricity serve as the true drivers of market leadership.

BUILDING LONG-TERM CUSTOMER RELATIONSHIPS

At VECV, we understand that customer satisfaction extends beyond repeat purchases, it cultivates a brand that actively contributes to our market strength and segment expansion. Through ongoing engagement, we nurture enduring relationships founded on mutual trust and reinforced by our consistent delivery of value-driven solutions.

<p>Loyalty Programs</p>	<p>Customer-Centric Product</p>	<p>Sustained Market Leadership</p>
<p>We have instituted loyalty programs aimed at recognizing and rewarding repeat customers, thereby fostering sustained engagement. These initiatives offer meaningful advantages such as expedited service, preferential pricing, and early access to new product innovations.</p>	<p>To better serve operational diversity, we provide vehicle customization options that empower customers to adapt our offerings to their specific business needs. This personalized approach significantly enhances customer satisfaction by delivering solutions that are precisely aligned with functional requirements.</p>	<p>Our continued leadership in commercial vehicle manufacturing and services is underpinned by our proactive customer engagement across industry segments. By remaining responsive to evolving needs and swiftly addressing operational challenges, we consistently deliver differentiated value that propels our growth and reinforces our market position.</p>

CYBER SECURITY



In today's digitally integrated environment, cybersecurity has become a critical priority, particularly for VECV, which operates at the convergence of advanced automotive engineering, manufacturing, and transport services. As our vehicles and operations become increasingly connected and data-centric, protecting sensitive information and

securing our digital infrastructure is essential to maintaining business resilience, regulatory compliance, and stakeholder confidence.

Cybersecurity is a core component of our Enterprise Risk Management strategy. We adopt a proactive stance to safeguard both our Information Technology (IT) and Operational Technology (OT)

systems against emerging cyber threats. By continuously investing in advanced security solutions, conducting regular employee awareness programs, and fostering collaborative defence mechanisms, we are building a robust digital ecosystem that ensures the integrity, confidentiality, and availability of our data assets.

CYBERSECURITY STRATEGY AND GOVERNANCE

Here at VECV, cybersecurity is governed at the highest levels of the organization, ensuring that the necessary resources, oversight, and strategic direction are provided to mitigate potential cyber risks.



Cybersecurity Governance

Our cybersecurity governance structure is designed to provide enterprise-wide protection through strategic oversight and coordinated action. At the core of this framework is an internal Cybersecurity Steering Committee, which leads all initiatives related to cybersecurity policies, threat monitoring, and strategic planning. The committee plays a critical role in identifying potential vulnerabilities and driving the adoption of recognized industry standards to strengthen our digital defences. To maintain transparency and ensure accountability, detailed cybersecurity updates are routinely shared with senior leadership and the Board of Directors, enabling informed decision-making and reinforcing executive-level commitment to cyber resilience.



Risk-Based Approach

We employ a risk-based methodology to guide the cybersecurity posture, focusing protection efforts where they matter most. By conducting periodic risk evaluations and system audits, we proactively identify and mitigate vulnerabilities across both our Information Technology (IT) and Operational Technology (OT) domains. This approach ensures that our cybersecurity measures are not only robust but also aligned with regulatory expectations and business objectives.

DATA PROTECTION AND PRIVACY

As the volume of data continues to expand across our operations, customer interactions, and connected vehicle ecosystems, safeguarding this information remains a core organizational priority. We uphold a firm commitment to managing personal, customer, and mission-critical business data with the highest standards of security and in strict alignment with internationally recognized data privacy regulations.



Data Encryption

To safeguard sensitive information from unauthorized exposure, we implement robust encryption protocols for data both during transmission and while stored. These measures ensure that, even in the event of interception or breach, the data remains indecipherable and inaccessible to malicious entities.



Data Access Controls

Here at VECV, we enforce stringent access management policies to restrict sensitive data to authorized users only. Through the deployment of role-based access controls (RBAC) and multi-factor authentication (MFA), we reduce the likelihood of unauthorized entry into critical systems and information repositories significantly.



Compliance with Data Protection Regulations

We maintain full compliance with applicable data protection statutes and regulatory frameworks. Our data governance practices are designed to ensure that personal information is gathered, handled, retained, and shared in a manner that upholds individual privacy rights and align with global standards.

CYBERSECURITY AWARENESS AND TRAINING

People play a crucial role in maintaining a strong cybersecurity posture. Recognizing the pivotal role of individuals in sustaining robust cybersecurity, we place a significant emphasis on employee awareness and training. We advocate a shared responsibility model, fostering a workplace culture rooted in vigilance, accountability, and security-conscious behaviour across all functions.



Employee Training Programs

We deliver structured cybersecurity training programs tailored for personnel at every organizational level, from frontline teams to top leadership. These sessions equip employees with the knowledge to identify and mitigate prevalent cyber risks such as phishing, ransomware, and social engineering, while reinforcing best practices in password hygiene and secure digital conduct.



Phishing Simulations

To strengthen real-time threat recognition, we conduct simulated phishing exercises that replicate authentic attack scenarios. These simulations offer hands-on learning, enabling employees to detect suspicious communications and respond appropriately by escalating them to designated cybersecurity teams.

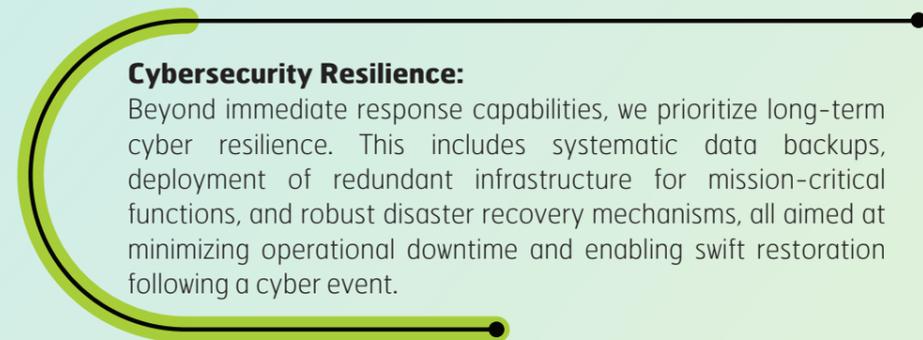
INCIDENT RESPONSE AND CYBER RESILIENCE

Despite the best preventive measures, cybersecurity incidents can still occur. Acknowledging that no system is entirely immune to cyber threats, we have established a comprehensive incident response framework to ensure rapid and effective action in the face of potential breaches. This proactive approach is designed to limit disruption and safeguard the interests of our operations, customers, and strategic partners.



Incident Response Plan (IRP):

Our Incident Response Plan (IRP) defines a structured protocol for managing cybersecurity events. It clearly delineates team responsibilities, escalation pathways, and communication strategies to ensure coordinated and timely responses. To maintain operational readiness, we conduct regular drills and simulations that prepare our teams to respond with precision and urgency during actual incidents.



Cybersecurity Resilience:

Beyond immediate response capabilities, we prioritize long-term cyber resilience. This includes systematic data backups, deployment of redundant infrastructure for mission-critical functions, and robust disaster recovery mechanisms, all aimed at minimizing operational downtime and enabling swift restoration following a cyber event.

KPIs FROM GRI 418-1

Cybersecurity KPIs	Number of Complaints
Complaints received from outside parties and substantiated	0
Complaints received from regulatory bodies	0
Identified leaks, thefts, or losses of customer data	0

No external parties or regulatory agencies have filed any verified complaints against VECV for violating customer privacy, and no data leaks, thefts, or losses have been reported. This is a reflection of the company's robust data privacy and security protocols.

COLLABORATING FOR A SAFER DIGITAL ECOSYSTEM

At VECV, we recognize that cybersecurity is a shared responsibility that requires collaboration across industries and sectors. We acknowledge that effective cybersecurity demands collective action and cross-sector engagement. We actively participate in cybersecurity forums, industry associations, and regulatory dialogues to remain aware of emerging threats and evolving best practices.



Industry Collaboration

Our contributions to collaborative industry efforts are aimed at advancing cybersecurity standards and sharing intelligence on potential risks. By partnering with peers in the automotive sector, technology providers, and cybersecurity specialists, we proactively strengthen our defence mechanisms and stay ahead of the threat landscape.



Government and Regulatory Partnerships

We maintain close coordination with government bodies and regulatory authorities to ensure full alignment with cybersecurity mandates. Our involvement in national-level initiatives supports broader efforts to enhance cyber resilience across critical industries, including automotive manufacturing.

Cybersecurity is an integral component of our commitment to responsible business practices and long-term success. As we continue to embrace innovation and digital transformation, we remain steadfast in our commitment to securing our digital assets, safeguarding sensitive information, and protecting the integrity of our operations, workforce, and customer base. Through ongoing enhancements, targeted employee training, and strategic alliances, we are cultivating a resilient cybersecurity ecosystem equipped to meet the demands of today's digital environment and future challenges.

PIONEERING OUR ENVIRONMENTAL RESPONSIBILITY

Climate Action and GHG Emissions

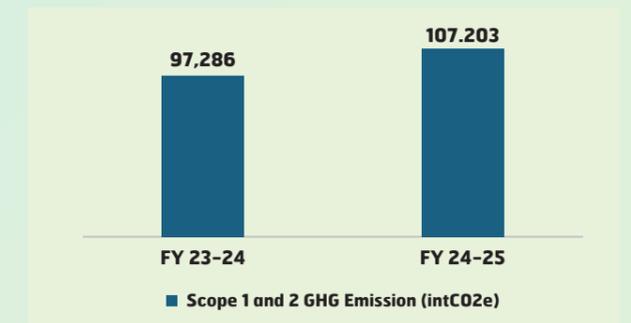
At VECV, our approach to climate change is rooted in purposeful innovation and continuous improvement. Sustainability is embedded in our core operations, guiding our efforts to minimize our Greenhouse Gas (GHG) emissions and enhance environmental stewardship.

A key milestone in this journey is the integration of advanced EURO VI technology across our vehicle portfolio. This cutting-edge system enables us to produce vehicles with markedly improved fuel efficiency and reduced emissions, aligning with global environmental standards and reinforcing our commitment to cleaner mobility.

Beyond environmental benefits, EURO VI technology contributes to superior engine performance, reliability, and operational efficiency, delivering tangible value to our customers while supporting our long-term sustainability goals. Through this initiative, VECV is working towards lowering its carbon footprint and setting new benchmarks in responsible transportation.

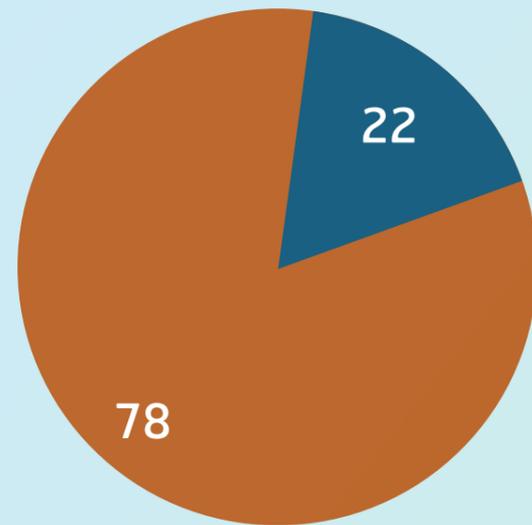
Tracking GHG Emissions at VECV

We maintain a robust framework for monitoring Scope 1 and Scope 2 GHG emissions, ensuring compliance and enabling effective emissions management. In FY 2024-25, our total GHG emissions stood at 1,07,203 tCO₂e, with Scope 1 emissions contributing 22% and Scope 2 contributing about 78% of the total GHG emissions. Scope 1 Emissions, primarily stem from stationary combustion processes involving fuels such as High-Speed Diesel (HSD), Liquefied Petroleum Gas (LPG), Piped Natural Gas (PNG), Petrol, Compressed Natural Gas (CNG), and Liquefied Natural Gas (LNG). Scope 2 emissions are linked to electricity consumption from the grid. Our calculations follow the Greenhouse Gas (GHG) Protocol, ensuring accuracy and transparency in reporting.



During the reporting period, total GHG emissions increased by 10% over the previous financial year. Scope 2 emissions rose by 13%, largely influenced by increased production and updated emission factors announced by the Central Electricity Authority. To tackle this rise, VECV is planning to undertake steadfast measures through process improvements and reducing our dependence on non-renewable sources. As part of our sustainability strategy, we continue to invest in cleaner manufacturing processes and increase our reliance on renewable energy sources to drive long-term reductions in GHG emissions.

Emission Share (in %)



- Scope 1 Emissions
- Scope 2 Emissions

GHG Emission Intensity

In FY 2024-25, VECV achieved a GHG emissions intensity of 0.45 tCO₂ per INR million of revenue from operations. This metric reflects the volume of emissions generated per unit of economic output and serves as a vital indicator of our environmental efficiency. Through continuous improvements in operational efficiency and the integration of innovative technologies, we are steadily reducing our carbon footprint relative to our financial performance. This progress underscores our commitment to environmental stewardship and our ability to harmonize economic growth with sustainable practices.

Case Study: PNG Consumption Reduction through Heat Pipe Technology

At the ETB Pithampur Paint Shop, the CED oven exhaust system had an old setup with high energy consumption. It also used to release hot air at around 110°C. To tackle this, a modular, maintenance-free air-to-air heat pipe exchanger was installed, bringing the exhaust temperature down to 80°C. The recovered heat is now reused for oven pre-heating, eliminating the need for additional equipment need. This smart retrofit is projected to save ₹1.8 million annually in PNG consumption and cut down 65 tCO₂e. The initiative not only boosts energy efficiency but also reinforces the company's commitment to sustainable manufacturing.

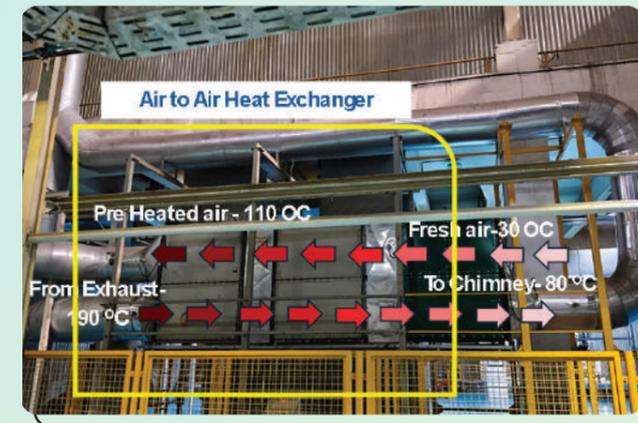
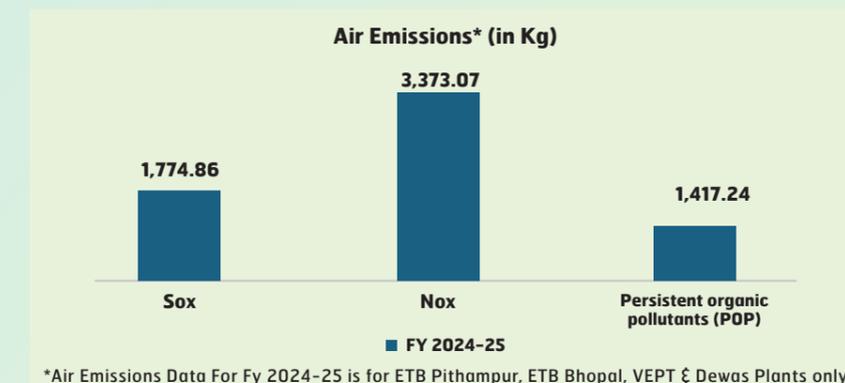


Fig.1 Air to Air Heat pipe Exchanger added to preheat fresh air

Air Emissions

We continue to monitor our air emissions and strive to work towards reducing SO_x, NO_x, and Particulate Matter emissions across our manufacturing operations. Our facilities are aligned with national and international air quality standards, ensuring compliance and environmental stewardship. An increase in air emissions was recorded during the reporting period, primarily attributable to higher production and enhanced plant capacities. Ongoing investments in innovation and process optimization reflect our commitment to minimizing our atmospheric impact.

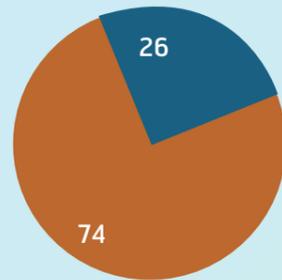


ENERGY MANAGEMENT

At VECV, responsible energy consumption is a key pillar of our sustainability strategy. Across all manufacturing facilities, we have embedded comprehensive energy management practices that enable us to monitor, track, and optimize energy use with precision. Our ISO 50001-certified energy management system provides a structured framework for implementing sustainable energy practices and maintaining compliance with industry benchmarks.

By investing in energy-efficient equipment and engineering products that deliver high performance with lower energy demand, we continue to reduce our environmental footprint. These efforts not only enhance operational efficiency but also reinforce our commitment to long-term sustainability. Our push towards renewable energy stands quite clear when we see a rise in our renewable energy mix to 26%. This rise was noticed due to an additional 6MW rooftop solar installation.

Electricity Mix (in %)*



■ Renewable Sources ■ Non-Renewable Sources

*The Renewable Energy consumption for all VECV plants have been considered. An additional 6MW Renewable plant which was commissioned in March 2025, has also been considered.

ENERGY CONSUMPTION AT VECV

In FY 2024-25, VECV's energy portfolio reflected a balanced mix of renewable and non-renewable sources, powering our operations with efficiency and resilience. Our total energy consumption for the year stood at 8,39,097 GJ. Our non-renewable fuel consumption totalled 3,53,807.21 GJ, comprising High-Speed Diesel (HSD), Liquefied Petroleum Gas (LPG), Piped Natural Gas (PNG), Petrol, Compressed Natural Gas (CNG), and

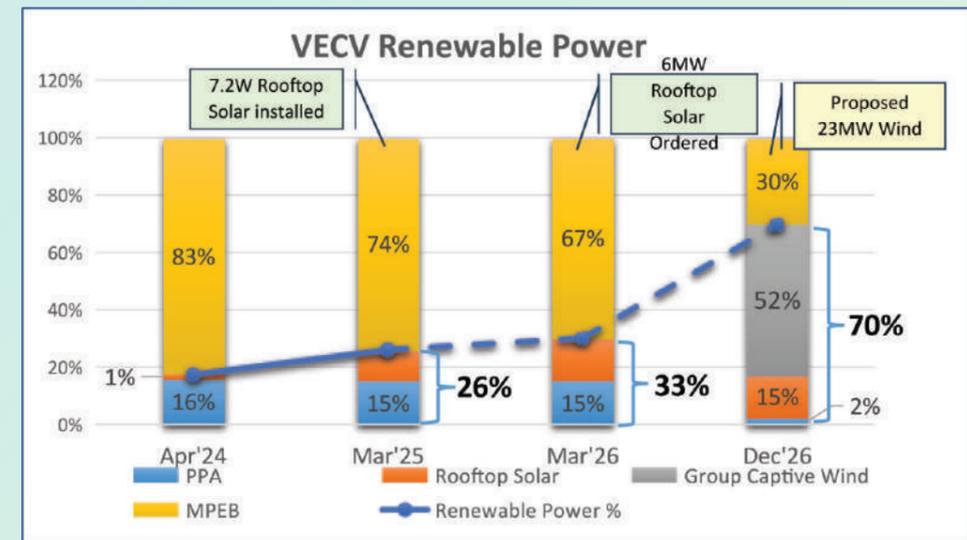
Liquefied Natural Gas (LNG), fuels essential to our production and logistics.

We also sourced 3,61,503.39 GJ of electricity from the grid, while expanding our renewable energy footprint to 1,23,786 GJ sourced from solar and hydro plants. This growing reliance on clean energy reflects our strategic focus on diversifying our energy mix, adopting energy-saving technologies, and steadily reducing dependence on fossil fuels.

VECV has progressively increased its renewable energy share through a mix of PPAs and on-site solar installations. The transition began in FY 2015 with solar and mini-hydel PPAs, which initially contributed 46% renewable share. Growing demand later reduced this percentage, leading to capacity expansion through on-site projects. In FY 2022, 1.2 MW of rooftop solar was installed at EEC Dewas,

followed by a 6 MW rooftop solar rollout across four plants in FY 2024-25.

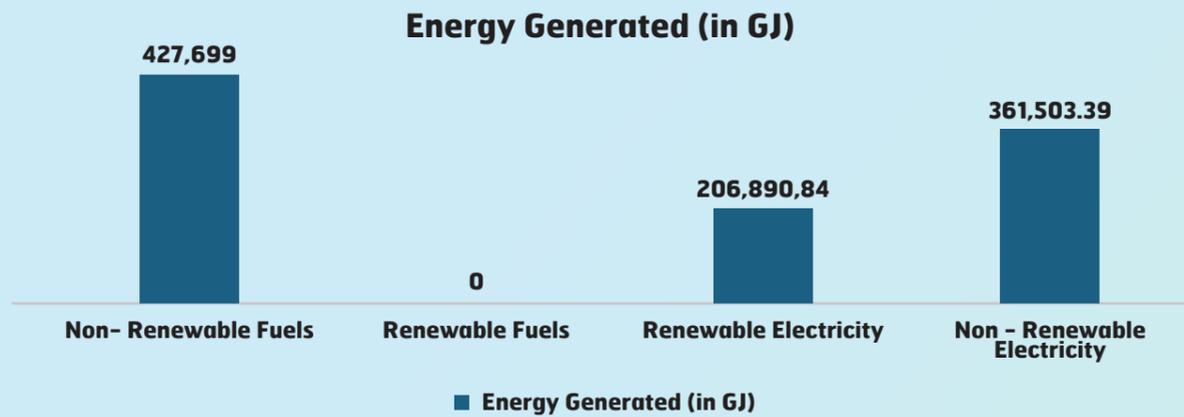
Planned additions include another 6 MW of rooftop solar and a proposed 23 MW group captive wind project. These initiatives are expected to increase the renewable share from 26 percent to nearly 70 percent by December 2026.



*With increase in power consumption, renewable share decreased from FY'15 base

Case Study: Energy-Efficient Lighting Upgrade Across Shop Floors

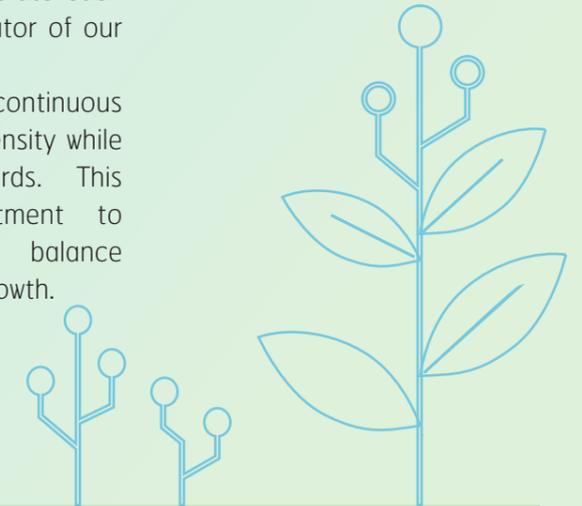
To improve energy efficiency and workplace safety, VECV replaced traditional fluorescent bulbs with LED lights across all shop floors. The older bulbs consumed more electricity and contained mercury, posing both environmental and health risks. After a thorough assessment and carrying forward with the initiatives of last year, LED fixtures were installed, and maintenance schedules were updated to reflect their longer lifespan. The switch from 250W fluorescent to 150W LED lights led to substantial energy savings and lower electricity bills. Additionally, the improved lighting quality has enhanced visibility and working conditions, while the mercury-free LEDs contribute to a safer and greener environment.



Energy Intensity

In FY 2024-25, VECV recorded an energy intensity of 4.20 GJ per INR million of revenue from operations. This metric reflects the energy required to generate each unit of revenue and serves as a key indicator of our operational efficiency.

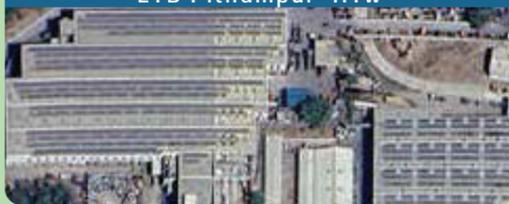
Through strategic energy management and continuous innovation, we are driving down energy intensity while maintaining high performance standards. This achievement underscores our commitment to pioneering sustainable practices that balance environmental responsibility with business growth.



Case Study: Rooftop Solar Expansion

During the reporting period, 6 MW of rooftop solar capacity was added across four major facilities, strengthening the transition to clean electricity and reducing reliance on grid power. The installations include 1 MW at ETB Pithampur, 2 MW at EEC Dewas, 1.5 MW at the Bus Plant, and 1.5 MW at ETB Bhopal. By utilizing existing rooftop space, these systems now supply a significant share of on-site renewable energy, help lower Scope 2 emissions, and improve energy cost stability without requiring additional land.

ETB Pithampur-1MW



EEC Dewas-2MW



Bus Plant-1.5MW



ETB Bhopal-1.5MW



Case Study: Energy-Efficient Upgrade with VFD Motors

At the New Shower Test Area, two 30 HP motors were previously used for water leakage tests on buses, an essential but energy-intensive process. To enhance its efficiency, the 30 HP motors were replaced with Variable Frequency Drive (VFD) motors. This upgrade allows motor speed to adjust based on real-time need, significantly cutting down on energy usage. Post implementation results show up to 25% reduction in power consumption, further pushing the company's sustainability goals. The initiative not only reduces the carbon footprint but also sets a precedent for smart and efficient energy use in manufacturing operations.



WATER MANAGEMENT

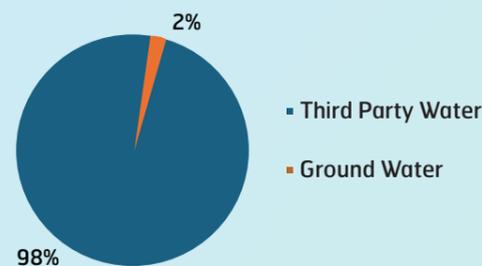
At VECV, water as a resource holds immense importance and being a shared resource, we are committed to its responsible consumption across all our facilities. Our water management strategy is built on a foundation of conservation, innovation, and compliance. Through advanced treatment and recycling systems, rainwater harvesting, and continuous monitoring, we strive to optimize water usage while safeguarding water quality.

At VECV, we implement strong water monitoring and have undertaken regular assessments of our water sources. This is to ensure adherence to environmental standards and help us maintain operational efficiency without compromising on ecological integrity.

Water Consumption, Withdrawal, and Discharge and Intensity

In FY 2024–25, VECV’s total water withdrawal stood at 874.10 ML. The Company sourced water from third-party municipal suppliers and groundwater to support its operations. Our robust water management system enables real-time tracking and regular assessments across all manufacturing sites. Our water intensity for the year stood at 0.0037 ML per INR million of revenue from operations.

Water Consumption by Source



We are proud to have achieved Zero Liquid Discharge (ZLD) status across all our plants. Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP) have been installed to treat and recycle all wastewater generated during production. We have also setup RO and Ultra Filtration plant to further treatment of water. Water is recycled and then reused for industrial processes, domestic applications, and landscaping, ensuring that no wastewater is released into the environment. As a result, our water consumption and withdrawal volumes remain equivalent.

Recognizing the challenges of operating in water-stressed regions, we are strongly committed to

Our water conservation efforts are guided by a holistic approach that integrates recycling, reuse, advanced treatment technologies, and rainwater harvesting.

reducing our impact on local water resources. The ETP facility at Dewas delivered significant operational and environmental benefits during the year. By optimizing the treatment process to lower the water content in the chemical sludge generated from the ETP, VECV achieved a reduction of nearly 40 metric tonnes of sludge annually. Along with reducing the waste, this initiative resulted in cost savings of ₹0.24 million per year in sludge disposal expenses.

To further support water sustainability, we have implemented rainwater harvesting systems at multiple sites, helping to replenish groundwater and contribute to broader community water conservation efforts.

Secondary Sewage Treatment Plant



Secondary STP at ETB-Pithampur

Secondary Effluent Treatment Plant (UF+RO)



Secondary ETP RO Treatment plant at ETB-Pithampur

- In ETB Pithampur, a secondary Sewage Treatment Plant (STP) is installed, targeting a 30% reduction in freshwater consumption. About 250 KL/day of treated STP water is reused in process application for Paint shop & Engine development centre.
- For Effluent water, additional filtration plant (UF+RO) system is installed, which improves the water quality to reuse in cooling application, ultimately reducing the freshwater consumption by 100 KL/day.
- To minimize the freshwater consumption, a dedicated ~3 km treated pipeline network is developed throughout the plant premises for usage in process applications, roof air coolers, washroom flushing, cooling towers & shower testing.
- Rainwater harvesting systems are in place across the

premises, with four additional projects planned to further improve water availability and operational resilience.

Through these initiatives, VECV continues to pioneer sustainable water practices, promoting long-term resource efficiency and contributing positively to the ecosystems and communities in which we operate.

VECV also keeps regular dialogues with its stakeholders like MPIDC officials, to ascertain all compliances regarding water are in place. All guidelines of MPPCB and CPCB are maintained and complied with on a regular basis.

Rainwater harvesting practices

To advance our water sustainability efforts, we’ve initiated a comprehensive water management program by exploring various rainwater harvesting practices, such as developing new Rainwater harvesting structures, Rooftop rainwater harvesting system at Pithampur Plant & Pond Rainwater harvesting at Bhopal Plant

1. Rainwater harvesting structures:

Developed New Rainwater harvesting pits at 03 locations (4 Acre land & shower testing area) – Ground water recharge by 37 million litres per annum



2. Rooftop Rainwater harvesting system:

Rooftop Rainwater harvesting system installed at BIW & Method shop by diverting the roof shed down-take pipes to a storage tank through online filtration system, water can be use as freshwater – 1.8 million litres water can be collected every year.



3. Revamping of existing Rainwater harvesting pits:

Revamping of 06 rainwater harvesting existing structures through filter media replacement, flushing bore-wells & other civil repairs resulting in 99 million litres ground water recharge.

4. Pond Rainwater harvesting

A Pond of 52 million litres capacity developed in Bhopal plant



5. Other initiatives

VECV has redirected the RO rejected water from the Drinking RO, Paint shop RO & EDC RO plants to wash-rooms and toilets, promoting efficient water reuse & freshwater reduction.

This initiative saves a minimum of 80 KL/day water, contributing to both cost savings and sustainable water management.

Future Initiatives:

- We also aim to do the horizontal deployment of rainwater harvesting practices in other plants
- Develop additional rainwater harvesting pits at VEPDC & EEC Dewas plants, enabling an estimated 37 million litres of annual groundwater recharge.
- To explore Hybrid Rainwater harvesting system at as per site compatibility.

WASTE MANAGEMENT

As VECV continues to grow through product innovation and rising market demand, we remain deeply conscious of the environmental implications of this expansion, particularly the waste generated throughout the product lifecycle. Our operations, spanning manufacturing to vehicle usage, produce a variety of waste streams. To address this, we have implemented a robust waste management strategy centered on the principles of reduce, reuse, and recycle. Waste at VECV is systematically categorized into hazardous and non-hazardous types. Hazardous waste, such as paint sludge and materials contaminated with oils and solvents, is managed with utmost care due to its potential environmental risks. Non-hazardous waste includes biodegradable materials, recyclables, and other low-impact waste, all of which are handled responsibly.

Total waste generated across all plants in FY 2024-25 was 17,459.27 MT, with Hazardous Waste contributing 895.34 MT and Non-Hazardous Waste contributing 16,563.93 MT. During the reporting period, the waste intensity stood at 0.074 MT per INR million of revenue from operations.

Driving Efficiency Through 2R Principles

To further enhance energy efficiency, we apply the principles of Reduce, Reuse, and Recycle (3Rs) across our operations. This approach ensures optimal utilization of both conventional and renewable energy resources, minimizing waste and maximizing value, both environmentally and economically.

Our facilities are equipped with systems that support energy recycling and enable real-time consumption monitoring. These initiatives are central to our goal of improving energy performance while continuing to lower our environmental impact.

We strictly adhere to regulatory frameworks to ensure safe and compliant waste disposal. Hazardous waste is sent for co-processing in the cement industry, with residuals either recycled or directed to State Pollution Control Board-authorized facilities. E-waste and biomedical waste are managed through certified vendors, while organic waste, including canteen wet waste and STP sludge, is composted and repurposed for landscaping within our premises.

Case Study: Responsible E-Waste Disposal for IT Assets and LTO Tapes

In a bid to strengthen data security and environmental responsibility, the company undertook a structured e-waste disposal initiative across two key locations—Hapur, Uttar Pradesh and Bangalore, Karnataka. Outdated laptops, desktops, and LTO backup tapes were securely destroyed and recycled through certified vendors. The initiative not only ensured compliance with data protection laws like GDPR and HIPAA but also freed up valuable office space and reduced operational overhead. By diverting toxic e-waste from landfills, the company reinforced its commitment to sustainability and circular economy practices. IT teams now manage infrastructure more efficiently, with obsolete assets responsibly phased out. This proactive approach reflects a balance between technological hygiene and environmental stewardship.

SOURCES OF WASTE

Key operational processes contributing to waste generation include:

Painting

Use of paints and solvents generates hazardous waste such as paint sludge.

Washing & Fuelling

Effluents from these activities require treatment to prevent water contamination.



Machining & Assembly

Oils and lubricants used in assembly processes result in hazardous residues.



Engine Testing & Reworks

Oil leaks, spills, and emissions contribute to hazardous waste.

Additionally, non-hazardous waste, such as cardboard, metals, plastics, and organic matter, is generated from packaging, canteen operations, and routine maintenance.

Third-Party Waste Management and Compliance

At VECV, we uphold a rigorous and responsible approach to waste management, ensuring that all waste streams, especially those beyond our internal handling capacity, are managed in full compliance with environmental regulations. We collaborate with certified third-party agencies that adhere to CPCB and SPCB guidelines for the safe and lawful disposal of hazardous materials. These partners undergo regular audits to maintain high standards of environmental integrity and regulatory compliance.

Waste Management and Disposal Practices

VECV ensures responsible waste management through a structured approach that emphasizes segregation, reuse, and environmentally sound disposal. Waste is collected at the source in a partially segregated manner using color-coded bins and further refined at the scrap yard for accurate categorization. A certified eco-friendly disposal vendor is engaged to handle materials in compliance with statutory requirements under the Hazardous Waste and Solid Waste Management Rules. Wherever possible, materials are reused to minimize environmental impact. All waste is measured, documented, and disposed of through approved modes as outlined in the company's Standard Operating Procedures (SOPs) and monitored regularly in Form 3 to ensure transparency and regulatory alignment.

EMPOWERING EMPLOYEES THROUGH TRAINING

Employee engagement is a cornerstone of our waste management strategy. Over 250 team members have received specialized training in sustainability practices, with a strong emphasis on waste minimization and source segregation. Regular workshops and awareness sessions keep our workforce informed about evolving environmental standards and best practices, fostering a culture of accountability and proactive participation.

Facility-Specific Waste Management Initiatives

Our waste management practices are tailored to the unique needs and regulatory environments of each facility, while maintaining a unified sustainability vision:

<p>ETB Pithampur</p> <p>Focuses on minimizing hazardous waste from paints, oils, and fuels. Immediate spill response protocols and partnerships with authorized recyclers ensure safe disposal.</p>	<p>ETB Bhopal</p> <p>Prioritizes waste segregation and sends oil-contaminated waste for co-processing, significantly reducing landfill reliance.</p>	<p>VEPT Pithampur</p> <p>Operates in alignment with MPPCB guidelines, emphasizing pollution control through enhanced spill and emission management.</p>	<p>VBI Bangalore & EEC Dewas</p> <p>Lead initiatives in recycling and reuse, including the transition from wooden to metallic pallets and the reduction of single-use plastics and corrugated packaging waste.</p>
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Future Initiatives

Looking ahead, VECV is exploring advanced recycling technologies, including chemical recycling, to process waste that would otherwise be landfilled. We are also working toward a zero waste to landfill goal across all facilities, which will require further investment in infrastructure, employee training, and strategic partnerships.

Our Commitment to Circularity

VECV's waste management strategy reflects a deep commitment to environmental responsibility. By embracing circularity, empowering employees, and collaborating with certified partners, we are setting new standards in sustainable waste management within the automotive sector. With continued innovation and education, we aim to evolve our practices and contribute to a more sustainable future for all stakeholders.

RESOURCE OPTIMISATION AND OPERATIONAL ECO-EFFICIENCY

At VECV, environmental responsibility is woven into every stage of our product lifecycle. We are committed to enhancing resource efficiency by integrating recycled materials and reducing reliance on virgin inputs across our manufacturing operations. This approach not only helps lower energy consumption and landfill waste but also reinforces our commitment to circularity, ensuring that sustainability and product excellence go hand in hand. By embracing circular design principles and continuously optimizing material usage, we are driving operational eco-efficiency while contributing to a more resilient and sustainable future.



KEY INITIATIVES INCLUDE:



Recycling and Reuse

Waste generated during production—such as oil-soaked cotton and sludge from engine testing—is sent to co-processing facilities, where it is repurposed as an alternative fuel in cement manufacturing.



Eliminating Single Use Plastics

Use Plastics: We have taken decisive steps to phase out single-use plastics across our operations, replacing them with reusable or recyclable alternatives to reduce plastic waste throughout the supply chain.



Waste Stream Optimization

Traditional materials are being replaced with more sustainable options. For example, wooden pallets have been substituted with metallic ones, and cardboard packaging has been minimized in favour of reusable crates.

Case Study: Cloud Transformation with AWS for Sustainable IT Infrastructure

In January 2023, VECV began migrating its infrastructure to AWS Cloud, moving away from traditional on-premises servers and hardware. Previously, IT teams managed physical assets—servers, storage, firewalls—requiring significant capital and manual scaling. Today, VECV's infrastructure is hosted primarily in AWS's Mumbai region, with global redundancy across multiple data centers. This shift has optimized costs through flexible pricing models and enhanced security with globally compliant protocols. Importantly, AWS's sustainability commitments—like net-zero carbon by 2040 and water positivity by 2030—align with VECV's environmental goals. With AWS infrastructure being up to 4.1 times more energy efficient, VECV has significantly reduced its carbon footprint while gaining scalability and resilience.

VECV also led a 10,000 tree plantation drive last year on the occasion of World Environment Day!

PROTECTING NATURAL CAPITAL

At VECV, we believe that environmental stewardship is not just a responsibility but a core value that guides our actions. As part of our broader sustainability vision, we strive to preserve and enhance natural ecosystems around our

operations, through meaningful, long-term initiatives. Protecting natural capital is central to our approach, ensuring that growth goes hand in hand with ecological balance.



VECV in its commitment to protecting natural capital, has undertaken through the plantation of 10,000 tree saplings across key locations. This initiative has enhanced the green cover and contributed towards biodiversity and long-term

ecological balance. By engaging local communities and stakeholders, VECV ensures that sustainability of these efforts beyond the plantation phase





01 DIVERSITY, EQUAL OPPORTUNITY AND INCLUSION

VECV is committed to fostering a progressive, innovative, and sustainable organizational culture by embedding the principles of diversity, equal opportunity, and inclusion across all levels. We strive to cultivate a workplace environment that respects and empowers individuals irrespective of gender, ethnicity, socio-cultural background, or professional experience—ensuring that diverse viewpoints are not only welcomed but actively encouraged to flourish.

Our DEI Approach

At VECV, diversity and inclusion form the foundation of our talent strategy, guided by the belief that varied perspectives spark creativity and drive innovation. We strive to create an environment of equity and mutual respect, supported by inclusive policies that empower every individual to realize their full potential. This approach nurtures a culture where people contribute meaningfully and thrive together.

As an Equal Opportunity Employer, we promote fairness and inclusivity throughout the employee lifecycle, spanning recruitment, development, and career progression. Our practices remain free from bias on the basis of gender, age, ethnicity, religion, disability, sexual orientation, or any other legally protected attribute. We actively seek to build a workforce enriched by diverse backgrounds, acknowledging that a blend of experiences and viewpoints is vital for innovation and sustained growth.

Our recruitment framework emphasizes impartiality, with selection based solely on merit and competencies. To further strengthen inclusivity, we continuously evaluate and refine our internal policies in line with global standards, creating a collaborative, equitable and growth-oriented workplace for all.

GENDER DIVERSITY AND EMPOWERMENT

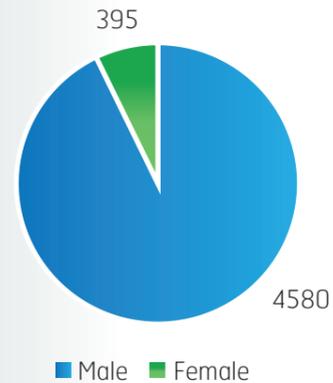
Gender diversity is a central pillar of VECV’s DEI strategy. We firmly believe that a balanced workforce strengthens innovation, builds resilience, and enhances overall organizational performance.

We continue to advance gender representation across all organisational tiers, with a strong focus on leadership. Women

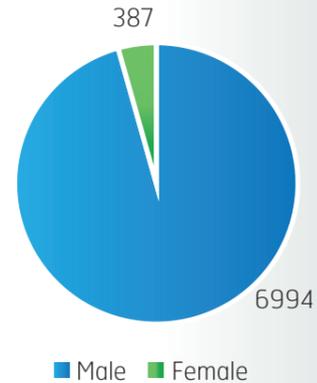
now comprise 25% of our Board of Directors, reflecting steady progress in creating pathways for greater representation at the highest levels. We strive to increase the presence of women in managerial and strategic roles by encouraging participation across diverse functions and equipping them with opportunities to grow into leadership positions.



Number of Permanent Employees in FY 2024-25



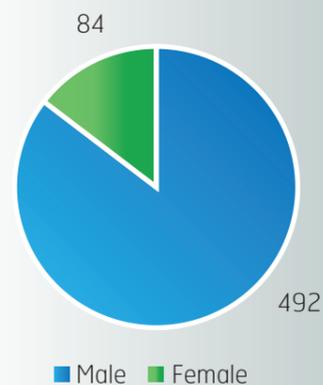
Number of Temporary Employees in FY 2024-25



EMPLOYEE INDUCTION AND INTEGRATION

Inclusion at VECV is an integral part of every stage of the employee lifecycle. Through structured induction framework, new hires are integrated seamlessly into the organization, helping them feel connected, valued and aligned with our culture. All new employees participate in comprehensive induction sessions that familiarize them with VECV’s core values, Code of Conduct, workplace culture, and operational guidelines. The program balances structure with adaptability, enabling individuals to settle into their roles with confidence while being encouraged to share ideas and engage meaningfully from the outset. To further support the induction process, we offer robust mentoring and peer-support mechanisms through our Mentor & Buddy Program. New employees are paired with experienced colleagues who provide guidance during the initial phase, fostering a culture of collaboration, respect, and inclusion. This approach helps every individual feel welcomed, supported and empowered. Our inclusive workplace practices have contributed to Higher Retention Rates, as individuals feel acknowledged and supported within the organization.

Number of New Employees Hired in FY 2024-25



ADVANCING WOMEN EMPOWERMENT AND GENDER DIVERSITY

During the reporting period, we strengthened our focus on women empowerment and gender diversity through a series of impactful initiatives. A female-focused recruitment drive enhanced workforce diversity, while the annual EICHER Awards celebrated the achievements of women employees. We launched 'Sashkht', a video highlighting women breaking stereotypes and achieving success, and sent thank-you letters to their families in recognition of their support. Additionally, health awareness sessions, open houses, and leadership talks were conducted to engage, support, and inspire our women workforce.



MONITORING AND MEASURING DEI PROGRESS

- Employee Feedback and Surveys**
 We conduct annual employee engagement surveys that include dedicated DEI modules. These insights help us assess workplace inclusivity and guide targeted improvements based on employee experiences and perceptions.
- Grievance Redressal Mechanism**
 An impartial and confidential grievance redressal system is in place to address concerns related to discrimination or inequity. Employees can raise issues anonymously, and all cases are handled with fairness and transparency to uphold an equitable work environment.



LOOKING AHEAD: FUTURE GOALS FOR DEI

VECV has made notable progress in advancing diversity, equity, and inclusion, yet we continue to focus on continuous improvement. Our forward-looking DEI agenda includes the following strategic priorities:

- Enhancing Female Representation**
 In line with our aim to have 20% female representation by 2030, we plan to have more targeted initiatives that promote greater female participation in roles traditionally underrepresented by women, particularly in manufacturing and engineering.

These efforts will include focused skill-building programs and structured mentorship to support career development and inclusion.

- Integrating Global DEI Practices**
 With VECV’s expanding international presence, we plan to integrate globally recognized DEI practices into our organizational framework. Our approach will involve tailoring policies to meet regional requirements while maintaining alignment with international standards and benchmarks.

02

EMPLOYEE ENGAGEMENT AND WELL-BEING

Our success at VECV is driven by the dedication and talent of our people. We prioritize their well-being, career development, and active engagement as key drivers of a dynamic and high-performing workplace. Through a culture rooted in trust, transparency, and mutual respect, we empower our employees to flourish both professionally and personally.

EMPLOYEE BENEFITS AND WELL-BEING PROGRAMS

At VECV, our approach to employee well-being extends beyond physical health, encompassing mental and emotional wellness. Our comprehensive wellness programs are designed to support employees across all dimensions of their personal and professional lives.

Healthcare Benefits and Support

All permanent employees are covered under comprehensive healthcare plans, including medical insurance. In addition, we facilitate routine health check-ups and ensure convenient access to medical professionals for preventive care and consultations.

Well-being Awareness Sessions

We organize periodic wellness workshops that address mental health, stress management, and work-life integration. These sessions equip employees with practical strategies to navigate workplace demands while fostering a nurturing and balanced environment.

Nurturing Employee Well-Being Through Holistic Wellness Programs

Recognizing the importance of building a healthy and engaged workforce, the organization has initiated targeted programs to strengthen employees' overall well-being. As part of the wellness agenda, we introduced large-scale initiatives designed to benefit employees across all locations:

• Yoga Sessions for Employees

A series of nine yoga batches were conducted across plants, engaging more than 800 employees. These sessions emphasized the role of yoga in promoting physical fitness, stress relief, and mental balance, offering employees practical tools to integrate wellness into their daily routines.

• Health Awareness Session with Dr. Bharat Rawat

To enhance awareness on preventive healthcare and lifestyle management, we hosted 5 sessions led by Dr. Bharat Rawat, a renowned cardiologist. The session was attended by 1800+ employees and provided valuable guidance on maintaining heart health, stress management, and adopting healthier living practices.

• Financial Wellbeing session

A knowledge-sharing session on 'Financial Well-being || Finance for Non-Finance' was organized in collaboration with Mirae Assets, reaching over 750 employees. The session highlighted the importance of channelizing salaried income into investments, mutual funds, liquid funds, and insurance to build long-term financial security. Practical strategies for effective financial planning were shared, followed by an interactive Q&A where experts addressed employee queries with actionable guidance, encouraging proactive steps toward structured financial management and secure futures.

• Women Healthcare Session

A gynaecologist-led session was organized for female employees, followed by a quarterly women's interaction, with 75 participants attending. The session provided valuable insights on women's health and wellness, while the interactive segment encouraged open discussions, allowing employees to share experiences, seek guidance, and strengthen connections within the workforce.

• Free & Discounted OPD Consultations

To support the health and well-being of our workforce, we have partnered with four leading hospitals in Indore to offer free OPD consultations with their in-house medical experts. This initiative enables more than 2,000 employees and their dependents to access quality healthcare without consultation charges. In addition, special discounts on diagnostic tests and day-care treatments have been arranged to further ease medical expenses and encourage timely health screenings. This collaboration reflects our commitment to preventive care and accessible healthcare for every employee's family.

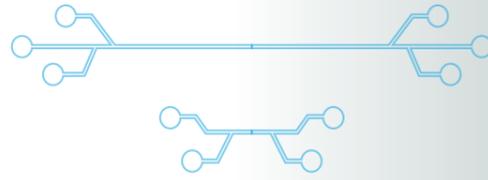
• Parental Leave Policies

VECV offers inclusive and flexible parental leave provisions, enabling both mothers and fathers to take time off for childcare without compromising job continuity. These policies support a smooth transition into parenthood while maintaining career engagement.

• Supportive Work Environment

To foster an inclusive and enabling workplace, we offer flexible working options and access to on-site childcare facilities. These measures are designed to support all employees, especially working mothers, in managing personal and professional responsibilities without hindering career progression.





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NURTURING TALENT FOR FUTURE GROWTH

At VECV, continuous learning and capability building are considered vital for long-term organizational success. We strive to develop a skilled and agile workforce by offering diverse opportunities for professional growth, upskilling, and career advancement.

Comprehensive Onboarding Programs

Successful onboarding lays the foundation for long-term employee performance and engagement. Our onboarding framework combines structured mentorship, targeted training, and orientation modules to help new hires adapt quickly and contribute meaningfully from the very beginning.

Cross-functional Development

In a rapidly evolving industry, we prioritize cross-functional exposure and skill diversification. Our development initiatives encourage employees to collaborate across departments, enhancing innovation and strengthening team cohesion.

Leadership Development

To support career progression, we offer a suite of leadership development programs tailored to prepare employees for future managerial and executive responsibilities. These programs focus on cultivating strategic thinking, sound decision-making, and leadership acumen.

Young Talent Programs

We place strategic importance on developing emerging talent. Through internships, apprenticeships, and scholarship initiatives, particularly in areas such as electrification, digitalization, and automation, we invest in building the next generation of leaders who will shape the future of VECV's.

Strengthening Employee Learning through Academic Partnerships

We strive to advance our vision of promoting continuous learning and knowledge development by collaborating with leading academic institutions. These initiatives are designed to enhance employee capabilities, foster innovation, and build strong industry, academia linkages that benefit our employees. These initiatives include:

• Executive Ph.D. Program with IIT Indore

To nurture talent and build thought leadership, we have partnered with IIT Indore to offer employees the opportunity to pursue an Executive Ph.D. program. The initiative equips employees with advanced academic knowledge, research expertise, and leadership skills that directly contribute to organizational growth and innovation. By combining professional experience with academic rigor, the program prepares employees for future leadership roles while strengthening VECV's knowledge capital and culture of continuous learning.

• Memorandum of Understanding (MoU) with IET DAVV School of Data Science

In another step toward innovation-driven learning, we have signed a MoU with IET DAVV School of Data Science to collaborate on data analytics and applied research. As part of the partnership, the institute will have access to selective analytical data from VECV's trucks and buses, enabling students and faculty to conduct in-depth analysis and generate actionable insights for the automotive sector. Through this partnership, students gain practical exposure to real-world data, develop advanced skills in analytics and problem-solving, and are prepared to become future leaders in the field.





NAVIGATING INDUSTRY SHIFTS AND WORKPLACE TRANSFORMATION



We are addressing global workforce shifts, shaped by globalization, digitalization, and the transition to electric mobility, by investing in targeted upskilling and reskilling to equip employees for the future.

Recognizing the growing importance of digital competencies across all business functions, we deliver specialized trainings on digital tools, emerging technologies, and process automation.

To support the transition to a low-carbon future, our senior leadership actively engages in training sessions, seminars, and webinars on sustainable practices, electric mobility, and autonomous technologies, keeping the organization aligned with industry innovation and environmental responsibility.

FOSTERING A CULTURE OF OPEN COMMUNICATION

We actively nurture an open-door environment where employees across all levels, including shop-floor workers, are encouraged to express their ideas, concerns, and feedback without hesitation. Our transparent communication practices foster a sense of inclusion, ownership, and alignment with the Company's broader mission and objectives.

Employee Feedback Mechanisms

To nurture continuous dialogue, we have implemented structured feedback platforms such as periodic employee surveys and open forums. These channels enable employees and workers to share insights, raise concerns, and propose improvements, allowing leadership to remain responsive and aligned with workforce expectations.

VE attitude survey-engagement trends at vecv

The VE Attitude Survey is a structured mechanism designed to capture employee perspectives on workplace engagement and organizational culture. It provides valuable insights into the level of commitment, motivation, and alignment employees feel toward the company's vision and objectives. Over the past three survey cycles, VECV has demonstrated a consistent and significant improvement in overall engagement scores:

• 2021: 71% • 2023: 80% • 2025: 85%

This upward trajectory underscores the effectiveness of VECV's initiatives to strengthen employee engagement and foster a supportive work environment. The results reflect the organization's sustained focus on enhancing collaboration, trust, and employee satisfaction, thereby reinforcing its commitment to building a high-performance culture.

Employee Engagement Programs

During the reporting period, we enhanced employee engagement by celebrating festivals, milestones, and fostering stronger connections across the organization. Ganesh Utsav brought families together with potluck, idol-making, and selfie competitions, while Diwali celebrations included bay decoration, rangoli, cuisine contests, and best-dressed events. Holi, New Year, and Navratri festivities featured new initiatives such as a Ramleela skit competition, allowing employees to showcase their talents beyond work.

To promote well-being and teamwork, sports tournaments in cricket, badminton, chess, and carrom were organized, encouraging sportsmanship and collaboration. Regular birthday celebrations, family get-togethers, and the Long Service Awards (5–10+ years) recognized employee dedication and commitment. Additionally, employee connects with management and open houses created platforms for transparent communication, stronger bonds, and a more engaged workforce.





NEEV – Empowering Employees Through Comprehensive Skill Development

We launched the NEEV program, a three-month training initiative designed to enhance language proficiency, soft skills, and personality development. The program comprises 36 hours of learning delivered through a mix of classroom and virtual sessions. Its curriculum covers:

- Email etiquette and effective communication
- Presentation skills
- Personality development
- Other essential soft skills

To support continuous learning, employees are provided with a free language app, extending skill development beyond formal sessions.

Over the past year, we conducted six batches of NEEV, reaching more than 180 employees. In parallel, we engage employees through monthly initiatives:

- Business Updates and Recognition: Approximately 100 employees are recognized each month through individual and team awards.
- Open House and Communication Meetings: Sessions attended by 600+ employees provide a platform for dialogue, knowledge sharing, and organizational updates.

The NEEV program has significantly enhanced employees’ communication, confidence, and professional capabilities, enabling them to contribute more effectively. By combining structured learning, continuous skill reinforcement, and regular recognition, VECV fosters engagement, motivation, and a culture of continuous development.

- Recognition and Rewards

Celebrating employee contributions is integral to sustaining motivation and engagement. Our recognition framework includes both formal accolades, such as the “Employee of the Month” award, and informal peer-driven appreciation tools. These initiatives reinforce a culture of acknowledgment and reinforce the value of individual and team achievements.



TBEMF Star of the Month Award & Monthly Communication

In parallel, we engage employees through monthly initiatives:

- Business Updates and Recognition: Approximately 100 employees are recognized each month through individual & team awards.
- Open House and Communication Meetings: Sessions attended by 600+ employees provide a platform for dialogue, knowledge sharing, and organizational updates.

In FY 2024-25, we continued our tradition of recognizing and motivating employees through the TBEMF Star of the Month Awards and Monthly Communication sessions, held on the second working day of every month. These platforms celebrated the exceptional efforts of individuals and teams who went above and beyond to achieve their goals. Highlighting their achievements and success stories boosted employee morale and reinforced a culture of appreciation and continuous improvement.

ENSURING JOB STABILITY IN A CHANGING INDUSTRY

In the face of global challenges, including the COVID-19 pandemic, geopolitical tensions, and supply chain disruptions, we recognize the importance of job security for our employees. Despite economic volatility, we remain committed to providing a stable and secure workplace.

To navigate these challenges, we have introduced a series of transformational measures focused on protecting employment and strengthening long-term

resilience. Our approach emphasizes operational excellence, streamlined processes, and lean management practices to enhance efficiency and sustainability.

We actively collaborate with employee representatives and industry stakeholders to prepare our workforce for the future. This includes strategic talent planning , upskilling initiatives aligned with emerging competencies, and transparent communication to keep employees informed and engaged during transitions.



03

OCCUPATIONAL HEALTH AND SAFETY

At VECV, the health, safety, and well-being of employees and workers remain a core priority across all operations. We have implemented a comprehensive Occupational Health and Safety (OHS) Management System aligned with globally recognized standards to maintain a safe and risk-free workplace. This system encompasses all personnel and is seamlessly integrated with VECV's Environment, Health, and Safety (EHS) policy.

Operating within the Integrated Management System

(IMS) framework, which consolidates ISO 45001, ISO 14001, OHSAS 18001, and Quality Management System (QMS) standards, this unified approach simplifies compliance and enables a holistic assessment of risks, hazards, and performance indicators.

Through IMS, we strive to cultivate a culture of continuous evaluation and improvement in safety practices, promoting cross-functional collaboration and enhancing safety outcomes across all locations.

Compliance And Certifications

VECV complies with all applicable local, national, and international regulations concerning occupational health and safety. Our manufacturing facilities are certified with ISO 45001:2018, the global benchmark for OHS management systems, ensuring adherence to best practices in hazard control, incident prevention, and employee well-being.

In addition to ISO certifications, our plants undergo routine regulatory audits to maintain compliance with statutory requirements. We also collaborate with external auditors to assess and validate our OHS systems, to ensure our processes meet the highest industry standards.

CONTINUOUS MONITORING AND IMPROVEMENT

At VECV, Occupational health and safety is a sustained commitment rooted in continuous improvement. Routine internal and external audits are carried out to evaluate adherence to OHS protocols and ISO standards. We regularly implement Layered Process Audits (LPA) to assess the efficacy of safety measures and ensure timely execution of corrective actions. This ongoing review mechanism enables our OHS management system to adapt proactively to emerging risks and operational challenges.



RISK ASSESSMENT AND HAZARD IDENTIFICATION

To mitigate workplace risks, VECV implements a structured Risk Assessment methodology aligned with ISO 45001:2017 standards. A proactive approach to hazard identification, evaluation, and control is embedded across operations. Risk assessments are routinely conducted at all sites, including manufacturing facilities, engineering centers, and corporate offices. These assessments cover both routine and non-routine activities, enabling the identification of potential risks and the deployment of mitigation strategies such as hazard elimination, protective barriers, and the use of Personal Protective Equipment (PPE).

VECV recognizes the critical role of employees in identifying unsafe conditions. Through a formalized reporting mechanism, workers are encouraged to report hazards or incidents, facilitating prompt corrective action. This participatory approach fosters a culture of openness and shared accountability in maintaining workplace safety.

INCIDENT REPORTING AND INVESTIGATION

VECV adopts a structured methodology for reporting and investigating workplace incidents. All occurrences, including near-misses and unsafe incidents, are systematically recorded, examined, and documented. Root cause analysis is conducted to uncover fundamental issues, followed by the deployment of corrective and preventive actions (CAPA). These may involve modifications to processes, equipment upgrades, or strengthened safety procedures.

Furthermore, insights gained from incident investigations are shared across all operational sites to proactively prevent recurrence and reinforce safety awareness.

WORKER PARTICIPATION IN HEALTH AND SAFETY

At VECV, safety is viewed as a shared responsibility across the organization. To promote active workforce involvement, we have instituted Safety Committees comprising representatives from both management and employees. These committees convene regularly to address safety concerns, review incidents, and recommend enhancements to workplace safety practices.

Employees at all levels are encouraged to contribute to the formulation and execution of safety measures. Routine safety observations and peer-to-peer evaluations are conducted, enabling team members to assess compliance with safety protocols and offer constructive

feedback. This inclusive approach fosters a culture of collective accountability and sustained vigilance.

WORKER TRAINING ON OCCUPATIONAL HEALTH AND SAFETY

Training forms a foundational element of VECV's Occupational Health and Safety (OHS) framework. All newly onboarded employees participate in a mandatory Environment, Health, and Safety (EHS) induction program that introduces them to the organization's safety policies, procedures, and emergency response protocols. This is followed by role-specific safety training tailored to the unique risks associated with each position. Periodic refresher sessions are conducted to keep employees informed of current safety practices.

Beyond formal training, we facilitate toolbox talks, interactive briefings held at the beginning of each shift, where workers receive guidance on safety measures relevant to their daily tasks. These sessions cover key topics such as correct PPE usage, emergency protocols, and basic first aid.

Additionally, VECV has established a comprehensive emergency preparedness framework across all facilities. Employees receive training in evacuation procedures, first aid, and firefighting techniques to ensure swift and effective response in emergency situations.

PROMOTING A CULTURE OF SAFETY AND WELL-BEING

VECV goes beyond regulatory mandates to foster a safety-first culture where employee health and well-being are seamlessly integrated into daily operations. Safety is a fundamental organizational value, actively promoted through ongoing campaigns, awareness initiatives, and targeted workshops. Emphasis is placed on mental health and ergonomic care, ensuring that employees have access to supportive resources that enhance both physical and psychological wellness.

To proactively safeguard workforce health, VECV conducts periodic health screenings and wellness initiatives. These programs are designed to detect potential health concerns at an early stage and implement timely interventions to mitigate occupational health risks.

RECOGNITION AND REWARDS FOR SAFETY PERFORMANCE

To reinforce a proactive safety culture, VECV acknowledges and celebrates outstanding safety performance across the organization. Monthly safety awards are conferred upon

individuals and departments that exemplify best-in-class safety practices, fostering a sense of accountability and pride in upholding a secure and healthy workplace.

ZERO HARM GOAL

VECV's long-term vision is to achieve a Zero Harm workplace, where no employee or contractor is injured in the course of their work. While we recognize that this is an ambitious goal, we are dedicated to making incremental improvements that bring us closer to these objects.

Future Initiatives

VECV is actively advancing its occupational health and safety framework through the integration of technology and innovation. Key focus areas include the adoption of predictive analytics to proactively identify and mitigate potential safety risks, and the deployment of automation solutions to minimize employee exposure to hazardous tasks.

Through continuous enhancement of its OHS systems, VECV aims to cultivate a safer, healthier, and more resilient workplace, supporting long-term operational efficiency and employee well-being across the enterprise.



Occupational Health Services

VECV prioritizes employee access to comprehensive occupational health services across all manufacturing locations. Each facility houses a dedicated health centre staffed with qualified medical professionals, including doctors and paramedics, who provide on-site emergency response and routine health assessments. In addition to immediate care for workplace injuries, these centres deliver preventive services such as immunizations, health screenings, and educational outreach.

To further strengthen medical support, VECV collaborates with external healthcare providers to offer specialized treatment for occupational illnesses and injuries. The company also actively monitors workplace exposure to potential hazards, including chemical agents, noise levels, and ergonomic risks, to safeguard employees from long-term health consequences.

04 HUMAN RIGHTS

PROTECTING THE RIGHTS OF WORKERS

Human rights form a core part of VECV's corporate values and operational ethos. As a responsible organization, we uphold, protect, and promote the rights of all individuals associated with our business, whether directly employed or indirectly engaged. Our policies are structured in line with global human rights frameworks, including the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the standards established by the International Labour Organization (ILO).

Oversight of human rights is led by the senior leadership team, supported by well-defined reporting structures that ensure transparency and accountability.

A key element of our human rights framework is the comprehensive non-discrimination policy. We are committed to uphold fairness, equality, and respect in all employment-related decisions, including recruitment, career progression, compensation, and access to training. Discrimination based on race, gender, age, nationality, religion, disability, or any other personal attribute is strictly prohibited. We strive to promote a merit-based work environment empowering individuals to succeed based on performance and capability.

To reinforce this commitment, structured policies and grievance redressal mechanisms are in place to address any reported incidents of discrimination. During the reporting period, no formal complaints have been received, highlighting the effectiveness of our preventive and inclusive practices.

At VECV, we respect employees' rights to freely associate, form unions, and engage in collective bargaining to secure equitable working conditions. We maintain open and constructive dialogue with employee representatives. In addition to structured negotiations conducted every three years, we hold ad-hoc consultations with union representatives to address operational concerns as they arise. Collective agreements also define the required notice periods and consultation protocols for any major organizational changes.

Fair Wages and Working Conditions

We ensure that all employees receive fair remuneration, aligned with statutory requirements and industry standards. Across all operational sites, we maintain safe, clean, and hygienic working environments that support employee health and well-being.

Child and Forced Labor

We maintain a strict prohibition against child labour, forced labour, and human trafficking across our operations and supply chain. These principles are embedded in our supplier code of conduct, and regular audits verify compliance to uphold ethical labor practices.

Whistleblower Policy

Our whistleblower framework allows all employees to report human rights violations anonymously. Full protection is provided to whistleblowers to prevent any form of retaliation.

Investigation and Resolution

All reported grievances are thoroughly reviewed by our HR and legal teams, with timely corrective actions implemented. We maintain a zero-tolerance stance toward any violation of human rights.

Training and Awareness

We conduct regular training and awareness sessions to strengthen understanding and accountability around human rights. These programs educate employees on their rights, responsibilities, and the procedures for reporting and addressing grievances.



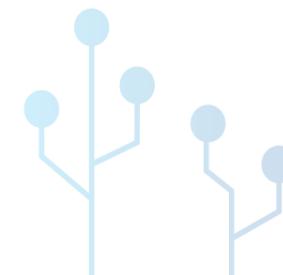


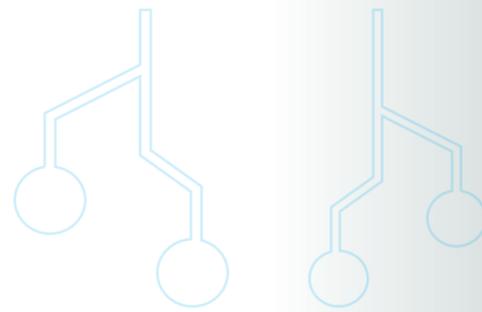
At VECV, Corporate Social Responsibility (CSR) is deeply embedded in our organizational ethos, reflecting our belief that long-term business success is intrinsically linked with positive societal impact. Inspired by the legacies of our parent companies, The Volvo Group and Eicher Motors, we continue to uphold a tradition of responsible growth. Guided by values that prioritize inclusivity, empowerment, and sustainable development.

Our CSR strategy is designed to address critical social challenges across the communities where we operate. Through targeted programs and strategic collaborations with NGOs, implementation partners, and local institutions, we aim to improve access to healthcare, education, sanitation, road safety, and social protection. These initiatives are not standalone efforts—they are part of a broader commitment to enhancing community resilience and contributing meaningfully to India’s development goals.

A key focus area for us, is the empowerment of drivers and technicians. They form the backbone of our logistics and mobility ecosystem. By investing in their health, safety, and skill development, we seek to bridge the gap between industry requirements and the available talent. This will also improve quality of life and economic opportunity. Our efforts include awareness campaigns, pilot projects, and digital tools that promote road safety, financial literacy, and access to welfare schemes.

During the reporting period, VECV implemented a diverse portfolio of CSR initiatives aimed at enriching lives, fostering inclusion, and building capacity across underserved regions. These programmes reflect our commitment to being a responsible corporate citizen—one that not only delivers value to shareholders but also creates meaningful change for society at large.





**SASHAKT
GRAM
EICHER
KNOWLEDGE
CENTERS
(EKS)**

The Sashakt Gram Eicher Knowledge Centres (EKC) initiative, led by the Eicher Group Foundation in collaboration with Sambhav Social Service Organisation. This initiative made significant strides toward redefining rural development across 14 villages in six gram panchayats of Dhar, Dewas and Indore districts of Madhya Pradesh. Anchored in the principles of social security, inclusive growth, and sustainable development, the project established six digitally equipped EKCs to enhance access to government welfare schemes and essential services. These centres functioned as one-stop facilitation points. Helping in bridging the gap between policy and people—particularly for marginalised and impoverished communities, **of which 54% spend less than INR 27 per day.**

Achievements of the Sashakt Gram Initiative

1. Community Reach and Scheme Enablement

The programme successfully engaged 2,576 primary and 12,406 secondary stakeholders, achieving 74% household penetration across targeted regions. Through proactive facilitation, EKCs enabled access to government schemes worth INR 282 million, covering health, social security, and financial assistance.

- Ayushman Bharat: INR 114 million (229 beneficiaries)
- E-Shram: INR 62 million (134 beneficiaries)
- Sambal Yojana: INR 20 million (101 beneficiaries)

As a result, 100% of targeted households now have access to essential public services.

2. Governance Strengthening and Rural Impact

The EKC initiative enhanced grassroots governance, digital literacy, and financial inclusion, positioning centres as trusted community anchors. By reducing dependency on urban centres for service access, the programme improved rural productivity and promoted transparency in resource tracking through tools like Panchayat Darpan.



SASHAKT GRAM (Health Care Programme)

The Sashakt Gram Health Care Programme, implemented in partnership with Sambhav Social Service Organisation, aims to strengthen rural healthcare access in 14 villages across six gram panchayats in the districts of Dhar, Dewas and Indore. This programme, operational since March 2022, leverages a Mobile Medical Unit (MMU) staffed with an MBBS doctor, a pharmacist, and a nurse to deliver essential primary healthcare services at the doorstep of underserved rural populations.

Programme Reach and Achievements:

The programmes exceeded its operational targets by conducting 642 health camps, reaching over 21,700 beneficiaries, significantly surpassing the planned target of 14,400 beneficiaries. Services included general check-ups, treatment of common illnesses, maternal health support, anaemia management, and extensive community health awareness sessions. A total of 59 critical cases were referred to higher-level medical facilities, and 2,434 individuals participated in health education sessions.



Key Achievements:

1. Improved Preventive Healthcare:

Beneficiaries in the treatment group reported a significant reduction in hospital visits (56.3%) and illness incidence (51.4%) compared to the control group (18.6% and 23.1%, respectively).

2. Enhanced Health Awareness and Access:

Engagement in health-related activities was notably higher among the treatment group (68%) versus the control group (20.4%).

Access to universal healthcare was reported by 63.5% of treatment households, compared to 25.2% in the control group.

Maternal health outcomes improved in 11.1% of treatment households, significantly above the 2.4% observed in the control group.

3. Targeting Vulnerable Populations:

Nearly 54% of beneficiaries live in extreme poverty (daily expenditure below INR 27), underscoring the programme’s role in delivering free, quality healthcare to the most underserved communities.

4. Community Trust and Service Uptake:

High levels of repeat consultations and active participation reflect strong community trust in the Mobile Medical Unit (MMU) model and its accessibility.

5. Challenges and Strategic Outlook:

Despite its success, the programme continues to face challenges such as delayed access to tertiary care, mobility constraints for follow-ups, and socio-cultural barriers—particularly among women.

VECV remains committed to evolving this initiative into an integrated, system-led healthcare model that bridges rural health gaps with sustainable, scalable solutions.



SLUM COMMUNITY DEVELOPMENT

The E-Community Pithampur initiative is a multi-year, integrated development programme launched by Eicher Group Foundation to uplift marginalised and migrant populations residing in seven industrial slum clusters near its plants in Pithampur, Dhar district. Anchored in the pillars of education, healthcare, women’s empowerment and livelihood

generation, the programme targets deeply entrenched issues of exclusion and access. The programme was named E-Community to reflect the belief that the progress of any community hinges on three key pillars: education, empowerment to access entitlements, and the enablement to improve overall living standards. Inspired by Eicher’s vision of community empowerment, this initiative was aptly named E-Community (Empowering Community) to embody these values.



1. Education

In FY 2024–25, the programme enrolled 420 children into six remedial education centres, doubling enrolment since inception. Of these, 283 children attended regularly, reflecting strong engagement.

To foster future-readiness, Artificial Intelligence (AI) and computer literacy were introduced across all centres, with 144 students acquiring essential digital skills.

Parents, particularly of girl students, reported increased involvement and satisfaction, indicating positive social reinforcement of the initiative.

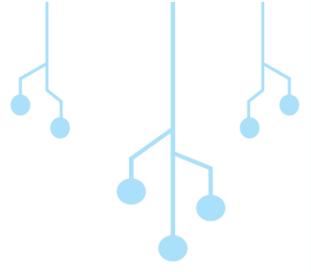
2. Health

Healthcare interventions were delivered through a mobile health van, which conducted 285 health camps and 480 awareness sessions, reaching over 18,000 individuals. These sessions promoted maternal health, hygiene, and disease prevention.

Over 7,200 health cards were issued, and 220 patients were referred for advanced care.

An ongoing external impact assessment recorded a 22.4% reduction in hospital visits and improved child nutrition in the treatment group, validating the programme’s effectiveness in preventive healthcare delivery.





3. Women Empowerment and Livelihood

To strengthen women’s economic participation, a registered federation—Pithampur Women Entrepreneurs LLP—was formed, enabling market linkages and enterprise development.

Currently, 980 women are actively engaged in income-generating activities, supported by 100 Self-Help Groups (SHGs) with cumulative savings of INR 7 million.

The programme also facilitated access to key government schemes—PM SVANidhi, Ladli Behna, and PM Avas Yojana—benefiting over 1,500 women.

Impact

An ongoing external evaluation has highlighted significant improvements in:

- Health-seeking behaviour
- Education retention
- Economic confidence among women

The E-Community programme has emerged as a scalable, community-centric model, showcasing the transformative potential of holistic, sustained CSR interventions in vulnerable communities.



IMPROVISED GOVERNMENT EDUCATION SYSTEMS IN MADHYA PRADESH AND DELHI

Eicher Group Foundation has supported The Education Alliance (TEA), registered as the Network for Quality Education Foundation (NQEF), in advancing education reform in Madhya Pradesh since 2021. In FY 2024–25, this partnership deepened with continued strategic engagement with the Madhya Pradesh School Education Department. In 2024, the Foundation extended its support to the Municipal Corporation of Delhi (MCD), enabling systemic reforms across both geographies, enabling systemic reforms across both geographies.

TEA initiative in Madhya Pradesh

- 1. CM RISE Schools Initiative**
 - Phase 1 impacted 274 schools across 52 districts
 - Phase 2 commenced with construction underway in 280 schools
- 2. Digital Enablement of Academic Processes**
 - Supported digitisation through tools such as New India Literacy Programme (NILP), State Olympiads, and a state-level Item Bank
 - These platforms collectively engaged over 7 million stakeholders
- 3. IT-Based Academic Management (Rajya Shiksha Kendra)**
 - Deployed digital systems for student assessments, olympiads, adult literacy, and real-time classroom observations (~50,000/month)
 - Faced challenges due to the absence of a dedicated internal IT team, resulting in reliance on external support
- 4. Infrastructure Monitoring via Dashboards**
 - CM RISE infrastructure development was actively tracked using integrated dashboards
 - Although dashboards enable timely reviews, progress was hindered by political delays and inter-departmental bottlenecks
- 5. Education Fellowship (Minister’s Office)**
 - Pilots launched to enhance system-wide communication and monitoring
 - The fellowship programme is scheduled to be phased out by year-end due to shifting leadership priorities

Delhi

In Delhi, TEA advanced foundational education outcomes and teacher development through dual interventions with Municipal Corporation of Delhi (MCD) and SCERT (State Council of Educational Research and Training). Across over 1,000 government schools, the programme indirectly supported more than 1.8 million students and 62,000 teachers.

1. School Quality Enhancement Programme (MCD)

TEA directly supported three high-need primary schools through targeted infrastructure upgrades, improved staffing, and pedagogical training—benefiting over 1,300 students and 23 teachers. As a result, 40% of students demonstrated more than 10% improvement in learning levels, 70% of teachers enhanced classroom practices, and 49% parent participation in PTMs reflected strong community engagement.

2. SCERT Project Assistance Unit

TEA supported statewide teacher training on 21st-century skills and leadership development, reaching over 62,000 teachers. However, this engagement was strategically paused due to administrative delays linked to the election cycle.

Despite challenges such as leadership transitions and administrative delays, the programme achieved key milestones. Digital academic initiatives saw wide-scale adoption and strong stakeholder engagement. Under CM RISE, construction progressed steadily with 10 schools completed, and infrastructure monitoring in Madhya Pradesh has reached a self-sustaining stage, and is set to phase out post Phase 2. In Delhi, SCERT engagement will conclude due to shifting priorities, while TEA will continue strengthening foundational literacy and leadership in MCD schools. Across interventions, over 70% of direct beneficiaries belonged to vulnerable communities, reinforcing TEA’s commitment to educational equity and systemic impact.



Since October 2021, Eicher Group Foundation (EGF) has supported a multi-faceted road safety awareness initiative in Indore and Bhopal, aimed at enhancing public safety and reducing accidents through sustained communication and community engagement. A key component of this initiative was the revival and maintenance of 25 Variable Message Sign (VMS) LED screens at high-traffic junctions across Indore, which served as vital communication tools, broadcasting daily safety messages to between 22,000–26,000 commuters per day. Despite technical constraints, 18 screens remained consistently operational by the project end in October 2024. The intervention succeeded in reinforcing road safety norms in a city with limited traffic enforcement resources.

Activity

1. “Eicher Presents, MY FM Dekhta Hai” Campaign
 - Radio messaging and live broadcasts during National Road Safety Month (Jan 2025)
 - High-visibility events were held in Indore and Bhopal, targeting road users- especially drivers.
2. Youth Engagement
 - 5 seminars and 10 street skits conducted across schools and colleges
 - These activities focused on promoting safe road behaviour among students
3. Volunteer Enablement – Traffic Mitra Initiative
 - Distributed 500 traffic safety kits (reflective jackets, LED batons, caps, whistles)
 - Supported citizen volunteers assisting traffic police
4. Community Mobilization
 - Engaged 20+ colleges, 15 schools, 25 NGOs, and Eicher employees
 - Fostered a community-led behaviour change movement

Impact

- Reached an estimated 2.9 million primary and 4 million secondary beneficiaries
- Approximately 60% of beneficiaries belonged to vulnerable groups, including students
- Strengthened road safety awareness through multi-channel outreach
- Built a replicable model for urban road safety combining digital, interpersonal, and institutional strategies
- The initiative laid the foundation for future interventions aligned with evolving needs and technological advancement.



**WATER SANITATION AND HYGIENE:
CONSTRUCTION OF A WASHROOM
IN PITHAMPUR**

In response to a formal request from the Pithampur Municipality, Eicher Group Foundation undertook the construction of a new public restroom facility at a strategic location along the Dhannad–Pithampur Bus Stand route. This initiative addressed pressing concerns over the inadequacy and poor accessibility of the existing facility at Eicher Chouraha, which had become unfit for public use.

Key Achievements:

1. Infrastructure Delivered: Constructed gender-inclusive sanitation facilities (10 units total) between August 2024 and March 2025, enhancing hygiene access for daily commuters and labourers.
2. High-Impact Reach: Benefited approximately 131,099 individuals, with 60% from vulnerable groups such as migrant workers.
3. Public Health Advancement: Promoted safe sanitation practices, contributing to improved hygiene and reduced exposure to health risks.
4. Sustainability Focus: The facility is now municipally managed; future efforts will focus on behaviour change and community sensitisation to ensure long-term viability.



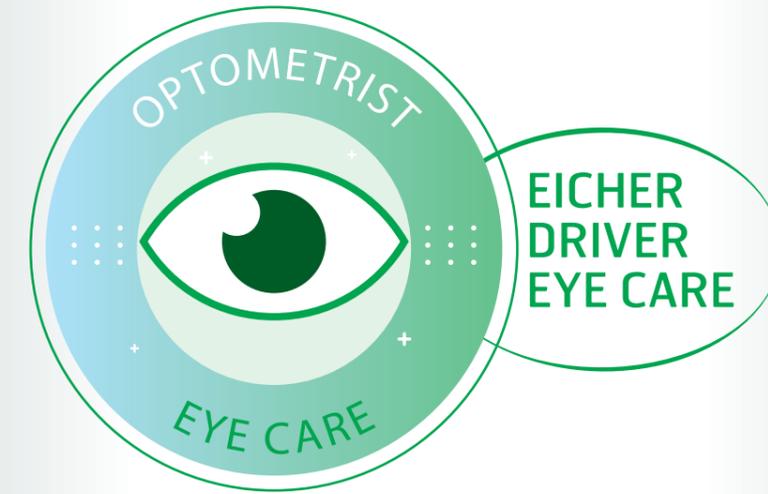


AWARENESS INITIATIVE: DIGITAL FINANCIAL LITERACY AND CYBER FRAUD AWARENESS

The Eicher Group Foundation, in partnership with Arunodaya Sarveshwari Lok Kalyan Samiti, initiated the Digital Financial Literacy and Cyber Fraud Awareness programme across rural Madhya Pradesh. Amid the growing shift to digital financial systems, this initiative aimed to empower rural populations—especially self-help groups, farmers and students—with knowledge and tools to safely navigate digital transactions and guard against cyber fraud.

Key Achievements:

- 1. Extensive Rural Outreach**
Successfully implemented across 840 villages in seven districts, conducting 105 pre-awareness sessions and 105 structured trainings, directly engaging 7,256 individuals.
- 2. High Engagement and Feedback**
Over 6,300 participants provided feedback, with 660 engaging via digital platforms, highlighting the programme’s relevance and effectiveness in fostering digital participation.
- 3. Enhanced Digital Confidence and Inclusion**
Strengthened awareness of digital scams and misinformation, while promoting financial safety and digital inclusion among vulnerable rural populations.
- 4. Scalable Community Model**
Leveraged word-of-mouth mobilisation, village-level outreach, and relatable content to create a ripple effect of knowledge-sharing—offering a replicable framework for bridging the digital divide in underserved regions.



The Eicher Driver Care Programme, in partnership with Dr. Shroff’s Charity Eye Hospital, is Eicher Group Foundation’s flagship initiative that addresses the critical eye and ear health needs of commercial vehicle drivers. Initiated in 2016, this ongoing programme focuses on preventing road accidents through early detection and correction of sensory impairments.

In FY 2024–25, the initiative conducted 2,851 camps across India’s major transport hubs, serving 146,473 beneficiaries, of which 84,987 were truck drivers. The programme achieved 94% of its camp target, 98% of its OPD beneficiary target, and exceeded its truck driver beneficiary target by 14%. Of those screened, 25% of drivers (21,214) required vision correction. A total of 14,183 spectacles were dispensed—9,580 purchased by drivers—with a 45% uptake rate, even without subsidies. Additionally, 11,894 referrals for specialised treatment were made, 6,272 of which were for truck drivers. The programme surpassed its spectacles coverage target for drivers by 128% and reached 84% of its referral target for drivers.

Key Achievement:

- 1. Pan-India Outreach and Service Delivery**
Deployed 13 mobile medical vans and 1 static centre across 11 states, conducting 2,851 camps and serving 146,473 beneficiaries—including 84,987 truck drivers, exceeding outreach targets by 14%.
- 2. Vision Health Outcomes and Referrals**
Screened 21,214 drivers requiring vision correction; dispensed 14,813 spectacles with 45% uptake despite no subsidies. Facilitated 11,894 referrals for specialised care, achieving 84% of referral targets.
- 3. Cumulative Impact and Sector Leadership**
Since inception (April 2016), conducted 11,966 camps and screened 581,334 individuals, including 330,993 truck drivers—establishing India’s largest eye and ear care initiative for transport workers.
- 4. Strategic Partnerships and Advocacy**
Collaborated with 300+ organisations (e.g., CEAT Tyres, Amazon, GR Infra) to strengthen delivery. The programme was showcased at the SAFE Convention 2024 and Bharat Mobility Expo 2025. Driver’s Day celebrated across 17 cities.

5. Behavioural Insights and Technology Integration

Identified behavioural barriers through extensive stakeholder engagement. Partnered with CSBC, Ashoka University for a Behaviour Change Communication campaign. Planned rollout of Vision Care Management System and fundus camera pilots to enhance screening quality.



As part of its broader commitment to the welfare of truck drivers, the Eicher Group Foundation launched the Social Mission – Haqdarshak initiative in partnership with Haqdarshak Empowerment Solutions Pvt. Ltd. This pilot project, conducted between July 2024 and March 2025 across transport hubs in Jawaharlal Nehru Port Trust (JNPT) Mumbai and Delhi NCR, aimed to improve access to social protection and financial inclusion for India’s long-haul truck driver community—a segment that remains significantly underserved despite playing a critical role in powering the nation’s economy.

Key Achievements:

1. Addressing Structural Barriers

The initiative tackled critical challenges faced by truck drivers—including low awareness of welfare schemes, outdated documentation, and limited access to facilitation services—particularly due to their mobile work patterns. Baseline data revealed that 80% of drivers were unaware of their entitlements, 66% were sole earners, and 95% lacked access to social protection.

2. High-Impact Outreach and Facilitation

A total of 6,652 truck drivers and 4,954 helpers/family members were reached. The programme facilitated 8,261 scheme and document linkages, of which 7,692 were completed and 569 pending. The top schemes included Ayushman Bharat (PMJAY), e-Shram Card, PMSBY, and PMJJBY—unlocking an estimated ₹188.5 million in benefits.

3. Localized Delivery Model Success

By delivering services directly at work locations, the programme overcame logistical and documentation barriers, resulting in a 96% application success rate. This validated the effectiveness of localized, on-ground interventions tailored to the realities of mobile workers.





As part of its ongoing commitment to strengthening vocational education and bridging the gap between technical training and industry demands, the Eicher Group Foundation partnered with the Svenska Institute of Technology (SVIT), Nagpur, to establish the Auto Lab Svenska facility. Implemented between January and March 2025, this initiative focused on creating a hands-on automotive training facility to enhance the employability of diploma and ITI students.

Key Achievements:

1. Installed cut-section models and training tools for hands-on automotive learning.
2. Focused on engines and driveline systems to build industry-relevant skills.
3. Mobilised students from AICTE and DVET institutions through local college students and industry partnerships.
4. Enabled dismantling and assembly practice to boost employment readiness.
5. This reinforces Eicher’s commitment to livelihood creation and building a future-ready workforce.



Address the acute shortage of skilled truck technicians in India’s automotive sector, the Eicher Group Foundation collaborated with Bhaorao Deoras Seva Nyas (BDSN) to establish the Auto Lab Samarth Bharat at BDSN’s Narsinghpur Centre in Gurugram, Haryana. Launched in February 2024 and which will run until June 2025.. The programme aims to equip unemployed youth from underprivileged backgrounds with industry-relevant skills to ensure sustainable livelihoods.

Key Achievements:

1. **Skill Development with Industry Alignment:**
Delivered ASDC-certified training to 28 youth through a blended model combining classroom instruction, hands-on practice, and field exposure.
2. **Inclusive Outreach and Placement:**
Over 70% of trainees came from the below-poverty-line households; four candidates placed with automotive dealers, with ongoing placement support.
3. **Field Training and Employer Engagement:**
Conducted 15-day on-the-job training at Mohan Tractors (Sidhrawali Plant); employers reported improved technical readiness among trainees and offered competitive salaries.
4. **Strategic Programme Expansion:**
Identified mobilisation challenges and proposed scalable solutions including digital outreach, referral incentives, and alumni engagement.
5. **Voluntary Impact Assessments:**
Commissioned third-party evaluations of flagship programmes Sashakt Gram, E-Community, Eicher Driver Care to inform future design and governance.
6. **Commitment to Evidence-Based CSR:**
Independent assessments conducted beyond regulatory mandates, reinforcing the Eicher Group Foundation’s committing to strategic alignment and measurable impact.





- 70% Renewable Electricity
- Plantation of 125K trees across our facilities
- Zero Waste to landfill across operations
- Engage 100% Suppliers on Sustainability front
- 100% Water Positive
- 50% Reduction in Packaging Wood & Corrugation (base year 2024)
- 20% Gender Diversity
- Develop Zero Emission Vehicles in 100% of our Product Range
- Achieve Carbon Neutrality (Scope 1 & 2 Emissions)
- Achieve Net Zero (Scope 1, 2 & 3 Emissions)



Our Path Forward

At VECV, we see the future of transportation as both sustainable and transformative. Our next steps will focus on deepening our ESG integration across every aspect of our business, right from product design and supply chain to stakeholder engagement and operations. We will continue to advance alternative fuel technologies, with particular emphasis on electric, hydrogen, and LNG-powered vehicles, while also scaling up clean mobility solutions across India.

We are committed to strengthening our organizational resilience by nurturing talent, building a culture of innovation, and investing in upskilling and reskilling opportunities for our workforce. At the same time, we will broaden collaborations with governments, industry peers, startups, and communities to accelerate the shift towards sustainable transportation.

Looking ahead, we will conduct a double materiality assessment to sharpen our ESG priorities, ensuring transparency, accountability, and responsiveness to

both societal and environmental needs. With enterprise risk management frameworks in place, we are prepared to navigate disruptions while leveraging emerging opportunities in infrastructure, e-commerce, and logistics.

By embedding sustainability at the heart of our growth strategy, we will continue to deliver transport solutions that are innovative, energy-efficient, and environmentally responsible, driving value for our stakeholders while contributing to a greener and more resilient future.

Appendix

ESG PERFORMANCE TABLES

Environmental Performance

GHG Emissions

Category	Unit	FY 2024-25	FY 2023-24
Total Scope 1 GHG Emissions	tCO ₂ e	23,663	23,459.22
Total Scope 2 GHG Emissions	tCO ₂ e	83,540	73,827.29
Total GHG Emissions (Scope 1 + Scope 2)	tCO ₂ e	1,07,2023	97,286.52
GHG emissions intensity as per revenue	tCO ₂ e/MINR	0.45	0.44

- Scope-1 Slight Increase in emissions due to commissioning trails of New Product
- Scope-2 GHG emissions increased due to the addition of infrastructure for new products & capacity expansion projects.
- Updated emission factors by the Central Electricity Authority. (FY'24- 0.716 & FY 25- 0.727)

To tackle this rise, VECV is planning to undertake steadfast measures through process improvements and reducing our dependence on non-renewable sources. As part of our sustainability strategy, we continue to invest in cleaner manufacturing processes and increase our reliance on renewable energy sources to drive long-term

Energy Management

Category	Unit	FY 2024-25	FY 2023-24
Total Non-Renewable Fuel Consumption	GJ	3,53,807.21	3,66,276.66
Total Renewable Fuel Consumption	GJ	0	0
Total Indirect Energy Consumption	GJ	3,61,503.39	3,71,168.99
Total Renewable Energy Consumption	GJ	1,23,786.14	82,484.10
Total Energy Consumption	GJ	8,39,097	8,19,929.75
Energy Intensity as per Revenue	GJ/MINR	3.54	3.74

*The Renewable Energy consumption for all VECV plants have been considered. An additional 6MW Renewable plant which was commissioned in March 2025, has also been considered.

Air Emissions

Category	Unit	FY 2024-25	FY 2023-24
NOx	Kg	3,373.07	2,060.91
Sox	Kg	1,774.86	1,132.99
Particulate Matter (PM)	Kg	1,417.24	901.91

- Air Emissions data for FY 2024-25 is for ETB Pithampur, ETB Bhopal, VEPT and Dewas plants only.
- Air Emissions increased due to increase in DG running Hours as unavailability of Power from DISCOM. (DG working Hrs in FY'24 - 1543 hrs, FY'25- 3610 Hrs.)





Water Management

Category	Unit	FY 2024-25	FY 2023-24
Surface Water	ML	0.00	0.00
Ground Water	ML	20.66	85.99
Seawater	ML	0.00	0.00
Produced Water	ML	0.00	0.00
Third party water (Municipality Pipelines)	ML	853.44	737.58
Total Water Withdrawal	ML	874.10	823.57
Total Water Consumption	ML	874.10	823.57
Total Water Discharge	ML	0.00	0.00

Water Management in Water Stressed Regions

Category	Unit	FY 2024-25	FY 2023-24
Surface Water	ML	0.00	0.00
Ground Water	ML	20.66	85.99
Seawater	ML	0.00	0.00
Produced Water	ML	0.00	0.00
Third party water (Municipality Pipelines)	ML	853.44	737.58
Total Water Withdrawal	ML	874.10	823.57
Total Water Consumption	ML	874.10	823.57
Total Water Discharge	ML	0.00	0.00

• Increase in Water consumption due to addition of infrastructure for new products, trial & commissioning of paint shop and capacity enhancement projects. Water connection increased from 250 KL to 600 KL for the new Paint shop facility at Bhopal. To mitigate this increase, 52 million Liters Pond rainwater harvesting system developed in Bhopal. The state of art ETP/STP upgradation of water treatment facilities to increase reuse of water.

Social Performance

Total Number of Employees and Workers

Category	FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total
Number of Permanent Employees	4,580	395	4,975	4,256	329	4,585
Number of Temporary Employees	6,994	387	7,381	7,197	294	7,491
Total number of Employees	11,574	782	12,356	11,453	623	12,076
Total number of Worker*	1,630	5	1,635	1,735	7	1,742

* Includes Permanent Workers Only

New Employee Hired

Category	FY 2024-25					
	Age Group					
	<30		30-50		>50	
	Male	Female	Male	Female	Male	Female
Total numbers of new employees hired	639	115	182	9	2	0
Total	754		191		2	

Employee turnover

Category	FY 2024-25					
	Age Group					
	<30		30-50		>50	
	Male	Female	Male	Female	Male	Female
Total number of employee turnover during the reporting period	230	37	176	11	11	0
Rate of employee turnover during the reporting period	11.95%	12%	7.74%	13%	2.89%	0%



Training and Development

Category	Units	FY 2024-25*					
		EHS Training		HR Training		Other Training except EHS & HR	
		Male	Female	Male	Female	Male	Female
Top management	Number	0	0	3	0	0	0
	Manhours	0	0	39	0	0	0
Senior management	Number	0	0	34	0	4	0
	Manhours	0	0	641	0	4	0
Middle management	Number	22	0	483	9	42	1
	Manhours	250	0	13202	285	42	1
Junior management	Number	847	65	3240	324	985	120
	Manhours	6109	364	97306	10130	1089	131
Average Training hours per employee	Number	1.34		24.3		0.21	
Average Training hours per male employee	Number	1.37		24.1		0.21	
Average Training hours per female employee	Number	0.94		26.2		0.26	

Employees who received Performance and Career Development Reviews

Category	FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total
Top Management	100%	100%	100%	100%	100%	100%
Senior Management	100%	100%	100%	100%	100%	100%
Middle Management	100%	100%	100%	100%	100%	100%
Junior Management	100%	100%	100%	100%	100%	100%

Occupational Health and Safety

Work-related injuries

Category	FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total
The number and rate of fatalities as a result of work-related injury	0	0	0	0	0	0
The number and rate of high consequence work-related injuries (excluding fatalities)	0	0	0	0	0	0
The number and rate of recordable work-related injuries	2	0	2	4	0	4
The number of hours worked	1,48,81,861			2,57,72,241		

Category	FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total
For all workers						
The number and rate of fatalities as a result of work-related injury	0	0	0	0	0	0
The number and rate of high-consequence work-related injuries (excluding fatalities)	0	0	0	1	0	1
The number and rate of recordable work-related injuries	6	1	7	6	0	6
The number of hours worked	3,74,44,423.57			3,32,65,428.29		

Work-related ill health

Category	FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total
For Employees and workers						
Fatalities as a result of work-related ill health	0	0	0	0	0	0
Number of cases of recordable work-related ill health	0	0	0	0	0	0
The main types of work-related ill health	Not Applicable			Not Applicable		

Incidents of Discrimination

Category	FY 2024-25
Total number of incidents of discrimination	0

Security personnel trained in human rights policies or procedures

Category	FY 2024-25
Percentage of security personnel who have received formal training in the organization’s human rights policies or specific procedures and their application to security.	100%

**Date of FY 2024-25 is for Bhopal Plant only

Governance Performance

Category	FY 2024-25
Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	100%
Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by:	0
Incidents of non-compliance with regulations resulting in a fine or penalty	0
Incidents of non-compliance with regulations resulting in a warning	0
Incidents of non-compliance with voluntary codes	0



GRI Content Index

Statement of use	VEVC has reported the information cited in this GRI content index for the period 1st April 2024 to 31st March 2025, with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	33
	2-2 Entities included in the organization’s sustainability reporting	04
	2-3 Reporting period, frequency and contact point	05
	2-6 Activities, value chain and other business relationships	08-15
	2-7 Employees	137
	2-8 Workers who are not employees	137
	2-9 Governance structure and composition	33
	2-10 Nomination and selection of the highest governance body	34
	2-11 Chair of the highest governance body	33
	2-12 Role of the highest governance body in overseeing the management of impacts	34
	2-13 Delegation of responsibility for managing impacts	42
	2-14 Role of the highest governance body in sustainability reporting	34
	2-15 Conflicts of interest	37
	2-16 Communication of critical concerns	37
	2-19 Remuneration policies	37
	2-20 Process to determine remuneration	37
	2-22 Statement on sustainable development strategy	30
2-23 Policy commitments	37,38,39, 40	

	2-24 Embedding policy commitments	37,38,39, 40
	2-25 Processes to remediate negative impacts	38
	2-26 Mechanisms for seeking advice and raising concerns	38
	2-27 Compliance with laws and regulations	37
	2-28 Membership associations	
	2-29 Approach to stakeholder engagement	24,25
	2-30 Collective bargaining agreements	113
GRI 3: Material Topics 2021	3-1 Process to determine material topics	27
	3-2 List of material topics	28,29
	3-3 Management of material topics	26,27
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	44
	201-4 Financial assistance received from government	45
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	47
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	38
	205-2 Communication and training about anti-corruption policies and procedures	38
	205-3 Confirmed incidents of corruption and actions taken	38
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	41

GRI 207: Tax 2019	207-1 Approach to tax	45
	207-2 Tax governance, control, and risk management	45
	207-3 Stakeholder engagement and management of concerns related to tax	45
GRI 302: Energy 2016	302-1 Energy consumption within the organization	80
	302-2 Energy consumption outside the organization	80
	302-3 Energy intensity	83
	302-4 Reduction of energy consumption	81
	302-5 Reductions in energy requirements of products and services	80
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	84
	303-2 Management of water discharge-related impacts	84
	303-3 Water withdrawal	84
	303-4 Water discharge	84
	303-5 Water consumption	84
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	78
	305-2 Energy indirect (Scope 2) GHG emissions	78
	305-4 GHG emissions intensity	78
	305-5 Reduction of GHG emissions	78
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	79
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	88
	306-2 Management of significant waste-related impacts	88
	306-3 Waste generated	88
	306-4 Waste diverted from disposal	88
	306-5 Waste directed to disposal	88

GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	47
	308-2 Negative environmental impacts in the supply chain and actions taken	47
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	137
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	98
	401-3 Parental leave	99
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	112
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	106
	403-2 Hazard identification, risk assessment, and incident investigation	107
	403-3 Occupational health services	110
	403-4 Worker participation, consultation, and communication on occupational health and safety	108
	403-5 Worker training on occupational health and safety	109
	403-6 Promotion of worker health	109
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	106
	403-8 Workers covered by an occupational health and safety management system	106
	403-9 Work-related injuries	138
	403-10 Work-related ill health	140

GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	138
	404-2 Programs for upgrading employee skills and transition assistance programs	98
	404-3 Percentage of employees receiving regular performance and career development reviews	138
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	138
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	141
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	112
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	48
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	48
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	141
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	115
	413-2 Operations with significant actual and potential negative impacts on local communities	116
GRI 414: Supplier Social Assessment 2016	308-1 New suppliers that were screened using social criteria	47
	308-2 Negative social impacts in the supply chain and actions taken	47
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	68
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	68

GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	69
	417-2 Incidents of non-compliance concerning product and service information and labelling	69
	417-3 Incidents of non-compliance concerning marketing communications	69
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	141

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