



# SUSTAINABILITY REPORT 2022-23

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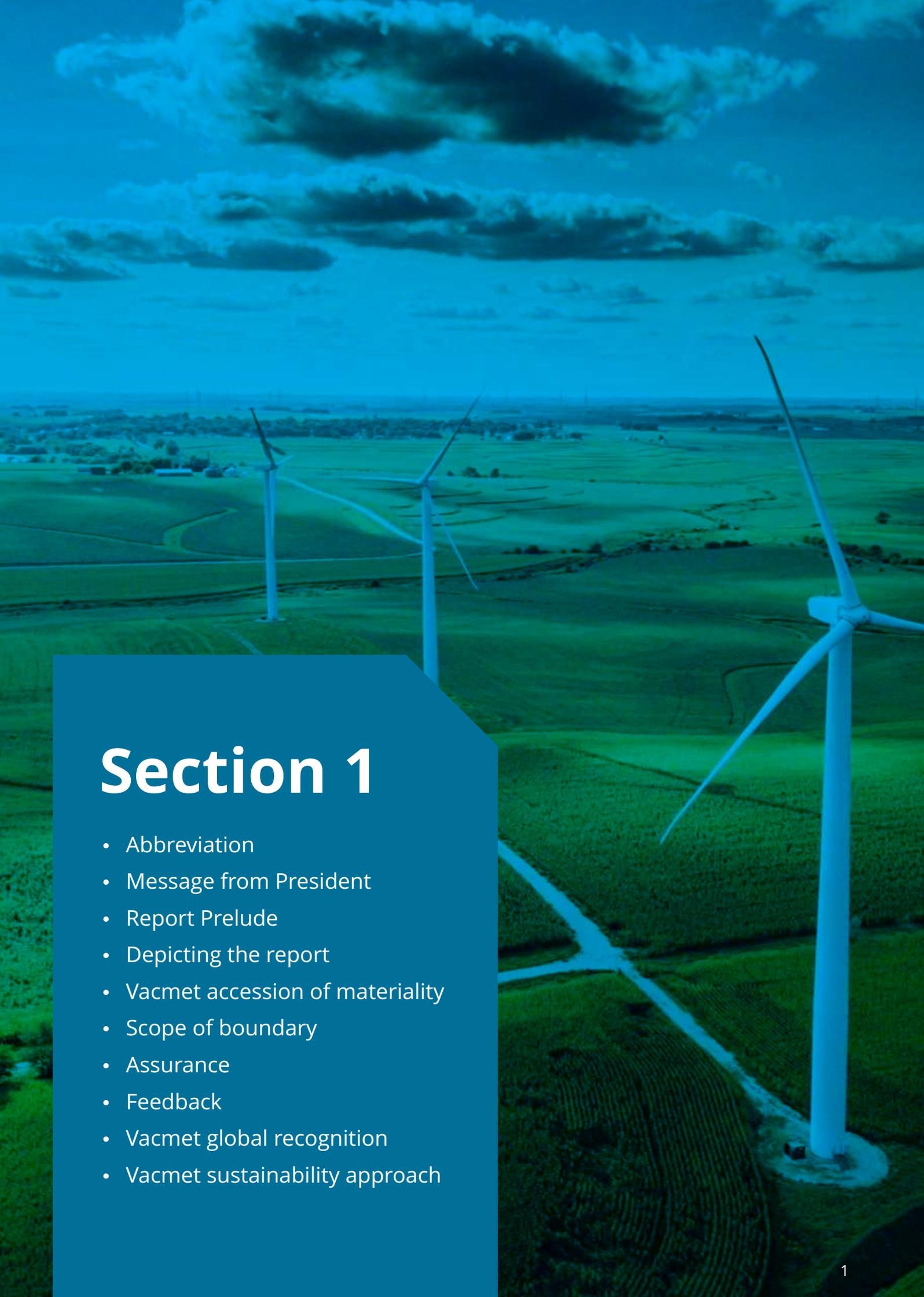
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# Section 1

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# Abbreviation

**BOPP-** Bi-axially Oriented Polypropylene Film

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**BOPET-** Bi-axially Oriented PET Film

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**PET-** Polyethylene Terephthalate

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**PP-** Polypropylene

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**PTA-** Purified Terephthalic Acid

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**PVC-** Polyvinyl Chloride

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**ETP-** Effluent Treatment Plants

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**GHG-** Green-House Gases

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**IFC-** Internal Financial Control

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**FDA-** Food and Drug Administration

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**ISO-** International Organization for Standardization

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**GRI-** Global Reporting Initiative

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**CSR-** Corporate Social Responsibility

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**SDGs-** Sustainable Development Goals

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**UV-** Ultraviolet



# Message from President



**Mr. S.C. Kapoor**

I am delighted to introduce our inaugural GRI-aligned Sustainability Report, a momentous step that showcases our steadfast commitment to fostering a circular future. We take immense pride in the fact that sustainability is intricately woven into every facet of our business and operations. This commitment has yielded versatile and outstanding product performance, contributing to enhanced customer satisfaction. Consequently, we have consistently maintained our leadership position and achieved robust financial performance during the 2022-23 period.

Our journey commenced over three decades ago, driven by a mission to grow responsibly. Today, we stand as the world's premier producers of flexible packaging films and metalized paper & board, with a presence extending to over 70 countries. Our client base spans the globe, making Vacmet a trusted partner for some of the world's largest packaging manufacturers and FMCG brands in their pursuit of sustainable packaging solutions.

Leveraging our leadership in the packaging industry, we remain dedicated to delivering innovative solutions for flexible packaging on a global scale. We currently operate manufacturing in India and distribution facilities in Europe, the USA, as well as in India. This Sustainability Report stands as a clear testament to our unwavering commitment to sustainability and responsible growth.

We eagerly look forward to continuing this journey with you, our valued stakeholders, as we collectively work towards a more sustainable and circular future.

# Report Prelude

We are delighted to introduce our inaugural Sustainability Report, which encapsulates our sustainability endeavors throughout the financial year 2022-23.

Vacmet India Ltd. is deeply committed to offering a transparent view of our economic, social, and environmental performance. This report serves as a thorough representation of Vacmet's dedication to creating and delivering value to our diverse stakeholders. Our foremost objective is to present historical performance information with clarity and transparency, enabling stakeholders to gain a deeper insight into the strides we've made. Our unwavering commitment is to collaboratively shape a circular future alongside our valued partners.

## Depicting the report

Our sustainability report adheres to the Global Reporting Initiative (GRI) Standards 2021. These standards provide a recognized framework for identifying and disclosing aspects that hold significance and interest for our stakeholders. In addition to meeting these standards, we have taken extra steps to enhance our reporting, ensuring it meets the expectations of our valued customers and business partners. We have aligned our disclosures with the Sustainability Accounting Standards Board's (SASB) Containers and Packaging Standards, marking a pioneering effort by SASB to guide packaging industry companies in providing relevant information to their stakeholders.

Our commitment to transparency and ongoing improvement in sustainability remains unwavering, and we deeply appreciate your support and collaboration as we work together to achieve our common goal of building a more sustainable future.

# Vacmet accession of materiality

In this report, we have compiled an extensive set of qualitative and quantitative data that we deem of substantial importance to our stakeholders. To identify the sustainability priority areas or material topics for this reporting year, we conducted a thorough materiality survey and held workshops involving both internal and external stakeholders. Our commitment to creating long-lasting value is underscored by the transparency and depth of our disclosures on these material topics.

We firmly assert that this sustainability report accurately and fairly represents our firm's holistic performance, encompassing financial, non-financial, sustainability, and operational aspects for the financial years 2022-23. It is our sincere belief that this report provides a true reflection of our dedication to transparency and our ongoing efforts to drive positive change.

## Scope of boundary

We are dedicated to presenting an accurate and transparent account of our sustainability endeavors and the challenges we encounter while managing various material aspects of our business. We firmly believe that this report has reasonably achieved this goal. The material aspects encompass a wide spectrum of information pertinent to our company's performance, including economic performance, governance frameworks (encompassing our governance structure, policies, and strategies), employee engagement, environmental initiatives, product sustainability programs, health and safety initiatives, community building programs, and other aspects of our work that hold relevance for our stakeholders.

Our reporting boundary encompasses Vacmet's manufacturing and global distribution operations. To provide a wide-ranging perspective of our company's performance across operational geographies, we have included data from all relevant business units wherever necessary. Furthermore, the boundary extends to encompass aspects that have a direct impact on our company's ability to generate value.

Our commitment to transparency is unwavering, and we aim to continually improve our sustainability reporting to ensure that our stakeholders have a clear and complete understanding of our efforts and progress.

## Assurance

We place paramount importance on the quality and accuracy of the data presented in our sustainability report. To ensure this, we have implemented a rigorous assurance process that combines internal expertise with external verification. It is important to note that the third-party responsible for this verification maintains no financial interests in the operations of Vacmet India Ltd. beyond their role in assessing and assuring this report.

For the assurance of this report, we have engaged the services of Pariwartan Mitra Foundation, an independent third-party. Their involvement provides a high level of credibility and impartiality to our sustainability reporting process. We are pleased to inform you that this report has received external assurance from Pariwartan Mitra Foundation, guaranteeing a Type-2 Moderate (Limited) level of assurance by validating & certifying the data and information submitted by Vacmet India Ltd. during the reporting period.

The Assurance has been provided mainly 4 manufacturing unit's namely 2,3,4 and 5 which constitutes greater than 99.5 % of group business activity.

We remain committed to upholding the highest standards of transparency and accuracy in our reporting practices.

## Feedback

We wholeheartedly invite and value your input, ideas, and questions regarding our sustainability report, as they play a pivotal role in enhancing our future reporting endeavors. Please don't hesitate to share your suggestions or queries with us by visiting our contact page at:

<https://www.vpipl.co.in/contact.php>.

For your convenience, we offer global access to our reports through our company website. You can easily access the sustainability report by visiting the following web address: [www.vpipl.co.in](http://www.vpipl.co.in)

Your engagement and feedback are instrumental in our ongoing commitment to transparency and sustainability reporting.

## Vacmet global recognition

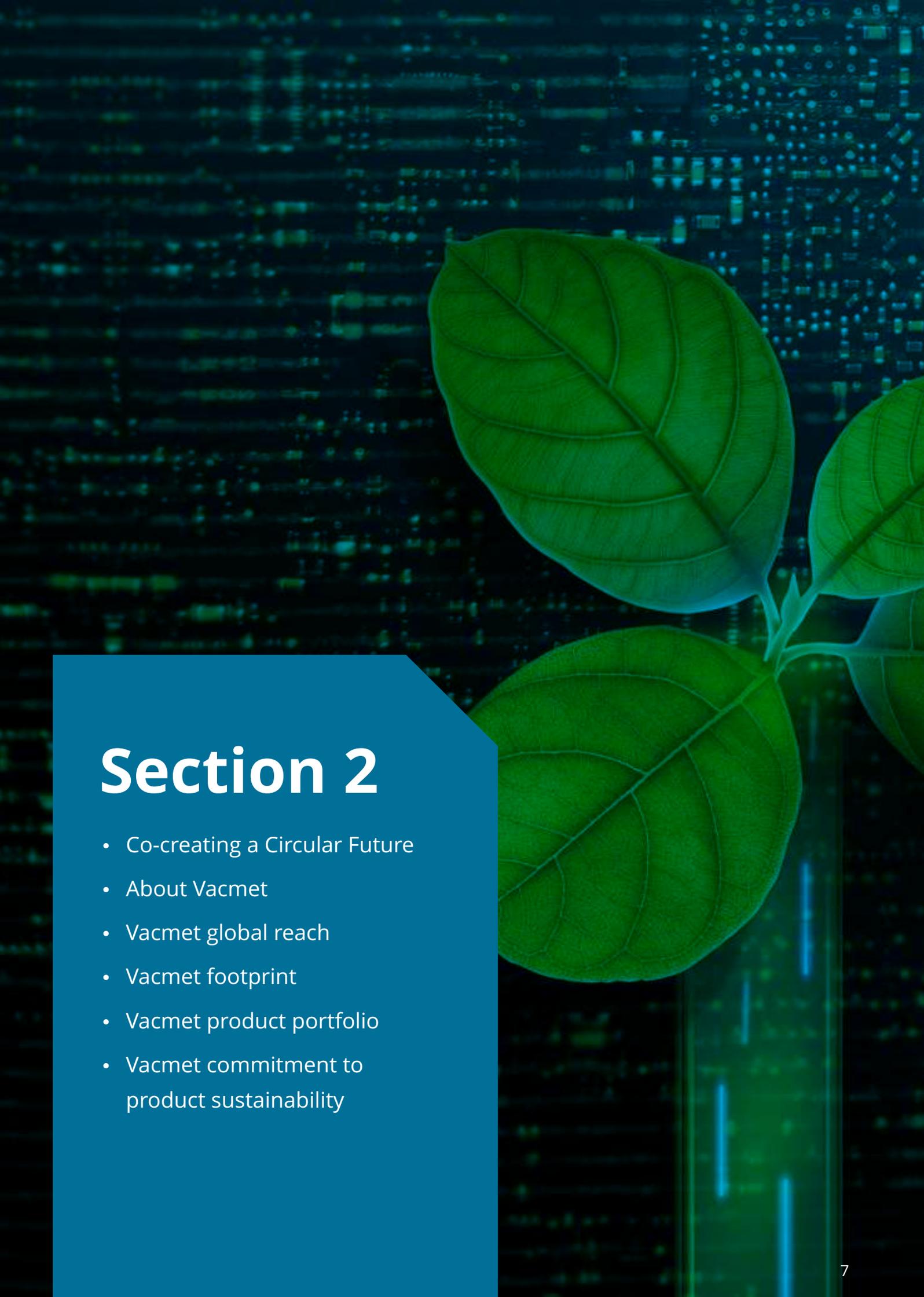
We find great pride in the global recognition bestowed upon us, recognizing our unwavering dedication to shaping a circular future. This accolade serves as a testament to our collective efforts and commitment to sustainability, and we acknowledge the responsibility that comes with it. Our journey toward a circular future continues, fueled by the recognition of our peers and partners. We remain steadfast in our pursuit of even greater sustainability milestones.



# Vacmet sustainability approach

Business	2 Corporate Office 5 Manufacturing Units	250000 BOPP & BOPET 10000 for paper (in MT per annum)	2013 Customer base across the globe
People	2735 employees as of	0.8 % female employees out of total employees as of March 31st, 2023	
Environment	Water	1,562 (in thousand KL) is the total water consumption in 2022- 23	
Waste	44.74 MT of waste in 2022-23		
Environmental expenditure	\$30K (INR 2.46 million) spent for environmental initiatives in 2022-23		
Products	<b>BOPP Film, BOPET Films, Metalized Paper, Paper Lamination</b>		





## Section 2

- Co-creating a Circular Future
- About Vacmet
- Vacmet global reach
- Vacmet footprint
- Vacmet product portfolio
- Vacmet commitment to product sustainability

# Co-creating a Circular Future

At Vacmet, we are deeply committed to our overarching mission of nurturing a resilient and sustainable future. Our dedication to this purpose is grounded in Our foundational beliefs, which emphasize the optimization of product design, responsible environmental stewardship, and the forging of impactful collaborations and partnerships.

In pursuit of this vision, we are embarking on a transformative journey to enhance the sustainability of our products. We recognize that to truly effect change, we must transition away from the traditional linear model of take, make, and waste. Instead, we are embracing the principles of a circular economy, an approach that places paramount importance on resource efficiency, reduced waste, and long-term sustainability.

Together, with our valued partners and stakeholders, we are actively engaged in the co-creation of a circular economy. This journey embodies our collective commitment to creating a future where resources are conserved, waste is minimized, and the well-being of our planet is safeguarded for generations to come. We deeply appreciate your support and collaboration in this shared endeavor.

# About Vacmet

Vacmet, a pioneer in the packaging industry, remains at the forefront of innovation. Our unwavering commitment to excellence is underscored by four state-of-the-art manufacturing plants. In the heart of Agra, Mathura, Uttar Pradesh, we have units 1, 2, 3, 4, and unit 5 is strategically located in Ujjaini, Madhya Pradesh. Specializing in the production of BOPP, BOPET & Metalized Paper, Vacmet has emerged as a global presence, boasting an in-house research and development team dedicated to pushing the boundaries of packaging solutions.

Our journey towards responsible growth commenced in 1993, and since then, we have evolved into a multinational corporation with an unyielding dedication to developing responsible products and services while adhering to the principles of environmental sustainability.

Our vision is clear to be a frontrunner in the packaging industry. This vision is driven by market demand, our core values, and the exceptional feedback we consistently receive from our esteemed customers. Our growth trajectory is fueled by an unrelenting pursuit of manufacturing and quality excellence, a vast global footprint, proactive environmental stewardship, and the cost-efficiency of our products. These elements collectively position us as a comprehensive solutions provider, offering an extensive portfolio of film products tailored to the diverse needs of our clientele.



# Vacmet global reach

Our steadfast dedication to excellence has driven us to expand our manufacturing operations, with a cutting-edge facility based in India. We've extended our global footprint with distribution centers strategically positioned in key regions, which include Europe and USA.

We take immense pride in our service to a diverse clientele of over 2013 customers spanning across more than 70 countries, ensuring the prompt delivery of our products directly to their doorsteps. While we actively engage in sales initiatives across Europe and the USA, we continually broaden our presence to access regional markets, ensuring efficient and timely service to our esteemed customers.

Amidst recent fluctuations in the global BOPET thin and thick film market, our ability to thrive in the face of industry uncertainties while maintaining a sound financial position reflects our unwavering commitment to responsible growth. Our strategic approach involves placing our operations closer to regional markets and establishing a global network of supply points, instilling resilience in our business model. This approach has not only enabled us to navigate market dynamics effectively but has also driven profitable growth.

Our substantial scale and global presence empower us to expedite product delivery and supply, serving our extensive customer network worldwide. We deeply appreciate the trust and support of our partners and customers as we continue to tread the path of responsible growth and sustainable excellence.



# Vacmet footprint

<b>Manufacturing Unit</b>	<p><b>05 MANUFACTURING UNITS IN INDIA.</b></p> <p>Vacmet India Limited is one of the world's leading producers of flexible packaging films and metalized paper &amp; board headquartered in India. Catering to customers in more than 70 countries, Vacmet today is one of the most trusted partners for some of the world's largest packaging manufacturers and FMCG brands in their journey towards sustainable packaging.</p>
<b>Global Subsidiary</b>	<p><b>Vacmet Europe Limited</b>, located in London, is a wholly-owned subsidiary of Vacmet India Ltd. It aims to provide faster and more reliable delivery of Vacmet's products in the UK. Vacmet Europe Limited is capable to handle varied sized orders in a very short time, owing to its exceptional logistics partners.</p> <p><b>Vacmet Holland B. V.</b>, located in Amsterdam, is a wholly-owned subsidiary of Vacmet India Ltd. Vacmet Holland B. V. aims to provide faster and reliable products in Europe.</p> <p><b>Vacmet Holland B. V.</b>, can handle small as well as large orders in a very short time, with the help of its exceptional logistics partners.</p> <p><b>Vacmet America's LLC</b> is incorporated on 28th July 2022 as a wholly owned subsidiary of Vacmet India Limited. The principal place of business of Vacmet America's LLC is located in the State of Texas, USA. The purpose of Vacmet America's LLC is to engage in the business of wholesale merchandise of plastic packaging films and paper in the State of Texas, USA.</p>



# Vacmet product portfolio

At the vital of our offerings lies a wide spectrum of plastic films spanning various substrates. Our product range encompasses not only standard plain films but also a diverse array of value-added films, enriched by our offline coating and metallizing capabilities.



In light of the escalating concerns surrounding single-use plastics and the growing global awareness of sustainable packaging practices, our commitment to innovation shines through. We are actively engaged in the development of sustainable solutions, including RPET, bio-based materials, and biodegradable films. This endeavor extends to the optimization of our global operations to align with the burgeoning global sustainability movement. With an expanded product portfolio, a relentless pursuit of operational excellence, and a steadfast focus on enhancing the recyclability of our products, we aim to contribute significantly to closing the material loop.

## **Our products find versatile applications across a multitude of industries:**

### **Packaging Applications:**

Our films are tailored for the packaging of a wide array of products, including food, juices, liquid food, health and personal care items, cosmetics, confectioneries, retort and microwaveable food, lidding applications, sauces, noodles, and anti-fog packaging, among others.

### **Industrial Applications:**

Our films cater to a broad spectrum of industrial needs, such as labels and stickers, smart cards, holography and security stickers, embossing, yarn, duct insulation, release liners, automotive applications, magnetic tape, barcode labels, and adhesive tapes.

### **Printing and Imaging:**

Our products play a vital role in printing and imaging, serving as print media for photo albums, product brochures, posters, offset printing, and laser printing.



# Vacmet commitment to product sustainability

At Vacmet, we wholeheartedly embrace a sustainable packaging approach that revolves around three fundamental strategies: reducing, reusing, and recycling. Our dedication to these strategies has paved the way for the introduction of innovative products that seamlessly integrate these principles into their design and functionality.

Our product portfolio boasts a diverse range of solutions, each meticulously crafted to align with our sustainability mission. These offerings encompass:

- Robust thick films tailored for use in electrical and electronic appliances, enhancing their durability and longevity.
- Foldable films engineered for versatile applications in medical and industrial settings, offering flexibility and adaptability.
- High-barrier high-adhesion films specially formulated for metallic surfaces, catering to a myriad of industrial needs.
- Transparent barrier films meticulously crafted for food packaging, preserving freshness and quality.
- Uniquely coated BOPP and BOPET films and specialized films optimized for print media, compatible with digital printable and UV inks.

A hallmark of our sustainable commitment is the utilization of vergin & recycled in the production of these films. These materials are not only sustainable but also resource-efficient, leading to significantly reduced carbon emissions compared to virgin plastic production. Furthermore, our products are

characterized by a high product-to-packaging ratio, emphasizing our dedication to minimizing environmental impact.

Our journey towards sustainable product solutions is a testament to our unwavering dedication to environmental responsibility and creating a more sustainable future for all.

A key aspect of product sustainability is building the right stakeholder network along the polyester value chain. In order to achieve this, we have partnered with stakeholders, who place sustainability at the forefront of their operations.

## Certifications

Our enduring commitment to excellence is exemplified by our unwavering pursuit of continuous evaluation and product improvement. Recognizing that our products serve diverse sectors and are utilized across various geographical locations, we consider it our corporate responsibility to adhere to globally recognized standards and deliver nothing but the best to our valued customers.

In light of the versatile nature of our products, we have embraced international management system standards such as ISO 9001, ISO 14001, ISO 45001, ISO 22001, BRC, and FSC COC-01.2017. By integrating these standards into our daily operations, we ensure the utmost care for our people, the environment, and society. This commitment extends to the delivery of world-class quality products that are not only safe to use but also foster a culture of continuous improvement amongst our dedicated employees.



# Section 3

- Corporate Governance
- Our Corporate Philosophy
- Leading responsibly
- Committees
- Risk Management:



# Corporate Governance

At Vacmet, we are deeply committed to upholding the highest corporate governance standards, striking a harmonious balance between our social, economic, and environmental aspirations. We firmly believe that a robust governance framework is the cornerstone of our ability to provide sustained value to our stakeholders. Transparency, accountability, and responsibility are the guiding principles that drive our actions.

Our employees, whether on the manufacturing floor or in our global distribution units, as well as those serving on our board and in management roles, are united by a shared mission. Our values are not mere words but tangible practices that underscore our commitment to conducting business ethically and promoting sustainable growth. As our global footprint expands and our product offerings diversify, we are continually challenged to adapt to varying regulatory environments. We meet these challenges head-on by swiftly developing and implementing corporate policies that enable us to thrive in a dynamic global marketplace while mitigating risks.

## Our Corporate Philosophy

Our corporate philosophy is founded on the principles of fairness, transparency, accountability, and responsibility. These principles serve as our compass, guiding both the company and its people. They are not merely theoretical concepts but are deeply ingrained in our business strategies and plans. As a responsible corporate citizen, we allocate our resources to uplift the communities we touch, safeguard our employees and the environment, and ensure that the triple bottom line principles are woven into the fabric of our business initiatives.

Our internal controls serve as the bedrock of our adherence to corporate governance norms during these initiatives, enabling us to comply with the requisite regulations and laws. Over the years, we have witnessed that improved transparency, risk mitigation, and enhanced governance policies not only protect our shareholders but also help us better understand their expectations and concerns, ultimately accelerating our performance.

Furthermore, we have established firm-wide practices to encourage the reporting of concerns related to unethical or unlawful activities and organizational integrity matters. Our corporate philosophy extends holistically to maximize the value we create. In our business endeavors, we prioritize:

- Enhancing stakeholder value
- Focusing on the long-term financial health of our company
- Providing fair wages and ensuring safe working conditions for our employees, actively involving them in corporate decision-making
- Offering customers quality products and services at competitive prices
- Employing environmentally friendly production methods
- Contributing to the socio-economic development of the local community

This philosophy underpins our commitment to responsible and sustainable business practices, as we continually seek ways to create positive, lasting impacts in the world around us.

# Leading responsibly

A strong governance framework enables us to maintain and improve stakeholder value creation in conjunction with fulfilling our responsibilities as a responsible company. All directors and the management, employees and other stakeholders involved in our operation are expected to act with utmost integrity and accountability, striving to enhance public perception, reputation and overall performance. At Vacmet, we have developed a culture that promotes transparency and accountability amongst all our stakeholders to ensure that there are no possible ways of conflict of interest in global operations. The company has formulated policies covering issues such as ethics, bribery and corruption including the policy for Prevention of Sexual Harassment, Whistle-Blower policy, which extend to vendors, contractors, visitors including employees and board members of the company. We encourage all our employees to comply with these policies which are available on our websites and other internal portals for easier accessibility. Necessary legal actions will be taken in case of a violation of these company policies. We uphold the highest standards of honesty and ethics in all our business activities and maintain a zero-tolerance stance towards bribery and corruption in our dealings and relationships. We also perform regular internal audits to assess the effectiveness of these ethical practices in our business operations. During the reporting period, there were no cases of corruption at Vacmet group. The board of directors, including board committees, remains at the apex of our governance framework. While the top management is an Indian team, all other managers are local to the Vacmet group company's operations. Vacmet Group adheres to a structured annual performance appraisal system that assesses and rewards the performance and compensation of all employees. This appraisal process aligns with

our Career Progression Policy, ensuring that employees' efforts and achievements are duly recognized.

As part of this system, performance incentives are granted to employees following their annual reviews. These incentives contribute to an annual bonus, a practice we uphold in accordance with the regulations outlined in the Ministry of Labour and Employment's "The Payment Of Bonus Act, 1965". Our commitment to this framework ensures that our employees are fairly and transparently compensated for their dedication and hard work.

The Vacmet Group strictly complies with all statutory minimum wage requirements. Our employees receive compensation exceeding the minimum wage levels, which are determined based on their skills.

Vacmet India is fully committed to adhering to the Ministry of Labour and Employment's guidelines and fulfilling all regulatory obligations as per the Minimum Wage Act of 1948, specifically under Section 2,3 & 4. This commitment is rooted in the company's dedication to providing living wages to all of its employees and contractor workers. These living wages are subject to biannual revisions, scheduled for April 1st and October 1st each year. The organization has set quantitative targets for paying living wages within specified timeframes, and it consistently upholds these commitments in an ethical manner.

Vacmet India extends this commitment to nearly all of its employees, encompassing both internal and external personnel, including contractual workers. These individuals receive wages that are in line with the guidelines outlined in the Minimum Wage Act of 1948.

The company recognizes its substantial responsibility to continuously monitor and ensure that this benefit is accessible to all employees, both internal and external, as well

as contractual workers, in an ethical and equitable manner. The goal is to avoid any wage gaps, and to achieve this, internal measures are implemented by Vacmet India Limited.

These measures involve a rigorous analysis of employees' wage levels against a living wage benchmark, which is done in reference to the IDH Living Wage Benchmark Methodologies Recognition Process. Through this regular analysis, any trends or indications of wage gaps are identified. If wage gaps are found, the company takes immediate actions to rectify them. This comprehensive process is carried out biannually, and the resulting trends and findings are transparently shared with all employees, both internal and external, as well as contractual workers. Vacmet India further demonstrates its commitment through regular follow-ups and committee meetings to diligently monitor the status of these initiatives. In the event that any case of a wage gap is detected, the company takes prompt measures to close it.

As a testament to its dedication to providing fair and just wages, Vacmet India maintains digital records that substantiate its commitment to ensuring employees receive wages based on the living wage standards. It is with pride that Vacmet India Limited reports that, during the reporting period, no instances of wage gaps were identified, and all activities related to this commitment were carried out in an ethical and exemplary manner.

### **Exemplifying Responsible Leadership**

Our unwavering commitment to responsible leadership is fortified by a robust governance framework that not only safeguards stakeholder value but also underscores our profound responsibility as a conscientious corporate entity. This commitment extends to every member of our board of directors, management, employees,

and all stakeholders engaged in our operations, who are entrusted with the utmost integrity and accountability. Their collective dedication aims to enhance public perception, bolster our reputation, and elevate our overall performance.

At Vacmet, we have diligently nurtured a culture that champions transparency and accountability among all stakeholders, thus mitigating any potential conflicts of interest in our global operations. To uphold this commitment, the company has crafted policies encompassing ethical conduct, anti-bribery and anti-corruption measures, as well as policies addressing the Prevention of Sexual Harassment and Whistle-Blower procedures. These policies extend their reach to encompass not only our employees but also our valued vendors, contractors, visitors, and board members. We actively encourage all our employees to familiarize themselves with these policies, which are readily accessible on our websites and internal portals. It is imperative to note that in cases of policy violations, necessary legal actions will be taken.

Our business practices are consistently grounded in honesty and ethicality, and we unequivocally adopt a zero-tolerance stance against bribery and corruption in all our interactions and relationships. In the reporting period, we are proud to report that there were no instances of corruption within the Vacmet group.

The Vacmet group diligently adheres to a formal annual performance appraisal system to assess the performance and remuneration of all our employees in accordance with our Career Progression Policy.

Our corporate ethos, defined by fairness, transparency, accountability, and responsibility, is deeply woven into the fabric of our business strategies and practices. These principles drive us to allocate resources toward uplifting the communities we touch,

ensuring the well-being of our employees and the environment, and diligently integrating the triple bottom line principles into our business initiatives. Our commitment to internal control checks and balances further reinforces our adherence to corporate governance norms, safeguarding the interests of our stakeholders and enhancing our overall performance.

We maintain an unwavering focus on advancing stakeholders value, nurturing the long-term financial health of our company, providing fair wages and safe working conditions for our employees while actively involving them in corporate decision-making. We remain dedicated to delivering quality products and services at competitive prices to our customers, employing environmentally friendly production methods, and contributing to the socio-economic development of the local community.

Our corporate philosophy is a living embodiment of our commitment to responsible and ethical business practices, fostering transparency, mitigating risks, and championing the interests of all our stakeholders. We recognize the importance of continuously enhancing our governance standards, and we remain vigilant in adhering to the norms of corporate governance while conducting our business ethically and responsibly.

### **Declaration of Ethical Conduct and Compliance**

At Vacmet Group, we are committed to upholding the highest standards of ethical conduct and compliance. We take immense pride in declaring that, during the reporting year 2022-23, no cases of corruption, bribery, retaliation, discrimination, harassment or information security breach were reported across our operational units.

Our rigorous internal audit processes were instrumental in systematically examining and assessing the functioning of all facets of the Vacmet Group. These audits are designed to detect and rectify any deviations from our established ethical standards and compliance policies.

This declaration serves as a testament to our unwavering dedication to fostering an environment of integrity, transparency and ethical excellence throughout the Vacmet Group. We remain steadfast in our commitment to maintaining these high ethical standards in the years to come.

## **Committees**

### **Strengthening Governance**

The governance structure at Vacmet comprises various committees, each endowed with dedicated functions that enhance their effectiveness. These committees comprise a mix of independent and non-independent directors. The Board of Directors has established these committees to foster excellence in governance:

#### **Audit Committee**

The Audit Committee of Vacmet India Limited is dedicated to ensuring the highest standards of financial reporting and transparency. It is committed to protecting the interests of our stakeholders by maintaining the accuracy and credibility of our financial statements. The primary responsibilities assigned to Audit Committees are the recommendation for appointment, remuneration and terms of appointment of auditors of the Company, review and monitor the auditor's independence and performance, and effectiveness of Audit Process, examination of the financial statement and

the auditors' report thereon, approval of any subsequent modification of transactions of the company with related party.

### Management Information System (MIS)

Vacmet has a dedicated management committee known as the "Management Information System" (MIS), which convenes monthly meetings to comprehensively address various aspects related to business operations and financial parameters.

These meetings play a crucial role in the company's governance framework as well. Additionally, based on the insights and findings from the MIS meetings, the Business, Manufacturing, HR, IT strategies are built up to address the challenges of market and impediments in achievement of the Goals of organization.

The MIS committee is committed to addressing effectively managing and resolving financial concerns, issues pertaining

to regulatory compliances that may arise within or outside the organization.

Furthermore, the MIS meetings provide a platform for discussions on topics such as managing short-term/long-term funds requirements, optimizing working capital facilities, deploying surplus funds and exploring other financial considerations that are essential for the organization's financial well-being and sustainability.

### Corporate Social Responsibility (CSR) Committee

This committee formulates and recommends a CSR initiatives to the board, outlining the activities Vacmet will undertake in accordance with Schedule VII<sup>1</sup>. It suggests the annual allocation for CSR activities, evaluates whether Vacmet will directly or indirectly engage with an NGO for CSR initiatives, and monitors the CSR policy over time.

### Committee Meetings (Years 2022-23)

Name of Committee	No. of Meetings 2022-23
Audit Committee	04
Management Information System (MIS)	10
Corporate Social Responsibility Committee	03

### Our Ongoing Commitment

Effectively managing risks is a continuous process that involves understanding, analyzing, and fortifying resilience across all operational units. At Vacmet, our integrated risk management approach enables us to comprehensively map and manage both non-financial and financial risks. To enhance the efficiency of our risk management efforts, we employ a combination of centrally issued policies and locally tailored procedures.

Our Enterprise Risk Management (ERM) framework provides an integrated structure for periodic organizational risk reviews. Key features of this control system include:

- A robust organizational planning system that sets challenging goals and formulates detailed plans for goal achievement.
- A risk assessment system that identifies potential threats to plan attainment and develops contingency plans for risk mitigation.

<sup>1</sup>[https://upload.indiacode.nic.in/schedulefile?aid=AC\\_CEN\\_22\\_29\\_00008\\_201318\\_1517807327856&rid=79](https://upload.indiacode.nic.in/schedulefile?aid=AC_CEN_22_29_00008_201318_1517807327856&rid=79)

- An internal review mechanism that tracks plan progress and ensures timely remedial actions to minimize deviations.

## **Key Risks and Mitigation Measures:**

### **Risk 01: Competition and Business Cycle Risk**

#### **Mitigation Measures:**

Vacmet's approach to refining our sales portfolio has been driven by a commitment to enhancing value and reducing risk. We've taken a closer look at our methodology for determining the proportion of High Value-Added (HVA) films, which are characterized by unique product features and applications, often serving distinct customer needs. Embracing HVA films has allowed Vacmet to minimize earnings volatility.

Over the course of the last four years, we've diligently worked on increasing the presence of HVA films in our sales turnover. This strategic shift has yielded promising results.

These developments underscore our commitment to adapt and refine our strategies to best serve our customers and stakeholders while fostering sustainable growth.

### **Risk 02: Price Volatility Risk**

#### **Mitigation Measures:**

At Vacmet, we recognize the inherent challenges posed by price volatility in the ever-changing landscape of raw materials. We approach this risk with a commitment to safeguarding our stability and ensuring that our customers can rely on us consistently.

To navigate the intricate web of global and local input price fluctuations, Vacmet maintains vigilant monitoring of these trends. Our procurement strategies are meticulously aligned with these insights, allowing us to

make informed decisions that benefit both our operations and our valued customers. We understand that price movements in raw materials affect our entire industry, and our aim is not merely to gain a competitive advantage but to ensure a fair and sustainable playing field for all participants.

Our strength lies in our geographical and product diversification, which serves as a protective shield against the volatility of raw material prices. This diversification enhances our ability to maintain pricing and margins, thereby providing stability in the face of market uncertainties.

We remain steadfast in our commitment to delivering quality products and services while managing the complexities of price volatility. Our focus is not only on our own resilience but also on contributing to the stability of the industry as a whole.

### **Risk 03: Trade Defense Risk**

#### **Mitigation Measure**

At Vacmet, we approach the challenge of trade defense risk with utmost diligence and a commitment to protecting our operations and the interests of our stakeholders. We understand the importance of insulating ourselves against the potential ramifications of anti-dumping actions and trade barriers imposed by importing countries.

To mitigate the potential fallouts stemming from such actions, we have implemented a series of proactive measures. Firstly, our well-diversified presence across various countries strengthens our resilience. This diversified footprint ensures that we can continue to serve our customers effectively even in the face of trade challenges.

Furthermore, our global product portfolio, covering a wide range of offerings, allows us to adapt to changing market dynamics and reduce vulnerability. By having an end-to-end

product portfolio, we can make strategic adjustments to minimize the impact of trade-related disruptions.

In line with our commitment to fair trade practices, we also evaluate actions to protect ourselves against unfairly traded or subsidized imports from other countries. We take our role in the global trade landscape seriously and work diligently to ensure a level playing field for all market participants.

Our actions in addressing trade defense risk reflect our dedication to safeguarding our operations and sustaining our ability to serve our valued customers and partners.

#### **Risk 04: Liquidity and Solvency Risk**

##### **Mitigation Measures:**

##### **Ensuring Financial Resilience through Prudent Planning**

At Vacmet, we take a cautious and proactive approach to financial management, with a focus on ensuring the resilience of our operations in the face of various challenges. One key aspect of our financial strategy involves maintaining healthy free cash flows and substantial unutilized credit lines.

These financial resources are not merely figures on a balance sheet; they are a critical part of our ability to manage the diverse and that are integral to our growth trajectory. With these resources at our disposal, we are well-prepared to address the demands of our expansion initiatives, ensuring that they proceed smoothly and in line with our strategic goals.

Furthermore, we recognize that the business landscape can be unpredictable, and unforeseen contingencies may arise. Our robust financial position, bolstered by these free cash flows and credit lines, provides us with the flexibility and stability needed to navigate any unexpected challenges that may come our way.

Our commitment to sound financial management is driven by a desire to uphold our responsibilities to our stakeholders, including our employees, customers, and investors. By maintaining these financial resources, we can continue to deliver on our promises and pursue our mission of sustainable growth.

#### **Risk 05: Credit Risk**

##### **Mitigation Measures:**

##### **Ensuring Financial Stability through Prudent Credit Risk Management**

At Vacmet, we consider the management of credit risk as paramount to our financial stability. Our dedication to maintaining a strong internal credit risk management framework and the implementation of an extensive credit insurance policy have enabled us to navigate the intricacies of credit risks with prudence and foresight.

We understand that the ongoing climate effects and compliances by stakeholders has created an environment where the risk of default and delays in payments has escalated. However, we want to reassure our stakeholders that, even in these challenging times, our steadfast commitment to sound credit risk management remains unwavering.

We take pride in our robust credit risk management system, which has been honed over the years. Moreover, our enduring relationships with our valued customers play a pivotal role in our ability to mitigate these risks effectively. These relationships are built on trust, transparency, and a shared commitment to navigating turbulent times together.

While we acknowledge that the risk of default and payment delays is a genuine concern, we firmly believe that our proactive measures and resilient credit risk management practices will empower us to

overcome these challenges. Our goal is not only to weather the storm but to emerge stronger, continuing to serve our customers and stakeholders with unwavering dedication.

### **Risk 06: Geographic Risk**

#### **Mitigation Measures:**

#### **Diverse Manufacturing Locations for Resilience**

At Vacmet, we take immense pride in our geographically diverse manufacturing facilities, strategically positioned across India, while our products find distribution networks in Europe, the USA, and Holland. This strategic distribution of manufacturing capabilities forms a deliberate part of our overall strategy, intended to bolster our resilience in the face of a wide range of challenges.

We would like to stress that our thorough analysis and continuous monitoring lead us to believe that occasional challenges will not result in any adverse long-term effects. Our steadfast commitment to adaptability, diversification, and meticulous strategic planning has been instrumental in maintaining our resilience, even in the midst of uncertainties.

It's our unwavering determination to overcome obstacles that remains the driving force behind our success, assuring our ability to consistently deliver dependable products and services to our valued stakeholders.

### **Risk 07: Regulatory Risk**

#### **Mitigation Measures:**

#### **Stringent Adherence to Regulatory Standards**

At Vacmet, our commitment to the highest standards of quality and safety is unwavering. In our pursuit of excellence, we strictly adhere to the regulatory directives set forth by the

United States Food and Drug Administration (USFDA) and the European Commission (EC) for food packaging applications.

These directives are not mere guidelines for us; they are the cornerstone of our operations. We recognize the critical role we play in ensuring the safety and integrity of food products that reach consumers worldwide. As such, we leave no room for compromise when it comes to compliance.

Our rigorous adherence to these directives is not just a regulatory obligation; it's a reflection of our deep responsibility towards the well-being of consumers. We understand that food packaging is the final barrier between our products and the food we all consume, and we take that responsibility very seriously.

Rest assured that every step of our production process is meticulously designed and executed to meet, and often exceed, the stringent requirements laid out by the USFDA and EC. We believe that this commitment to uncompromising quality is a testament to our dedication to both our industry and the health and safety of our customers.

We remain steadfast in our pledge to maintain the highest standards in food packaging, and we consider it an honor to contribute to the safety and satisfaction of consumers around the world.

### **Risk 8: Environmental and Sustainability Risk**

#### **Mitigation Measures:**

#### **Pioneering Sustainable Solutions**

In our relentless pursuit of sustainability, Vacmet is deeply committed to exploring and implementing innovative approaches to address environmental concerns. We recognize that the plastics industry, to which we belong, plays a pivotal role in shaping a sustainable future for our planet.

As an industry leader, we are actively engaged in various initiatives aimed at providing sustainable solutions. These initiatives encompass a wide array of endeavors, all geared towards reducing our environmental footprint and fostering a more eco-conscious world.

One such endeavor involves increasing the use of recycled Polyethylene Terephthalate (rPET) content in packaging materials. By incorporating higher percentages of rPET, we contribute to the reduction of virgin plastic consumption, thus conserving valuable resources and curbing plastic waste.

Moreover, we are fervently pursuing the development of single substrate packaging solutions. These solutions not only simplify the recycling process but also reduce the overall environmental impact of packaging materials.

At Vacmet, we view sustainability as both a responsibility and an opportunity. We are dedicated to pioneering these sustainable solutions not just for our industry but for the betterment of our planet. Together, with a shared commitment to a greener future, we can achieve meaningful progress and leave a lasting legacy of environmental stewardship.

## **Strengthening Our Internal Control Systems**

"At Vacmet, we take great pride in our corporate governance policies and frameworks, which form an integral part of our internal control systems. These systems are diligently overseen by our audit committee, ensuring the highest standards of transparency and accountability.

### **Our Internal Control Systems (ICS) at Vacmet serve several crucial purposes:**

**Statutory Compliance:** We prioritize adherence to the statutory compliance

framework and continuously evaluate its effectiveness. This commitment helps us uphold the highest standards of corporate responsibility.

**Risk Management:** We employ a well-defined risk control matrix. This matrix aids us in evaluating, managing and mitigating risks that may arise in our operational landscape.

**Business Plan Oversight:** Regularly, we review and assess our business plans and objectives to ensure alignment with our broader goals and strategic vision.

**Asset Protection:** Protecting Vacmet's assets from unauthorized usage is a top priority. We have robust mechanisms in place to safeguard our resources.

**Fraud Prevention and Detection:** We remain vigilant in preventing and detecting fraud and errors. This commitment to ethical conduct underscores our corporate culture.

**Policy Compliance and Delegation of Authority:** We diligently adhere to our internal policies and maintain a clear delegation of authority to ensure efficient decision-making processes.

**IT Security Validation:** Our IT security controls are subject to continuous validation to protect our data and ensure the integrity of our systems.

**Financial Reporting:** Timely and reliable financial reporting is paramount. We invest in systems and practices to ensure that our financial statements and information meet the highest standards of accuracy and transparency.

On a quarterly basis, our internal auditor reports undergo rigorous review and analysis by both the audit committee and our board.

Our Enterprise Resource Planning (ERP) system plays a pivotal role in enabling timely financial reporting for Vacmet. It harnesses in-

built IT controls across our major business processes, enhancing efficiency and accuracy.

By integrating internal audits, management reviews, and audit committee interventions, while steadfastly enforcing firm-wide policies, Vacmet conducts its operations with precision across diverse geographical locations.

Below is an inclusive list of some of the key policies that govern our operations:

- Environmental Policy
- Business Ethics Policy
- OHS Policy
- Employee Hygiene Policy
- No Jewellery Policy
- Injury Rate Compliance Policy
- Sustainable Procurement Policy
- Labor and Human Rights Policy
- Non-Discrimination & Anti-Harassment Policy
- Policy for freedom of association and collective bargaining
- IT Policy
- Record Retention Policy
- Whistle Blower Policy
- Product Safety Policy
- Suppliers Code of Conduct
- Suppliers Environmental Questionnaire
- Anti-Competitive Policy
- Waste Management & Recycling Policy
- SOP Approval of Suppliers
- Policy for Suppliers Training Programme
- Application of Identification of new supplier





## Section 4

- Engaging with Key Concerns
- Stakeholder engagement and materiality: A Commitment to Balance
- Our Stakeholders: The Heart of Our Endeavors
- Stakeholder engagement framework
- Engaging with Our Customers
- Supplier engagement
- Assessing Materiality for a Sustainable Future
- Materiality matrix

# Engaging with Key Concerns

At Vacmet, we steadfastly commit ourselves to a journey of continuous improvement and the earnest resolution of issues that hold genuine significance. Our approach is rooted in proactive engagement with our stakeholders, a practice we uphold with unwavering dedication. Through regular, open dialogues, we seek profound insights into what matters most to our stakeholders and how these concerns intersect with our business objectives. This dialogue empowers us to redefine our strategic priorities, foster enduring relationships, and ultimately, fortify our position as a sustainable and responsible company.

We fully acknowledge the invaluable role played by our stakeholders, including customers, partners, employees, and the communities we serve. Their perspectives act as guiding beacons as we navigate the dynamic terrain of sustainability and corporate responsibility. By actively listening to and earnestly addressing these significant concerns, we aspire to shape a more sustainable future and contribute positively to the well-being of all our stakeholders.

## Stakeholder engagement and materiality: A Commitment to Balance

At Vacmet, we accept our responsibility to meet stakeholder expectations, a crucial endeavor that positions our business more favorably and elevates the value we offer. Through diligent stakeholder engagement and a robust materiality assessment process, we strike a delicate balance between financial

and non-financial expectations. This assessment is pivotal in identifying key aspects that could profoundly impact both our stakeholders and our organization. During this reporting period, we revisited our central business priorities through a rigorous materiality assessment.

Over the years, we have meticulously cultivated practices that facilitate open, constructive dialogues with our stakeholders. These practices reinforce our comprehension of relevant matters and enable us to identify what attributes make our stakeholders essential to our business, warranting meaningful engagement. Stakeholder engagement represents an opportunity to serve our stakeholders optimally, redefine our strategies, and deliver maximum value. Effective engagement is a bedrock upon which trust between a company and its stakeholders is built. We strongly believe in collaboration and partnership with our stakeholders. Regardless of our global reach and commitments, our people remain central to our journey's success. By involving our stakeholders in decision-making, product and process enhancement, we create an enabling environment for mutual growth.

Within the Vacmet Group, we cultivate partnerships, foster impactful collaborations, and explore uncharted possibilities to create, preserve, and enhance value for all stakeholders. Inclusivity is the hallmark of our stakeholder engagement approach. From the communities we operate in to the shareholders who place their faith in our business goals, we have developed structured engagement plans to ensure that no one is excluded from our pursuit of becoming a leader in the circular economy. Our approach respects the unique interests, expectations, and concerns of each stakeholder.

# Our Stakeholders: The Heart of Our Endeavors

We have meticulously identified and prioritized both our internal and external stakeholders based on their relative significance and impact on our business, and vice versa. Stakeholder engagement is a multi-stage process that involves the identification and prioritization of stakeholders, determination of the means and modes of engagement, and the continuous management of stakeholder expectations. Below, you'll find a list of Vacmet's key stakeholders:

- Employees
- Customers/Brand Owners
- Service Providers/Human Resource Providers
- Government/Regulators
- Suppliers/Business Partners
- Insurers
- Equipment Providers
- Communities

# Stakeholder engagement framework

Our sustainability endeavors bring together stakeholders from across our value chain to collectively confront the most pressing environmental challenges facing the packaging industry. Systematic channels of interaction with our stakeholders are intricately woven into our business processes. These channels encompass one-on-one and annual general meetings, training sessions, group discussions, surveys, supplier and customer meetings, as well as mechanisms for addressing grievances. Stakeholder concerns are rigorously assessed and strategically addressed at the highest level of our organization. It is our unwavering goal to strengthen our stakeholder engagement mechanisms and continuously broaden stakeholder participation. The stakeholder engagement framework embodies how we connect with our stakeholders and address their principal concerns. Importantly, during this reporting year, no critical concerns of a significant nature were identified.



## Stakeholder involvement with Vacmet group

Stakeholder	Involvement Activity	Appertain to
Board /Customer	<ul style="list-style-type: none"> <li>• Industry forums</li> <li>• emails/ Meetings / telecommunication, product stewardship</li> <li>• Supplier meets</li> </ul>	<ul style="list-style-type: none"> <li>• Product and service</li> <li>• Business ethics</li> <li>• Quality</li> <li>• Intellectual property protection Customer data protection and privacy</li> <li>• Digital dashboards and real-time monitoring</li> <li>• Product life cycle impact</li> <li>• Packaging material, disposal/recycling</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Meetings, safety committee</li> <li>• Employee surveys</li> <li>• Team building workshops</li> <li>Capacity building and training</li> <li>• Annual appraisals</li> <li>• Employee newsletters</li> <li>• Rewards and recognitions</li> <li>Volunteering opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Workplace safety, Employee welfare, IR issues</li> <li>• Professional growth</li> <li>• Employee benefits and other facilities,</li> <li>• Diversity at the workplace</li> <li>• Leadership connects sessions</li> <li>• Professional growth</li> <li>• Equal opportunities</li> <li>• Wages and benefits</li> <li>• Work-life balance</li> </ul>
Government and regulators	<ul style="list-style-type: none"> <li>• Engagement on a need basis</li> <li>• Industry-level consultations</li> <li>• Participation in forums</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance</li> <li>• Sustainable practices</li> <li>• Inclusive growth</li> </ul>
Business partners/ suppliers and service providers	<ul style="list-style-type: none"> <li>• Contract agreements</li> <li>• Direct interactions</li> <li>• Supplier meets</li> <li>• Industry associations</li> </ul>	<ul style="list-style-type: none"> <li>• Payment processing cycles</li> <li>Business ethics and transparency</li> <li>Sustainability performance</li> <li>• Regulatory compliances</li> </ul>
Communities and NGO's (education, healthcare, sanitation, water)	<ul style="list-style-type: none"> <li>• Direct engagement</li> <li>• Dedicated CSR team</li> <li>• CSR projects and initiatives</li> <li>• Visits and camps</li> <li>• Needs assessments</li> </ul>	<ul style="list-style-type: none"> <li>• Community development</li> <li>• Livelihood creation</li> <li>• Other social benefits</li> <li>• Local sourcing of labour</li> <li>• Managing conflict</li> </ul>

## **Recognizing the Diversity of Our Stakeholders**

At Vacmet, we deeply value and acknowledge the diversity within our stakeholder community. This diverse group encompasses a wide spectrum of stakeholders, including our suppliers, external manufacturers, customers, our contractual workers and our dedicated employees. We hold it as our duty to actively engage with each of these vital stakeholder groups on a periodic basis, making it an integral part of our reporting process and overarching strategic planning.

## **Customers and Suppliers: Pillars of Our Global Operations**

Customers and suppliers play pivotal roles as essential pillars within the intricate architecture of our global operations. They are, in many ways, an extension of our workforce, directly contributing to the main delivery of our products across the world. As enablers of our business functions, both customers and suppliers occupy central positions in the orchestration of our day-to-day operations. Their seamless collaboration and unwavering commitment remain essential elements of our ongoing success. We recognize the critical nature of their contributions, and their partnership is at the very heart of our endeavors.

## **Engaging with Our Customers**

Our global footprint extends across all major regional markets and countries, boasting a diverse clientele of approximately 2013 clients.

At Vacmet, we continually focus on product innovation to meet the evolving needs of our clients while ensuring cost-effectiveness for

brand owners. This approach is a testament to our dedication to improving product performance, enhancing sales, and minimizing expenses.

Collaboration is at the crucial of our customer relationships. We actively engage with our customers, fostering a proactive partnership that keeps us competitive in the market. We specialize in providing innovative packaging substrate solutions tailored to the requirements of our intermediaries, customers, and their discerning consumers.

Consumer expectations have evolved, and we are attuned to their desire for convenient packaging features. What sets us apart is our unwavering commitment to exploring novel approaches to enhance customer satisfaction through innovative solutions. Some of our notable innovations include:

- The installation of stretch wrapping machines, streamlining the packing process and elevating customer satisfaction.
- Embracing a 'lean innovation model' to consistently create enduring value for our customers.
- The New Product Development (NPD) departments introduction of value-added products, guided by a well-defined customer engagement process that aligns precisely with customers' requirements.

Our commitment to addressing customer grievances is unwavering. We maintain a robust system for resolving customer complaints, ensuring that most issues are addressed within specified timelines.

We understand that feedback is an ongoing process, and in the ever-evolving business landscape, continuous improvement is paramount. To gauge our competitiveness in the industry, we periodically measure customer satisfaction

and strive to understand their evolving expectations. We actively seek feedback from our customers through annual direct mail questionnaires, a practice in line with the ISO 9001 standard. Our dedicated marketing division is responsible for conveying customer needs to our production and technical teams, ensuring a concerted effort to enhance customer satisfaction.

## Supplier engagement

At Vacmet, we hold a deep commitment to all aspects of our business operations, recognizing the pivotal role that our supply chain partners play. They are the foundation of our operations, enabling us to fulfill our mission of delivering high-quality services to our valued customers.

Our robust Supply Chain Management (SCM) framework forms the cornerstone of our procurement process, providing crucial oversight of the environmental, social, and economic impacts within our value chain. We take great pride in our dedication to sourcing raw materials locally whenever possible, enhancing both our efficiency and our support for local communities.

As a testament to our unwavering commitment to responsible business practices, Vacmet Group has established comprehensive regulations, including the Supplier Code of Conduct, which applies to all relevant suppliers within our supply chain. This code reflects our core values and sets clear expectations for ethical conduct, transparency, and responsibility from our esteemed supply chain partners.

These policies go beyond mere guidelines; they represent our steadfast commitment to conducting business ethically and responsibly. Our Supplier Code of Conduct serves as the foundation upon which we build

trust-based business relationships that promote shared value.

Through strict adherence to our code of conduct and our regular communication and engagement, our supply chain partners play a crucial role in advancing our mission of fostering a culture characterized by integrity, honesty, and accountability. Together, we strive to create a thriving ecosystem that benefits all involved.

Vacmet Group conducts biannual assessments of its suppliers to ensure their effective adherence to Vacmet's Supplier Code of Conduct. This evaluation process includes conducting awareness sessions for suppliers, buyers, or customers to familiarize them with Vacmet's Supplier Code of Conduct and Sustainable Procurement Policy. After the awareness sessions, participants are asked to complete a questionnaire, providing valuable insights into the actions taken by suppliers, buyers, or customers related to environmental and social considerations.

This evaluation process also helps identify suppliers, buyers, or customers who demonstrate a proactive commitment to environmental stewardship within their respective supply chains.

## Assessing Materiality for a Sustainable Future

In our pursuit of a sustainable path forward, one of the foundational steps we undertake is the process of materiality assessment. This essential exercise helps us pinpoint what truly matters – the "material issues." It is through this assessment that we not only identify these critical concerns but also lay the groundwork for developing sustainable initiatives and transparently communicating our actions to our stakeholders.

Materiality assessment serves as a compass guiding our sustainability endeavors. It enables us to meticulously identify, review, and analyze the potential Environmental, Social, and Governance (ESG) issues that may have a profound impact on Vacmet's operations and, by extension, our valued stakeholders.

Our aspiration is not merely to conduct this assessment but to seamlessly integrate its outcomes into Vacmet's overarching corporate strategy. By doing so, we aim to elevate our sustainability objectives and forge a path that aligns with Vacmet's enduring commitment to a more sustainable future.

## Materiality matrix

### Key Materiality Topics for Vacmet: Shaping Our Commitments

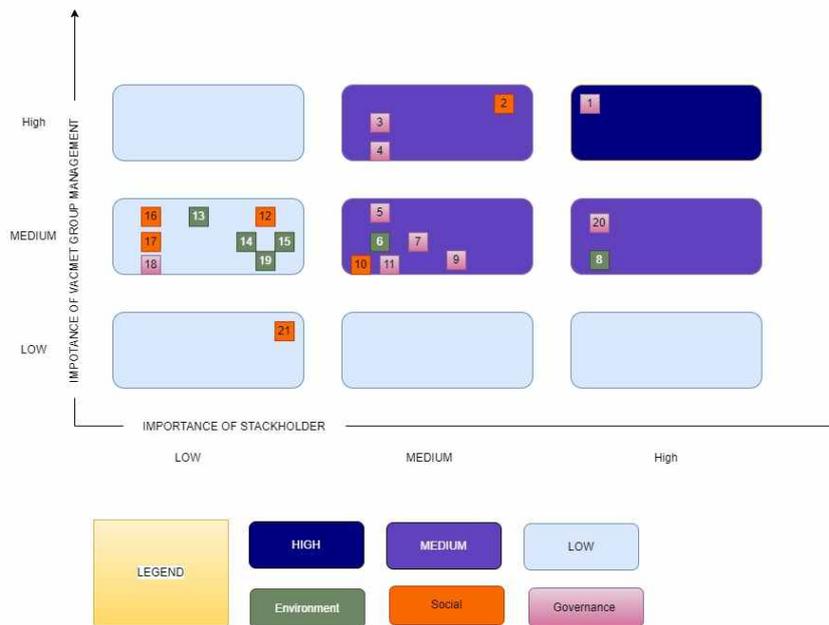
In our ongoing quest for sustainability and responsible corporate practices, we recognize the importance of focusing on key materiality topics. These areas of concern guide our actions and decisions, reflecting our commitment to address the most significant issues that impact our stakeholders and our business.

- 1. Customer Experience and Satisfaction:** We prioritize delivering exceptional customer experiences, understanding that their satisfaction is pivotal to our success.
- 2. Waste Management and Circular Economy:** Embracing sustainability, we actively engage in responsible waste management and contribute to building a circular economy.
- 3. R&D and Technological Innovation:** We place immense value on innovation, driving our continuous efforts to advance and stay at the forefront of technology.
- 4. Ethics, Integrity, and Compliance:** Upholding the highest ethical standards and compliance is non-negotiable.
- 5. Business Growth and Profitability:** Sustaining growth and ensuring profitability allows us to fulfill our responsibilities to stakeholders.
- 6. Occupational Health and Safety:** We prioritize the well-being of our employees through rigorous health and safety measures.
- 7. Energy Efficiency:** We work tirelessly to reduce energy consumption and promote efficiency in our operations.
- 8. Product Liability:** Ensuring product safety and reliability is paramount.
- 9. Responsible Supply Chain/ Procurement:** Our supply chain practices align with our commitment to responsible and ethical sourcing.
- 10. Safeguarding Human Rights:** Upholding human rights is a fundamental aspect of our operations.
- 11. Employee Engagement and Well-being:** Our employees are the cornerstone of our success, and their engagement and well-being are central to our values.
- 12. Community Engagement and CSR:** We actively engage with communities and fulfill our corporate social responsibility.
- 13. Talent Development:** Nurturing talent and continuous learning are key components of our workforce strategy.
- 14. Data Privacy and Cybersecurity:** We ensure the security and privacy of data, acknowledging its significance in today's digital landscape.
- 15. Resource Management:** We manage resources judiciously, aware of their critical role in our sustainability journey.

- 16. Climate Risk and Mitigation:** Addressing climate change risks and actively working on mitigation measures are imperative.
- 17. Disaster and Risk Management:** Preparing for and mitigating risks, including natural disasters, is integral to our resilience.
- 18. Biodiversity and Environmental Protection:** Our environmental efforts extend to preserving biodiversity and protecting the ecosystems we interact with.

- 19. Digital Transformation:** We embrace digital transformation to adapt to evolving business landscapes.
- 20. Diversity and Inclusion:** Fostering diversity and inclusion enriches our workplace culture and perspectives.
- 21. Corporate Governance:** We adhere to sound corporate governance practices to build trust with our stakeholders.

These materiality topics collectively shape our commitments and drive our actions as we endeavor to create a sustainable and responsible future





# Section 5

- Delivering Value: Our Commitment to Sustainability
- Our economic performance and strategic leadership
- Vacmet Global Perspective
- Financial impact of climate changes
- Strategic initiatives
- Tax strategy

# Delivering Value: Our Commitment to Sustainability

At Vacmet, our unwavering commitment revolves around striking a delicate balance between growth and the sustainability of our earnings. We take immense pride in our distinctive operating model, strategic positioning, and multifaceted strengths that have culminated in the creation of a business platform that is inherently unique and challenging to replicate.

Central to our journey is a set of deeply ingrained and enduring values that guide our every move. These values underscore our dedication to recognizing opportunities, perpetually enhancing our performance, and nurturing a culture of excellence and growth.

Our collective efforts are intrinsically tied to the sustainable creation of value, a commitment that resonates across our entire spectrum of stakeholders. We believe that true success lies not only in the value we create for ourselves but also in the value we bring to our customers, partners, employees, and the communities we serve.

By adhering to these principles, we aspire to remain a steadfast contributor to a brighter and more sustainable future for all.

## Our economic performance and strategic leadership

In the foreseeable future, the global demand for thin PET film is projected to grow at a moderate rate of approximately 5%-6%, with the demand in India anticipated to expand at a more robust rate of 8%-10%. This growth trajectory presents opportunities for

companies that can consistently deliver quality products, boast diverse product portfolios, serve multinational clients, and maintain resilient supply chains.

At Vacmet, our unwavering focus is on achieving a delicate equilibrium between growth and the enduring sustainability of our earnings. Our success story is underpinned by a distinctive operating model, strategic positioning, and a multifaceted strength that collectively forms the bedrock of a business platform that is exceptionally challenging to replicate.

## Vacmet global perspective

With the leading manufacturer for BOPP, BOPET Film, Metallized Paper, we stand tall on the strength of our globalized asset and resource base. Our industry-leading capacity utilization stems from our unwavering commitment to higher productivity and lower operational losses. Our ever-expanding product portfolio, robust customer relationships, and a business model that seamlessly integrates on-shore and near-shore operations further enhance our competitive edge.

### **Leadership in BOPP, BOPET Film, Metallized Paper Industry**

Our integrated and technical expertise, vertical integration, diverse product portfolio, extensive customer profile, and robust financial strength collectively position us as leaders in the global BOPP, BOPET Film, Metallized Paper industries. These attributes serve as the cornerstone upon which we build a profitable and sustainable foundation for the future.

## **Steadfast Strategy and Sustainability**

Our long-term strategy, rooted in regional and product diversification, portfolio expansion (particularly in value-added and specialized segments), and ongoing operational excellence initiatives, has played a pivotal role in maintaining earnings stability throughout our journey.

## **Addressing Climate Change Challenges**

We acknowledge our responsibility in addressing the global challenge of climate change. To fulfill this commitment, we meticulously measure and report our greenhouse gas (GHG) emissions, energy and water consumption, and waste generation across all our manufacturing units in India. Our dedication is demonstrated through innovative processes, risk identification, and management strategies related to raw materials, operations, employees, suppliers, customers, and products.

Innovations driven by our operations and innovation teams include the adoption of energy-efficient state-of-the-art machines and a pioneering shift towards renewable raw materials, low-emission direct energy sources, and enhanced water utilization in our conversion processes. We are acutely aware of physical and regulatory risks in our operations, and changes in weather patterns stemming from climate change pose physical supply chain distribution risks. In response, we have replaced our fossil fuel-based heating system with a biomass briquettes based heating system, contributing to a reduction in GHG emissions.

Our commitment to sustainability extends beyond mere rhetoric, as we actively engage in global initiatives focused on sustainability and the circular economy. By doing so, we aspire to play our part in creating a more sustainable and resilient future for our planet and all its inhabitants.

# **Financial impact of climate changes**

Allow us to offer you a brief glimpse into our economic performance, a window through which you can witness the intricate tapestry of our financial achievements and aspirations. Our journey is characterized by resilience, adaptation, and a relentless pursuit of excellence.

## **A Global Perspective**

We take immense pride in our global reach and substantial production capacity across the BOPP, BOPET Film, and Metallized Paper, industries. This reflects our steadfast dedication to catering to a varied clientele with a broad spectrum of high-quality products. Our consistent ability to optimize capacity usage is a testament to our competitive edge, achieved through robust productivity initiatives and operational efficiency.

## **Funding the Future**

Our approach to funding investments involves a judicious blend of internal accruals and loans. This financial prudence has enabled us to construct a cost-effective and high-quality asset base, ensuring our competitiveness across various market cycles.

## **Leadership in the Industry**

In the domains of BOPP, BOPET Film and Metallized Paper, we have established a leadership presence. Our leadership is fortified by our integrated and extensive asset base, technical expertise, vertical integration, diverse product portfolio, wide customer network, and robust financial foundation. Collectively, these pillars serve as the foundation of our prominent role within the global BOPP and BOPET film industry.

## Sustainability in Focus

At the core of our strategy lies a steadfast commitment to sustainability, which encompasses regional and product diversification, portfolio expansion with a particular emphasis on value-added and specialized segments, and an unwavering pursuit of operational excellence.

The Vacmet Group has embarked on a sustainable initiative, taking significant steps to develop and procure technology for recycling and reusing various materials, including:

- 100% self-generated metallized film waste.
- 100% self-generated Lump Waste.
- 100% self-generated Lacquered Film waste.
- Utilizing plastics for energy generation.
- The development and commencement of manufacturing ECOVAC™ sustainable BOPET films, incorporating more than 70% post-consumer recycled material.
- Solutions created for single-family laminate structures in BOPET, such as Heat Sealable films.
- Planned investments in technology for the "Glycolysis" process to convert post-consumer recyclables into virgin PET Resin.
- Upcoming investments in a "Waste to Energy" initiative to handle non-recyclable post-consumer plastics by establishing an incineration unit.
- Innovations aimed at enhancing product performance, transitioning from multi-layer to two-layer, and eventually to single-layer structures.
- Implementing down-gauging techniques to reduce net plastic requirements by up to 50%.
- Working on reducing the mass of packaging by developing high barrier films as alternatives to aluminum foil in packaging laminates.

These sustainability measures underscore our commitment to responsible practices, waste reduction, and environmentally conscious operations...

## Championing Climate Responsibility

Our commitment extends to addressing climate change challenges. We meticulously measure and report greenhouse gas emissions, energy and water consumption, and waste generation our unit. We approach this responsibility with innovation and a keen focus on risk identification and management.

Innovations within our operations encompass energy-efficient machinery, a transition to renewable raw materials, low-emission energy sources, and enhanced water utilization in our conversion processes. Additionally, we have implemented measures to mitigate physical risks associated with changing weather patterns due to climate change.

Our commitment to sustainability transcends words; it's a pledge we actively honor through participation in global sustainability initiatives. By doing so, we aspire to contribute meaningfully to a more sustainable and resilient future for our planet.

Strategic initiatives Vacmet uses a distinct approach to respond proactively to business and environmental changes in order to achieve long-term benefits. The following are the major components of this strategy.

In the fiscal year 2022-23, the organization generated a total economic value of ₹3120 Cr. (\$374.88 Mn). However, it distributed a larger sum of ₹2711 Cr (\$325.71Mn) to various stakeholder, leaving a retained economic value of ₹409.3Cr (\$49.17Mn). This suggests that the organization's economic activities resulted in a net distribution of value to its stakeholders, with a portion of the generated value being reinvested or retained within the organization for future endeavors.

# Strategic initiatives

## Meeting Market Demands and Expanding Our Horizons

In the fiscal year 2022-23, we embarked on a significant journey by commissioning a new production facility in India. This strategic move was driven by our commitment to meet the evolving demands of the market and diversify our product portfolio. As we set foot on this new path, we remain steadfast in our pursuit of excellence.

## Investing in Synergies and Scalability

To harness the power of synergies, broaden our product range, and lay a scalable foundation for future growth, we increased our investments in specialized downstream products. These endeavors are a testament to our dedication to not only adapt but also thrive in an ever-changing business landscape.

## Minimizing Waste and Maximizing Value

In our quest to boost the sales of specialty films while reducing wastage, we initiated modifications and planned upgrades for our existing manufacturing units in India. These improvements underscore our unwavering commitment to sustainable practices and operational excellence.

## Pioneering Recycling and Renewable Resources

As part of our sustainability journey, we are venturing into a state-of-the-art recycling facility dedicated to post-consumer waste. This initiative aligns with the growing demand from consumer product companies for eco-friendly solutions. In Madhya Pradesh, India, we've recently expanded capacity for recycling

both in-house and sourced plastic waste, exemplifying our dedication to a circular economy.

## Strength in Financial Prudence

Our financial profile stands as a testament to our commitment to a strong and sustainable future. A robust and liquid balance sheet empowers us with the flexibility to seize growth opportunities as they arise. This prudent approach allows us to navigate the dynamic business landscape with confidence.

# Tax strategy

We recognize the importance of a favorable taxation regime in sustaining our operations. This regime not only supports our financial stability but also bolsters our ability to invest in innovation and expansion, ultimately benefitting our stakeholders.

## Driving Innovation through Research and Development

### Leveraging In-House R&D Excellence

Our in-house research and development resources and expertise are pivotal in achieving technical excellence and introducing novel products. These resources empower us to continually enhance efficiency and synergy, fostering an environment where cross-learning and the sharing of best practices thrive.

## Championing Sustainability with the 3R Concept

Our commitment to sustainability is reflected in the adoption of the 3R (reduce, reuse, and recycle) concept in crafting innovative packaging substrate solutions. This

approach aligns with our dedication to responsible and eco-friendly practices.

### **Revolutionizing Packaging with High Barrier BOPP, PET & Paper**

We've pioneered the use of high barrier BOPP, BOPET & Paper, a breakthrough that has found success in high barrier product packaging application . This innovative solution streamlines packaging structures, converting a complex 3-layer design into a more efficient 2-layer configuration.

### **A Responsible Tax Strategy**

#### **Integrity and Transparency in Tax Matters**

At Vacmet, we embrace our responsibility to pay appropriate taxes in all jurisdictions where we operate. Our interactions with tax authorities are marked by honesty, integrity, respect, and fairness. We prioritize professionalism and transparency in all dealings.

### **Commitment to Disclosure and Compliance**

Our commitment to prompt disclosure and transparency in tax matters underscores our dedication to operating efficiently and in full compliance with the law. It's worth noting that, our units have maintained a clean record of compliance.

### **Transparent Reporting of Fines and Penalties**

We maintain full transparency by reporting any fines and penalties incurred. As of the latest information available, fines and penalties stand at nil for OSHAS as well as tax returns in the host country.

### **These figures reflect our commitment to compliance and transparency.**

Our journey is guided by principles of financial prudence, innovation, and ethical tax practices. We remain steadfast in our pursuit of excellence and responsible corporate citizenship, committed to creating lasting value for all our stakeholders.



## Section 6

- Planate for Future
- Environmental Stewardship
- Materials Management
- Energy Management: A Pledge to Sustainability
- Emissions: A Responsible Approach
- Water Management: A Precious Resource
- Air and Noise Pollution Management:
- Waste Management: A Commitment to Environmental Stewardship
- Biodiversity: Nurturing Our Environment
- Carbon emission mitigation strategies by Vacmet

# Planate for Future

As an international packaging company with far-reaching product footprints, we endeavor to incorporate a dynamic product design strategy that embraces the dual principles of sustainability and circular economy.

## Environmental Stewardship

We believe in continuous improvement and reporting of our environmental performance. This is possible only through our commitment to reducing environmental impacts including waste management, water management, energy management, biodiversity and emissions. Being in the market as the global plastic film and metalized paper manufacturer, we have committed to improving our environmental and social impacts for a sustainable future. In order to achieve that we continuously ensure that we optimize our energy utilization, improve our waste management through reuse, recycle and reduce, thereby contributing to lowering our emissions. As we move forward in our sustainable journey with a low carbon footprint and to implement a circular economy in our operations, we work in line with the global framework such as the Paris Agreement, net-zero, etc. We ensure that our employees are also aware of this regard through effective communication and training. As already mentioned, Vacmet strongly believes in the circular economy. This is accomplished through reducing environmental impact by recycling majority of the waste generated during the manufacturing process, recycling material grades, and employing energy-efficient technology, not to mention its effective transportation plan. All these contribute to the reduction of our carbon footprint. We are always creating new strategies to improve our

operations and reduce our GHG emissions. We take steps to decrease our environmental impacts by establishing a framework to receive complaints about environmental concerns, and as a result, address the issues. For the record purpose, there have been no significant fines and non-monetary penalties for non-compliance with any environmental laws and regulations in the last couple of years. We believe that this certification would help us in analyzing and reducing environmental issues. The certifications have given a framework that facilitates reviewing the company's environmental performance and identifying the sites outperforming others. The objective of Vacmet is to mitigate its carbon footprint by reducing the consumption of energy per ton of production and reducing its virgin raw material per ton of production.

## Materials Management

Vacmet is working to make better use of resources and diversify its supply chain by using recycled materials. We want to address the risks of resource depletion spurred on by increased demand as well as the environmental consequences of raw material mining and plastic use. Our recycling activities are based on the concept that a natural resource can be recycled once it has been processed with better quality and minimum environmental impact. We seek raw materials that minimize the environmental impacts of our products and reduce our reliance on virgin resources. We choose the raw materials that go into our packaging based on their ability to protect the product and their capacity to minimize the environmental footprint of our packaging. We are releasing several products revamps that utilize less material, more recycled content while maintaining the product's structure and performance qualities.

Despite the hike in raw material prices, the impact has been passed on to the customer as a result of the improved demand-supply scenario. We have devised several projects

aimed at lowering raw material use and reusing post-consumer and process waste as raw material.

Production Quantity in Metric Tons		
S.No.	Segment	Quantity
1	BOPP Film	84844
2	Polyester	119017
3	Metallised Paper	6056

Raw Material Consumption in Metric Tons		
S.No.	Segment	Quantity
1	BOPP	90199
2	Polyester	139537
3	Metallised Paper	6117

## Pioneering the Path to a Sustainable Future

### Designing for a Sustainable Tomorrow

As a global packaging company with a wide-reaching product footprint, we are committed to shaping a dynamic product design strategy that embraces the dual principles of sustainability and the circular economy. Our vision extends beyond the horizon, focusing on a future where responsible packaging practices lead the way.

## Environmental Stewardship

### Committed to Continuous Improvement

We hold steadfast in our commitment to improving and transparently reporting our environmental performance. Our journey begins with an unwavering dedication to minimizing environmental impacts across various facets: waste management, water conservation, energy optimization, biodiversity preservation, and emissions reduction.

## Walking the Sustainability Path

As a global leader in plastic film and metalized paper manufacturing industry, we understand the significance of reducing our environmental and social footprint for a sustainable future. To achieve this, we constantly optimize our energy utilization and enhance waste management through the principles of reuse, recycle, and reduce. These concerted efforts contribute significantly to our mission of lowering emissions.

## Aligned with Global Frameworks

Our sustainable journey aligns seamlessly with global frameworks such as the Paris Agreement, net-zero emissions goals. We also prioritize awareness and training among our employees to ensure a collective commitment to these goals.

## Championing the Circular Economy

At Vacmet, we wholeheartedly embrace the concept of the circular economy. This translates into practices like recycling a substantial portion of manufacturing waste, utilizing recycled material grades, and deploying energy-efficient technologies. Our extensive transportation plan further bolsters these efforts, effectively reducing our carbon footprint.

## Continuous Improvement and Accountability

We relentlessly seek innovative strategies to enhance our operations and minimize greenhouse gas emissions. Our proactive approach involves establishing a robust framework for receiving and addressing environmental concerns. We are proud to report that we have incurred no significant

fines or non-monetary penalties related to environmental non-compliance in recent years.

## Driving Excellence through Certification

Four of Vacmet's manufacturing plants across the India have achieved certification related to ISO 9001:2015 (Quality Management); ISO 22000:2018 (Food Safety Management); ISO 45001:2018 (Occupational health and safety management systems); ISCC Plus; ISO 14001:2015 (Environmental Management System); Brand Reputation Compliance Global Standard (BRCGS) and Forest Stewardship Council (FSC). These certifications provide us with a structured framework to assess and mitigate environmental concerns, facilitating an ongoing process of performance improvement.

Unit Number	Standard-2023
Unit-3	ISO 9001:2015; ISO 22000:2018; ISO 14001:2015; FSC COC-01.2017
Unit-4	ISO 9001:2015; ISO 22000:2018; ISO 45001:2018; ISCC Plus
Unit-5	ISO 9001:2015; ISO 22000:2018; ISO 14001:2015; ISO 45001:2018; ISCC Plus; BRCGS Issue-6

## Reducing Our Carbon Footprint

Our primary objective at Vacmet is to mitigate our carbon footprint by reducing energy consumption per ton of production and decreasing virgin raw material usage per ton of production.

## Efficient Materials Management

### Championing Resource Efficiency

Vacmet is dedicated to optimizing resource utilization and diversifying our supply chain through the integration of recycled materials. We actively address the risks associated with

resource depletion driven by surging demand and the environmental repercussions of raw material extraction and plastic usage.

### Recycling for a Greener Tomorrow

Our recycling initiatives are founded on the belief that a natural resource can be rejuvenated with higher quality and minimal environmental impact after processing. We carefully select raw materials for our packaging based on their ability to protect products and minimize our packaging's environmental footprint.

## Innovative Product Revamps

Even in the face of rising raw material prices, we've implemented several projects aimed at reducing raw material consumption and harnessing the potential of post-consumer and process waste as valuable raw materials. Through our relentless research and development initiatives, we actively

promote the use of bio-based renewable energy sources in the production of BOPP, BOPET & Metalized Paper in units 1, 2, 3, 4 & 5.

Our journey toward sustainability and responsible materials management is a testament to our unwavering commitment to creating a better, greener world for all.

# Energy Management: A Pledge to Sustainability

## Our Energy Journey

At Vacmet, we hold a strong conviction in the importance of embracing a comprehensive energy management strategy throughout our organization to improve our financial sustainability and safeguard the environment for generations to come. Our devoted team has put into practice several best practices in energy management that are in harmony with our objectives to reduce GHG emissions. For the carbon accounting period of 2022, the collective energy usage across all operational units of Vacmet Group, attributed to electricity consumption, amounted to approximately 213,163.71 megawatts, resulting in an estimated GHG emission of around 172,662.61 metric tons of CO<sub>2</sub> equivalent.

### Total GHG Emissions (in MT of CO<sub>2</sub>e)

Total GHG Emissions (in MT of Co <sub>2</sub> e)		
Unit/Year	2021	2022
Unit 2	17851	22583
Unit 3	27532	30005
Unit 4	348050	348025
Unit 5	319716	541334
Total	713149	941947
Total Production (MT)	209399.26	291077.31
GHG Intensity (%)	3.406	3.235

As indicated in the table above, it is evident that there has been a notable reduction in GHG intensity during the reporting year 2022 when compared to the year 2021. This reduction in GHG intensity can be attributed

to the energy-saving measures adopted by Vacmet India Limited as part of their commitment to environmental stewardship initiatives.

## **Energizing Efficiency**

The company with an overall objective of being carbon neutral has taken few initiatives for GHG emission reduction in the current reporting year. The voluntary measures taken by the company which are a part of Good practices performed by Vacmet India Ltd. are:

During the year 2022 we have taken following major steps to bring down our net electrical energy requirement significantly.

- A. Effectively Rationalized the power utilization between Grid and Open Access
- B. Conversion of AHU/Air Washer fans into EC fan
- C. Various power saving drives in Unit-5
- D. Conventional Lighting Lamps replaced with LED Lamps
- E. Oil Heating Fuel changed from Indonesian coal to Biomass Briquette
- F. Modification in PET Coke boiler to improve its efficiency

- **Rationalizing Power Utilization through open access**

In continuation to previous years' drive, we rationalized the utilization of conventional grid power supply and open access power in our unit-4 production facility. This drive saved us nearly INR 229.58 Lacs during the year 2022.

- **Conversion of AHU/Air washer conventional fans into EC fans**

In continuation to previous years drive, we converted total 11 numbers of conventional fans of AHU/Air Washer into EC fans to get net reduction in power requirement by 243000 KWH per year thus reduction in CO2 emission of the organization by 206 MT per year. Total monetary saving by this initiative was INR 18 Lacs per year.

- **Various Energy saving initiatives in Unit-5:**

Several energy saving drives also initiated in unit-5 these actions were mainly implemented in utility section. The major actions involved in this is to optimize the process parameters, optimize the usage of various utilities like AHU, air washer, cooling tower water, chilled water etc. This exercise has saved us total of around 4000000 kWh of power, which is equivalent to reduction of 3315 MT of CO2 emission and saved us net monetary saving of around INR 220 Lacs during the year 2022.

- **Conventional Lighting Lamps replaced with LED lamps**

We replaced around 350 conventional lighting lamps with LED lamps during the year 2022-23, which not only saved us 141000 kWh of power but also reduced the CO2 emission of the organization by 52.3 MT per year. Total monetary saving with this initiative is around INR 8.7 Lacs per year.

- **Oil Heating Fuel changed from Indonesian coal to Biomass Briquette**

During the reporting period in 2022, approximately 2986.3 MT of Biomass Briquettes were utilized for energy generation, serving as a cost-effective alternative to Indonesian coal in the oil heaters of both BOPET and BOPP plants. This adoption of biomass fuel (briquettes) in Unit-4 and Unit-2 resulted in a significant cost savings of INR 195 Lacs over the course of the year 2022.

- **Enhancement in PET Coke boiler to improve its efficiency in unit-5**

To improve the efficiency of PET coke boiler in unit-5 following actions were taken.

- Fuel Feeding Optimization by installing to count revolution of fuel feeder.
- Optimization of Air fuel ratio.
- Modification done in furnaces for better combustion of fine fuel particles.

By taking above actions, the requirement of PET coke was reduced by 254 MT /month (Total Saving of 2540 MT during the year 2022), which in turn reduced CO2 emission of organization by 828 MT per month (Total CO2 emission reduction during the year 2022 was 8280 MT) and saved us around INR 529 Lacs during the year 2022.

### Other GHG Reduction Initiatives

- In order to fulfill the guidelines of environmental norms for sustainability, Vacmet has initiated the process of EPR (Extended producer responsibility) registration.
- To diminish the demand for virgin plastics in packaging, Vacmet has initiated the integration of recycled plastics into their core processes and has obtained ISCC Plus (International Sustainability & Carbon Certification) certification to validate their efforts. In the calendar year 2022, Vacmet successfully incorporated approximately 157.55 metric tons of PCR chips into their products.
- Developed high barrier BOPP films for mono polymer recyclable structure.
- Through various initiatives, Vacmet has reduced around 38000 MT of CO2 emission during the year 2022
- Total saving with initiatives in power and fuel is approximately INR 120 million during the year 2022
- Ramp fabrication for container loading/unloading to time saving and

avoiding damage of raw material and finished products in Unit-3.

- Water tank level switch fitted for saving water over flow wastage in Unit-2.

### Continual Efforts

Our commitment to energy efficiency extends beyond these initiatives. We've also embraced energy-efficient air compressors, optimized cooling tower operations, improved chiller efficiency, enhanced grid energy power factor, insulated non-insulated main extruder barrels, adopted energy-saving lighting fixtures, and implemented LED lighting solutions in our offices, resulting in substantial energy savings.

## Emissions: A Responsible Approach

### Driving Down Greenhouse Gas Emissions

We are steadfastly dedicated to reducing our greenhouse gas (GHG) emissions in all our operations. During the reporting period, we managed to maintain consistency in scope 1 and scope 2 emissions, without any significant increase. Our commitment to sustainability is reflected in the substantial reduction of GHG emissions intensity in polymer resin, BOPP Film, PET film, Metallized BOPP & PET films and Metalized Paper production.

### A Green Commitment

Our dedication to environmental preservation includes a strong stance against spills and the use of ozone-depleting substances. Across Vacmet, we remain committed to maintaining an eco-friendly footprint.

# Water Management: A Precious Resource

## Responsible Water Stewardship

At Vacmet Group, we firmly believe that responsible corporate citizenship encompasses the preservation of water resources, especially in regions facing water scarcity. Our dedication to sustainable development drives our efforts to reduce water consumption and manage it prudently. Each of our plants draws water from diverse sources, influenced by local conditions. Groundwater serves as the source in Units 2, 3, and 4 in Uttar Pradesh, while municipal water is utilized in Madhya Pradesh Unit 5.

Wastewater management is an integral component of our sustainability journey. To this end, we have implemented a range of innovative technologies and practices designed to promote water recycling and reuse, underlining our steadfast commitment to environmental responsibility. Our holistic approach to wastewater management spans all operational units, and here's a glimpse of our initiatives:

**Effluent Treatment Plants (ETPs):** We have installed ETPs in all operational units to treat wastewater efficiently. These ETPs have a capacity of 30KLD in Unit-2 & 3, 90 KLD in Unit-4, and 60 KLD in Unit-5. Notably, Unit-5 is a Zero Liquid Discharge (ZLD) unit, showcasing our commitment to minimizing water discharge.

**Water Accounting and Auditing:** Regular water accounting and auditing processes are conducted within our organization. These assessments help us identify areas where water consumption can be reduced and usage can be planned more effectively.

**Technology-Driven Water Reduction:** We employ advanced technology and equipment to reduce water consumption in our operations. The transition to using raw water

instead of soft water in the cooling tower across all our manufacturing facilities is a prime example. This optimization allows us to conserve water resources efficiently.

**Wastewater Quality Assessment:** Ensuring the quality of wastewater is a priority for us. We conduct regular assessments of wastewater quality, as well as tests of portable water and drinking water in all our operational units. These assessments are performed by certified third parties to maintain records of water properties and confirm compliance with permissible limits. Additionally, they serve as essential control measures to prevent contamination of groundwater and the discharge of pollutants.

In our commitment to sustainability, we have successfully managed our operations while conserving water. Vacmet Group continues to prioritize efficient wastewater management, exemplifying our dedication to environmental responsibility and the preservation of this invaluable resource.

## Air and Noise Pollution Management:

At Vacmet India Limited, we understand that our commitment to responsible corporate citizenship extends to managing our environmental footprint, especially concerning air and noise pollution. Our comprehensive approach to this includes monitoring, maintenance and the implementation of technologies and best practices to prevent emissions of atmospheric pollutants and environmental nuisances.

**Monitoring and Compliance:** Regular monitoring of emissions is a crucial part of our strategy. Certified third parties are engaged to ensure that emission levels are consistently within permissible limits. These emissions

include atmospheric pollutants, as well as other nuisances such as noise, odor, vibration, road conditions, and lighting.

**Mitigation of Dust and Particulate Matter Emissions:** In Unit 4, we've implemented effective measures to ensure dust-free and contamination-free flue gases. All boilers are equipped with inbuilt Cyclomax dust purification/collection systems. In Unit 5, the old unit uses an Electro Static Precipitator (ESP), while the new unit employs a Cyclo Max Bag filter system to mitigate dust and particulate matter emissions. This commitment to reducing emissions is integral to our environmental stewardship.

**Monitoring Major Air Pollutants:** We conduct periodical analyses on the volumes of major air pollutants and monitor ambient air quality, including testing levels of PM, NO<sub>x</sub>, SO<sub>2</sub>, VOC, and heavy metals. Our goal is to ensure that our emissions stay within permissible limits.

**Mitigation of VOC, SO<sub>2</sub>, NO<sub>x</sub>, and Heavy Metals:** External third-party stack monitoring plays a key role in monitoring emissions of VOC, SO<sub>2</sub>, NO<sub>x</sub>, and heavy metals. This stringent monitoring ensures compliance with permissible limits.

**Noise Control Measures:** At Vacmet, we are committed to maintaining noise levels within permissible limits. We utilize acoustic barriers, enclosures and foams, and most of our machines are soundproofed, further reducing noise pollution.

**Odorless Products:** Our product portfolio is designed to be odorless, contributing to the reduction of odor emissions.

**Preventative Maintenance and Emission Reduction:** We have a comprehensive preventative maintenance plan in place to replace equipment parts that have the potential to create abnormal noise. Additionally, we have implemented a Leak Detection and Repair (LDAR) program to

prevent fugitive emissions, ensuring that our products are manufactured with minimal impact on air quality.

These actions represent our ongoing commitment to environmental sustainability and the reduction of air and noise pollution. We remain dedicated to ensuring our operations have the least possible impact on the environment and local communities, promoting a cleaner and healthier future for all.

## Waste Management: A Commitment to Environmental Stewardship

At Vacmet India Limited, our unwavering commitment to environmental sustainability guides every aspect of our operations. We understand the importance of responsible waste management and have implemented a range of initiatives to reduce material consumption and minimize our environmental footprint.

Within our plant, we actively pursue process optimization to reduce material consumption, ensuring that we use resources efficiently and minimize waste generation. An integral part of our sustainability journey is the development and launch of ECOVAC™ sustainable BOPET films. These films incorporate over 70% post-consumer recycled material, including an increased use of recycled Polyethylene Terephthalate (rPET) content in packaging materials. This initiative exemplifies our dedication to sustainability by incorporating both pristine and recycled materials in our film production.

In our commitment to environmental safety, we maintain an onsite emergency plan designed to implement measures and procedures to prevent the release of

chemicals used during operational activities into the environment. This includes actions for proper labeling, storage, handling, and transportation of hazardous substances, with regular training provided to employees and relevant stakeholders to ensure safe management.

Our specialized treatment and safe disposal of hazardous substances are conducted by third-party experts in accordance with our Hazardous Waste Management Agreement. In our operations, we focus on using alternative, less hazardous substances, reinforcing our dedication to reducing the environmental impact.

We take a strong stance on environmental stewardship and waste reduction, adhering to the principles of Reuse, Reduce, and Recycle (the 3 R's). Our approach emphasizes source reduction, reuse, recycling, and responsible disposal of hazardous waste. We continually conduct training to raise employee awareness on waste reduction and sorting, utilizing our Waste Management and Recycling Policy.

For waste management, we implement internal sorting and disposal procedures according to waste streams, with comprehensive mapping of these streams. Our actions prioritize restricting the transboundary movement of hazardous waste, aligning with our commitment to responsible waste management.

Our waste generation primarily falls into three categories: direct materials, packaging materials, and plant operations. We actively recycle and reuse 99.8% of BOPP, PET film, and resin waste, while the remaining portion is responsibly managed through third-party contractors. Packaging waste, primarily consisting of materials like wooden pallets, plastics, and paper cores, is minimized and sold to third parties. Waste from plant operations, including sludge from our Effluent Treatment Plant (ETP), tank bottoms, oil, lubricants, scrap metal, batteries, chemical

waste, and used drums, is managed responsibly. Non-hazardous waste is sold to third parties, while hazardous waste is disposed of by authorized vendors.

Our approach to waste management and recycling represents our fundamental commitment to sustainability, reflecting our dedication to minimizing our impact on the environment and striving for a cleaner, greener future.

During the reporting period of 2022-23, the total waste disposal amounted to approximately 44.74 metric tons. Of this total, 10.5 metric tons were categorized as hazardous waste, with 10.4 metric tons being attributed to used lubricant oil, while the remainder consisted of electronic item scraps. The remaining 34.24 metric tons constituted non-hazardous waste, all of which were disposed of at the operational sites. This comprehensive data reflects our commitment to proper waste management and responsible disposal practices.

## **Biodiversity: Nurturing Our Environment**

### **Conservation Commitment**

At Vacmet, we wholeheartedly support the conservation of sensitive areas. Our annual review of operational locations ensures that our activities are not conducted in or near high biodiversity zones. For the fiscal years 2022-23, none of our manufacturing plants were located in or near any high biodiversity zones.

Our journey towards sustainable practices is guided by our commitment to a greener, more responsible future, where we actively embrace efficient energy management, emissions reduction, water conservation, responsible waste practices, and biodiversity preservation.

# Carbon emission mitigation strategies by Vacmet

Vacmet India Limited is proud to present its Sustainability Report for the year 2022-23, which reflects our unwavering commitment to develop and follow a strategic framework encompassing various key elements to reduce greenhouse gas (GHG) emissions and address climate change for environmental sustainability and carbon management. Our commitment is a direct response to encompasses a comprehensive approach to carbon reduction and sustainability initiatives. We set an ambitious GHG emissions reduction target of 3% year on year, upto year 2045 to establish a time-bound GHG emissions reduction action plan for achieving them. Integral to our strategy is the use of life cycle analysis, a valuable tool for planning climate action, which allows us to identify and mitigate emissions throughout our products' lifecycle.

Our core philosophy revolves around a low-carbon business model and we've allocated a dedicated budget year wise for GHG management to ensure the successful implementation of our initiatives. To further drive progress, we have linked the compensation of our management team to their contributions towards achieving GHG emissions reduction targets. A dedicated

sustainability team is appointed by the Management which looks over the proper implementation of the environment related aspects within and beyond the organization. We understand the importance of supply chain engagement and as part of our commitment, we meticulously select suppliers based on their GHG emission intensity. We work closely with our suppliers to form partnerships dedicated to achieving GHG emissions reductions and actively engage them in climate action.

In our pursuit of comprehensive GHG emissions management, we account for product-level GHG data and update our GHG inventory at least once per year to ensure accuracy and relevance. Our monitoring extends across the entire scope and we diligently collect primary Scope 3 data from our suppliers. When industry-specific data is not available, we prefer industry-average data to estimate Scope 3 emissions, ensuring transparency and completeness. We also collect Scope 3 data from internal stakeholders and consistently evaluate existing GHG emissions reduction initiatives to align their performance with our set targets.

At Vacmet India Limited, our sustainability report is documented in accordance to GRI standard and it fulfill all the requirements but underscores our unwavering dedication to environmental responsibility and carbon management.





## Section 7

- Empowering People
- Our Valued Workforce
- Approach towards employees
- Upholding Human Rights
- Associational freedom and group bargaining
- Child and Forced Labor
- Employee Retention: Nurturing Long-Term Commitments
- Training and skill development: Building Competency
- Training program governance: Fostering Growth

## Empowering People

Vacmet is deeply committed to nurturing a workplace where our employees are our most valued assets. Our focus is on creating an environment that not only allows them to thrive but also to evolve alongside our organization. To achieve this, we are dedicated to attracting and retaining top talent through inclusive development and capacity-building opportunities, setting the stage for their long-term career prospects.

We maintain a transparent and merit-based approach to training and career management, firmly believing in providing equal opportunities for all job applicants, free from any direct or indirect discrimination. To ensure this, we have implemented key actions and practices. Our recruitment process is transparent and open, with clear communication to all candidates about the entire process. This ensures that each candidate is well-prepared for the selection process. We are committed to sharing the details of our recruitment process with all candidates, demystifying the steps involved, evaluation criteria, and expectations. This empowers candidates to present their qualifications effectively, contributing to a fair and equitable selection process.

Our approach to training and career management is guided by our commitment to transparency and openness in our recruitment process. We firmly believe that this approach is crucial in providing equal opportunities for all candidates, irrespective of any form of discrimination. At Vacmet, we are dedicated to fostering a work environment where individual merit is not only recognized but also rewarded, thereby promoting the growth and development of our valued employees.

## Our Valued Workforce

At Vacmet, we wholeheartedly understand that a motivated and high-caliber workforce plays a pivotal role in the realization of our strategic objectives. As we continue on our path of growth, we place great importance on harnessing and maximizing the potential of our people. Our unwavering commitment centers on fostering a work environment that enables our employees to consistently deliver exceptional performance.

In the current reporting period, which spans 2022-23, Vacmet Group boasts a total of 2,753 employees. Within this workforce, 22 are female employees, while the remaining 2,731 are male employees. At Vacmet, we are resolute in ensuring that female employees are provided with equal opportunities to progress and thrive within the organization. Notably, during this reporting period, approximately 9% of our female employees, out of the 22 within the organization, have assumed managerial positions. This demonstrates our dedication to fostering gender diversity and promoting the growth of our female workforce.

## Approach towards employees

We are steadfastly evolving into a "learning organization" that prioritizes continuous skilling, reskilling, and upskilling of our employees. As part of our quarterly Labor and Human Rights (L& HR) policy planning, we regularly assess and identify the skill sets required to align with our corporate and locational strategies. Our Management Head & HR head, supported by HR staff at each location, leads all HR-related initiatives. Furthermore, one of our facilities employs a human resource information system (HRIS) that seamlessly manages HR operations

across India. Our relationships with employees are seen as long-term commitments, valuing their dedication and contributions.

### **A Commitment to Diversity and Inclusion**

We firmly believe that diversity enriches an organization and fosters an environment of empowerment for all. Our transparent and equitable recruitment practices ensure equal opportunities for candidates, regardless of their gender, caste, or physical abilities. We continue to recruit talent from a wide array of prestigious universities nationwide. Over the past five years, we've successfully nurtured young engineers and management professionals, helping them attain middle-level leadership positions.

### **Employee Profile**

As of March 31, 2023, our workforce comprised a total of 2735 employees, consisting of 1568 permanent employees and 997 contract employees across various manufacturing sites. This diversity is a testament to our inclusive hiring practices.

## **Upholding Human Rights**

Vacmet's commitment extends to operating in strict alignment with the United Nations' universal declaration of human rights, the 10 UN Global Compact (UNGC) principles, and the relevant international labor organization (ILO) main conventions on labor standards. We are staunch proponents of equal opportunities and maintain zero tolerance for discrimination based on religion, origin, gender, or status. Our stringent procedures ensure that none of our transactions infringe upon human rights. The

dignity and rights of employees, customers, vendors, and all stakeholders are of utmost importance. Training on human rights and establishing approved behavioral norms for interactions with stakeholders is paramount. We are proud to report that there have been no incidents of human rights violations.

## **Associational freedom and group bargaining**

At Vacmet, we are staunch advocates of the fundamental principles of freedom of association and collective bargaining rights. We firmly believe in upholding the right to freedom of association, a fundamental tenet enshrined in the Universal Declaration of Human Rights. This belief forms a cornerstone of our unwavering commitment to providing a fair and just work environment.

To put this commitment into action, Vacmet has taken a proactive approach by establishing a "Staff and Workers Committee". This committee serves as a pivotal platform for employees to create committees and representative bodies with the company's full recognition. These committees, led by employee representatives and HR personnel, play multifaceted roles that are integral to our organization.

First and foremost, they address crucial aspects related to employees' health and safety. This includes the establishment of joint labor-management health and safety committees that focus on ensuring protective clothing, injury compensation and other safety-related concerns in strict adherence to national laws and regulations.

Additionally, the committees play an instrumental role in negotiating the terms of employment. This encompasses critical facets such as wages, working hours, vacation entitlements, and other employment

conditions. These negotiations are meticulously conducted to ensure alignment with national laws and regulations, promoting fairness and compliance.

Moreover, these committees oversee training and career management within our organization. They actively work towards creating opportunities for employee development, managing performance and ensuring the availability of funds for professional growth.

Last but not least, the committees champion diversity, discrimination prevention, and the eradication of harassment within our work environment. They are responsible for formulating written agreements that explicitly prohibit discrimination in employment opportunities, thus upholding national laws and regulations.

At Vacmet, our commitment to fostering a collaborative and inclusive work environment is unwavering. The initiatives led by these committees are a testament to our dedication to the principles of freedom of association, collective bargaining and the well-being of our valued employees.

## Child and Forced Labor

At Vacmet, we maintain an unwavering and resolute zero-tolerance policy when it comes to child and forced labor, a commitment that is explicitly outlined in our Labor and Human Rights Policy. To enforce this policy, our security personnel undergo rigorous training to effectively prevent underage workers from gaining access to our plant premises. In addition, we provide strict instructions to our contractors, emphasizing the absolute prohibition of employing underage workers in any capacity.

As part of our standard employment procedures, all employees and contractors

seeking employment with Vacmet Group are required to submit age identification certificates, which may include documents such as the Adhar Card or High School Passing Certificate. This mandate serves as a fundamental and non-negotiable prerequisite for being employed within our organization.

To further underscore our unwavering stance, prominent banners are prominently displayed at the entrance and throughout our plant, clearly indicating that no child labor is permitted within our premises. In strict accordance with the guidelines established by the International Labor Organization (ILO), we categorically do not endorse or engage in the employment of workers or laborers under the age of 18, who are recognized as "young workers" by the ILO.

To ensure the effective implementation and adherence to these policies, our HR team conducts regular internal audits. These audits serve to monitor the proper functioning and compliance of these guidelines within our organization. In the event of any grievances related to child or forced labor, we have a well-established Grievance Redressal mechanism in place. Any such grievances are reported to our HR department and management team for immediate resolution.

Vacmet takes immense pride in reporting that, during the reporting period, absolutely no grievances related to child or forced labor have arisen. This underscores our relentless commitment to upholding the highest labor and human rights standards within our organization.

## Employee Retention: Nurturing Long-Term Commitments

Safeguarding institutional knowledge, boosting morale, and ensuring business success all hinge on maintaining enduring

employee relationships. Recognizing the importance of employee experience and performance, we have introduced several initiatives to recognize the contributions of long-serving personnel. Additionally, we extend the opportunity for employees' immediate family members to work with us. At the operational level, employees are offered opportunities to advance and take on larger roles within our plants. We firmly believe in having well-tailored employee engagement schemes and programs that align with the local environment, culture, and social customs.

skill development through training, job rotation, performance recognition, and continuous improvement initiatives. Our dedicated People Development Cell (PDC) regularly assesses training requirements in line with diverse business needs. We offer a range of training modules encompassing technical competence, quality assurance, team dynamics, leadership skills, time management, safety awareness, and basic firefighting. By consistently implementing well-structured training programs, we ensure that our relevant stakeholders enhance their efficiency, knowledge and abilities at all levels.

## Training and skill development: Building Competency

Our commitment to competence building is unwavering. We place immense value on

The below table outlines the various training topics, training materials, the target audience for each training and the Percentage of total audience covered. It offers a clear overview of the training initiatives conducted by Vacmet India Limited during the reporting year 2022-23.

Training Topic	Training Material	Targeted Audience	Percentage of total audience covered
Diversity, discrimination and Harassment Issues	Non-Discrimination and Anti-Harassment Policy	Stakeholders (Employees, customers, visitors)	100%
Company's Quality, Food Safety, Health and Safety, EMS and related objectives	OHS Policy	Stakeholders (Employees, contract workers, contractors, visitors)	100%
Business Ethics	Business Ethics Policy	Stakeholders (Employees, Suppliers, contractors, Customers)	100%
Environmental Safety	Environmental Policy	Stakeholders (Employees, contract workers, contractors, visitors, suppliers, customers)	100%

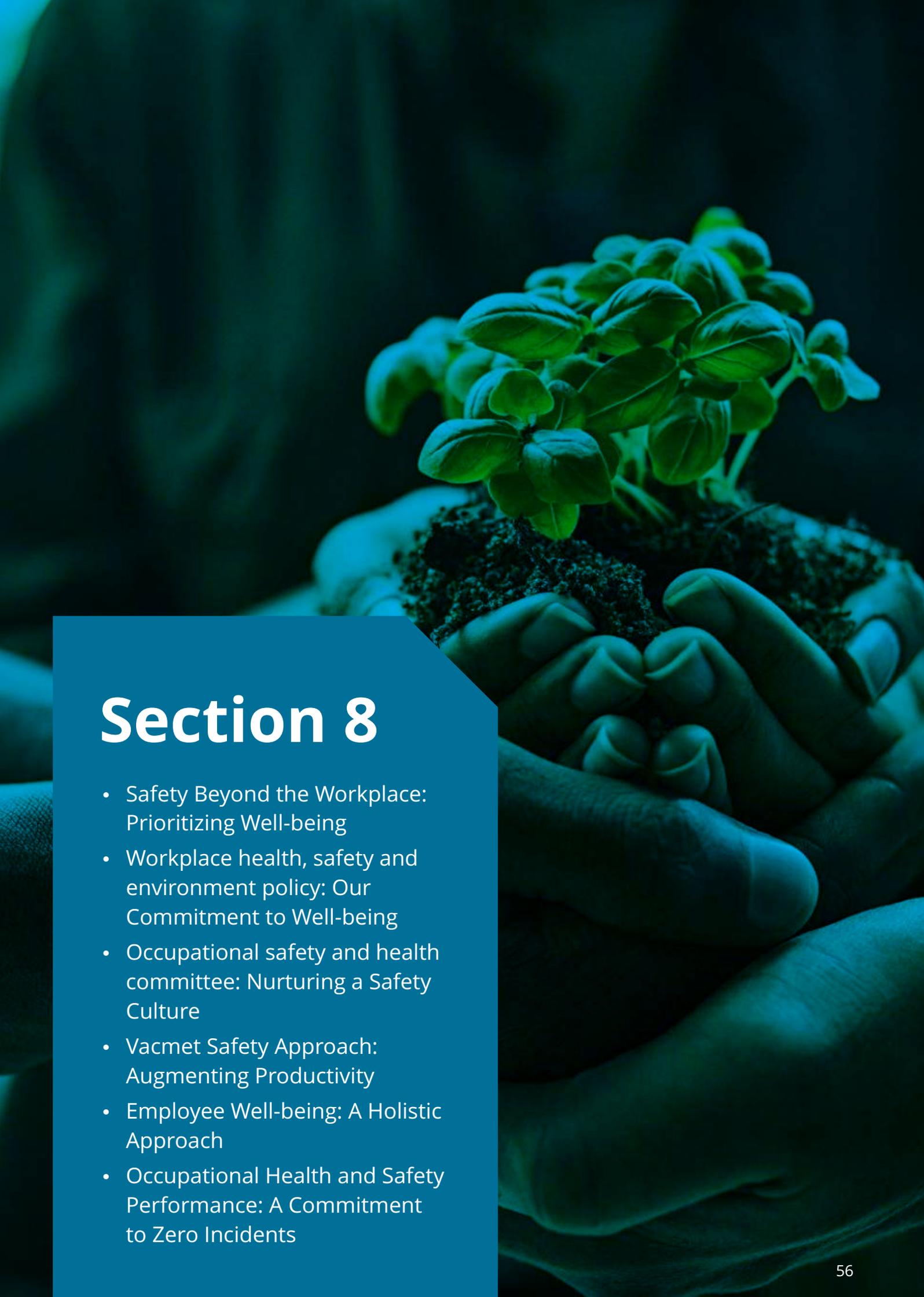
<b>Training Topic</b>	<b>Training Material</b>	<b>Targeted Audience</b>	<b>Percentage of total audience covered</b>
Awareness training performed to prevent information security breaches	IT Policy	Stakeholders (Employees, contractors, customers, third party vendors)	100%
Utility Area, Prevention & Control of Emergency situation	Injury Rate Compliance Policy	Stakeholders (Employees, contract workers, contractors)	100%
Labour and Human Rights related awareness	Labour and Human Rights Policy	Stakeholders	100%
Personal Hygiene and Personal belonging (Rings, chain etc.)	No Jewellery Policy	Stakeholders (Employees, contract workers, contractors)	100%
Awareness about risk identified and controls related to QMS, EMS (Aspect & Impact Analysis), OHSAS (HIRA), FSMS (HACCP) and BRCGS (Hazard and risk assessment specially packaging specific hazards like functionality, integrity, critical defects etc. and their control measures.	OHS Policy, Product Safety Policy	Stakeholders (Employees, contract workers, contractors, visitors, customers)	100%
Awareness training to prevent corruption and Bribery	Whistle Blower policy	Stakeholders (Employees, contract workers, contractors, visitors, customers)	100%
Personal Hygiene and Behavior based training	Labour and Human Rights Policy	Stakeholders (Employees, contract workers, contractors)	100%
Filling of forms/registers or controlled documents	Record Retention Policy	Stakeholders (Employees, contractors)	100%
Awareness training to prevent anti-competitive practices	Anti-Competitive Policy	Stakeholders (Employees, agents, representatives)	100%

Training Topic	Training Material	Targeted Audience	Percentage of total audience covered
Safety Induction Training (PPE Use, general, safety task, type of fire extinguishers etc.)	OHS Policy	Stakeholders (Employees, contract workers, contractors, visitors)	100%
Training on Sustainable Procurement	Supplier Procurement Policy	Stakeholders (Employees, Suppliers, Service Providers)	100%
Training on ISO 14001, ISO 45001, BRC Awareness session, ISO 9001	ISO 14001, ISO 45001, BRC, ISO 9001 related guidelines	Stakeholders (Employees, Suppliers, Service Providers)	100%
Training on waste handling and recycling	Waste Management and Recycling Policy	Stakeholders (Employees, contract workers, contractors)	100%

Within Vacmet India Limited, the concept of training encompasses a wide range of educational programs, including vocational training, instructional courses and external education opportunities. These programs may receive full or partial financial support from the company. As per internal report, consolidating data on the average number of training hours allocated to each employee. On average, every employee benefits from around 17.92 hours of training. This dedication to training underscores the organization's unwavering commitment to enhancing the skills, knowledge and overall development of its employees, thereby contributing to the cultivation of a more skilled and competent workforce.

## Training program governance: Fostering Growth

Vacmet is deeply invested in the growth and development of its employees. We provide them with ample opportunities to enhance their performance, receive recognition for their work, and reap the rewards of their achievements. Our open-door mechanism encourages employees to openly discuss their problems and aspirations with their supervisors. Additionally, our mentoring programs, which span various units, focus on perceiving the manager, handling team differences, and enhancing leadership skills. These programs empower participants to strengthen their management skills. Furthermore, our performance management system diligently tracks performance outcomes, ensuring alignment with the company's strategic goals.



## Section 8

- Safety Beyond the Workplace: Prioritizing Well-being
- Workplace health, safety and environment policy: Our Commitment to Well-being
- Occupational safety and health committee: Nurturing a Safety Culture
- Vacmet Safety Approach: Augmenting Productivity
- Employee Well-being: A Holistic Approach
- Occupational Health and Safety Performance: A Commitment to Zero Incidents

# Safety Beyond the Workplace: Prioritizing Well-being

At Vacmet, we prioritize the safety and well-being of our employees. A safe and healthy work environment is not only a fundamental requirement but also a reflection of our commitment to employee welfare. Safety measures are integrated into our planning phase and extend across the entire value chain. All our sites adhere to ISO 45001:2018 standards, and we maintain robust mechanisms for emergency response and disaster management, adhering to global industry standards. Our safety representatives at all manufacturing units

conduct regular safety audits and provide training to employees. Periodic safety reviews enable us to ensure that standard operating procedures (SOPs) are consistently followed, systems are in place, deviations are promptly addressed, and corrective actions are implemented. We also collaborate with external safety experts to conduct extensive safety audits, HAZOP analysis, thermography analysis, and testing of pressure vessels and lifting tools. The responsibility for identifying, assessing, and mitigating risks is shared among all stakeholders, including employees and contractors. Throughout the year, we have implemented several initiatives aimed at establishing an incident-free workplace. These initiatives include regular safety training, health check-ups, and awareness sessions.



**Fire & Safety mock drill**

## Workplace health, safety and environment policy: Our Commitment to Well-being

We are unwaveringly dedicated to enhancing safety and health standards by improving working conditions, increasing awareness, fostering participation, and providing continuous training to our workforce. Our commitment is encapsulated in our Safety, Health, and Environment (SHE) policy, which underscores our pledge to safeguarding the health and safety of all employees, contractors, customers, and the communities where we operate. These policies are communicated to all employees and prominently displayed across various locations within our plants.



**Employee health check up 05/12/2022**

It also provides recommendations to the employer for improvement and corrective measures. The committee conducts monthly

## Occupational safety and health committee: Nurturing a Safety Culture

An effective safety culture demands proactive commitment, accountability, and continual reinforcement at all levels of management. Our health and safety committee spearheads this culture, with the involvement of all employees, contract labor, other staff, and security personnel at every location. The committee oversees the global implementation of our safety policies and continually assesses their performance. It operates in four zonal committees across India audits, risk assessments, emergency and disaster management plans, and implementation statuses. The committee is responsible for preparing occupational safety and out-of-work safety work plans to prevent and reduce accidents, hazards, illnesses, or inconveniences arising from work.



surveys to assess occupational safety performance and reviews workplace hazard statistics.

## Vacmet Safety Approach: Augmenting Productivity

Safety isn't just a regulatory requirement; it's a powerful tool for boosting productivity and minimizing losses. We encourage our teams to dedicate time to reflect on and improve their understanding of workplace safety risks. Our initiatives focus on sensitizing employees about occupational hazards, safety precautions, and emergency responses. Initiatives such as health and safety training sessions form an integral part of our engagement with employees, reinforcing the importance of safety management processes. Topics include fire safety, electrical safety, first aid, and awareness of safety signs.

### **Preparing for Emergencies: An Exhaustive Approach**

Vacmet is well-prepared to address leaks, fires, explosions, and other emergencies that may endanger lives and property. We conduct regular checks of response procedures and capabilities to ensure swift responses to incidents. Our emergency preparedness plans for each site encompass essential plant information, emergency equipment inventory, key personnel and their responsibilities, and contact lists for hospitals and critical staff. Our workforce is provided with on-the-job training and equipped with safety gear to ensure they are well-prepared in the event of an emergency. Adequate fire protection and firefighting facilities are readily available to handle emergencies.

## Employee Well-being: A Holistic Approach

The well-being of our employees is paramount to running a successful business. We continuously refine our workplace procedures to enhance overall employee well-being and provide them with the best possible working environment. Our approach to employee well-being extends beyond physical health; we also consider their mental health, happiness, and job satisfaction. We regularly organize medical camps, awareness sessions, and medical support services to promote employee well-being. Medical surveillance ensures ongoing employee health, and all our sites are equipped with first-aid kits and personnel trained to mitigate injury risks. Employees undergo preventive health screenings upon joining the organization and participate in periodic health and safety awareness workshops aimed at improving lifestyle-related habits. These workshops cover areas such as smoking cessation, dietary guidance, provision of healthy food in the canteen, stress management, and physical fitness programs. Permanent employees undergo annual occupational health check-ups to monitor their well-being.



# Occupational Health and Safety Performance: A Commitment to Zero Incidents

Our relentless commitment to safety is reflected in our outstanding occupational health and safety performance. In the reporting year, there were zero near-miss

work-related injuries, a substantial reduction in man-days lost compared to the previous year, and no high-consequence work-related injuries or fatalities over the past three years.

At Vacmet, we are driven by the unwavering belief that our employees are our most valuable assets. Their well-being, development, and safety are paramount to us, and we remain committed to empowering them to achieve their fullest potential while ensuring a safe, inclusive, and nurturing work environment.



A green leafy branch is positioned in the upper right quadrant of the page. Below it, a black electrical plug is visible, extending from the bottom right towards the center. The background is a solid blue color.

# Section 9

- Building Resilience Through CSR Initiatives
- Our Commitment to the Community
- Contributing to the Community's Well-being
- An Overview of Vacmet's CSR Initiatives
- GRI Content Index
- Assurance Statement

# Building Resilience Through CSR Initiatives

At the heart of our corporate social responsibility (CSR) philosophy lie three pillars - environmental protection, healthcare, and education. These pillars serve as the cornerstone for establishing and nurturing a clean environment, elevating community quality of life, and fostering sustainable living.

## Our Commitment to the Community

Across all our customer base spanning from over 70 countries that diverse in different cities, states, provinces, countries and continents, one common thread unites us is our unwavering dedication to making a positive impact within their local communities and societies by providing our sustainable products.

## Contributing to the Community's Well-being

Vacmet's steadfast commitment to addressing developmental challenges is evident through our meticulously designed CSR programs, focusing on environmental protection, healthcare, and education. These three crucial CSR themes are fundamental to our mission of cultivating a pristine environment, enhancing the quality of life in our communities, and nurturing sustainability. To drive these objectives, we've established a dedicated CSR committee in alignment with the requirements of the Companies Act 2013. This committee is wholeheartedly devoted to effecting positive change across social, economic, and environmental dimensions. Importantly, all our CSR activities are carefully aligned with the

United Nations' Sustainable Development Goals (SDGs), underpinning our dedication to enhancing the lives of our neighboring communities.

## An Overview of Vacmet's CSR Initiatives

### Major/Significant CSR Activities in FY 2022-23

- Supporting Sri Vrindavan Gramoday Sansthan: Extending a helping hand through donations to Sri Vrindavan Gramoday Sansthan in Agra.
- Cooler Distribution: Mitigating inequalities faced by socially or economically disadvantaged groups by distributing coolers during a samuhik Vivah event in Dhar District, Madhya Pradesh.
- Anganwadi Education Support: Contributing to educational initiatives by supporting the education of children in anganwadis in Madhya Pradesh.
- Dialysis Machine Donation: Donating two dialysis machines to Lokhitam Samajjik Sansthan in Agra to provide affordable medical facilities.
- Educational Support: Supporting educational institutions, including a contribution to Shatrujeet Public School for a photocopier machine and a water cooler.
- Community Capacity Building: Undertaking a CSR project to establish a skill development center for waste pickers, conduct tree plantation drives for environmental protection, and organize community awareness sessions.
- CSR Collaboration with IIT Kanpur: Partnering with IIT Kanpur on the "Hridayantra" CSR project to develop next-generation solutions for patients with end-stage heart failure.

- **School Renovations and Construction:** Renovating and constructing school buildings, including Ramkali Devi Saraswati Balika Vidhya Mandir and Ramkali Devi Saraswati Vidhya Mandir Senior Secondary School in Vrindavan, Mathura, Uttar Pradesh.
- **Government School Renovation:** Renovating and constructing facilities for the Government Girls Higher Secondary School in Digthan, Dhar District, Madhya Pradesh, and providing state-of-the-art equipment for smart classes.
- **Community Engagement and Environmental Conservation:** Conducting community awareness sessions and participating in tree plantation drives in collaboration with Empower Foundation under Project Vikalp.
- **Educational Support:** Providing a school bus to Ramkali Devi Saraswati Balika Vidya Mandir in Vrindavan.
- **School Infrastructure Enhancement:** Constructing new rooms in Ramkali Devi Saraswati Vidya Mandir Sr. Secondary School in Vrindavan.
- **Community Waste Management:** Supplying a garbage truck to the gram panchayat in Digthan, Madhya Pradesh.
- **Enhancing Learning Environments:** Distributing school benches to different schools in Mathura District.
- **Engaging with the Community for Environmental Conservation:** We are actively involved in raising community awareness through sessions and collaborating with Empower Foundation for tree plantation drives. This initiative, an extension of our ongoing efforts since 2021, falls under Project Vikalp.

**Wellness Center Initiative: Initiating the project for the establishment of a Wellness Centre.**

**Anticipated CSR Initiatives in FY 2023-24**

- **Environmental Protection Support:** Contributing to the "Say No to Single-Use Plastic" initiative by partnering with the "Utkarsh Global Foundation" for the distribution of steel bottles.

At Vacmet, we remain steadfast in our commitment to building resilient communities, fostering sustainability, and making a positive difference in the lives of those we serve. Our CSR initiatives reflect our unwavering dedication to creating a brighter and more sustainable future for all.



# GRI Content Index

The GRI content index is presented and the references for all disclosures included align with the appropriate sections in the body of the report.

S.No.	GRI Standard		Report Section			
1	GRI 1: Foundation 2021	Statement	This section provides more detail to stakeholders about Vacmet India Ltd.'s sustainability-related policies, programs, and performance. This report has been prepared in accordance with the GRI Standards.			
		Group 4	Other services relevant to production of plastic films and metalized paper products can encompass all our manufacturing activities not specified elsewhere.			
		Disclosures	Organizational Profile Chapters	Report Section/ Number	Page Number	
2	GRI 2: General Disclosures 2021	2-1	Organizational details	About Vacmet	8	
		2-2	Entities included in the organization sustainability reporting	About Vacmet	8	
		2-3	Restatements of information	About Vacmet	8	
		2-4	Reporting period, frequency and contact point	About Vacmet	8	
		2-5	External assurance	About Vacmet	8	
		<b>Activities and workers</b>				
		2-6	Activities, value chain and other business relationships	Vacmet global reach	9	
2-7	Employees	Approach towards employees	51			

		Disclosures	Organizational Profile	Report Section/ Chapters	Page Number
		<b>Governance</b>			
		2-9	Governance structure and composition	Supplier engagement	30
		2-10	Nomination and selection of the highest governance body	Supplier engagement	30
		2-11	Chair of the highest governance body	Corporate governance	14
		2-12	Role of the highest governance body in overseeing the management of impacts	Stakeholder engagement and materiality	26
		2-13	Delegation of responsibility for managing impacts	Engaging with our customers	29
		2-14	Role of the highest governance body in sustainability reporting	Report Prelude	4
		2-15	Conflicts of interest	Corporate governance	14
		2-16	Communication of critical concerns	Corporate governance	14
		2-17	Collective knowledge of the highest governance body	Corporate governance	14
		<b>Strategy, policies and practices</b>			
		2-22	Statement on sustainable development strategy	Stakeholder engagement and materiality	26
		2-23	Policy commitments	Corporate governance	14
		2-24	Embedding policy commitments	Corporate governance	14
		2-25	Processes to remediate negative impacts	Corporate governance	14

		Disclosures	Organizational Profile	Report Section/ Chapters	Page Number
		2-26	Mechanisms for seeking advice and raising concerns	Corporate governance	14
		2-27	Compliance with laws and regulations	Leading responsibly	15
		<b>Stakeholder engagement</b>			
		2-29	Approach to stakeholder engagement	Corporate governance	14
		<b>Material Topics</b>			
		3-1	Process to determine material topics		
<b>3</b>	<b>GRI:3 Material Topics 2021</b>	3-2	List of material topics :The material topics include R&D and technological innovation, Customer experience and satisfaction, Waste management and circular economy, Business growth and profitability, Ethics, integrity and compliance, Energy efficiency, Product liability, Occupational health and safety, Responsible supply Chain/ procurement, Safeguarding human rights, Corporate governance, Employee engagement and wellbeing, Resource management, Biodiversity and environmental protection, Data privacy and cybersecurity, Community engagement and CSR, Talent development, Digital transformation, Disaster and risk management, Climate risk and mitigation, Diversity and inclusion	Assessing Materiality for a Sustainable Future	30

		Disclosures	Organizational Profile	Report Section/ Chapters	Page Number
		3-3	Management of material topics	Material Matrix	31
4	GRI 201: Economic Performance 2016	<b>Economic Performance</b>			
		201-1	Direct economic value generated and distributed	Stakeholder engagement and materiality	26
		201-2	Financial implications and other risks and opportunities due to climate change	Our economic performance and strategic leadership	34
		201-3	Defined benefit plan obligations and other retirement plans	Our people- Employee retention	53
		201-4	Financial assistance received from government	Our economic performance and strategic leadership	34
5	GRI 202: Market Presence 2016	<b>Market Presence</b>			
		202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	Leading responsibly; Corporate governance	15, 14
		202-2	Proportion of senior management hired from the local community	Leading responsibly; Corporate governance	15, 14
6	GRI 203: Indirect Economic Impacts 2016	<b>Indirect Economic Impact</b>			
		203-1	Infrastructure investments and services supported	Vacmet global perspective	34
		203-2	Significant indirect economic impacts	Stakeholder engagement and materiality	26
7	GRI 204: Procurement Practices 2016	<b>Procurement Practices</b>			
		204-1	Proportion of spending on local suppliers	Supplier engagement	30

		Disclosures	Organizational Profile	Report Section/ Chapters	Page Number
8	<b>GRI 205: Anti-corruption 2016</b>	<b>Anti-corruption</b>			
		205-1	Operations assessed for risks related to corruption	Leading responsibly	15
		205-2	Communication and training about anti-corruption policies and procedures	Leading responsibly	15
		205-3	Confirmed incidents of corruption and actions taken	Leading responsibly	15
9	<b>GRI 206: Anti-competitive Behavior 2016</b>	<b>Anti-competitive Behavior</b>			
		206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Leading responsibly	15
10	<b>GRI 301: Materials 2016</b>	<b>Materials</b>			
		301-1	Materials used by weight or volume	Environmental stewardship	41
11	<b>GRI 302: Energy 2016</b>	<b>Energy 3</b>			
		302-1	Energy consumption within the organization	Environmental stewardship	43
		302-4	Reduction of energy consumption	Environmental stewardship	44,45
12	<b>GRI 303: Water 2018</b>	<b>Water</b>			
		303-1	Water withdrawal by source	Environmental stewardship	46

		Disclosures	Organizational Profile	Report Section/ Chapters	Page Number	
13	GRI 304: Biodiversity 2016	<b>Biodiversity</b>			Environmental stewardship	40
		304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas			
14	GRI 305: Emissions 2016	<b>Emissions</b>			Environmental stewardship	43
		305-1	Direct (Scope 1) GHG emissions			
		305-2	Energy indirect (Scope 2) GHG emissions			
		305-6	Emissions of ozone- depleting substances (ODS)			
		305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		43	
15	GRI 306: Waste and effluents 2016	<b>Effluents and Waste</b>			Environmental stewardship	47
		306-2	Waste by type and disposal method			
16	GRI 308: Supplier Environmental Assessment 2016	<b>Supplier Environmental Assessment</b>			Engaging with key concerns	26
		308-1	New suppliers that were screened using environmental criteria			
		308-2	Negative environmental impacts in the supply chain and actions taken			

		Disclosures	Organizational Profile	Report Section/ Chapters	Page Number	
17	GRI 401: Employment 2016	Employment				
		401-1	New employee hires and employee turnover	Our people	51	
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our people	51	
18	GRI 403: Occupational Health and Safety 2018	Occupational Health and Safety				
		403-1	Workers representation in formal joint management-worker health and safety committees	Safety beyond workplace	58	
		403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Safety beyond workplace	58	
		403-3	Workers with high incidence or high risk of diseases related to their occupation	Safety beyond workplace	58	
		403-4	Health and safety topics covered in formal agreements with trade unions	Safety beyond workplace	58	
19	GRI 404: Training and Education 2016	Training and Education				
		404-1	Average hours of training per year per employee	Our people	51	
		404-2	Programs for upgrading employee skills and transition assistance programs	Our people	51	

		Disclosures	Organizational Profile	Report Section/ Chapters	Page Number
		404-3	Percentage of employees receiving regular performance and career development reviews	Our people	51
20	GRI 405: Diversity and Equal Opportunity 2016	<b>Diversity and Equal Opportunity</b>			
		405-1	Diversity of governance bodies and employees	Our people	51
		405-2	Ratio of basic salary and remuneration of women to men	Corporate governance	14
21	GRI 406: Non-Discrimination 2016	<b>Non-Discrimination</b>			
		406-1	Incidents of discrimination and corrective actions taken	Safety beyond workplace	58
22	GRI 407: Freedom of Association and Collective Bargaining 2016	<b>Freedom of Association and Collective Bargaining</b>			
		407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Our people	51
23	GRI 408: Child Labor 2016	<b>Child Labor</b>			
		408-1	Operations and suppliers at significant risk for incidents of child labor	Our people	51
24	GRI 409: Forced or Compulsory Labor 2016	<b>Forced or Compulsory Labor</b>			
		409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Our people	51

		Disclosures	Organizational Profile	Report Section/ Chapters	Page Number
25	<b>GRI 410: Security Practices 2016</b>	<b>Security Practices</b>			
		410-1	Security personnel trained in human rights policies or procedures	Safety beyond workplace	58
26	<b>GRI 413: Local Communities 2016</b>	<b>Local Communities</b>			
		413-1	Operations with local community engagement, impact assessments, and development programs	Our Community Initiatives	63
		413-2	Operations with significant actual and potential negative impacts on local communities	Our Community Initiatives	63
27	<b>GRI 416: Customer Health and Safety 2016</b>	<b>Customer Health and Safety</b>			
		416-1	Assessment of the health and safety impacts of product and service categories	Safety beyond workplace	58
		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Safety beyond workplace	58
28	<b>GRI 417: Marketing and Labelling 2016</b>	<b>Marketing and Labelling</b>			
		417-1	Requirements for product and service information and labelling	Product sustainability	12
29	<b>GRI 418: Customer Privacy 2016</b>	<b>Customer Privacy</b>			
		418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Stakeholder engagement and materiality	26

# Assurance Statement



## **PARIWARTAN MITRA FOUNDATION**

Address : 226, Milinda Manor, 2-RNT Marg, Indore - 452001 (M.P.) India  
Phone : 0731-4050174, CIN : U85300MP2022NPL059823

## **Independent Assurance Statement**

To,

### **Vacmet India Limited**

4/117-2A: Anant Plaza, Civil Lines, Church Road, Agra - 282002, Uttar Pradesh, India

### **Introduction and Objective of Work**

Vacmet India Limited is a plastic films and metalized paper manufacturing company started its operations in 1993. Vacmet India Limited has 4 operational units in India where 3 units are located in Mathura, Uttar Pradesh and 1 unit located in Ujjaini, Madhya Pradesh.

Vacmet India Limited engaged the **Pariwarta Mitra Foundation** to conduct an independent assurance of their Sustainability Report (non-financial parameters) which is prepared in reference to the GRI standard 2021 for the reporting period 1 April 2022 to 31 March 2023.

### **Management's Role**

Vacmet India Ltd. is responsible for developing the content of the report. The management at Vacmet India Ltd. was tasked with identifying material topics, collecting, analyzing and disclosing information presented in the Report, both in web-based and print formats. They were also responsible for ensuring the integrity of the data and maintaining its quality and accuracy in alignment with the criteria specified in the GRI Standards 2021.

### **Intended User**

The assurance statement is made solely for the Vacmet India Limited as per the governing contractual terms and conditions of the Assurance Engagement Contract between the Vacmet India Limited and Pariwarta Mitra Foundation. We owe no responsibility and do not accept any liability to any other party other than Vacmet India Limited for the work we have performed for this assurance report or our conclusions stated in the paragraphs below.

### **Scope, Boundary and Limitations**

#### **Scope:**

The assurance process was conducted using internally defined protocols and on the requirements of the Assurance Standard AA1000AS v3 Type 2, Moderate equivalent to a limited assurance

The scope of work included:

- Assessing the quality of the information provided where applicable.



## **PARIWARTAN MITRA FOUNDATION**

Address : 226, Milinda Manor, 2-RNT Marg, Indore - 452001 (M.P.) India  
Phone : 0731-4050174, CIN : U85300MP2022NPL059823

- Checking the data and information including examining evidence, on a sample basis, for identified non-financial indicators.
- The following disclosures have been verified in the Sustainability Report as follows:
  - GRI 1: Foundation 2021
  - GRI 2: General Disclosures 2021- 2-1 to 2-7, to 9-17 and 22-27,29
  - GRI 3: Material Topics 2021- 3-1 to 3-3
  - GRI 201: Economic Performance 201-1 to 4
  - GRI 202: Market Presence 202-1, 2
  - GRI 203: Indirect Economic Impacts 203-1, 2
  - GRI 204: Procurement Practices 204-1
  - GRI 205: Anti- corruption 205-1 to 3
  - GRI 206: Anti- competitive Behavior 206-1
  - GRI 301: Materials 301-1
  - GRI 302: Energy 302-1 and 4
  - GRI 303: Water 303-1
  - GRI 305: Emissions 305-1,2 & 305-6,7
  - GRI 306: Waste and effluents 306-2
  - GRI 401: Employment 401-1 and 2
  - GRI 403: Occupational health and safety 403-1 to 4
  - GRI 404: Training and Education 404-1 to 3
  - GRI 405: Diversity and Equal Opportunity 405-1
  - GRI 406: Non-Discrimination 406-1
  - GRI 407: Freedom of Association and Collective Bargaining 407-1
  - GRI 408: Child Labor 408-1
  - GRI 418: Customer Privacy 418-1

### **Boundary:**

The assurance engagement encompasses multiple manufacturing facilities located throughout India. These facilities consist of four manufacturing sites, with three of them (Units 2, 3, and 4) situated in Mathura, Uttar Pradesh and one (Unit 5) located in Ujjaini, Madhya Pradesh, as elaborated in the Sustainability Report.



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### **Limitations and Exclusions:**

Pariwarta Mitra Foundation explicitly disclaims any liability or shared responsibility for decisions made by individuals or entities based on this Assurance Statement. The following are explicitly excluded from our scope and assurance

- i. Data and indicators based on companies' financial and economic performance.
- ii. Does not cover any area or sections that describe company's approach, strategy, aim, expectation, competitive claims or any qualitative disclosures.
- iii. Assurance does not extend to anything defined beyond the boundary.
- iv. Assurance does not extend to operations undertaken by any other entity that may be associated with or have any business relationship with Vacmet India Limited.

### **Uncertainty**

The reliability of assurance is subject to uncertainty(ies) that is inherent in the assurance process. Uncertainties stem from limitations in the accounting and quantification models used, assumptions made, emission factors used, or may be present in the estimation of data used to arrive at results or values. Our conclusions with respect to this assurance are naturally subject to any inherent uncertainty(ies) involved in the assurance process.

### **Our Responsibility**

Pariwarta Mitra Foundation's responsibility within the scope of this engagement was to perform a Type 2 moderate level of assurance and provide a conclusion based on the work conducted. This engagement did not encompass an evaluation of the adequacy or effectiveness of Vacmet India Ltd.'s management of sustainability-related issues, or the adequacy of the Report in compliance with the principles of GRI Standards 2021 other than those mentioned in the scope of the assurance. Pariwarta Mitra Foundation's responsibility regarding this verification is in accordance with the agreed scope of work which includes non-financial quantitative information disclosed by Vacmet India Limited. This assurance engagement assumes that the data and information provided to us by Vacmet India Limited are complete and true.

#### **▪ Assessment Team**

- i. Mr. Nitin Kapoor (Technical Team Leader)
- ii. Mr. Ashish Kumar Choubey (Team Member)

### **Verification Methodology**

Throughout the course of the assurance engagement, Pariwarta Mitra Foundation adopted a risk-based approach, prioritizing verification activities concerning the disclosed information. Pariwarta Mitra Foundation conducted assessments to verify the accuracy and robustness of the data management system, information flows and controls. In this process:



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- Pariwartan Mitra Foundation examined and assessed the documents, data and additional information provided by Vacmet India Limited, particularly in regard to non-financial indicators and disclosures.
- Interviews were conducted with key representatives, including data owners and decision-makers from various functions within Vacmet India Limited. The following are the list of people with whom the assessment team interacted during the course of the assurance process.

SN	Name	Department
1	Mr. S. C. Kapoor	President (Film Division)
2	Mr. S.K. Tyagi	Sr. Vice President (Converting Division)
3	Mr. M.D. Joshi	Vice President (Operations); Unit: 4
4	Mr. Mukesh Shah	Vice President (Operations); Unit: 5
5	Mr. RM Chandra	Sr. General Manager (HR and Admin); Unit: 2, 3, 4) & EHS Head
6	Mr. Pritam Singh Padiyar	General Manager (Quality control & Technical Services) & Sustainability Head

- Pariwartan Mitra Foundation assessed the following while carrying out the assurance process that included a physical site visit to one of the locations (Unit 5)
  - Review of documentary evidence produced by Vacmet
  - Review of performance data provided in the Report and related worksheets on a sampling basis and data trail to its source
  - Review of Vacmet's data and information systems for collection, aggregation, analysis of data.
- The process included an Independent Technical Review to check the correctness and accuracy of the assurance conclusions.

The following are the opportunities for improvement reported to Vacmet India Limited. However, they are generally consistent with Vacmet India Limited management's objectives and programs.

- *Going ahead Vacmet India Limited has the opportunity to publish its Sustainability Report yearly ensuring that stakeholders have easy access to vital information.*
- *Consider establishing and conducting an internal audit of sustainability disclosure data within Vacmet India Limited. This would involve periodic validation and verification of data carried out by the internal team.*
- *Vacmet may consider undertaking climate change analysis (scenario analysis) and risk assessment for all its sites in line with the recommendations of TCFD.*



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- *Vacmet may increase its reporting on Scope 3 emissions and consider taking targets under SBTi going forward.*

### **Conclusion**

On the basis of our methodology and Moderate ~~Level~~ <sup>Level 2</sup> Assurance process and procedures conducted and evidence obtained, nothing has come to our attention that causes us to believe that, in all material respects the Report is not in conformance with the reporting requirements of GRI Standards 2021 and AA1000AS v3.

### **Evaluation of the adherence to other contemporary Principles**

**Inclusivity:** Vacmet India Limited consistently conducts stakeholder identification and engagement on a recurring basis to highlight the primary concerns of significant stakeholders, resulting in the identification of material topics. In our assessment, the Report satisfactorily meets these requirements.

**Materiality:** The materiality assessment process, as per the GRI Standards, encompasses both internal and external topics relevant to Vacmet India Limited's range of operations. The Report effectively captures the aspects, topics, and respective boundaries across the diverse operations of Vacmet India Limited. In our evaluation, the Report meets these requirements.

**Responsiveness:** Pariwarta Mitra Foundation affirms that the responses to material aspects are adequately and transparently articulated in the report. This includes disclosures on Vacmet India Limited's policies and management systems, including governance. In our assessment, the Report successfully fulfills these requirements.

**Impact:** Vacmet India Limited consistently communicates its sustainability performance through transparent internal and external reporting aligned with GRI and its comprehensive policy framework, encompassing environmental, social, ethical, and other policies. The organization reports on sustainability performance to its top management, which oversees and monitors the implementation, performance of objectives, and progress towards goals and targets related to sustainability issues. This assurance statement has been prepared in full accordance with the terms of our engagement.

**Independence:** Pariwarta Mitra Foundation adheres to the (AA1000AS) Code, which employs a threats and safeguards approach to ensure independence. It is affirmed that the assurance team is carefully selected to prevent any situations involving self-interest, self-review, advocacy, or familiarity. The assessment team is shielded from any form of intimidation. No member of the Assurance Team has any business relationship with Vacmet India Limited or any of its directors.

**Quality Control:** The assurance team strictly follows the code of ethics for professional accountants as stipulated by the AA1000AS, which includes adherence to independence and other prerequisites rooted in fundamental principles such as integrity, objectivity, professional competence and due care, confidentiality, and professional conduct. In accordance with International Standards on Quality Control, Pariwarta Mitra Foundation maintains a robust



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system of quality control that encompasses documented policies and procedures to ensure compliance with ethical requirements, professional standards, and applicable legal and regulatory obligations.

### **Our Assurance Team and Independence:**

Pariwarta Mitra Foundation stands as an independent, impartial third-party offering sustainability services through a team of qualified environmental and social specialists. We emphasize our independence and impartiality, confirming the absence of any conflict of interest with respect to this assurance engagement. Throughout the reporting year, Pariwarta Mitra Foundation did not engage in any activities with Vacmet India Limited that could compromise the independence or impartiality of our findings, conclusions, or recommendations. Furthermore, Pariwarta Mitra Foundation was not involved in the preparation of any content or data featured in the report, except for the preparation of this assurance statement. Our commitment to complete impartiality extends to all individuals interviewed during the assurance engagement.

Date: September 20, 2023

Place: Indore, India

Project Reference No: GRI-2

[www.pariwarta Mitra foundation.org](http://www.pariwarta Mitra foundation.org)

### **For and on behalf of PARIWARTAN MITRA FOUNDATION**

**Nitin Kapoor**

(Technical Team Leader)

**Jimmy Sah**

(Internal Technical Reviewer and Director)



**AA1000**  
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