



VARSHA STONES INTERNATIONAL

- ESG Performance Report – FY 2024–25
- Company: Varsha Stones International Pvt. Ltd.
- Sector: Granite , Quartzite , Marble Processing.
- Reporting Framework: Aligned with UN SDGs

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1. Message from Management

At Varsha Stones International Pvt. Ltd., sustainability is woven into the fabric of our operations. Our commitment to reducing environmental impact, fostering social equity, and upholding strong governance is a journey that continues to evolve. In FY 2024–25, we made substantial progress across all aspects of our sustainability agenda, reinforcing our position as a responsible corporate leader in the quarrying industry.

We recognize the critical role we play in balancing industrial growth with ecological conservation, and this report outlines our dedicated efforts in advancing sustainable practices. With a focus on reducing emissions, enhancing water efficiency, promoting social responsibility, and maintaining governance excellence, we are proud to report our achievements and set forth our path towards further progress in the years ahead.

Our sustainability vision extends beyond regulatory compliance to creating long-term, value-driven impact—one that leaves a positive legacy for future generations.

2. Company Overview

Varsha Stones International Pvt. Ltd. is a prominent entity in the quarrying sector, specializing in the extraction of stone, sand, and clay for the construction, infrastructure, and industrial markets. Established with a focus on resource extraction, we have expanded over the years to become an industry leader known for responsible business practices.

Operating in multiple regions, our work directly impacts both local communities and the natural environment. Given the intensity of resource consumption in quarrying operations, we have long recognized the importance of integrating Environmental, Social, and Governance (ESG) principles into our business practices.

We are proud of our accomplishments, including ISO certifications in Environmental Management, Occupational Health and Safety, and Social Accountability. These certifications reflect our commitment to the sustainable and responsible management of our operations.

3. Materiality

The primary purpose of conducting this materiality assessment was to identify and prioritize the ESG factors that were most significant to Varsha Stones International Pvt. Ltd's stakeholders and core business operations. As the environmental and social impacts of quarrying operations were increasingly scrutinized by regulators, investors, and the public, the company aimed to proactively address these risks and align its business strategy with sustainability principles.

This assessment was aligned with the Sustainability Accounting Standards Board (SASB) standards for the Quarrying of Stone, Sand, and Clay sector, ensuring relevance, comparability, and industry specificity in the ESG issues considered. It also reflected VSIPL's commitment to transparency, accountability, and responsible resource management.

The assessment process involved internal data analysis, industry benchmarking, and the review of regulatory and reputational risks. The findings served as a foundation for integrating ESG considerations into the company's operational and strategic decision-making.

Material Issues Identified

ESG Pillar	Material Topic	Materiality Level	Key Risk/Opportunity	Relevance to VSIPL
Environment	GHG Emissions	Medium	Carbon footprint; regulatory pressure	Electricity Usage; scope for efficiency
Environment	Water Management	High	Water scarcity, pollution	Community sensitivity; need for recycling
Environment	Biodiversity Impacts	High	Habitat destruction, compliance	Quarry locations near ecologically sensitive areas
Environment	Energy Use & Efficiency	High	Rising energy costs, regulatory compliance	Opportunity to reduce energy consumption through efficiency

ESG Pillar	Material Topic	Materiality Level	Key Risk/Opportunity	Relevance to VSIPL
Environment	Waste Management	Medium	Improper waste disposal; regulatory non-compliance	Need for waste recycling systems and responsible disposal
Social Capital	Community Relations	High	Social unrest, protests	Strong community engagement required
Social Capital	Stakeholder Engagement	High	Alienation of key stakeholders; community unrest	Importance of maintaining strong local community ties
Human Capital	Workforce Health & Safety	High	Injury, illness, legal non-compliance	Need for structured safety programs
Human Capital	Employee Training & Development	Medium	Lack of skills, low productivity	Investing in training programs to upskill workforce
Business Model	Reserves Valuation & Capex	Medium	Overinvestment, poor planning	Strategic forecasting of quarry life
Business Model	Product Quality and Safety	High	Product failures, reputational damage	Ensuring strict quality control processes in product delivery
Governance	Business Ethics	Medium	Corruption risk, permit delays	Need for transparency and ethical sourcing
Governance	Risk Management & Internal Controls	Medium	Ineffective risk management systems	Need for robust internal controls and risk management frameworks

4. Environmental Stewardship

Commitment to Planet-Positive Operations

At Varsha Stones, we understand the significant environmental footprint that comes with quarrying activities. Our commitment is to minimize this impact by adopting best-in-class practices, including resource conservation, emission reduction, and waste management. Sustainability isn't an afterthought; it's embedded in every facet of our operations.

We focus on achieving operational efficiency across our processes, implementing practices that promote sustainable resource extraction, and reducing adverse impacts on ecosystems. Our future goals include a transition to renewable energy, further reductions in emissions, and more sustainable water usage strategies.

Clean Energy and Emission Management

In FY 2024–25, we began to measure our Scope 1 and Scope 2 emissions. This was the first step in understanding our environmental impact and will serve as the baseline for future reductions. Our emissions were calculated as follows:

- Scope 1 Emissions: 52.57 TCO₂e (2024–25), down from 55.99 TCO₂e (2023–24)
- Scope 2 Emissions: 1.69 TCO₂e (2024–25), slightly up from 1.59 TCO₂e (2023–24)

These emissions primarily stem from diesel fuel consumption in our machinery and vehicles. As part of our sustainability strategy, we are committed to reducing these emissions by transitioning to electric vehicles (EVs) for our fleet and investing in cleaner technologies.

We aim to incorporate renewable energy sources into our energy mix over the next five years. The integration of solar power and the use of energy-efficient machinery will be pivotal in achieving our emission reduction targets.

Water Stewardship and Waste Management

Water is a critical resource in our operations, and we are committed to using it as efficiently as possible. In FY 2024–25, our water consumption data showed:

- Total Water Consumption: 6,49,550 kL (2024–25) vs 5,99,383 kL (2023–24)
- Recycled Water: 6,48,000 kL (2024–25) vs 5,98,000 kL (2023–24)

Through rigorous water recycling and wastewater treatment processes, we ensure that water usage is optimized. We are also exploring the possibility of introducing rainwater harvesting and greywater reuse systems to further enhance our water management.

We manage waste generated through quarrying by adhering to state regulations and implementing internal strategies for reducing waste. Quarry dust and stone waste are reused wherever possible, and we are exploring ways to recycle stone slurry into value-added products such as construction materials.

Certifications and Environmental Assurance

We are proudly certified under:

- ISO 14001 – Environmental Management System
- ISO 45001 – Occupational Health & Safety Management System

These international certifications guide our environmental protocols, risk mitigation strategies, and drive continual improvement in compliance and performance.

Green Belt and Dust Suppression Initiatives

Dust suppression is a key issue in quarrying operations. To mitigate dust emissions, we have adopted several strategies:

- **Water Spraying:** We regularly spray water on our sites to reduce dust generation.
- **Dust Barriers:** Protective barriers have been installed around high-dust areas to contain particulate matter.
- **Plantation Drives:** We conduct regular plantation initiatives around our quarry sites to improve air quality and enhance green cover.

In the long term, we aim to rehabilitate land impacted by quarrying through green belt development, improving both biodiversity and air quality.

Future-Facing Sustainability Goals

- Completing baseline emission calculations and initiating reduction targets.
- Implementing rainwater harvesting infrastructure.
- Exploring renewable energy integration for partial operations
- Enhancing circular use of stone waste for construction or landscaping applications
- Aligning with additional SDGs through targeted interventions

Metrics

Metric	Unit	2024-25	2023-24
Scope 1 Emissions	TCO2e	52.57	55.99
Scope 2 Emissions	TCO2e	1.69	1.59
Total Electricity Consumption	MwH	2.328	2.22
• Grid Consumption	MwH	2.328	2.22
Fuel Consumption	Litres	11,250	14,650
• Diesel	Litres	9,000	12,500
• Petrol	Litres	2,250	2,150
Fugitive Fuels (R22)	Kgs	12.5	9
Total Water Consumption	kL	6,49,550	5,99,383
• Ground Water Withdrawal	kL	1,095	985
• Rain Water	kL	455	398
• Recycled Water	kL	6,48,000	5,98,000
Total Waste Generated	Mt	3,001.20	2,781.10
• Plastic Waste	Mt	1.20	1.10
• Stone Slurry	Mt	3,000	2,780
• Hazardous Waste		Nil	Nil
Total Waste Disposed		3001.20	2781.10
• Land Filling	Mt	3,000	2,780
• Recycled	Mt	0.80	0.75
• Other disposal operations	Mt	0.40	0.35

Measures:

- Adoption of Electric Vehicles (EVs) for employee commuting to reduce carbon footprint.
- Introduction of advanced chemical treatments for efficient water purification and reuse.
- Process enhancements to minimize slab reprocessing, resulting in energy, water, and labor savings.
- Comprehensive training programs for the workforce to reduce the wastage of materials like resin, plastics, and abrasives.
- Implementation of human resource training initiatives to optimize material handling, reducing energy consumption and time.
- Carpooling programs introduced to decrease fuel consumption and reduce emissions.
- Reduction in paper usage through the adoption of digital documentation across all processes.
- Utilization of solar-powered energy systems to support sustainable energy consumption.
- Dust control measures actively implemented to mitigate environmental impact.
- Regular plantation drives conducted to enhance environmental sustainability.
- Zero Liquid Discharge (ZLD) system implemented to ensure sustainable wastewater management.

5. Social Responsibility

Uplifting the Workforce, Responsibly

At the heart of Varsha Stones' operations lies a people-first philosophy. We are committed to ensuring a safe, inclusive, and growth-oriented work environment where employees are empowered and valued. Our initiatives span health & safety, fair compensation, training, and social accountability—aligned with global best practices and the UN SDGs.

Employee Wellbeing and Health & Safety

The health and safety of our workforce is a top priority at Varsha Stones. We maintain stringent safety protocols across all operations and ensure regular safety audits and training. In FY 2024–25, we proudly report zero work-related accidents, with only 5 days lost due to minor injuries.

We are committed to a zero-incident mindset, ensuring that all employees are provided with the necessary safety gear and trained in emergency response protocols. We also conduct quarterly fire drills and safety protocol sessions to ensure preparedness.

Training and Skill Development

Training is a cornerstone of our HR strategy. In FY 2024–25, each employee completed an average of 80 hours of training in areas such as technical skills, safety procedures, and sustainability practices. We believe in continuous learning and development to ensure our workforce remains skilled, adaptable, and ready for the challenges of a changing industry.

Our training programs cover a range of topics, including:

Safety Awareness: Ensuring employees understand safety protocols and emergency procedures.

Sustainability Practices: Educating employees on energy conservation, waste management, and environmental stewardship.

Technical Skills: Providing employees with the skills needed to operate advanced machinery and technologies.

Diversity, Ethics, and Inclusion

Varsha Stones values diversity and promotes an inclusive workplace. We follow a zero-tolerance policy for discrimination and provide equal opportunities for all employees. Our workplace is diverse, with a commitment to creating an environment where every employee feels respected and valued.

We have implemented an Ethics Policy that ensures transparency, fairness, and accountability. In addition, we regularly train employees on ethical business conduct and create open channels for grievance redressal.

Policy Commitments

- Human Rights Policy: Aligned with UN Guiding Principles
- Occupational Health & Safety (OHS) Policy: ISO 45001 Certified
- Ethics Policy: Enforced across hierarchy with regular training
- Sustainability Policy: Integrated across operations

SA 8000 Certification: Social Accountability

We proudly hold the SA 8000 certification, which ensures that our operations meet international standards for social accountability. This certification requires that we treat workers with dignity and respect, provide fair wages, and promote safe working conditions. Our commitment to social accountability extends across our supply chain, where we ensure that our suppliers also adhere to these ethical standards.

Metric	Unit	Value
Total number of hours worked	Hours	8
Days lost to work-related injuries	Days	5
Work-related accidents	Number of incidents	0
Training hours per employee	Hours per employee	80
Occupational disease rate	Rate per 100,000 employees	0
Employee satisfaction	Percentage (%)	95
Suppliers signed code of conduct	Percentage (%)	100
Contracts with ESG clauses	Percentage (%)	20
Sustainability assessment coverage	Percentage (%) or Number	20
Suppliers audited on-site	Percentage (%) or Number	15
Buyers trained	Percentage (%) or Number	5

Metrics

Measures:

- Quarterly fire drills and monthly safety protocol training sessions are held to ensure a safe working environment. These sessions emphasize the correct use of safety gear and adherence to machinery operation protocols.
- Several mechanisms have been established to allow employees to report grievances in a secure and confidential manner. These include direct communication with the HR department, anonymous suggestion boxes in common areas, and an internal online reporting system. These channels ensure that employee concerns are addressed promptly and with respect

6. Governance

Governance Philosophy

At Varsha Stones, we believe that effective governance is essential for long-term business success. Our governance framework is built on transparency, ethical leadership, and strict regulatory compliance. We are committed to maintaining high standards of corporate governance that align with the expectations of stakeholders, investors, and employees.

Our governance structure ensures that decisions are made in the best interests of the company, with appropriate oversight at every level. We maintain strong relationships with our stakeholders and communicate openly about our operations and sustainability goals.

Governance Certifications

We are certified under several key governance standards:

- ISO 9001: Quality Management
- ISO 14001: Environmental Management
- ISO 45001: Occupational Health & Safety Management

These certifications provide the framework for our internal governance practices, including risk management, compliance reviews, and audits. We also maintain a robust whistleblower mechanism, which enables employees and stakeholders to report any misconduct in a secure and confidential manner.

Key Practices in Place

- Ethics & Whistleblower Mechanism: Available to all employees and stakeholders to report misconduct
- Internal Audit and Compliance Reviews: Conducted at scheduled intervals for continual improvement
- Training on Ethics & Regulatory Compliance: Conducted regularly across departments
- Board Oversight & Risk Management: Functional risk review framework with senior leadership oversight

Future Roadmap for Governance

Looking ahead, we plan to enhance our governance practices by:

- Introducing **independent ESG oversight** at the Board level.
- Expanding **digitized tools** for compliance tracking and risk management.
- Integrating **ESG-linked incentives** into executive performance evaluations.

We are also committed to increasing transparency in our external communications, ensuring that stakeholders have access to the information they need to assess our sustainability performance.




Metrics

Metric	Unit	Value
Compensation ratio	Ratio	15:01
Percentage of women in workforce	Percentage (%)	10
Percentage of women in top management	Percentage (%)	20
Percentage of women on board	Percentage (%)	0
Average unadjusted gender pay gap	Percentage (%)	0
Percentage from minority groups	Percentage (%)	50
Training	Percentage (%)	100
Whistleblower	Number of reports	0

Corruption	Number of incidents	0
Information Security	Number of incidents	0

7. SDG Alignment

ESG Pillar	Material Topic	SDG	SDG Icon	Action/Initiative
Environment	GHG Emissions	SDG 13: Climate Action		Adoption of Electric Vehicles (EVs) for employee commuting to reduce carbon footprint.
Environment	Water Management	SDG 6: Clean Water and Sanitation		Introduction of advanced chemical treatments for water purification and reuse.
Environment	Waste Management	SDG 12: Responsible Consumption and Production		Process enhancements to minimize slab reprocessing, resulting in energy, water, and labor savings.
Social Capital	Workforce Health & Safety	SDG 3: Good Health and Well-being		Quarterly fire drills and monthly safety protocol training sessions to ensure a safe working environment.

Human Capital	Training and Skill Development	SDG 4: Quality Education		Comprehensive training programs for the workforce to reduce wastage of materials like resin, plastics, and abrasives.
Business Model	Reserves Valuation & Capex	SDG 9: Industry, Innovation, and Infrastructure		Strategic forecasting of quarry life and capex planning to optimize resource extraction.
Governance	Business Ethics	SDG 16: Peace, Justice, and Strong Institutions		Ethics & Whistleblower Mechanism: Available to all employees and stakeholders to report misconduct.