

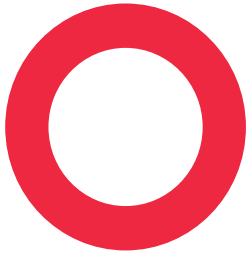
DRIVING SUSTAINABLE MOBILITY





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ABOUT THE REPORT

VE Commercial Vehicles (hereafter referred to as 'VECV', 'we', or the 'Company'), has valued environmental and social sustainability as a core business value since its establishment. We are proud as a Company to have always been a sector leader in measuring and managing our impact not just on the automotive industry, but on the communities and the environment within and with which we operate and engage. We value our stakeholders both within and outside the organisation – our customers, our workforce, our drivers, our shareholders, and everyone else who's lives are touched by VECV. On this determined and positive note, we are proud to present this year's Sustainability Report. We have prepared our sustainability report in reference to the GRI Standards. During the report's preparation, VECV adhered to the Reporting Principles, Universal Standards, and Topic Standards outlined in the GRI Standards.

Following a continued practice, this is our second such report which thematically adheres to the values of sustainable mobility and our future moving towards it. Along with this Report, we suggest that you also read our Annual Report and more detailed information on the website at www.vecv.in

As a producer of commercial vehicles, which form one of the mainstays of emissions discourse around climate change initiatives, we understand our unique responsibility towards the environment. To this end, we have been going full steam ahead with our vision of product innovation that moves in tandem with innovation in services and maximising human potential while improving upon the

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efficiency of our vehicles, reducing the impact on our environment and increasing employee welfare and benefits.

Working on this unique opportunity presented to us as a leading manufacturer of commercial vehicles has been a matter of great pride for us. We were proud to display some of these accomplishments at the Auto Expo 2023. We hope to continue evaluating our achievements with this Report.

Forward Looking Statement

This report includes statements regarding anticipated future events that could impact the operations of VECV. As forward-looking statements, they are based on assumptions and are subject to inherent risks and uncertainties. It is important to exercise caution when considering these assumptions, predictions and other forward-looking statements, as they may not ultimately prove to be accurate. Actual future results and events may differ significantly from what is expressed in these forward-looking statements. The Company is not obligated to update these statements after the publication of this document, as they reflect events or circumstances at that time.

We look forward to receiving feedback on the Report. For any queries or comments on the content of the report, please write to us at ESG-Program@vecv.in

Purpose and Intent

This Report aims to hold the Company to global standards of reporting and to answer and address our stakeholder's concerns. We have followed a strict framework of assessment, identification, and reporting, and we seek to continuously follow sustainability in our innovations and solutions via these methods. We fully believe that "What gets measured, gets managed", and with that in mind, we present the following Report as a means of setting our future course by evaluating our past performance in a holistic and stringent manner.

Scope and Boundary

This Sustainability Report relates to the financial year from the 1st of April 2022 to the 31st of March 2023 (FY2022-2023). The report reflects our commitment to being transparent and responsive to the information needs of our stakeholders while addressing the growing interest in the business' environmental, social and governance (ESG) impacts. For this year, the data pertaining to environment, health & safety is drawn from our plant operations in Eicher Trucks and Buses, Pithampur; Bus Plant, Baggad; VE Powertrain, Pithampur; Dewas Plant; and the Bhopal and Bagroda Plants.

MESSAGE FROM THE MD & CEO



Vinod Aggarwal
MD & CEO

Dear stakeholders,

It gives me immense pleasure to present to you our second annual Sustainability Report for FY 2022-23.

This year, our primary focus has been on alternative fuels, particularly electric commercial vehicles (eCVs), highlighting our commitment to innovation and sustainable transportation solutions. The electrification of the CV industry has already started with buses, and we believe that a range of alternative fuels, including LNG, Ethanol and Hydrogen are essential to lead decarbonisation of the CV industry. Aligned with the Government's vision for sustainable, efficient and affordable logistics, VECV is committed to the rapidly modernizing Indian logistics ecosystem through application-specific alternate fuels & smart support solutions. Under the banner of Smart Sustainability, we are well poised to harness this opportunity and play a transformative role for the Indian CV industry by catering to the evolving needs of our customers and stakeholders.

This year, we unveiled a range of alternative fuel prototypes, building on VECV's leadership in driving modernization in bus and truck transport in India and the developing world. Our prototypes include India's longest electric Intercity Coach and the Eicher Pro 2055 electric truck for last-mile operation. We have also reinforced our commitment to clean long-haul transportation with advanced prototype of the Eicher Pro 8055 LNG/CNG truck and are pioneering emissions-free transport with Eicher Hydrogen Fuel Cell Truck and Hydrogen ICE technology engine, aligning with India's Green Hydrogen Mission. All of our trucks and buses are supported with a wide variety of support solutions. Enabled by the industry-first 100% Connected Fleet and state-of-the-art Uptime Center, these App-based smart support solutions ensure higher productivity and efficiency for trucks, buses, drivers, and fleet managers, further reducing their collective carbon footprint.

I am proud to share VECV reached a critical milestone in FY 2022-23 by outperforming the market with sales revenue of ₹190,898.3 million. Furthermore, the initiatives laid out by the government such as the Production Linked Incentive (PLI) scheme will help significantly in supporting the commercial vehicle sector through paving the way for expansion and opportunity. This year, even after factoring in various financial factors such as operating costs, wages & benefits, interests, taxes, and community investments, we achieved a substantial profit of ₹25,829 million. This acts as a testament to our strong financial performance and unwavering commitment to flourishing in the industry.

In our journey towards a more sustainable future, the adoption of clean energy in our operations has played a pivotal role. I am delighted to inform you that in this financial year, we have achieved a 5% increase in renewable energy utilisation as compared to previous year. The implementation of energy conservation practices such as heat recovery system has helped significantly in saving energy. In recent years, Artificial Intelligence (AI) has undergone an unparalleled rise, creating a wide range of opportunities across various industries. Embracing this technological advancement, our company has harnessed AI's potential by creating a real time monitoring system of energy and water consumption data. Furthermore, incorporating water conservation initiatives including re-utilising RO reject water has contributed to conservation of approximately 100 KI water each day.

We strive to take proactive steps to establish a healthy and conducive working environment for our employees. These efforts include providing trainings on sustainable awareness to our employees. Simultaneously, we focus on fostering community development through partnering with NGOs for projects focusing on healthcare, education and welfare of local as well as driver community through vocational trainings.

We strongly believe that profit should be intertwined with a broader perspective on the world and the potential for positive change within it. At VECV, we have diligently put this belief into action, implementing six outreach projects in the FY 2022-23, which impacted areas ranging from road safety awareness to driver wellbeing to education for adolescents, and supporting women's health. We take immense pride in these milestones, as they underscore our commitment to advancing community welfare. Going forward, we are dedicated to upholding these principles, aiming to create a fair and equitable environment that benefits all our stakeholders.

Our growth is attributable to dedicated commitment of our employees and support of our dealers and suppliers, which serves as a constant source of inspiration and encourages us to strive for ongoing progress every year. I dedicate this report to our customers who are partnering with us on this journey of prosperity.

Best regards,

Vinod Aggarwal

MD & CEO, VE Commercial Vehicles Limited

This year, we unveiled a range of alternative fuel prototypes, building on VECV's leadership in driving modernization in bus and truck transport in India and the developing world.

ABOUT VE COMMERCIAL VEHICLES LIMITED

Since 2008, Volvo Group and Eicher Motors have been leading the way with their combined technology and talent in the commercial vehicle business, as the VECV Joint Venture. The Volvo Group comes with global expertise, leadership in product technology, well-defined processes and a brand that is respected all over the world. Eicher Motors is a leader in the Light and Medium Vehicle segment and brings to the table frugal engineering, considerable after sales infrastructure, and cost-effective operations.

The VECV company includes the complete range of Eicher branded trucks and buses, Volvo buses, exclusive distribution of Volvo Trucks in India, engine manufacturing and exports for Volvo Group, non-automotive engines and Eicher component business. A multi-brand, multi-division company, backed by innovative products & services, VECV today, is recognised as an industry leader in CV industry.

VECV offers a range of ultra-modern trucks across 4.9-55T, along with a wide range of safe and efficient buses with seating capacity of 12- 72 across light, medium, and heavy-duty applications.

Eicher Power Solutions has registered triple revenue growth in 3 years. During the last fiscal year, 20% growth in engine sales was recorded, despite a decline in the construction equipment segment.

These products in our range along with the talent we attract and the loyalty of our customers, help us build an environment, which is profitable, productive, efficient, stable, and sustainable.

As we celebrate 15 years of this Joint Venture, we look forward to sharing our achievements with our stakeholders, and together, charting our future course ahead.





Organisation Profile

In 2008, The Volvo Group and Eicher Motors came together in a 50-50 Joint Venture to establish VE Commercial Vehicles Limited, and just two years later, the Eicher Heavy Duty trucks were launched in India, redefining the commercial vehicle space in India.

For the past 15 years, VECV has been at the forefront of commercial vehicles and power solutions, procurement, and dealerships in India and on the global stage. Our combined businesses span trucks, buses, engineering components, powertrains, and power solutions, making us a leader in the automotive industry. At VECV, our aim is to continuously improve transportation efficiency in India and the developing markets through modernization, and cost reduction in logistics for goods and people leading to economic growth and productivity. We strive to produce the most technologically advanced, safe and efficient trucks and buses, and provide superior uptime and best in class after-sales support to our customers through innovative technology and network expansion. Through these processes, the Company seeks to live the brand values of responsiveness, friendliness, and transparency, across all we do. Our brand equities focus on best-in-class fuel efficiency, with features such as Fuel Coaching, M-Booster Plus, and Cruise Control. We also offer superior uptime, with GPS-enabled on-road service vans, predictive diagnostics as well as BSVI engine manufacturing facilities, robotic cabin painting, and ultra-safe school buses. We are proud of combing the best available technology with our value-driven talent pool, which comes together to make us the best in our class and in the industry.

Since then, we have gone on to launch the pro-series of trucks and buses, with the Center-ProXcellence Academy adding value to it. Since 2016, our vehicles range boasts of CNG engine technology, and have entered the 5-tonne segment category with Eicher Pro 1049.

KEY MILESTONES IN VECV'S JOURNEY



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

2008

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



2012



Vehicles with CNG engine technology launched

2016

2010



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

2013



Production starts at India's first Euro 6 commercial vehicles' engine manufacturing plant at Pithampur.

Eicher's Pro series of trucks and buses released

Addition of two new manufacturing facilities: Bus body plant at Bagdad and Gear manufacturing plant unit II at Dewas.

2017

Indigenously developed Automated Manual Transmission technology launched

Successful introduction of BSIV product range with i3EGR and SCR technology





Zero-emission fully electric buses unveiled



2018



BS-VI range with Innovative EUTECH6 solution launched

Production starts at state-of-the-art Bagroda plant built with Industry 4.0 principles of a factory

2020

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



2022

2019

Launched the first BS-VI Commercial Vehicles range



2021



Eicher establishes new standard in intercity luxury bus travel with new coach & sleeper platform

Eicher introduces My Eicher, a holistic fleet management app

OUR PRESENCE

HAR QADAM HAR WAQT

Expanding our network across India with

196

3s
DEALER

229

2s
DEALER

201

Eicher
SELECT

232

Site
SUPPORT





Our World-class Manufacturing Facilities

Pithampur Plant and Powertrain

Pithampur Plant completed 35 years of operations in the June of 2021, making it the oldest plant of VECV. It is the hub for manufacturing of trucks and buses of the Company, with a recorded highest ever annual production of 78,173 units, and with the highest ever daily figure of 373 units. The plant has a state-of-the-art vehicle and engine development centre and fatigue lab, complete with a virtual vehicle integration capability and Simulation Lab.

Driving sustainability initiatives, the plant moves into the next year with:

- Zero loss time incident across all plants
- Agility to respond field issues quickly and achieve 80% +Straight Pass with Zero defect mindset and achieve less than 20 demerit.
- Flexible manufacturing systems to meet demand beyond 90K including Export, CKD, and Non-Auto
- Transformation of current lines to produce Diesel, CNG and EVs
- Continuing Digitalisation initiatives — “Industry 4.0” and achieved “VPS (Volvo Production System) Gold”.

The Pithampur plant has been utilised to its fullest capacity with a powerful extension to it – the VE Powertrain. The VE Powertrain serves as the engine hub of VECV and has the capacity to fulfil the engine requirements of the Volvo Group, conforming to its highest global manufacturing standards. This facility achieves the best available standards not just in terms of quantity but also in quality, being awarded certificates like the Gold Certificate for Volvo Production Systems (VPS), the Integrated Management System, and is consistently a benchmark in Cleanliness Quality Index within the Volvo Group. With these measures in places, it produces powertrains in the range of 100 hp to 350 hp for diesel, and 95 hp to 280 hp for CNG. The Pithampur Plant is spread over 92 acres of land with current installed capacity of 90,000 vehicles per annum, producing over 1000 vehicles per acres.

DRIVING SUSTAINABLE MOBILITY

Bhopal-Bagroda Plant

VECV's latest and most cutting-edge facility is the Bhopal Plant, encompassing an extensive 148-acre area. This plant, initiated in 2019, is dedicated to producing VECV's Pro2000 light-duty BSVI range and stands out as a testament to technological advancement. The plant has an initial capacity of 40,000 trucks per annum, which would be scalable up to 100,000 per annum to align to future business plan volume requirements.

The plant is a "Centre of Excellence" for Pro 2000 range of trucks; it achieved the milestone of 30,000+ units within 2 years. 250+ variants including exports have been successfully migrated to Bhopal and the plant has delivered 500+ trucks to Africa and the Middle East. Equipped with Industry 4.0 and "Connected factory" concept, it ensures lean and efficient material supply following Just in Time (JIT) approach. Furthermore, the plant is working on "Going — Lean, Clean, and Green" motto, whereby a 40,000+ m² green belt is developed with 3,500 trees plantation across the facility.

The plant also takes a proactive approach to eco-friendliness by implementing initiatives such as zero discharge, water conservation measures, rainwater harvesting etc.





Baggad Plant

Our bus plant located in Baggad, Madhya Pradesh, is spread over 43 acres. With a current capacity of 20,000 buses per annum, it produces a variety of these in light, medium, and heavy-duty buses, in the range of diesel, CNG, and EV via a modern and efficient robotic paint system. This system optimised resource use and helps us achieve the highest quality, health, safety, and energy management systems. Keeping up to the standards achieved by VECV, the Baggad Plant, along with other plants of VECV is certified for Integrated Management System (IMS).

During the financial year, the plant achieved the milestone of rolling out its 35,000th bus since inception, while also achieving record time delivery of Skyline Pro-E 9m bus for CTU operations in Chandigarh. The quality impression rated no. 1 among competition with minimal Product Quality Demerit.

Dewas Plant

Our Dewas plant is spread over 30 acres, with another 16 acres worth of land available for future expansion. On this plant, we house one of India's largest gear manufacturing, crown wheel pinion, bevels, and transmission assembly facilities. Together, its capacity makes it one of the largest gear manufacturing plants in India. The Dewas plant is equipped with an exclusive New Product Development Cell which expedites new product introduction, along with an advanced and state-of-the-art transmission assembly line, which runs on MES (Manufacturing Engineering Systems). It is also certified to various systems for Quality & Environment Management. For our employees' health and safety benefits, it is certified with the TF16949:2016, ISO 14001:2015, and the OHSAS 18001:2007 certifications.

Product Portfolio

Eicher Light and Medium Duty Trucks



SUB 5 TON

The sub-5t mini truck takes the lead in the industry, with eutech6 technology, offering exceptional mileage and revolutionary level of driver comfort.

LIGHT DUTY

Eicher's light duty, ranging from 5.4 t to 11.1 t GVW, offers best in class mileage and highest payload carrying capacity through EUTECH6 technology.

MEDIUM DUTY

Eicher's medium duty trucks, featuring next-gen engine and 7 speed gearboxes, ranges from 12 t to 17.75 t GVW. This truck comes with Pro 2000 series and Pro 3000 series.

TIPPER

Eicher's LMD tippers, equipped with EUTECH6 technology, come with Pro 2000 series, suitable for all tipper applications with 2.8 Cu M to 6.5 Cu M capacity and a high-grade ability making it the most advanced series.

Eicher Heavy Duty Trucks



HAULAGE

The new range of BS VI Eicher Pro Heavy Duty rigid trucks are crafted and engineered to offer maximum product performance through the vehicle's lifespan and reduced operational costs.

TIPPER

The new Eicher Pro Range of BS-VI Tippers series is developed to create benchmark for performance, reliability and higher productivity.

TRACTOR TRAILERS

The new range of BS VI Eicher Pro Heavy Duty tractor trailers is crafted to maximise product performance through the vehicle's lifespan and reduced operational costs.

Eicher Buses



SCHOOL BUSES

The BSVI School Bus Range are engineered to be the safest school buses in the country, offering unmatched performance, fuel efficiency as well as user comfort and safety.



ROUTE PERMIT

The Routeking buses, built on strong Domex chassis and new EUTECH6 engines, are equipped with RP segment specific features and fuel-efficient engines.



STAFF BUSES

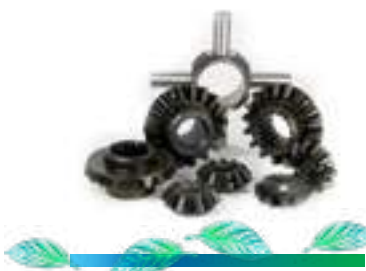
Eicher's BSVI Staff Bus range features Eicher Live, Cruise Control, M-Booster+, Fuel Coaching along with Eicher's robust new BSVI engines, offering great performance and fuel efficiency.



BUS CHASSIS

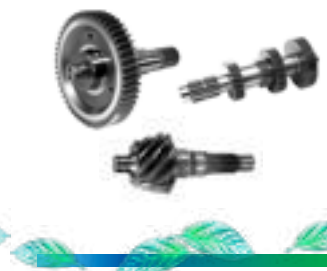
EUTECH6 Bus chassis range is equipped with features like Mbooster+, fuel coaching and new cruise control to ensure fuel efficient performance.

Eicher Engineering Components



GEARS AND SHAFTS

Perfectly designed, our gears and shafts are manufactured using superior alloy steels and the latest technology to ensure highest quality standards, making them the preferred powertrain components.



AUTOMOTIVE COMPONENTS

Automotive components best suited for all industry needs- Powertrain, Driveline, Electrical, engine, steering and fabricated components, cylinder heads, bearings and valves etc.



TRANSMISSION ASSEMBLY

The high-quality transmission assemblies are crafted to provide state-of-the-art gear manufacturing and a world-class transmission assembly set-up.



AUXILIARY AGGREGATES

The Auxiliary assemblies offers top-tier manufacturing capabilities and qualities.

DRIVING SUSTAINABLE MOBILITY

Eicher Power Solutions



Engines For Power Generation



Engines For Industrial Application



Engines With Transmission

Volvo Buses India



VOLVO 9600

Volvo Trucks India



Mining And Coal Transportation



Construction And Infra



Long Haul And Heavy Haul



Special Application

A HIGHLIGHT OF OUR ELECTRIC COMMERCIAL VEHICLES AND THEIR SPECIFICATIONS



As a leading commercial vehicles manufacturer, we at Volvo Eicher Commercial Vehicles have forged a transformative path in and for the automotive industry, a path of innovation which has continued in the realm of electric commercial vehicles (eCVs). The gradual yet smooth adoption of eCVs in India has brought about a multitude of benefits for all – manufacturers, consumers, and the government, benefits that have not only reshaped the transportation landscape but have also contributed significantly to sustainability and economic growth.

Historically, the concept of electric vehicles in India dates back several decades, but it was only in recent years that the industry witnessed a surge in interest and investments. VECV has been at the forefront of this transformation, with our pioneering initiatives in electric mobility. Our commitment to innovation and sustainable transportation solutions has led to the development of electric commercial vehicles that not only meet the evolving demands of businesses but also align with India's vision of reducing carbon emissions and achieving energy efficiency.

The benefits of eCVs in India are great. While they offer a substantial reduction in greenhouse gas emissions, making them an environmentally friendly alternative to traditional diesel—powered vehicles, India's urban centres would benefit greatly from this respite. Moreover, eCVs are highly cost-efficient in the long run, making them especially financially attractive for fleet operators. The reduced maintenance requirements, lower fuel costs, and longer lifespan of electric vehicles make them a viable choice for businesses aiming to optimize their operational budgets.

DRIVING SUSTAINABLE MOBILITY

With this in mind, VECV has been working tirelessly to provide India with the best in class when it comes to eCVs. Recently, 40 Eicher electric buses were introduced as part of Chandigarh Transport Undertaking, being launched in the premier city by the Honourable Governor of Punjab and Administrator, UT, Chandigarh. Among our other achievements, we announced the further strengthening of our relationship with Safexpress, India's largest logistics and supply chain organisation with 5.5t T electric trucks, India's first such trucks. This will underline Eicher Trucks and Buses commitment to work with customers to reduce the carbon footprint associated with transportation, aligned with the government's Net-Zero vision. Safexpress offers express distribution, 3PL, and consulting services to more than 5000 customers across the country and received from VECV the 100th Eicher truck joining its fleet during the current fiscal year. Excitingly, as part of this long-standing partnership, was the handover of India's first 5.5 T electric truck, the Eicher Pro 2055 EV to Safexpress.

In conclusion, the journey of electronic commercial vehicles in India, as seen through the lens of VECV, is one of progress and promise. The benefits of eCVs in terms of sustainability, cost-efficiency, and improved air quality are undeniable, and their future in India looks brighter than ever. As we continue to innovate and collaborate, we are confident that eCVs will play a pivotal role in reshaping India's commercial transportation sector, ensuring a cleaner, greener, and more prosperous future for all.

Pro 2049 EV



Pay Load
CC – 1754 KG
MSC – 1254 KG



HV Battery



Chiller (Battery Cooling System)
Coolong capacity: 3.5 kW

Pro 2055 EV



Pay Load
CC – 2209 KG
MSC – 1709 KG



HV Battery
Make: Octillion
No. of battery per vehicle: 2



Chiller (Battery Cooling System)
Coolong capacity: 3.5 kW



EICHER SKYLINE PRO E 9M



GVW 1
12.8 t



Range
Upto 300 km



Power
235 kW



Torque
3250 Nm



Fuel Type
Electric



Seating Capacity
32+ D



Battery Capacity
Upto 204 kWh



Vision, Mission and Values

Through modernisation and reducing logistical costs for people and goods, VECV seeks to consistently increase the effectiveness of transport in India and developing markets, thereby promoting economic growth and productivity. We seek to produce the most technologically advanced, safe and efficient trucks and buses while also offering our customers best in class after-sales service through cutting-edge technology and network growth. This is reflected in our vision and mission.



Vision

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

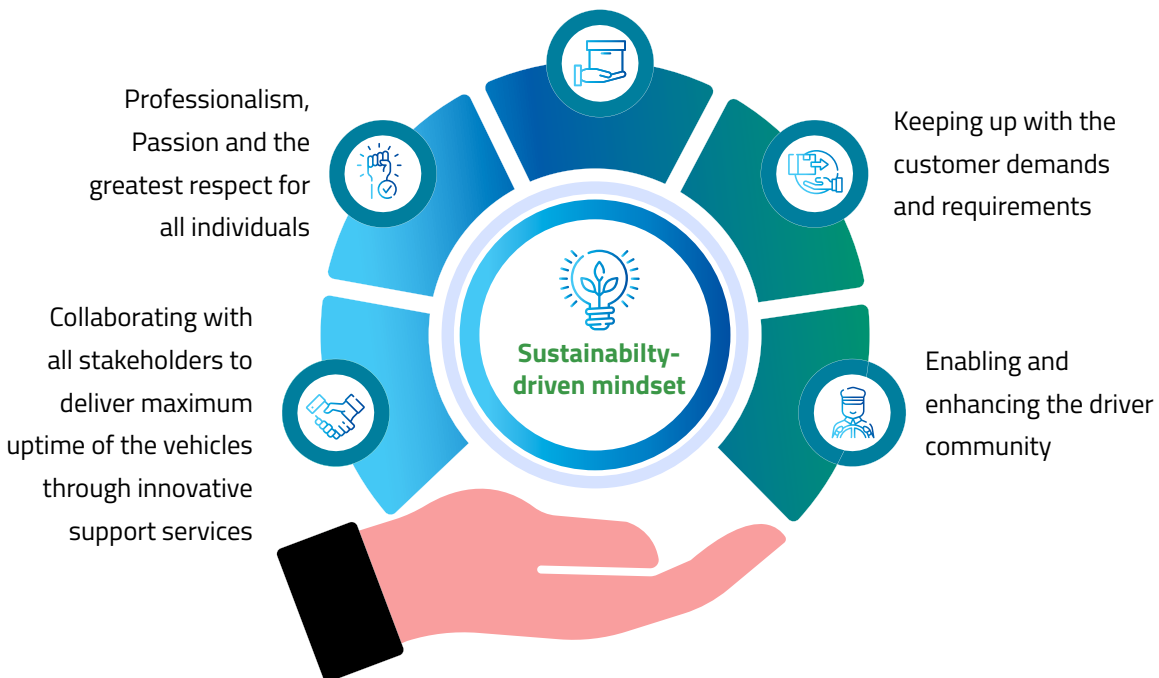


Mission

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

Our Mission

Offering safest, most durable and efficient products in the market.





Values

Our Values



Respect

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



Fair and Ethical

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



Excellence

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



Customer Centric

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



Passion

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

Significant Accomplishments



Manufacturing and Operations

- Eicher Pithampur plant delivered highest ever vehicles in a year with quality demerit scores reduced to less than 40
- Plant transformation through VPS & IoT implementation.
- Major drive initiated for Sustainability with strong focus on Safety, Health & Environment
- Bhopal facility developed into "Centre of Excellence" for Pro 2000 range of trucks; Created milestone of more than 30,000 vehicles within two years of SOP. It is enabled with "Connected factory" Industry 4.0 concept ensuring lean and efficient material supply
- Baggad Bus plant achieved significant growth by delivering more than 8,300 buses, attained milestone of 35,000th bus roll-out since inception.
- Capacity addition and superior manufacturing capabilities at EEC enabled it to do 1,800 crores of business from next fiscal year



VE Powertrain

- Delivered highest ever engines in a year 53,739 and 2,85,000+ since inception
- Delivered world class quality engines with 5-month 0 PPM and sustained less than 3 demerit
- New business area added with Penta Genset & ELB for VM truck Brazil



People and Competence building

- Reinforcement of VECV values across the organization and focus on capability building through external expert interventions
- Regular engagement with employees via Open houses and team interactions
- Focus on internal talent movement and campus hiring



Customer centricity

- Extensive service planning at 196 w/s for round the clock service support
- Brick walling 400 KAM customers having 24,000+ Eicher vehicles
- RetEx initiatives focusing on processes and higher workshop productivity
- Site Support created new benchmark by delivering best-in-class Uptime for 170+ sites, 8,400+ vehicles across segments
- Industry best uptime to Construction & Mining customers, leading in all segments; Mining, Construction and Irrigation
- Close engagement with key stake holders at site with monthly uptime sign off
- Site support extended to remotest part of the country – Ladakh, Himachal Pradesh, Arunachal Pradesh etc.



Awards and Recognition

Through modernisation and reducing logistical costs for people and goods, VECV seeks to consistently increase the effectiveness of transport in India and developing markets, thereby promoting economic growth and productivity. We seek to produce the most technologically advanced, safe and efficient trucks and buses while also offering our customers best in class after-sales service through cutting-edge technology and network growth. This is reflected in our vision and mission.



VECV won 6 prestigious awards at this year's Apollo CV awards

EEC received award from CLAAS Germany for Best Supplier in Innovation Category – this is the first ever award won by EEC in innovation category.

VECV ranked #1 in Dealer Satisfaction Survey for the second year in a row.

VEPT won an award for best response to supply chain resilience and cost optimization.

VECV won 6 awards at the Apollo CV Awards'23:

Dealer Satisfaction Survey Award

EEC Sustainability Award

VEPT National Award

Table 1 List of Awards

S. No.	Awards	Awardee
1	Seater and Sleeper Coach: Coach of the Year	Volvo 9600
2	HCV Tipper Range of the Year	Volvo FMX 460 8x4 Range
3	Special Application CV of the Year	Eicher Pro 6028T Boom Pump
4	Coach of the Year	Eicher Intercity Coach 13.5m
5	ICV Cargo Carrier of the Year	Eicher Pro 3018
6	Special Recognition	Volvo FM 420-4X2 LNG Tractor Head





COMBINING ECONOMIC PERFORMANCE WITH STRONG GOVERNANCE

Economic Value Generated

In FY 2022-23, the Indian economy's fast growth boosted the commercial vehicles industry, which saw a growth of 38% in the 3.5 ton and above category. This, coupled with increased government investments in infrastructure, robust private consumption, and strong tax revenues, has given the industry further impetus for growth.



The commercial vehicles industry grew in all aspects, with the growth trajectory of truck sales alone contributing heavily to this –

Heavy-Duty Trucks (>18.5 tons)	50.5% growth
Light-and-Medium-Duty Trucks (LMD) (5-18.5 tons)	15.7% growth

The market for buses grew too, at a 258.8%, as compared to the previous fiscal year. However, the 3.5-5 ton segment saw a decline 19.8%.

Light-and-Medium-Duty Buses	294.2% growth
Heavy-Duty Buses	168% growth

Overall, VECV achieved sales revenues of ₹190,898.3 million, through the sale of 16, 283 buses and 63, 340 trucks. This success has been guided by meticulous execution, including the comprehensive adoption of BS VI OBD II standards across our product range. The introduction of the industry's pioneering 13.5m bus as well as the Pro-2000 Lef-Hand-Drive and Right-Hand-Drive ranges in export markets has been another significant factor towards our success , along with the transformation of our Bhopal facility into a "Centre for Excellence" for Pro-2000 range of trucks, development and delivery of electric vehicles, substantial progress in emerging technologies, and the implementation of sustainability initiatives throughout all our business units.

Looking ahead to FY '24, we anticipate continued positive trends, driven by strong domestic consumption in 2023-24. The Union Budget allocates ₹10 trillion for capital expenditure and emphasises infrastructure development, aligning with the 'Atmanirbhar Baharat' vision through Production Linked Incentive (PLI) schemes, which will benefit the commercial vehicles industry. Freight demand for both long and short haul trucks is expected to rise, along with growth in the Tipper, Tractor, and Bus segments due to infrastructure development and the reopening of schools and offices. However, we remain watchful of potential risks, such as geopolitical tensions, high inflation rates, a global economic slowdown, and increasing fuel and commodity prices, necessitating careful monitoring and management. Nevertheless, we are well-prepared for growth, backed by our customer-centric approach, an expanded product portfolio, strong industrial infrastructure, improved market presence, innovative technology initiatives, and unwavering commitment to customer satisfaction. After accounting for operating costs, wages & benefits, interests, taxes, and community investments, we retained a value of ₹25, 829 million.

DRIVING SUSTAINABLE MOBILITY

The sub-section below summarizes the standalone economic performance for VECV.

Direct economic value generated and distributed (EVG&D) on an accruals basis

S. No.	Particulars	Unit (Million)	2022-23	2021-23
1	Direct economic value generated: revenues	INR	1,90,898.3	1,27,688
2	Economic value distributed:			
	a. Operating costs	INR	1,50,280.5	1,00,577.50
	b. Employee wages and benefits	INR	11,316.1	9,166.50
	c. Payments to providers of capital	INR	323.6	359.8
	d. Payments to government by country	INR	3,106.6	641.1
	e. Community investments	INR	42.9	63.2
3	Economic value retained	INR	25,828.6	16,880.40

VECV is also a recipient of financial assistance from the government. These are received by the company from various agencies in view of the economic development potential that VECV offers. The details are provided in the table below:

S. No.	Particulars	2022-2023 (₹million)
1	Financial assistance received from Government	5,280.99
	a. Tax relief and tax credits	2,017.8
	b. Financial assistance from Export Credit Agencies (ECAs)	553.7
	c. Other financial benefits received or receivable from any government for any operation	2,709.49



Board of Directors



SOFIA HELENA FRANDBERG
Chairperson -
VE Commercial Vehicles Ltd.



SIDDHARTHA LAL
Managing Director -
Eicher Motors Ltd.



VINOD AGGARWAL
MD and CEO -
VE Commercial Vehicles Ltd.



JOACHIM ROSENBERG
EVP - Volvo Group Strategic
Initiatives,
President - Volvo Energy



PHILIPPE DIVRY
SVP - Group Trucks Strategy,
AB Volvo



RAUL RAI
Director



LILA POONAWALLA
Non-Executive Director



INDER MOHAN SINGH
Independent Director

Committees

Audit Committee Members

SOFIA HELENA FRANDBERG
Chairperson

LILA POONAWALLA
Non-Executive
Woman Director

INDER MOHAN SINGH
Independent Director

Nomination And Remuneration Committee Members

SOFIA FRANDBERG
Chairperson

SIDDHARTHA LAL
Non-Executive, Director

LILA POONAWALLA
Non-Executive, Woman Director

INDER MOHAN SINGH
Independent Director

Corporate Social Responsibility Committee Members

SIDDHARTHA LAL
Chairperson

PHILIPPE DIVRY
Director

INDER MOHAN SINGH
Independent Director

Key Managerial Persons



VINOD AGGARWAL
MD and CEO - VECV



R. S. SACHDEVA
COO - EICHER TRUCKS
AND BUSES



S S GILL
EVP - INTERNATIONAL
BUSINESS AND COMPANY-
OWNED RETAIL, VECV



B SRINIVAS
EVP - PURCHASE AND
SUPPLY CHAIN, PRODUCT
STRATEGY, VECV



RAJESH MISHRA
EVP - CHIEF DIGITAL
OFFICER, VECV



ADITYA K SHRIVASTAVA
EVP - MANUFACTURING
OPERATIONS, VECV



B DINAKAR
EVP - VOLVO TRUCKS INDIA



VISHAL MATHUR
EVP- LIGHT & MEDIUM
DUTY SALES & MARKETING



RAMESH RAJAGOPALAN
EVP- CUSTOMER SERVICE,
RETAIL EXCELLENCE AND
NETWORK DEVELOPMENT



VIMAL MULCHANDANI
EVP- PRODUCT DESIGN
AND DEVELOPMENT



SACHIN AGRAWAL
EVP- TECHNOLOGY &
PRODUCT DEVELOPMENT



GAGANDEEP SINGH GANDHOK
SVP - HD TRUCKS
BUSINESS, VECV



SURESH CHETTIAR
SVP - VOLVO BUSES INDIA



**BHAGWAN
K BINDIGANAVILE**
EVP- STRATEGIC
PLANNING, BRAND AND
COMMUNICATIONS



GYANENDRA DASS
SVP - EICHER ENGINEERING
COMPONENTS



SUDEEP KUMAR DEV
SVP - CHIEF HUMAN
RESOURCES OFFICER- VECV



KEN TROLLE
EXECUTIVE VICE PRESIDENT & CFO, VECV

Corporate Policies

At VECV, our robust corporate governance structures and policies provide ethical guidance for the Company's business operations. For our everyday functioning, our Code of Conduct provides guidelines towards appropriate behaviour for management and staff. The policies mentioned below make sure that VECV and all our business affairs are conducted in accordance with all applicable legal standards and compliances in synergy with our own professional ethics. VECV aims at building a transparent and accountable system in all our functional areas. We constantly keep track of our Company's performance to ensure we grow holistically and sustainably. Our active internal compliance team ensures all pertinent regulatory obligations, including social and environmental compliances, are satisfied in our activities, some of which are stated below –

Company's Policy on Directors' Appointment and Remuneration

The Company has established a stringent policy on Directors' Appointment and Remuneration, including Standards for Determining Qualification, Positive Attributes, Independence of Director, and Other Matters, in accordance with Sections 134(3)(e) and 178(3) of the Companies Act, 2013.

CSR Policy

VECV aims to produce economic value in synergy with the growth of a sustainable society. We do so through our initiatives which engage the community and benefit the earth. Our policies and leadership guide the Company on these initiatives. The Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments thereto (hereinafter referred to as the Rules) and Section 135 of the Companies Act 2013 (hereinafter referred to as the Act) have been followed in developing VECV's Corporate Social Responsibility (CSR) policy. All CSR initiatives/programs carried out by the Company in India are in accordance with Section 135 and Schedule VII of the Act.

Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013

We have a zero-tolerance policy towards workplace sexual harassment. The policies of the Company are in adherence with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redress) Act, 2013, and the Rules made thereunder. The company is committed to giving all employees equal chances regardless of their race, caste, gender, sexual orientation, religion, skin colour, country, or handicap. This Policy applies to all women colleagues, including those who are permanent, temporary, contractual, and trainees.

Company's Accounting Policy

Accounting for all areas of production, supply, or administrative objectives, properties that are currently under construction are carried at cost, less any recognised impairment loss, and guided by our ethical and transparent accounting policy. The cost of an item of property, plant, or equipment comprises expenses directly related to its construction or purchase, as well as, for assets that qualify, borrowing costs capitalised in line with the Company's accounting policy.

DRIVING SUSTAINABLE MOBILITY

Credit Risk Management

Credit risk is the possibility that a counterparty would fail to uphold its end of a deal, costing the company money. The Company has made it a policy to exclusively work with creditworthy counterparties in order to reduce the risk of suffering financial losses as a result of defaults. Counterparty restrictions that have been evaluated and approved by the company's management regulate credit exposure.

Risk Management System

VECV has established a risk management policy, which adheres to a thorough risk management system, and has adopted a process for risk assessment and risk mitigation. It makes sure that all risks are promptly identified and managed in line with the Risk Management Process, including the identification of any risk aspects that, in the Board's judgement, may pose a danger to the Company's viability. Cyber-attacks are also increasingly becoming common, affecting businesses' ability to deliver products and services. We are cognizant of cybersecurity risks and so far in this regard, we have not had a formal complaint registered on customer data privacy. No theft or loss of data has been reported.

Whistle Blower Policy

The Company has developed a Whistle Blower Policy and created a Vigil Mechanism for Directors and staff of the Company in accordance with the requirements of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014. The vigil mechanism makes provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases to report concerns about unethical behaviour, actual or suspected fraud, or violations of the company's code of conduct. It also offers adequate safeguards against victimisation of those who use the mechanism. This policy strives to give directors, workers, vendors, and dealers a channel for reporting any wrongdoing inside the organisation and the certainty that they would be shielded from persecution or retaliation for blowing the whistle. We communicate our anti-corruption policy policies and procedures to all our governance bodies, KMP, staff as well as business partners. VECV takes a serious stance on issues of corruption. All our manufacturing sites have been assessed for risks related to corruption.

Anti-Bribery-&-Corruption Policy

VECV has rules on anti-bribery and corruption in our Code of Conduct and Ethics and Compliance Manual. Both are available publicly online. Contractors and consultants are also required to act consistently with our Code of Conduct when acting on our behalf. At VECV, we conduct our business with honesty, integrity and in compliance with all applicable legal and regulatory requirements. Keeping this in mind, the employee code of conduct has been formulated to lay down the fundamental standards to be followed by all VECV employees. The Code is what we stand for and what we expect from all our employees, associates, and representatives.



Code of Conduct Policy

Every aspect of our manufacturing, products, and services is scrutinised to ensure that no incidents of illegalities, corruption, or bribery takes place. Our Code of Conduct goes over the following aspects thoroughly:



Products & Services and Advertising Laws

We are committed to supplying products and services of world-class quality that meet all applicable standards, which comply with applicable laws, including product packaging, labelling and after-sales service obligations. Our products and services are marketed on their own merits and not make unfair or misleading statements about the products and services of our competitors. Additionally, there were no incidents of non-compliance, concerning marketing communication, which includes sponsorship, promotions, and advertising, with regard to product/service information and labelling.



Dealings with customers

VECV takes every measure to ensure that our dealings with our customers are professional, fair and transparent. We respect our customers' right to privacy in relation to their personal data and safeguard their personal data, in accordance with every applicable law. Our data protection policy offers more insights into how we protect our customers' privacy.



Fair Competition

VECV supports the development and operation of competitive open markets and the liberalisation of trade and investment in each country and market in which we operate. We do not enter into any activity constituting anti-competitive behaviour such as abuse of market dominance, collusion, participation in cartels or inappropriate exchange of information with competitors, including exchange of information on future prices, sales, volumes, dealer discounts/margins, price fixing-discounts/ profit margin/credit terms/changes, strategies, investment plans, customer information sharing, restriction or control of production or supply, bid rigging, resale price maintenance, warranty, after sales services and sale of spare parts, rebates and incentives, predatory pricing etc. We collect competitive information only in the normal course of business and obtain the same through legally permitted sources and means.



Our Value Chain Partners

VECV takes pride in selecting our suppliers and service providers fairly and transparently. We always seek to work with suppliers and service providers who can demonstrate that they share similar values. Our suppliers and service providers represent our company only with duly authorised written permission from the Company. They are expected to abide by the Code in their interactions with, and on behalf of us, including respecting the confidentiality of information shared with them. The Company always ensures that any gifts or hospitality received from, or given to, our suppliers or service providers comply with our gifts and hospitality policy. We respect our obligations on the use of third-party intellectual property and data.



Data Responsibility

VECV strives to function with utmost transparency towards all its stakeholders. We take accountability for our customer’s safety, both on the road and digitally. For this, we have strict data protection policies in place. VECV has not received any complaint of customer data breach and no leaks of customer data has been detected, nor any complaint received against the same. We have not registered any identified leaks, thefts, or losses of customer data. Our strict methods of monitoring We have not registered any identified leaks, thefts, or losses of customer data.





Our Stakeholders

We are committed to enhancing shareholder value and complying with laws and regulations that govern shareholder rights. VECV informs our financial stakeholders about relevant aspects of our business in a fair, accurate and timely manner and in accordance with applicable laws and agreements. We keep accurate records of our activities and adhere to disclosure standards in accordance with applicable law and industry standards.



Government Engagement

VECV seeks to promote good governance in our engagements with governments and regulators. We do not impede, obstruct, or improperly influence the conclusions of, or affect the integrity or availability of data or documents for any government review or investigation.



SUSTAINABILITY AT VECV

As has been demonstrated in the report, VECV takes its role in protecting the environment and communities in which we exist seriously, and we work on achieving the highest levels of sustainability in all our practice areas. We follow all applicable laws and regulations, and our own Code of Conduct ensures we hold ourselves and our representatives to the highest standards.



We have mapped out our areas of impact via and towards all our stakeholders through our materiality assessment and understand our role in engaging all our stakeholders so that we may make choices that are beneficial to all. We follow a robust method of sustainable practice and assessment as can be seen in our 'three pillars of sustainability' in the following section.

Our responsibility in policy and practice in managing the resources we use and the waste and emissions we generate can also be viewed in the following section, including the work we do in counteracting our impact on the earth, air, and water. VECV believes in not just counteracting, but also delivering positive impact, and we employ many ways of doing so across all areas of impact, both within and outside the organisation. A holistically sustainable organisation ensures an environment where its key workers lead a sustainable life, which is why VECV takes care of our drivers' health and happiness through many initiatives. Initiatives are also in place to ensure employee welfare, as well as the health and safety of our workforce, which are led by a policy of diversity, inclusion, and non-discrimination at the workplace. Our suppliers and dealers form a strong part of our presence as well, and therefore our relationship with them should be one of positive exchange and free of any unfair practices. You can read more about it in the 'sustainability in dealerships' section.

Finally, all of these policies and practices are shaped, sustained, and governed by our Board of Directors and our Committees, each of whom follow excellence in ethics and economic value. We hope you get an insight into how VECV functions sustainably both its in everyday operations as well as towards our larger vision and goals through this Report.

Materiality Assessment

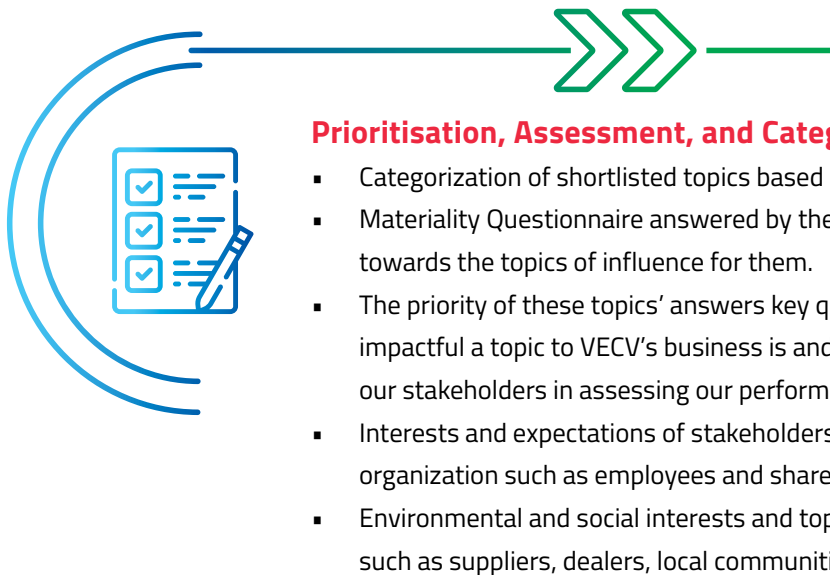
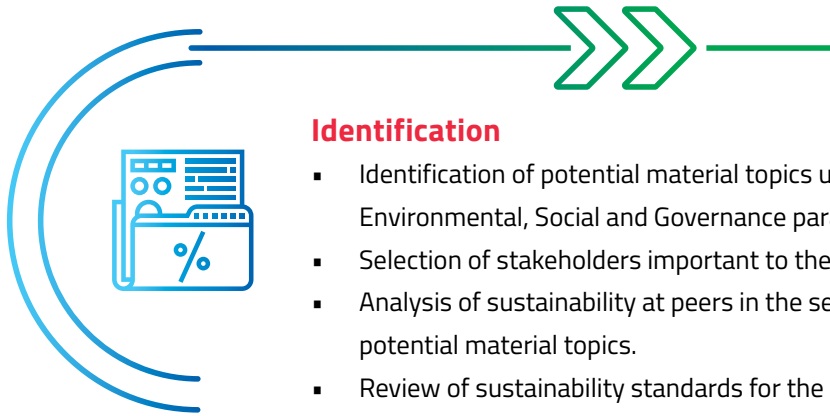
We started our journey with materiality assessment in the financial year of 2021-22. We have followed a stringent method of evaluation and assessment from the time of our inception and have only continued to evolve since then. We operate on the strong foundation laid by the first assessment, which happened in consultation with various stakeholders - taking care of our impact both within and outside the organisation. As with everything else, we at VECV have followed only the best global standards for evaluation and study. For us, this has been the Global Reporting Initiative (GRI), according to which, materiality is the principle that determines which relevant topics are sufficiently important that it is essential to report on them.

In the evaluation of identified material topics, we conducted a thorough impact assessment. This entails a detailed examination of both present and potential effects, considering aspects such as environmental footprint, social ramifications, financial implications, and regulatory liabilities. Subsequently, the prioritization of material topics is determined based on the magnitude of their impacts and the degree of concern voiced by stakeholders.

At our organisation, we follow, above all, the core tenet of respecting all our and taking into account how our business processes affect us all. This philosophy, coupled with our technological innovation capacities, propels us to challenge ourselves constantly and develop new standards that go on to become the industry norm. This in turn fosters a strong sense of pride and innovation within our team, and loyalty from our customers and communities.



DRIVING SUSTAINABLE MOBILITY

Process followed for materiality assessment.








According to the above, we have defined our material topics considering the following:

Description of the Materiality Topics



Material Topic	Significance of the Material Topic	Impact Boundary	SDG Alignment
Climate Change and GHG emissions	<p>We understand our unique position when it comes to emissions. Mapping our materiality has helped us assess it not only as a challenge but as an opportunity as well. The sectors within which we operate are responsible for 13.5 per cent of India's energy-related CO2 emissions, with road transport alone accounting for about 90 percent of these emissions. We have been working actively to ensure that our path forward is one of sustainability and creating value for communities, the earth, and the economy. Our sustainable mobility initiatives are one such path, and we speak more about it under Product Innovation.</p>	Within the organisation	
Corporate Social Responsibility	<p>As a leader not just in our own sector, but within the larger economic space, VECV realises its responsibility towards the communities within which we operate, and we strive to achieve long-term stakeholder value creation in a holistic and sustainable manner. One of the ways in which we do this is by empowering our commercial vehicle drivers and technicians, which leads to development of a skilled and healthy workforce. This in turn improves the productivity of the workforce and strengthens stakeholder relationships. The brand image of the Company is in high standing because of these initiatives which take into account all of our stakeholders.</p>	Within and outside the organisation	

DRIVING SUSTAINABLE MOBILITY





Material Topic	Significance of the Material Topic	Impact Boundary	SDG Alignment
Anti-Bribery- &-Corruption	At VECV, transparency is at the heart of all we do. Whether it is the safety of our car engines, or the ethics we follow, we are committed to a safe and fair environment. We manage all present and potential risks and opportunities related to the business in which we operate with this tenet, which include fraud, corruption, bribery and facilitation payments, fiduciary responsibilities, and other behaviours that may have ethical implications for any player in the automobile industry to thrive as business and brand among its customers and stakeholders. We create positive impact by enhancing customer trust, encouraging supplier transparency, attracting investment, and improving employee morale.	Within and outside the organisation	
Customer Relationship and Satisfaction	VECV's brand strategy and vision are also reflected in its dealerships and distribution channels. We work towards promote high levels of customer satisfaction and retention, both during sales and services, during all our processes. We work on building these customer relationships and focusing on customer satisfaction knowing that these can in turn reduce costs associated with customer complaints and increased sales and market share. We thrive with the knowledge that improved overall customer experience has increased our business opportunities and built stronger relationships for some of our most important stakeholders, our customers.	Within and outside the organisation	

Material Topic	Significance of the Material Topic	Impact Boundary	SDG Alignment
Economic Performance	The Indian automotive industry is targeting to enhance its vehicle exports by five times before 2026, and VECV is proud to play its role in this vision. With this opportunity before us, it is crucial for VECV to focus on improving its economic performance by boosting its operations, products, and services. Our revenue projections, production and supply chain processes, investments, and future plans are determined by this vision, and with this, we look forward to charting even greater paths of success than before.	Within the organisation	
Employment	A company thrives on its talent driving innovation and customer satisfaction. VECV's commitment to managing our vast pool of talent has had a positive impact on the productivity, efficiency, and profitability of the Company. By investing in talent management processes, we have attracted new talent and reduced employee turnover and associated costs, while leading with our scores in innovation and customer loyalty.	Within the organisation	
Gender Diversity	Inclusivity and diversity in the workforce lead to change, innovation, and newer perspectives and ideas. Especially in the automobile industry, there is a growing need for gender diversity. We foster a diverse and inclusive workforce through the company's culture, hiring, and promotion practices -which lead to attracting top talent across the field. Gender equality in the workforce can help attract and retain top talent along with improving the company's reputation.	Within the organisation	



DRIVING SUSTAINABLE MOBILITY



Material Topic	Significance of the Material Topic	Impact Boundary	SDG Alignment
Labor management relationship (Freedom of association & collective bargaining)	A profitable company thrives on a healthy work environment. Best labour practices at the workplace ensure productivity by encouraging wellbeing of the labour force. Protecting the rights and interests of workers and management is crucial for establishing best standards of labour practices. Managing labour relationships can enhance productivity, efficiency, and job satisfaction for workers, and thus contribute to the growth of the company.	Within the organisation	
Occupational Health and Safety	A robust workforce drives the profits for a company. Ensuring the health and safety of this workforce requires the implementation of systems and processes to assess and control the risks of operating in the company, and the industry as a whole. Identifying and mitigating the hazards present and implementing associated measures are a crucial aspect of a safe and value-driven company. These measures go beyond compliance to achieve improvements in operations and learning. As a result, improved productivity and reduced costs associated with workplace accidents and injuries are the other benefits that can accrue to the Company, leading to greater value all around.	Within the organisation	



Material Topic	Significance of the Material Topic	Impact Boundary	SDG Alignment
Product Innovation and Sustainable Mobility	Product innovation that is led by sustainability is the need of the hour in the automotive industry. The industry calls for more research on alternative fuel and electric mobility solutions. Heeding that call, VECV focuses on ensuring safer roads through safer vehicles – both for the passengers and the environment. The Company's innovation efforts are focused on achieving better social and environmental outcomes while offering customers the cutting-edge technology in the vehicles they travel in.	Within the organisation	
Product Safety	Through product safety, VECV focuses on ensuring that its vehicles minimize the occurrence and consequences of accidents. The Company also realizes that safety and quality represent a key success factor in automotive industry. Product liability poses a serious risk, and we continually assess processes in production that may have impact on the safety of our products.	Within the organisation	 
Recycled material	Product design and management of manufacturing processes, including end-of-life management, is a crucial aspect of sustainability, though the responsible use of materials, such as by using recycled and renewable materials, reducing the use of key materials (dematerialisation), maximising resource efficiency in manufacturing, and making R&D investments in alternate materials. This improves environmental performance, increases profits, drives loyalty, and creates innovation. Material sourcing, processing and use should be socially equitable, thus creating profitability for all in the long term.	Within the organisation	

DRIVING SUSTAINABLE MOBILITY

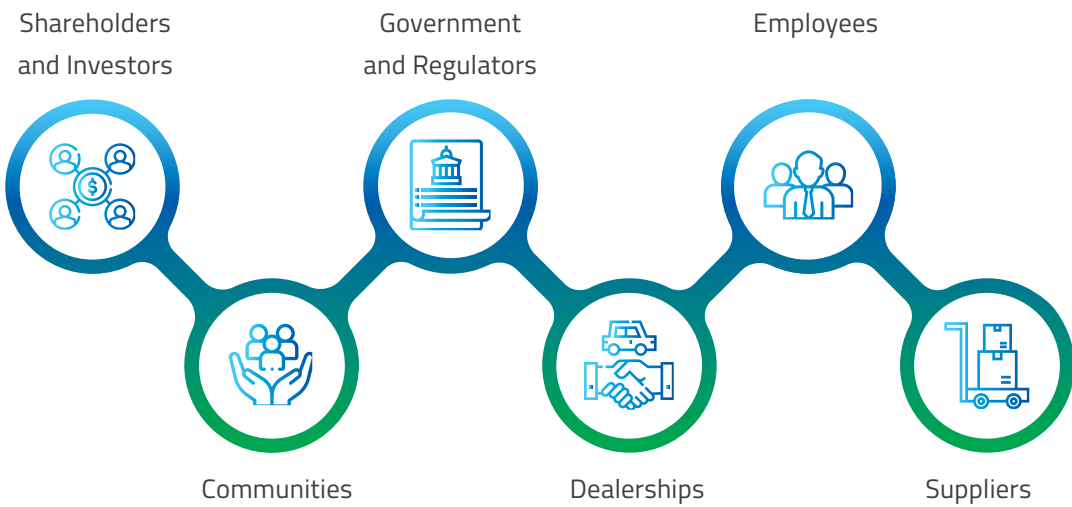
Material Topic	Significance of the Material Topic	Impact Boundary	SDG Alignment
Resource optimization and operational eco-efficiency	Managing resources and inventory of all nature and at all stages creates an effective mechanism. This helps reduce the Company’s environmental impact and enhances its long- term sustainability and cost reduction. Optimisation of resources along with operational eco-efficiency lead to cost savings, improved environmental performance, and enhanced operational efficiency. Growing global demand from other sectors can result in increased competition and cost for materials, resulting in supply risks and price hikes, which can be managed by resource optimisation.	Within the organisation	
Sustainable supply chain and sourcing	Reducing waste starts with sustainable sourcing. Part of this sustainability is local sourcing, technology partnerships, digital solutions, integration, and adopting socially responsible practices such as supplier relationship management, all of which can potentially enhance the profitability of the business. For the automotive industry, this is an important step, as a significant bulk of the environmental impact comes from the supply chain which can be energy-intensive, especially in the production and transportation stages, as goods are made and moved around the globe. Another aspect of a supply chains are the labour forces involved and the human rights issues that come into force.	Within and outside the organisation	

Material Topic	Significance of the Material Topic	Impact Boundary	SDG Alignment
Training and Education	A trained and educated workforce improves efficiency. VECV strives to continually improve and increase our talent pools to meet our growing needs as industry leader. Proper talent management processes also ensure that manpower requirements are met with requisite competency and skills keeping the budget and timelines in mind.	Within the organisation	
Waste Management	Waste management encompasses all aspects of handling, storage, disposal and compliance with regulations when it comes to waste generated, whether as a by-product or at the end of the manufacturing process. To minimise waste generation itself, innovative techniques and technologies are employed, while recycling materials and optimising production processes help with sustainability. These also help with cost savings. Keeping up with regulatory compliance promotes a positive brand image.	Within the organisation	

Stakeholder Engagement

Stakeholder engagement, being a crucial component of our business, enables us to stay informed about the needs and obstacles encountered by various groups. Stakeholder engagement provides a space for productive collaboration and intermingling of ideas for them and the business at large. Furthermore, these regular interactions play a crucial role in maintaining fairness and transparency in our operations.

List of VECV Stakeholders



Below, we've outlined the various stakeholder categories and the engagement modes for each of them.

Stakeholder Groups and Engagement mode

Engagement Channels	Stakeholder Group	Key topics and concerns
<ul style="list-style-type: none"> ▪ Press releases and publications ▪ Investor meets ▪ Meetings 	Shareholders and Investors	<ul style="list-style-type: none"> ▪ Financial performance ▪ Future projects and approach ▪ ESG concerns and approach
<ul style="list-style-type: none"> ▪ Local area development ▪ Press releases and publications 	Communities	<ul style="list-style-type: none"> ▪ Well-Being of Drivers ▪ Education ▪ Healthcare ▪ Vocational Training
<ul style="list-style-type: none"> ▪ Compliance reports ▪ Onsite inspections ▪ Meetings 	Government and Regulators	<ul style="list-style-type: none"> ▪ Road Safety and Pollution Control ▪ Sustainable Transportation
<ul style="list-style-type: none"> ▪ Formal and informal engagements through conferences and seminars 	Dealerships	<ul style="list-style-type: none"> ▪ Business sales ▪ Customer feedback
<ul style="list-style-type: none"> ▪ Awareness training ▪ Performance appraisals ▪ Annual employee satisfaction survey ▪ Grievance redressal mechanism 	Employees	<ul style="list-style-type: none"> ▪ Occupational health and safety ▪ Rewards and recognition ▪ Personal development and growth ▪ Empowering work environment
<ul style="list-style-type: none"> ▪ Technology sharing ▪ Feedback Reviews ▪ Supplier Conferences 	Suppliers	<ul style="list-style-type: none"> ▪ Quality Delivery Cost Features (QDCF) ▪ Volume Control ▪ Customer Feedback ▪ Development Technology

Our Sustainability Framework: The Three Pillars

Our commitment towards a better planet and a future with shared responsibilities begins with self-assessment and evaluation. As a leading company in the Commercial Vehicles segment, we understand that our impact is enhanced by our standing, and, therefore, we must also be a leader in taking initiatives to mitigate the impact the automotive industry makes, both within and outside the organisation. We take a holistic view of sustainability, ensuring that the idea of sustainability trickles down to the last units in our value chain and touches upon every aspect of our production. To ensure better evaluation and systematic assessment, we have adopted a sustainability framework on the lines of E, S and G (Environment, Social, and Governance) which aided us in taking the right measures across our key material issues that we systemise under the following:



Environmental

- Climate Change & GHG Emissions
- Energy Management
- Recycled material
- Resource optimization and operational eco-efficiency
- Sustainable supply chain and sourcing
- Waste Management
- Water Management



Social

- Corporate Social Responsibility
- Gender Diversity
- Labor management relationship (Freedom of association & collective bargaining)
- Training and Education
- Product Safety
- Occupational Health and Safety



Governance

- Customer Relationships and Satisfaction
- Anti-Bribery-&-Corruption
- Economic Performance
- Employment
- Product Innovation and Sustainable Mobility

As demonstrated above, the main topics and challenges for a sector are selected by identifying the risks, challenges, and opportunities, while also keeping in mind the future of the industry, and competitiveness by peers and competitors through peer analysis. Stakeholders form an important part of this assessment and factor in at each stage. Consequently, our material topics have been selected and prioritised based on the influence they have on our stakeholders, and the potential impact these have on the business including its future and its competition.

VECV revisited this evaluation and ensured that the steps that have so far enabled us to target our Environmental, Social and Governance goals are followed, and our 2022-23 targets met. VECV expects that our materiality assessment will shape our long-term sustainability plan and the way we conduct our sustainability reporting, thus helping us leverage the opportunities and mitigate any potential risks effectively.



BUILDING A GREENER WORLD

The idea of sustainable future is not just a goal in today's rapidly changing world, it is also a collective responsibility that transcends industry boundaries. As an automobile company, we are cognizant of the profound impact we have on the environment, and we are at the forefront of a transformative journey to create a greener future. In this endeavour, we are driven by innovation, steered by sustainable practices and powered by a vision of a sustainable planet.



In this section, we emphasize our commitment to manufacturing excellence and demonstrate our environmentally responsible practices inspired by the VECV Production System that enables us to minimize our environmental footprint through resource optimisation.

Key highlights of FY 2022-23



7,42,655.9 GJ

Total Energy Consumption



5%

Increased Renewable
Energy Usage



87,003.42 tonCO₂e

Scope 1 and 2 Emissions



8,38,237 KL

Total Water Consumption



6,000

Trees Planted at
plant locations



250+

Employees trained on
sustainability awareness



Managing Emissions

VECV has taken a leading role in tackling key sustainability issues such as climate change through product innovation. Utilising EURO VI technology to introduce products with high fuel efficiency and reliable engine technology helps us in contributing to environmental sustainability, while achieving operational growth. Such practices align with our aim to reduce greenhouse gas emissions.

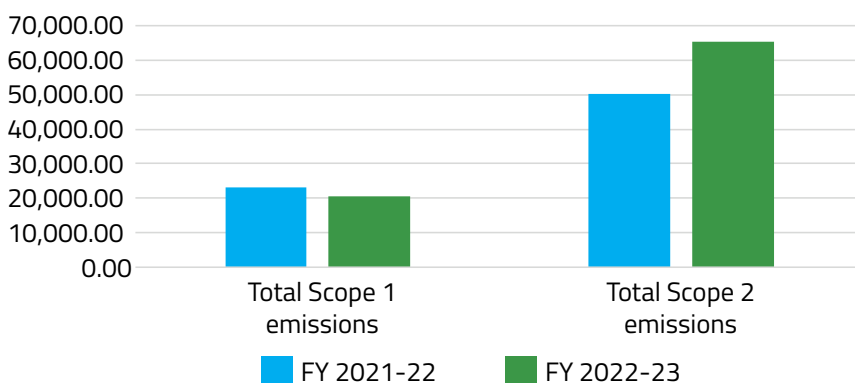
We are actively engaged in formulating an emission reduction strategy that will take into account emissions throughout our value chain and report under Scope 1, 2 and 3. At present, VECV uses 83,996.4 GJ of renewable energy, out of which 60,847.3 GJ is from solar plants and 23,149.1 GJ from mini hydel plant. As an initial step towards reaching our objective of boosting the adoption of renewable energy, we have raised our utilisation of renewable energy by 5% as compared to previous year. Furthermore, as part of our ongoing commitment to shift towards greener energy source of LNG in paint shops, we have successfully reduced LNG usage by 30% as compared to previous year.

Currently, our emphasis is towards our direct emissions i.e., Scope 1 and indirect emissions i.e., Scope 2 from six manufacturing plants in India. Scope 1 and 2 emissions pertain to our production plants, engineering centres, and offices that fall under our management and control. Comprehensive data collection and calculations have been undertaken to quantify GHG emissions in CO₂-equivalents as per the Greenhouse Gas (GHG) Protocol.

Particulars	Unit	FY 2021-22	FY 2022-23
Total Scope 1 emissions	tCO ₂ e	23,089.21	20,376.01
Total Scope 2 emissions	tCO ₂ e	50,381.17	66,627.41

By continuously striving to enhance energy efficiency within our operations, we achieved a significant reduction of 12% in our scope 1 emissions through reducing non-renewable fuel usage, contributing to our efforts to curb direct emissions. Furthermore, our scope 2 emissions have increased by 32% as compared to last year due to increased grid power consumption.

Scope 1 & 2 Emissions



Additionally, we have outlined our significant air emissions generated by our manufacturing operations below:

Particulars	Unit	FY 2022-23
NOx	Kg	938459
Sox	Kg	7645
Particulate matter (PM)	Kg	18212

Energy Management

At VECV, we are aware of the critical role of energy in our manufacturing operations and is committed to achieving energy sustainability. Across all our facilities and offices, we implement robust energy conservation measures through resilient energy operations. We adhere to energy compliance standards, maintain an energy management system that has ISO 50001 accreditation and employ energy-efficient machinery. Our product designs places an emphasis on optimising performance while minimising energy use. In addition, we are dedicated to advancing the use of renewable energy sources and have achieved 5% increase in renewable energy utilisation as compared to previous year.

Energy Consumption

At VECV, our goal is to constantly enhance our energy efficiency. For effective energy management within our operations, we place a strong focus on the principles of 3 Rs- Reduce, Reuse and Recycle. This approach is crucial to ensure that neither conventional nor renewable energy is wasted and that both material and financial resources are used to their full potential. Our facilities are equipped with multiple mechanisms to facilitate energy recycling and monitor the same efficiently.

This year, as a commitment to transition towards renewable energy sources, we have achieved approximately 10% increase in hydel power usage and 4% increase in solar power usage as compared to FY 2021-22. Furthermore, our direct energy consumption, associated with non-renewable fuel usage has reduced by 14%.

Energy Conservation Practices

	<p>Energy Saving</p>	<ul style="list-style-type: none"> ▪ Replacement of conventional lights with 500 LED light
	<p>Air Source Heat Pump</p>	<ul style="list-style-type: none"> ▪ Pretreatment System heating ▪ Air source to Water Heat exchange ▪ 40% Energy Saving
	<p>Renewable Energy Consumption</p>	<ul style="list-style-type: none"> ▪ Solar plants of 1 MW at EEC Dewas & 90 KW at ETB plant & Bus plant. ▪ 5 MW roof top solar plant under approval

Case Study 1

Compressor Heat Recovery



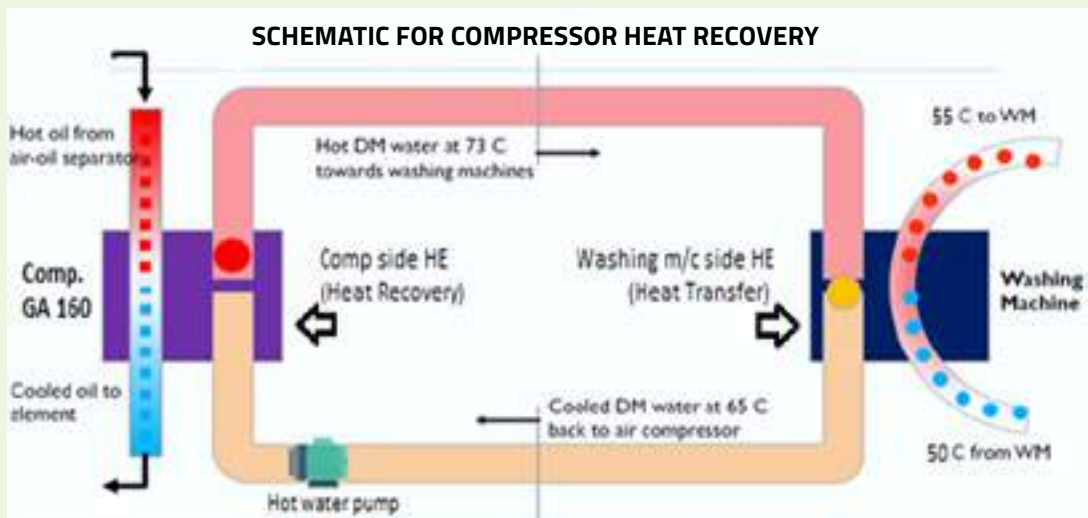
Action

- Compressor oil heat, initially released into the environment, is transferred through a heat exchanger utilizing water as a medium.
- Subsequently, at the load end, this thermal energy is once again exchanged with the process liquid.



Impact

302 mwh power saved annually



Installed Compressor Heat Recovery System



Case Study 2

Implementation of Fuel Drain System



Problem

Unwanted fuel wastage in every engine which led to high consumption of fuel and increased the overall cost of an engine



Action

- Implemented in-house fuel drainage system to save cost
- Minimization of test-bed times due to high levels of reliability and long maintenance intervals
- Through Air purging fuel drain pump, the fuel present in intake line after engine testing is dumped in the storage tank

Subsequent to engine testing, some amount of fuel is present in engine and intake line

Through Air purging fuel drain pump, the fuel is dumped in the storage tank

In 90 seconds, fuel gets drained into the fuel tank.



Impact

- Approx. 2 Lakh INR cost saved
- Approx. 0.5L/Engine fuel wastage avoided



Fuel Drainage System

Case Study 3

Touchless Lighting System



Problem

Wastage of power at isolated areas like conference room, shop, office toilets, etc. and during tea and lunch hours



Action

- Installed touchless lighting system operated through motion sensors



Impact

- Increased energy saving
- Reduced power cost in each head
- Approximately 3 Lakhs INR saved per annum

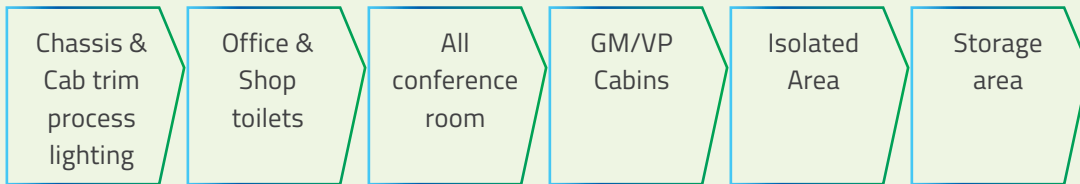


Motion Sensor

Features of Motion Sensor:



Area Covered in Bhopal Plant:



Sensor installed at Chassis Shop



Sensor installed at Cab trim Shop



Sensor installed at Office Toilets



Case Study 4

Centralized compressed air system



Problem

- Zone wise compressed air system led to high cost of power consumption due to high system diversity/unloading hours and high maintenance cost
- Only zone wise backup machine available



Action

- Installed centralised compressed air system



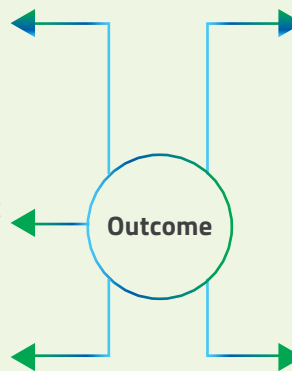
Impact

Benefits of Centralised Compressed Air System

Higher flexibility in system

Schedule maintenance cost saved

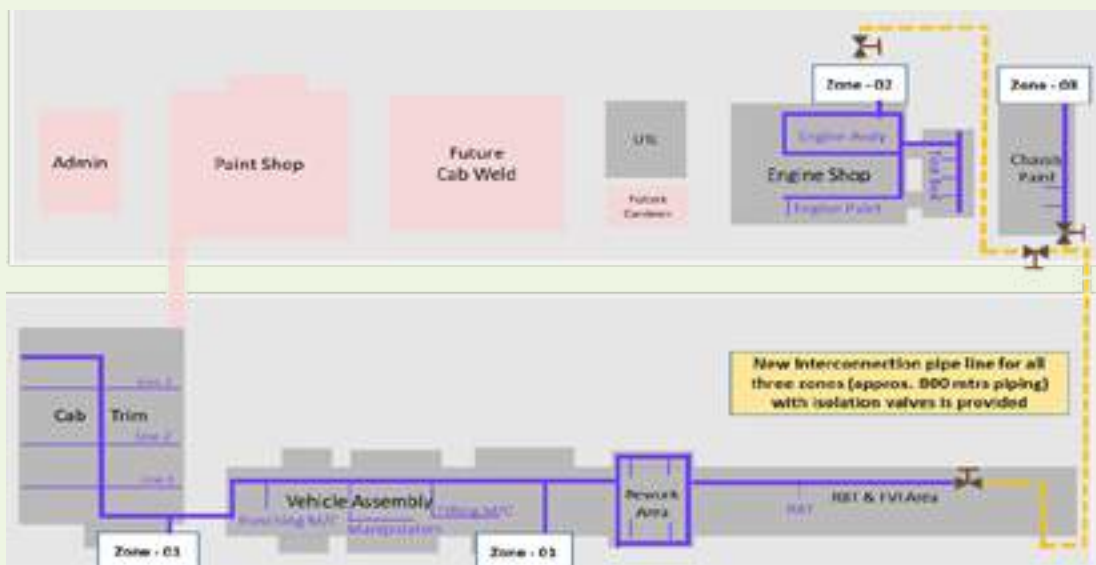
Lower running hours by saving unloading hours



Approx. 1.1 MINR annual Power Cost saved by capacity sharing and reducing unloading hours

Higher number of standby machines due to common air network.

Common Compressed air supply (Centralized System) layout



Case Study 5

Energy Management through online data and AI at Bhopal Plant



Problem

Energy Management data currently recorded manually and compiled in excel sheet and monthly daily/MIS circulated



Action

- Deployed plant level customised online data and automated reporting as well as dashboard monitoring
- Real time monitoring with per vehicle consumption and alerts



Impact

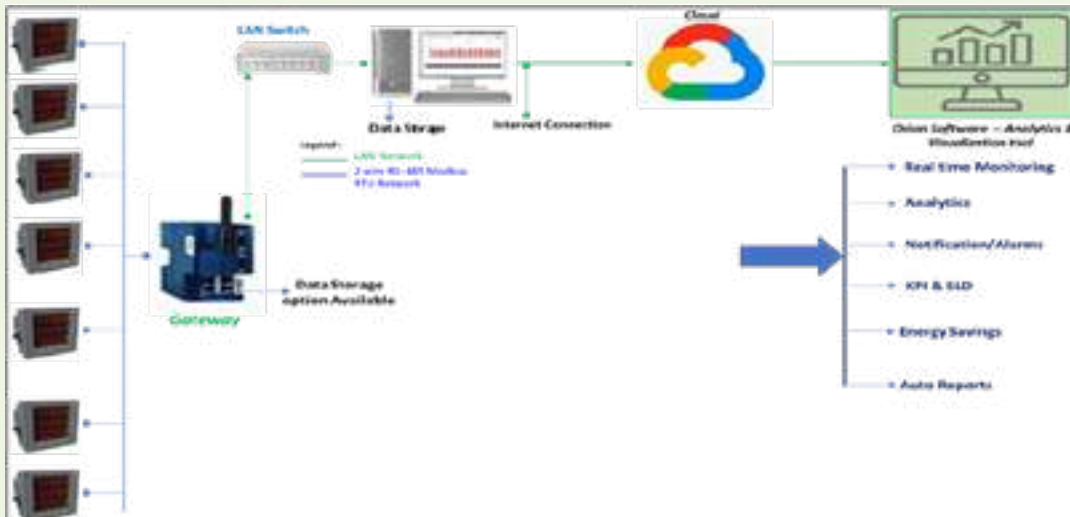
Features

- 166 energy meters capturing 7 parameter: kWh, PF, V, A, Hz, Kw, MD
- 4648 data tags per minute
- Sampling time: 15 sec. (programmable)
- Communication break alert
- Data Redundancy for network failure
- Data over cloud

Benefits

- Based on current utilization, 10% optimization potential in energy cost validated with regression method of 3 months data.
- Green field plant gets additional load every month. Alert of Max Demand will safeguard against penalty.
- Unbalanced load distribution will be visible.
- As per weather condition we may get alert of cooling load to optimize.
- Approx 50K INR savings /Month

Proposed Architecture for real time monitoring of Energy data



Case Study 6

Heat Recovery for FLUE Gas Exhaust



Action

- Installed a Vacuumed Tube type heat exchanger to capture exhaust heat.
- Utilized the recovered heat to fuel the fresh burner at Ovens, promoting energy efficiency



Impact

INR 56 Lakh LNG cost saved annually

Case Study 7

Energy management initiatives through IoT at ETB Plant



Action

- Conducted an energy audit to map losses in the selected Machine Shop-1.
- Initiated a pilot project to implement smart measurement for air consumption, a first-time deployment across VECV



Outcome

- Real-time air consumption data monitoring accessible over desktop.
- Daily email reports and alerts for consumption overshoot.
- Achieved an annual savings of INR 2.9 lakh per annum against an investment of INR 3.2 lakh per annum in a single-shift operation.



Action

- Enabled IoT compatibility for devices in Machine Shop-2.
- Initiated cost-effective data capturing over the cloud with a low investment.
- Currently, 5 machines and 3 supply points provide live data accessible over the web.



Outcome

- Annual energy saving of INR 1.5 lakh per annum through automated data recording.
- Customized notifications implemented for abnormal power consumption or max demand increase.
- Predictive analysis on trends for voltage surges and electronic failures

Case Study 8

Energy management through Interlocking at ETB Plant



Action

- Implemented a Hot Water Generator control system in Rodip and PT entry.
- The system halts upon the last cabin entry, regardless of cabin availability in the PT Tunnel and PT running command.



Outcome

- Implemented a Hot Water Generator control system in Rodip and PT entry.
- The system halts upon the last cabin entry, regardless of cabin availability in the PT Tunnel and PT running command.



Action

- Ovens' cooling zones exhaust and supply fans operate exclusively in the presence of a cabin for cooling.
- If the cabin is unavailable or the LCV cowl is at the booth entry, the booth supply and exhaust fan frequencies will be reduced by 30%



Outcome

- Power saving of INR 3.2 Lakh per annum by oven cooling fan interlocking with cabin
- Power saving of INR 2.9 Lakh per annum by Booth supply and reduced exhaust fan frequency through interlocking with cabin



Action

- 14 no's Mazak operation upgraded and idle running eliminated using timer circuit



Outcome

- In-house automation and hand shaking communication through PLC and timer.
- Saving of power INR 1.8 Lakh per annum with investment of INR 5000 for timer installation.



Action

- Engine Line Paint Booth Exhaust Nordson Blower operates at 100% speed during conveyor run and idle time.
- In the absence of conveyor activity for 10 minutes, the booth process optimizes and blower speed reduced to 50%.



Outcome

- In-house automation and hand shaking communication through PLC logic modification and interlocking with Multispeed selection on VFD.
- Power saving by optimizing fan interlocking with cabin INR 5.9 Lakh per annum.



Case Study 9

Energy management initiatives at ETB Plant



Action

- Integrated PLC logic enables seamless interlocking of exhaust fan and sealer oven entry canopy.
- Automatic On/Off switching of the blower is synchronized with the opening and closing of the sealer oven entry door



Outcome

- Power saving of 41 KWH per shift



Action

- Implemented a timer circuit in the machine shop for optimal operation of the spiral conveyor.



Outcome

- Power saving of 74 KWH per day



Action

- Configured VFD drive for multi-speed operation.
- Modified PLC logic for synchronization with idle time, enhancing efficiency.
- Established hard wiring between PLC and VFD drive to enable speed reduction.



Outcome

- Recurring Power saving cost of INR 6,01,398



Action

- Implemented energy-saving measures during idle times in the one-shift plant operation.
- At the end of the shift, systematically switched off AGV Loop 1 and 2 and Test Bed – AGV Panel to conserve power.
- Ensured individual AGVs automatically power off to prevent battery discharging issues.



Outcome

- Recurring Power saving of 6105 KWH per month

Water Management

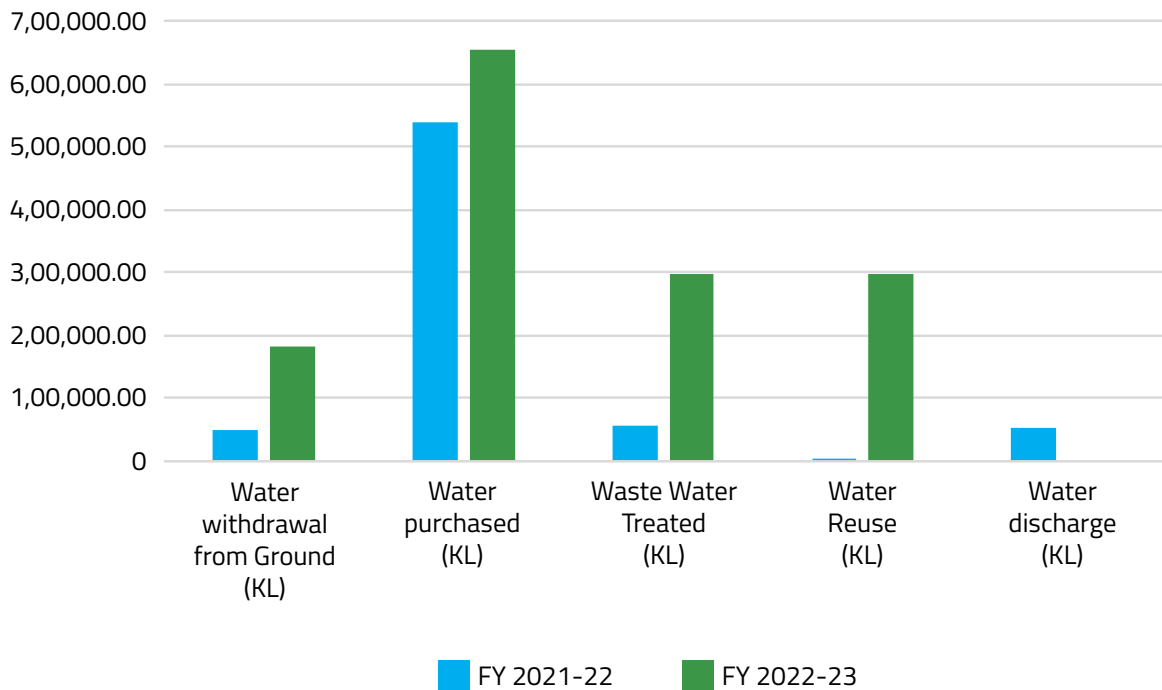
At VECV, water is an essential source as we heavily rely on water for critical manufacturing stages. However, we diligently manage our water usage through practices such as treating wastewater and effluents, minimising water consumption and wherever practical, adopting reuse and recycling techniques. We take care of any water leakages immediately and conduct regular and timely laboratory water testing, encompassing various sources such as ETP, STP, Borewell and Process RO units which aid in ensuring the quality and compliance of our water sources. Through adoption of methods for water conservation at all our plants, we seek to optimise our utilisation of water while reducing our reliance on municipal pipes and groundwater supplies.

Water Consumption, withdrawal, and discharge

In the FY 2022-23, our major source of water supply remained municipality pipelines. The total water withdrawn in the FY 2022-23 was 8,38,237 KL. We also treat the wastewater from the machines and sewage by ETP/STP plant. The total amount of wastewater treated tallies up to 2,96,918 KL. Subsequent to treatment, water is utilised for flushing and gardening within the plant location. We have achieved zero liquid discharge in all of our plants.

Water use and discharge data

Water Statistics



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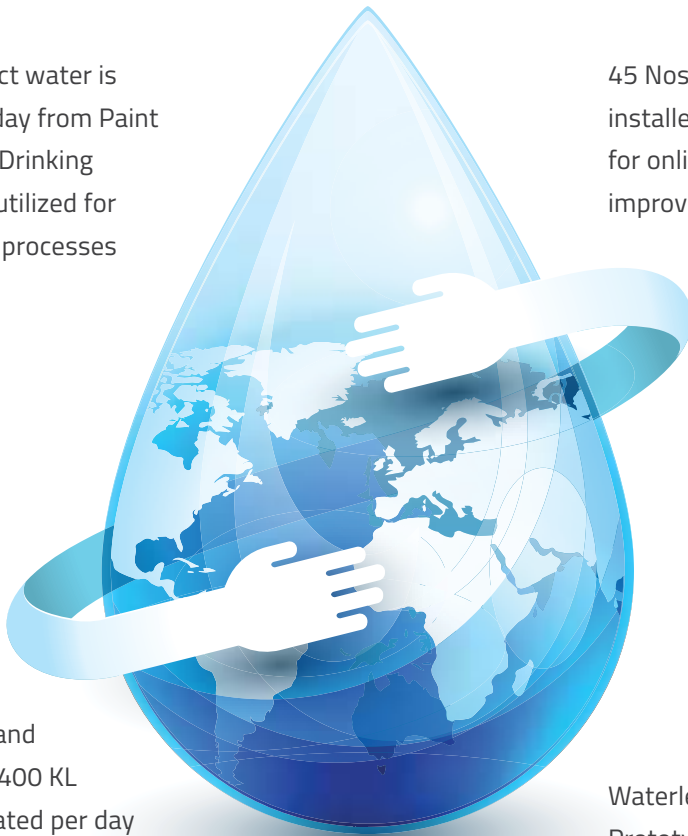
Water Conservation Practices

VECV intends to become water neutral in the near future and work towards attaining water positivity in all our operations. To achieve our aim, we have implemented changes within our functioning to advance towards our goal. Our commitment remains steadfast in continuously exploring ways to further advance in this direction.

Water conservation efforts at the plants

110 KL RO reject water is recovered per day from Paint shop, EDC and Drinking RO plants and utilized for manufacturing processes

45 Nos IoT Water meters are installed at different locations for online data monitoring for improving control



STP upgraded and approximately 400 KL water is re-treated per day and used in manufacturing processes.

Waterless urinal for offices – Prototype in progress, estimated saving 25 KL/day



Case Study 1

RO Plants Reject water utilization



Objective

To re-utilize the RO plants reject water as a water saving initiative



Action

- Reject water is blended with fresh water at pump house tank in a ratio of 5% with respect to overall pump house capacity



Impact

Impact of RO Plants Reject water utilization

ETP treatment load reduction by approximately 15%



Direct cost saving of 1.7 MINR/Month (ROI 4 months)

100-110 KI water saved per day



Outcomes



Demonstrates our commitment towards the environment.

Reject Water Line



Case Study 2

Water Management System



Objective

Real time monitoring of water consumption of Plant through IoT based water meters.



Action

- First step towards conservation is to have real time monitoring consumption
- Installed IoT based Water management system that includes 45 IoT based water meters and 5 Lora WAN gateway network.
- Dashboard created which shows the daily water consumption of all critical applications/processes such as: Paint Shop, RO Plants, Cooling towers and domestic usage.
- High consumption areas are identified and with real time monitoring control measures are taken if consumption increases beyond base line/ benchmark data.
- With IoT based monitoring, productivity and accuracy of data is improved w.r.t manual monitoring.

IOT Water Meters



Online monitoring system



Waste Management

VECV has witnessed significant growth over the decades, fuelled by innovation and increasing consumer demand. However, this expansion is coupled with generation of various types of waste throughout the automobile’s lifecycle. In order to manage the waste generated by our company, we make every effort to reduce, reuse and recycle the materials used for manufacturing operations and generated as by-products during these processes. Consequently, we are actively working on waste reduction efforts to mitigate the environmental impact of our manufacturing operations and educate our employees about the significance of curbing waste generation. Currently, 250+ employees have been trained on sustainability awareness.

Hazardous and Non-hazardous Categories

The waste we generate is categorised as hazardous and non-hazardous waste. We make dedicated efforts to minimise our waste output and meticulously sort and dispose of it in accordance with the regulations. The items contaminated with oil and paint sludge are directed towards co-processing in the cement industry and the remaining residue is sent to recyclers and the State Pollution Control Board authorised Common Treatment and Disposal stations. Biomedical waste and e-waste are given to authorized vendors.

Hazardous Waste Generated	Unit	FY 2021-22	FY 2022-23
Chemical sludge	MT	46.28	99.10
Process waste residue & sludge (paint sludge)	MT	38.02	445.06
Phosphate sludge	MT	0.16	6.12
Incinerator Ash	MT	NA	6.35
Waste & residue containing oil	MT	283.53	346.05
Spent solvent	MT	3.4	34.90
Used & spent oil	MT	17.19	65.84
Oil and Grease skimming	MT	NA	22.42
Others (Empty container / barrel)	MT	39.09	156.81
Recycled	MT	12.95	157.97
Co-processing	MT	95.37	612.96

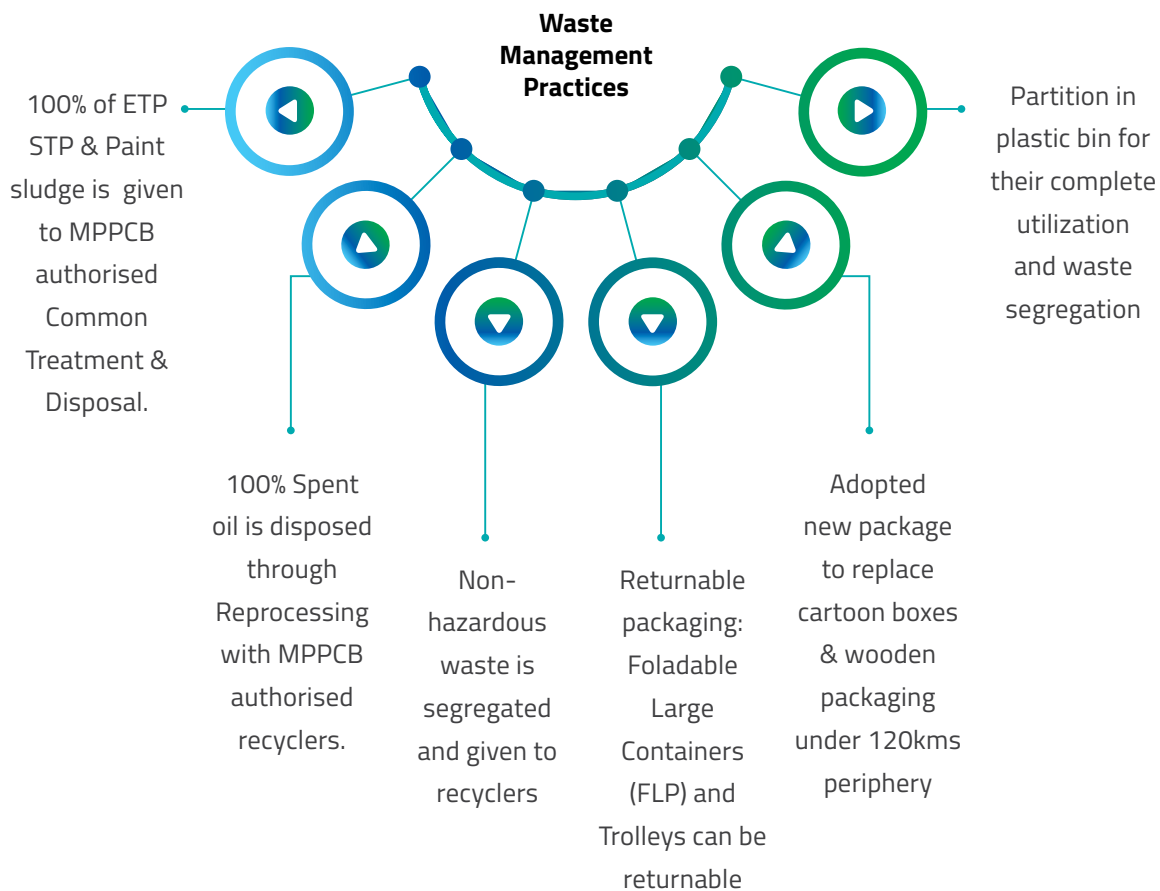
Compost is created from the wet waste from canteens and sludge from STPs. The compost is utilised within office buildings for the purpose of gardening and landscaping.

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Non-Hazardous Waste generate	Unit	FY 2021-22	FY 2022-23
Steel	MT	38	9,307.21
Aluminium Tons	MT	0	45.64
Plastic and Rubber	MT	0	529.46
Wood	MT	17	1,218.15
Paper & carton	MT	39	1,470.13
Non-Ferrous	MT	NA	157.06

The total hazardous and non-hazardous waste generated in FY 2022-23 was 1,182.63 MT and 12,727.65 MT respectively. VECV maintains strict adherence to all the environmental regulations and requirements for disposal of hazardous and non-hazardous waste. Additionally, all the company's products comply with all applicable national and international emission standards. No instances of non-compliance with environmental standards have been documented in the company's records.

Waste management practices adopted at our plants



Recycled Materials

VECV strives to adopt responsible material management across the product life cycle in order to improve the environmental performance of the company through utilisation of recycled materials and optimising resource efficiency during manufacturing. Such practices not only reduce the use of virgin resources and curtails energy consumption during production, but also minimises the company's contribution to landfill waste.

Due to extraction and use of materials, our manufacturing processes historically caused significant environmental pressure. However, our emphasis on design engineering has been crucial in strengthening our commitment to environmental sustainability. Currently, in our efforts to optimise resource utilisation, we reclaimed 437 tons of packaging material. For the upcoming FY 2023-24, VECV is working towards initiatives to avoid wood, polythene and corrugated boxes for packaging.

Raw Materials used for FY 2022-23

Raw Material	Unit	Quantity
Cast Iron	MT	1,14,009.26
Forging	MT	1,77,854.72
Rubber	MT	46,941.06
Plastics	MT	36,476.30
Palladium	MT	0.15
Platinum	MT	0.23
Rhodium	MT	0.02

RELATIONSHIPS ENABLING SUSTAINABILITY

Customer Centricity

At VECV, our customers are the driving force behind everything we do. In the automotive industry, customer satisfaction is not just a goal; it's a necessity. Our commitment to our customers is untiring, and we recognize the importance of their role in our industry.



Customers are important to VECV due to the following:



Innovation and Improvement

Customer feedback and preferences guide our innovations. Understanding their evolving needs helps us develop cutting-edge products, technologies, and solutions that cater to their specific requirements.



Quality Assurance

The quality of our vehicles directly impacts customer safety and satisfaction. Meeting and exceeding customer expectations in terms of safety, reliability, and performance is crucial to our success.



Market Responsiveness

The automotive industry is highly competitive and subject to market fluctuations. Staying attuned to our customers' changing preferences and market dynamics ensures our products remain relevant and in demand.



Brand Loyalty

Satisfied customers are not just one-time buyers; they become loyal advocates for our brand. Their positive experiences lead to repeat business and referrals, which are invaluable in building a strong market presence.



Economic Contribution

The automotive industry is a significant contributor to the global economy. Satisfied customers drive demand, supporting employment and economic growth.

At VECV, we place a strong emphasis on customer health and safety, integrating it into our product and service offerings. Our rigorous approach commences with our Product Development function, which vigilantly oversees the health and safety implications of our products throughout various development stages, ensuring the highest safety standards. Prior to product release, our Product Support function conducts further validation of health and safety aspects, bolstering the assurance provided to our customers. Throughout the manufacturing process, our Quality Assurance function guarantees that our products meet established health and safety standards, establishing a well-entrenched process that comprehensively addresses the majority of potential health and safety impacts.

Furthermore, our commitment to customer safety extends beyond product launch. In the event of safety concerns emerging during customer usage, our Quality team initiates campaigns to address these issues at no cost to our customers, underscoring our unwavering dedication to their well-being. Additionally, our Aftermarket team proactively ensures customer safety by offering driver training, implementing predictive diagnostics through Uptime to prevent product failures, and providing comprehensive training to our esteemed customers. These comprehensive measures

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collectively reflect our commitment to safeguarding the health and safety of our customers at every stage of their journey with us.

As for incidents of non-compliance concerning the health and safety impacts of products and services, there have been no incidents reported to the After Marketing team.

Some key highlights with respect to Customer Care at VECV are provided below:

Driver training done to promote safe driving practices as well as increase fuel economy to reduce carbon emissions by the CV industry	No of drivers trained in FY 23	28,138
	No of programs conducted	1,309
Customer Relationship Executives certification training conducted for- Technical Skills Soft Skills Process	No of CRE Certified FY 23	191
Predictive diagnostics service is provided by Eicher. It predicts future breakdown based on telematics data and sends alerts to customers ensure safety of driver as well as vehicle	No of Engine saved	200+ Engines Saved every month

Highest ever
PRS top 2 score of
92% in Mar'23

95% Customer
Complaints responded within
24 hours in Mar'23

65,000+ feedback
captured through
iConnect in Feb-Mar'23

Feedback of customer surveys conducted

Key KPIs	Mea- sure	Target/ Bench Mark	Apr'22	May'22	Jun'22	Jul'22	Aug'22	Sep'22	Oct'22	Nov'22	Dec'22	Jan'23	Feb'23	Mar'23
PRS Survey	Overall Top2 Score	>85%	86%	86%	85%	87%	89%	87%	89%	90%	91%	89%	90%	92%

Sustainable Sourcing Practices

At VECV, sustainability is at the core of our procurement practices, especially when it comes to sourcing raw materials. We recognize the importance of responsible sourcing in minimizing environmental impact and ensuring the well-being of our communities. Here's a brief overview of our sustainability procurement practices:



Supplier Selection: We prioritize suppliers who share our commitment to sustainability. Our selection process evaluates potential partners not only on cost and quality but also on their environmental and social responsibility practices.



Raw Material Sourcing: We actively seek out suppliers who provide responsibly sourced raw materials. This includes materials that are recycled, have a lower carbon footprint, or are certified as sustainable by recognized standards.



Environmental Impact Assessment: Before finalizing suppliers, we assess their environmental practices. This evaluation includes their emissions, waste management, and energy consumption. We encourage suppliers to adopt eco-friendly manufacturing processes.



Ethical and Social Standards: We ensure that our suppliers adhere to ethical labor and social standards. This includes fair wages, safe working conditions, and respect for human rights. We have strict guidelines to prevent child labor and discrimination.



Local Sourcing: Whenever possible, we prioritize local sourcing to reduce transportation emissions and support local economies.



Lifecycle Assessment: We consider the entire lifecycle of materials and products, from extraction to disposal. This helps us identify areas where we can reduce our environmental footprint.



Continuous Improvement: We work closely with our suppliers to foster a culture of continuous improvement in sustainability. This involves setting targets, tracking progress, and sharing best practices.

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Transparency: We maintain open and transparent communication with our suppliers regarding our sustainability expectations and performance.



Certifications: We encourage our suppliers to obtain relevant certifications related to sustainability, such as ISO 14001 (Environmental Management) and ISO 45001 (Occupational Health and Safety).



Innovation: We support innovation in materials and processes that can enhance sustainability. This includes exploring alternative materials and technologies that reduce environmental impact.

Our commitment to sustainability in procurement extends beyond compliance; it reflects our dedication to creating a positive impact on the environment, society, and the long-term success of our business.

Sustainability in Our Supply Chains

At VECV, we understand what we do impacts the world around us, which is why we are not only responsible producers, but also responsible consumers. Our supply chains play a vital role in this process, and we have always had an engaging and meaningful relationship with our supply chain. This synergy influences our business processes and our ethics, and to fully demonstrate this, we utilise multiple evaluation criteria to ensure our values are matched by our suppliers.

While building a company that is a leader in the automotive space, we also wish to play a part in building a world free from forced labour, discrimination, and poverty. These are the values upheld by VECV and those we wish to see reflected in our business partners and enablers.

To ensure such compliances, we employ stringent criteria that take into account all aspects of the various supply chains that go into making our products, and their social, human, and environmental impact. After a process of evaluation, our suppliers are awarded with points from a scoring system.

An illustrative example of some of these criteria for evaluation are given below:

Criteria	Scoring
Code of Conduct	Critical/High/None
Personal Protective Equipment	Critical/High/None
Machine/Working Environment	Critical/High/None
Emergency/Fire	Critical/High/None
Special Operation	Critical/High/None
Environmental Management System	Critical/High/None
Chemical and Hazardous Material	Critical/High/None
Restricted Substances and Minerals	Critical/High/None
Hazardous Waste Disposal	Critical/High/None
Working Hour	Critical/High/None
Compensation	Critical/High/None
Child Labour	Critical/High/None
Forced Labour	Critical/High/None
Corporate Social Responsibility	Critical/High/None

Based on the above evaluation and their scoring, we assess our continued relationship with our various suppliers and call upon them to do better.

Sustainable Packaging

Initiatives by VECV for ensuring sustainability in our supply chain extends to all aspects, including packaging. Between April 2022 to March 2023, VECV made a reduction of 518 tons in our usage of non-sustainable packaging by moving towards wooden or corrugated boxes, exceeding our aim of 500 tons as set out in the last financial year.

Sustainability at Dealerships

Dealerships hold a crucial role in VECV's dedication to providing exceptional customer service. Our foremost objective is to establish a robust and fully engaged dealer network that not only excels in customer-centricity but also embraces sustainability practices. These dealerships are instrumental in realizing our commitment to sustainable development in the commercial vehicle sector, encompassing both sales and after-sales services.

At VECV, we recognize that our dealers are not just partners in business but also be stewards of sustainability. We believe dealers should emphasise on their preparedness, knowledge, and empowerment to deliver top-notch services while minimizing their environmental footprint. To ensure the highest standards, we have instituted a meticulous dealer on-boarding system that includes comprehensive assessments of service quality and compliance with essential certifications, such as fire safety and environmental standards. This rigorous process is integral to creating safe and eco-conscious in-store experiences for our valued customers.

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Furthermore, our engagement with dealers extends beyond business operations to include sustainable practices. We actively support our dealers with guidance on infrastructural layouts and best procedures to address environmental concerns, including waste oil management, responsible waste disposal, and rainwater harvesting. These efforts underscore our unwavering commitment to fostering sustainable dealerships, which are essential in our collective mission to provide outstanding service, promote eco-responsibility, and meet the evolving needs of our customers.

VECV (VE Commercial Vehicles) dealerships in Kolhapur, Agra, and Ranchi have implemented a series of forward-thinking sustainability measures that yield both environmental and financial benefits. Notably, the installation of solar panels has yielded significant cost reductions, resulting in electricity expenses decreasing by approximately 10% to 12% over the course of a year. These initiatives have also delivered favourable income tax benefits, as the solar assets experience depreciation.

In addition to solar energy integration, rainwater harvesting has proven to be an effective solution to environmental and financial challenges. The elimination of water logging issues within the facilities has not only improved operational safety but has also generated substantial cost savings, amounting to approximately one lakh per year in water usage expenses at the Maharashtra dealership. Furthermore, the diligent utilization of rainwater has enabled these dealerships to benefit from municipal tax incentives, leading to reductions of up to 5%. These strategic sustainability endeavours underscore VECV's strong commitment to environmental responsibility and simultaneously illustrate the multiple advantages of investing in eco-friendly practices within a business context.

Employment

At VECV, our core values guide us: Fair & Ethical, Customer Centric, Respect, Excellence, and Passion. These principles form the base of our organization, shaping our actions and steering us to excel. We prioritize respect for all stakeholders, which includes our unwavering commitment to delivering on promises and being accountable to our employees, partners, and customers.

Our people are our greatest assets, particularly in the vibrant world of the automobile industry. Recognizing this, we place a strong emphasis on employee well-being, development, and safety, fostering a trusting and inclusive work environment. We're dedicated to diversity, equality, and community development, not only through enhancing the skills of our workforce but also by uplifting the communities we engage with through our multiple CSR programmes. In the automobile sector, the significance of employees and human resources is very important. They drive our innovations, product quality, and customer satisfaction. Nurturing a skilled, diverse, and motivated workforce is not just a priority; it's a strategic priority for our continued success and the advancement of the industry as a whole.



Employee Turnover by Grade, Type and Age: Permanent Associates

Sr. No.	Category	Unit	<30 years		30-50 years		>50 years	
			Male	Female	Male	Female	Male	Female
1	Senior management	Number	0	0	41	1	42	0
2	Middle management	Number	0	0	387	5	83	1
3	Junior management	Number	1,461	148	1,652	61	151	6

Employee Attrition by Grade, Type and Age: Permanent Associates

Sr. No.	Category	Unit	<30 years		30-50 years		>50 years	
			Male	Female	Male	Female	Male	Female
1	Senior management	Number	0	0	2	0	0	0
2	Middle management	Number	0	0	38	0	6	0
3	Junior management	Number	348	44	226	15	1	0

New Joiners by Grade, Type and Age: Permanent Associates

Sr. No.	Category	Unit	<30 years		30-50 years		>50 years	
			Male	Female	Male	Female	Male	Female
1	Senior management	Number	0	0	0	0	0	0
2	Middle management	Number	0	0	11	0	0	0
3	Junior management	Number	786	87	140	9	2	0

Diversity & Inclusion

At VECV, we are dedicated to fostering a work environment that stands for universal diversity and inclusion. Our organizational values of non-discrimination and equitable treatment are the bases of our policies, ensuring the protection of every individual's right and dignity. For new team members, we plan complete induction programs, allowing them ample time and space to immerse themselves in our organizational culture and operations. This robust induction program ensures a good handholding for new joiners in the system and also encourages a vibrant atmosphere of thoughts and ideas that drive excellence within our workspace.

Across our organization, spanning both our offices and manufacturing facilities, we uphold a culture that places a premium on creating a warm and cordial working atmosphere. We firmly believe in fair compensation for all our employees, grounded in merit and closely aligned with our company's grade-based pay scales, employee experience, and tenure. Our proficient human resources team is well-equipped to promptly address and resolve any potential instances of discrimination. Similar to last year, this year as well, we are proud to report that we received zero complaints related to discrimination or overall employment issues, emphasising our unwavering commitment to maintaining an inclusive and respectful workplace where all individuals thrive.

In addition to our dedication to an inclusive workplace, we also recognize the importance of gender diversity. In the fiscal year 2022-23, we achieved a gender diversity percentage of 5.6% among our

DRIVING SUSTAINABLE MOBILITY

On-Rolls White Collar Employees. Furthermore, our governance body is firmly committed to achieving a gender diversity target of 10% this year and 12% by 2025. In FY 2022-23, we maintained a commitment to salary and remuneration equality, with men and women getting equal salary for equal roles, ensuring equitable compensation practices across the organization. These data points reflect our dedication to diversity, equity, and inclusion at VECV.

	<30 years	30-50 years	> 50 years	Male	Female
Board Composition					
Percentage of employees across all categories					
Senior management	0	42	42	83	1
Middle management	0	392	84	470	6
Junior management	1,609	1,713	157	3,264	215
Workers (Permanent)			1,430		
Non Supervisors (BC)			16,948		
Contractual workers (WC)			1,625		

Employee Well-Being

We take immense pride in the nurturing and trust-filled environment we have established over the past decade, one that empowers our team members to express their true selves and strive for an optimal work-life balance. As part of the VECV family, we are committed to ensuring a dignified quality of life for all our employees. We actively promote an open-door culture that fosters trust across all levels of the organization, creating a transparent channel for communication.

We extend a comprehensive range of benefits, both financial and non-financial, to our permanent employees. These encompass life insurance, healthcare, and coverage for disabilities and invalidity, all designed with their overall well-being in mind. Additionally, we conduct regular awareness sessions, addressing topics such as health and career for our female employees, as well as sessions focusing on the overall well-being of all our team members.

Employment Category

Applicable Benefits	Senior Management	Middle Management	Junior Management	Contractual/ Part-time
Life insurance	84	476	3,479	NA
Health care	84	476	3,479	NA
Disability and invalidity coverage	84	476	3,479	NA

Number of employees entitled to parental leave		Number of employees that took parental leave in 2022-23		Number of employees who returned to work after parental leave ended		Number of employees who returned to work after parental leave ended who were still employed 12 months after their return	
Male	Female	Male	Female	Male	Female	Male	Female
NA	222	NA	8	NA	8	NA	3

Occupational Health and Safety

Occupational Health and Safety Management System

At VECV, we prioritize the health, safety, and well-being of our employees across the entire value chain. Our strong safety culture is reflected in a clearly defined Environment, Occupational Health, and Safety policy, supported by the implementation of an Integrated Management System (IMS). This IMS, which encompasses ISO 45001, ISO 14001, OHSAS 18001, and Quality Management System (QMS) components, serves as a unified and efficient system for managing business risks. This integration not only reduces duplication and bureaucracy but also ensures a comprehensive approach. Continuous improvement is pursued through iterative enhancements to the management system, focusing on enhancing overall occupational health and safety performance via layered process audits and both internal and external IMS audits.

Risk Assessment and Incident Identification

VECV systematically assesses and improves workplace safety through regular risk assessments, following ISO 45001:2017 standards. Incidents are monitored and evaluated across all plant locations using a standard procedure. After each incident, a comprehensive investigation is conducted, leading to corrective and preventive actions, including hazard elimination and the provision of personal protective equipment. Employees are obligated to report accidents and unsafe acts, offering opportunities to enhance risk control.

Worker Training on Occupational Health and Safety

New employees are required to undergo Environment, Health, and Safety (EHS) training as a crucial component of their induction program. These training modules, conducted by Health and Safety professionals, including factory safety and medical officers, cover emergency management sessions biweekly. Other safety trainings are tailored based on safety needs and past incidents. Training sessions are conducted in Hindi or English during working hours, to ensure understanding. The Training Cell actively evaluates the effectiveness of each training session by collecting feedback from trainees. Additionally, we conduct toolbox talks, interactive discussions emphasizing safety before work. Topics include the importance of Personal Protective Equipment (PPE), emergency roles, first aid usage, and reporting unsafe acts.

Our plants have a robust emergency response and preparedness plan, with designated worker representatives trained to remain vigilant during emergencies. They play a crucial role in mobilizing resources and personnel to effectively control situations, maintaining procedural effectiveness. We make sure that our workers have the freedom to form unions and bargain collectively for fair conditions since safety is our top priority. Apart from long-term negotiations every three years, we carry out interactions with the union representatives on a need-basis for any problems regarding day-to-day operations. Furthermore, the notice period and provisions for consultation and negotiation regarding any significant operational changes are specified in collective agreements.

Case Study 1

AI Analytics for human machine interface



Action

- Deployed Smart AI-based cameras for enhanced safety.
- Ensured a guaranteed three-layer safety system for working professionals.



Impact

- Developed multiple discrete zones within restricted areas.
- Implemented flexible analytics in a single machine with interlocks.
- Incorporated confined space interlock and face recognition for enhanced safety measures.

Case Study 2

Installation of Human Presence Sensor



Action

- Installed human detection cameras to detect the presence of humans.
- Programmed the cameras to automatically halt the machine if human presence is detected, ensuring a three-layer safety system for the workforce



Impact

- Ideal for single-zone use in restricted areas.
- Halts machine upon detecting human presence with a fast and cost-effective digital signal setup.

Occupational Training and Education

In the automobile industry, where technological advancements are constant, training is vital. It empowers our workforce with the knowledge and skills needed to adapt to evolving technologies, ensure product excellence, and uphold industry standards.

At VECV, we place a significant emphasis on training as part of our talent management strategy to meet the growing demand for skilled professionals. Our approach to learning and development is twofold, encompassing technical and leadership training, both crucial for the personal and professional growth of our workforce.

Our comprehensive training modules cover a wide spectrum of skills, including foundational competencies such as critical thinking, visualization, decision-making, and feedback mechanisms, tailored especially for young employees. Additionally, we offer managerial skills training and other relevant programs. To nurture leadership capabilities, we extend support through employee skills enhancement and transition assistance programs, with some employees even participating in the IIM Leadership Program.

Central to our training philosophy is a structured approach that includes identifying training needs based on input from the business, sourcing or developing training content, establishing a comprehensive training calendar, and building a training catalogue and delivery system. This philosophy is operationalized across three distinct stages: Assess & Envision, Solution Plan & Design, and Implement & Sustain. The initial phase involves pinpointing areas that benefit from L&D interventions. The subsequent stage focuses on designing solutions for skill development, behaviour training, and technical proficiency through a variety of methods. Finally, the third stage encompasses compliance training and dashboard publications, ensuring ongoing development and adherence to training standards.

Our comprehensive onboarding process begins with the New Hire Induction program, followed by technical and behaviour training. We have also developed a detailed campus induction module for new members joining the VECV family, providing them with a comprehensive introduction to our organization. This holistic approach to learning and development underscores our commitment to enhancing the capabilities of our workforce and propelling our industry forward.

Moreover, we are proud to report that we invest an average of 32 Man Hrs (equivalent to 4 Man-days) of training per year per employee across our various business divisions. For our R&D and Technology Divisions, this figure increases to 40 Man Hrs (equivalent to 5 Man-days) of average training per employee annually.

Additionally, we ensure that all our employees, encompassing 100% of the VECV workforce, undergo regular performance reviews and engage in career development discussions, reaffirming our commitment to their growth and success within our organization.

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Training hours (ILT)

Category	Units	Male	Female
Top management (MD & EMT)	Number	67	1
Senior management (Non- EMT, SVP, VP, GM)	Manhours	3,244	40
Middle management (Head, DGM, SM)	Number	366	11
	Manhours	8,624	245
Associates (M1, M2, M3, M4, GET, MT, PGET, TAT, DET, FT, GT)	Number	2,456	173
	Manhours	55,963	3,818
Temporary workforce	Number	4,110	17
	Manhours	16,967	128

Training hours (E-Learning)

Category	Units	Male	Female
Top management (MD & EMT)	Number	21	NA
Senior management (Non- EMT, SVP, VP, GM)	Manhours	29	NA
Middle management (Head, DGM, SM)	Number	156	3
	Manhours	1,161	43
Associates (M1, M2, M3, M4, GET, MT, PGET, TAT, DET, FT, GT)	Number	1,302	110
	Manhours	5,728	341
Temporary workforce	Number	NA	NA
	Manhours	NA	NA

At VECV, we have the following programs available to our employees and staff, details of which are provided in the table below:

Employee Skill Upgrading Programs:

- Future Competency Development Program to build forthcoming business competencies.
- Volvo Component Representative Development Program
- SAKSHAM Program
- EMTECH for Mechanic Skills Development
- GURUKUL for product familiarization
- Stepping into Leadership and Leadership Accelerated Program

Transition Assistance Programs:

- Project Vedant: for Sales and Marketing Function Skill Update
- Key Talent Development Program
- Succession Planning Focused Interventions

Programs	Details	Duration	No of participants
IIM Leadership Development Programme	We strongly believe in investing time and efforts to nurture out top performers so that they become great leaders of the future. In order to endorse and provide a structured platform for development and create a healthy leadership pipeline, IIM Leadership Development program is conducted.	05 Days	59-Participant count
Future Competency Development Program	The industry disruption has led future competency focus and we designed focused interventions for upskilling the talent base for future critical roles.	02 Day (Avg)	Focused intervention in critical roles: Participant Count: 633 (Avg FY 2023)
VECV Component Responsible (VCR) Program	Subject matter experts (technical) development in a particular technology and system capabilities with interfaces, concept development with problem solving and testing.	On the job training	Focused intervention for subject matters
SAKSHAM Program and EMTECH for Mechanic Skills Development	EMTECH is a skill competition aimed at building competencies of the domestic dealers' and international distributors' workshop technicians. SAKSHAM is a skill competition aimed at building competencies of the domestic dealer's and distributors' white collar service teams. Through these skill competitions, contestants upgrade their technical, process and soft skills, resulting in continuous improvements in customer satisfaction parameters and innovation in the workshop space. The essence of this event is to learn, upskill, nurture talent and provide individuals and teams with an opportunity to showcase acquired skills.	01 Day (Competition)	
Product Familiarization Trainings	Product familiarization trainings are conducted to impart the product knowledge to the new hires across business verticals.	03 Days	All New hires
Stepping into Leadership (STEP) and Leadership Accelerated Program (LEAP)	We aim to develop business capabilities for organization through innovative practices by leveraging people, processes and systems. The interventions are targeted at developing second line of leadership to create a robust organization structure.	STEP: 04 Days LEAP: 05 Days	Focused Intervention on selected target population STEP: 34-participant count LEAP:52-participant count
Project Vedant	People development has always been at the core of our philosophy which is exemplified in all our dealings while doing our business. Keeping the same philosophy in mind, we introduced a learning journey for all our campus hires to hone their business function sales and marketing skill set.	25 Days	All New hires: Sales & Marketing

COMMUNITY DEVELOPMENT

Corporate Social Responsibility at VECV

At VECV, we understand the unique responsibilities that come along with being the industry leader in the automobile sector. From the environment to our communities, our business has impact on many aspects of society due not only the nature of the business, but its extent as well. Which is why, we take care to mitigate any negative aspects by assessing how and in what ways we can bring about more positive change. We follow the path laid down by The Volvo Group and Eicher Motors, both our parent companies, which have a history of creating positive impact, assimilating these values into the path we have chosen for the future at VECV. Through these initiatives, we know that our business generates not only economic value, but social value as well.





We take a special interest to enrich the lives of our drivers and technicians, who form the backbone of our business. Our aim is to empower our drivers and bridge the gap between skilled manpower requirements and available talent in the industry. A healthy and happy workforce makes us more efficient and generates positive value both inside and outside.

To this end, some of our key initiatives are –

Sashakt Gram

The 'Sashakt Gram' program is run by Eicher Group Foundation with the aim to strengthen community institutions, infrastructures through renovation and livelihoods by creating civil jobs. This initiative is functional in 13 schools, 12 anganwadis, and 1 community hall in three districts of Madhya Pradesh, namely, Dhar, Dewas and Indore. Under this initiative, 5 programmatic interventions were implemented targeting specific beneficiaries across different age groups, gender, and socio-economic backgrounds. It addresses immediate challenges relating to menstrual hygiene, health care services, educational infrastructure, and access to government schemes. It operates under various sub-schemes such 'Kishori Samooh', which helped up to 86% of the girls enrolled understand better menstrual hygiene, and 'Mata Samooh', which helped mothers enrol their children to local anganwadis as well as helped them with school visits. The timeline of this project is from 1st February 2022 to 31st March 2024, with a total budget of INR 2,06,69,568, out of which INR 80,00,000 was used for FY 2022-23.



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Under the Sashakt Gram project, the Women's Day program was organised in Napakhedi village in Dewas. The program was organised with the help of the Village Development Management Committee (VDMC) members on 8th March 2022. The event witnessed the participation of over 300 villagers from different villages namely Merkhedi, Khok Riya Haapakheda, and Borkheda. Local leaders & government officials also participated in the event.



Specifications:

Project Locations: The primary objective of the CSR intervention 'Sashakt Gram' was to build a community-led village upliftment programme in 14 villages of 6 panchayats in 3 districts of Madhya Pradesh:

- i. Dhar - Kotbhidota • Kundarsi • Hapsikhedi • KadolaBujurg • Chhadoda • Baggad
- ii. Indore - Chirakan • Bagoda
- iii. Dewas - Khokariya • Borkheda • Rampura • Napakhedi • Merkhedi • Hapakheda

Broadly, the initiatives could be grouped into four different thematic areas:

- 1. Strengthening community-based organizations,
- 2. Supporting the health sector and education sector,
- 3. Capacity building for livelihoods, and,
- 4. Building village infrastructure, and other several mixes of initiatives.

Village Upliftment Program- Sashakt Gram (Health)

This program runs with the aim of creating inclusive communities with better access to health as well as creating a health seeking community that identifies health as a primary concern and acts upon it. It runs in 14 villages of Dhar, Dewas and Indore districts of Madhya Pradesh. With a total budget of 97.2 lakhs, it aims to create impact in the fields of curative health care as well as referral liaison.

Specifications:

The project caters to two dimensions of health:

- i. Curative Health Care: Curative care refers to treatment and therapies provided to a patient with the main intent of fully resolving an illness and the goal of bringing the patient—ideally—to their status of health before the illness presented itself.
- ii. Referral Liaison: An effective referral system ensures an in-depth relationship between all levels of the health system and helps to make sure people receive the simplest possible care closest to home. It also assists in making cost-effective use of hospitals and first health care services.



Sashakt Gram Health Statistics

2022-23													Total
S. No.	Particulars	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	
1	Total No. of Health Camps	20	47	52	38	58	41	53	58	52	52	42	513
2	Total Number of Patients	679	1,154	1,236	1,182	1,796	1,292	1,837	1,679	1,419	1,563	1,403	15,240
3	Male	159	485	510	515	767	489	555	995	433	549	429	5,886
4	Female	149	507	591	505	755	567	936	829	736	681	649	6,905
5	Childrens	57	162	135	162	278	236	283	263	105	333	325	2,339
6	Pregnant Women	3	2	2	2	6	8	13	6	5	9	4	60
7	Referral	1	3	2	1	3	4	20	20	0	10	0	64
8	Anemic	8	1	3	3	2	16	18	11	16	15	22	115
9	Total No. of Awareness Session Participants	131	193	517	654	812	1110	777	630	712	829	997	7,362
10	Repeat Visit of Patients	0	427	738	668	534	1,191	1,651	1,659	1,234	1,267	1,013	10,382
11	New Patients	159	727	498	519	1,262	101	186	20	185	286	390	4,333

Health Check-Up under Village Upliftment Program- Sashakt Gram (Health)



E Community

The 'E Community' program seeks to provide healthcare, education, and financial inclusion services in 7 slums of Pithampur, an industrial town in Dhar, Madhya Pradesh. 6 interventions were implemented addressing immediate challenges related to accessibility and affordability of healthcare and education services, such as overcoming the myths and taboos associated with menstruation and encouraging financial independence in women through collectives. With a total budget of INR 431 lakhs, it provided access to affordable health care to the people residing in urban slums. The programme conducted health check-ups of over 10,000 participants. 68% of diagnosed participants were cured of their ailment after visiting the camp, and 73% of them rated 5, the highest possible rating, for the improvement of their health post attending the health camp.

Specifications:

Objective 1: To promote education at household level, primarily through remedial education for children and adults.

Objective 2: To contribute to better health seeking behavior through mass awareness and community-based intervention.

Objective 3: To promote gender equality through financial and social inclusion of women.



DRIVING SUSTAINABLE MOBILITY

Impact:

- 100% of the children in the community were identified through door-to-door/parent interaction visits.
- Those who were dropouts are now attending schools or are linked with the remedial education centers. 80% of dropouts are registered back in school.
- 100% of the students are aware of Zoom, WhatsApp, and other modes of digital education.
- Approximately 90% of children attend schools on a regular basis.
- 90% of the girls practice good menstrual hygiene.
- 100% of pregnant and lactating mothers informed of and practicing balanced nutritional diet.
- 70% (77 groups) have accounts opened in banks.
- 100% of the eligible children, adolescents, and pregnant women are now attending Anganwadi.
- 160 women have upscaled their enterprises, while 41 have setup new enterprises. 50 are aligned with Street Vendor Awas Yojna - 150 approx.
- 46 groups linked to NULM and got RF.
- 965 Women Trained on SHG Book-Keeping and record maintenance.



Achievements

S.No.	Activity Name	Target	Achievement
1	Setting up Remedial Centers	0	7
2	Teaching Aids	84	84
3	Performance tracking test	10	10
4	Training and Capacity Building of Teachers	4	8
5	Community IEC Activities to promote education both for Children and Adults	28	35
9	Radio Narrowcasting on Importance of Education	2	2
1	Smart Learning Class Teacher	1	1
2	Celebration of Important Days	84	154
3	Interface Meeting	8	11
4	Establishment of Water Points	1	2
5	Mega Health Camp in collaboration with health department	13	20
6	Training on Women and Child Health	15	15
7	Training of Adolescent girls on Menstrual Hygiene	16	16
8	IEC Activities (Nukkad Natak, Wall Writing, etc.)	0	0
9	School Hygiene Education Activities	28	73
10	Clean Slum Campaign and Plantation Drive	28	79
11	Satellite Health Van	0	0
12	Management of Health Van (Camp)	289	289
13	Formation of Women Self Help Groups	38	49
14	Monthly meeting and savings facilitation and FLT	1,098	1,291
15	Training on SHG Book-Keeping and Record Keeping	35	24
16	Interaction with Financial Institutions	7	8
17	Bank Account Opening	20	19
18	Exposure Visit	4	4
19	Capacity Building of Staff	3	9



Driver Welfare and Vocational Trainings – Contributions to Institutes

- Running at the Institute of Driving Training and Research (IDTR), Latur, Maharashtra, and Chandigarh University, the programme aimed to help with quality education for the students of these technical universities and enhanced livelihood opportunities by providing vocational trainings to the unemployed youth of underprivileged communities.
- With a total budget of INR 60 lakhs, it benefitted students and unemployed youth from the underprivileged communities of the districts.

Specifications:

- The programme’s one time support to local authorities catered to the donation of the equipment and training aid for setting up a state-of-the-art automobile lab at Chandigarh University, and the donation of a Motion Platform Heavy Duty Truck Simulator to Institute of Driving Training and Research (IDTR), Latur, Maharashtra.
- Among its achievements, the programme helped students undergoing the regular Automobile engineering courses, (Certification, Diploma and Degree) with hands-on experience through practical exposure on the training units, dynamic cut section models and automotive engine practice units. At IDTR, Latur, unemployed youth undergoing the HMV Driving training were given training on the Heavy-Duty Truck simulator for proper knowledge dissemination to make them technically competent and instilling safe driving behaviour in them.



Project Support & Advisory Group (PSAG) for System Reform in Madhya Pradesh

The programme works in partnership with the State Education Department of MP for various academic and government reforms in education at local schools.

Specifications:

The following formed part of the program:

1. CM RISE Schools
2. CM RISE Infrastructure Monitoring & Construction Management
3. CM RISE: 'Mission Ankur' (Foundational Literacy and Numeracy)

Strategy & Operations support was also provided to key offices such as the Principal Secretary and the Director under the School Education Department.

Other system reform initiatives undertaken:

SATH 2.0 (up to Oct '22 in partnership with BCG)

Teacher-Optimization

With a total budget of INR 400 lakhs, the programme provided strategic and implementation advisory support to departments to operationalize 274 world-class, highly resourced K-12 government schools with state-of-the-art infrastructural design and an array of quality interventions under academics, teacher capacity building, and teaching-learning material and support to devise roadmap for expansion. Around 6,750 schools will form part of the Phase 2 to be implemented over the next 11 years to transform the overall education landscape in the state.



DRIVING SUSTAINABLE MOBILITY





Local Area Development – Contributions to Local Authorities

This initiative was run in Dhar, Dewas, and Indore for the duration of one year. With the theme of sustainable cities and communities, it ran on an overall budget of 29 lakhs INR.

Specifications:

The one-time support to local authorities catered the following:

- X-Ray Machine donation to Community Health Center at Gnadhvani Block, Dhar
- E-library and smart class setup at Adarsh Residential School, Dhar
- Training Aids (Welding Lab Equipment) donated to Govt. ITI Dhar
- 10 E-rickshaw Garbage Collection Vehicles donated to Badnawar Block Dhar



Eicher Safety Champs – Road Safety

This initiative was run with the premise of 'safer roads, better India' in Indore, partnering with Reserve Indore Madhya Pradesh Police Sangathan, for the duration of one year. With a total budget of thirty-seven lakh ninety-eight thousand and nine hundred INR, the total spend for FY 2-22-23 was INR 31 lakhs.

Specifications:

The project made students and road users of all age groups aware of the importance regarding road safety and increased their engagement towards road safety via the following methods:

- Engaged the youth through online competitions to make them aware of the importance of road safety and their crucial role in society.
- Promoted the use of 'Safety Champ' Application in both online and offline mediums.
- Competitions were held at various schools and colleges to spread awareness of road safety.
- Square Activity executed on road areas with volunteers to increase helmet safety, vehicle speed awareness, and road safety awareness.





'MY FM DEKHTA HAI' Programme (Indore & Bhopal)

Running in Indore and Bhopal and partnering with a radio station, MY FM, it was an initiative to build awareness about traffic and road safety.

We started this initiative under the association of 'Eicher Foundation Group' and the local Traffic Police of Indore & Bhopal cities.

It ran on a budget of INR 9 lakhs.

Specifications:

- 10 days on-air campaign and seven days on-ground setup as part of the overall programme.
- MY FM RJs hosted live shows from the set-up for seven days.
- Everyone in the vicinity enthusiastically contributed in spreading awareness and managing traffic in the city.
- Administration and Traffic Police shared their views and plans on road safety and traffic awareness in the city.
- Social and business groups joined us for this campaign and ensured they would promote this in their local community and groups.
- PUC Checks - a PUC vehicle was part of the setup where drivers/riders could get their PUC checked, the RTO supported with this.
- Gratified people follow traffic rules like wearing helmets and seat belts, stopping the engine at red lights, and stopping vehicles before the stop line.

This helped us create traffic heroes in the community, promoted through radio and social media.



Road Safety Awareness by VMS

With the objective to raise road safety awareness, it was run in partnership with Reserve Indore Madhya Pradesh Police Sangathan, with a total budget of INR 3718785.

Specifications:

- The aim was to provide safety information for road users to encourage safer road user behavior among current and prospective road users and to educate on safe techniques for using roads.
- At present there are 20 units of screens at different public squares in Indore through which road safety measures are being screened.
- Awareness is being raised among 22,000 active road users per day.



Eicher Driver Care Program

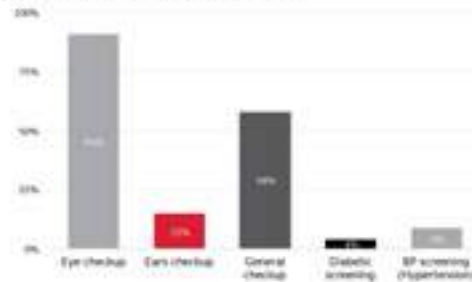
- Run in partnership with Dr. Shroff’s Charity Eye Hospital in Delhi, the objective was to provide accessibility of affordable & advanced quality eye and ear screening services to the truck drivers out of major transport hubs along the golden quadrilateral resulting in better quality of life & safe driving.
- The project was run on a budget of INR 272.39 Lakhs for FY 2022-23.

Specifications:

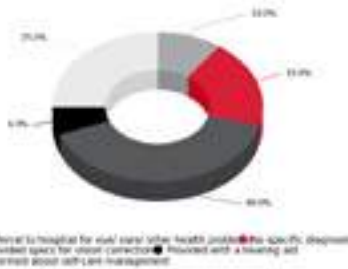
- Eye & Ear Screenings were run as part of the initiative.
- World Sight-Day Celebration, Road Safety Week Celebration and Drivers’ Day Celebration observed across the network.
- Expansion of the program happened by inception of EMV-13 (Hyderabad) in collaboration with Pushpagiri Vetro Retinal Institute, Hyderabad which is to cover all of Telengana state.
- Outreach Camps were organised at VECV Plant and its vicinity areas in Indore, Ahmadabad, Paradip, Arunachal Pradesh, Raipur, Andra Pradesh, Chandigarh etc.
- Various capacity building sessions were conducted in SG Transport Nagar, Delhi,
- All India Conference for Transport at Bhuwaneswar was marked by VECV’s presence as official Key Speaker as well as at the Auto-Expo 2023.



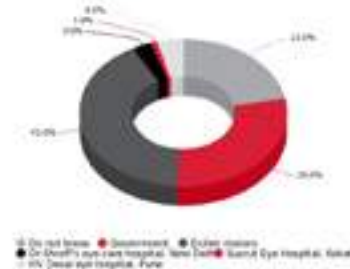
A percentage of respondents reported about types of check-ups conducted for them in the health camp



Percentage of respondents reported about the outcome of health camp visit



Percentage of respondents reported about the awareness on the organiser of the checkup camp





WAY FORWARD

Since our inception, we have woven sustainability into every action we take as a Company. We ensure the decisions we take as a Company serve the best interests of all our stakeholders and stand tall on the three cornerstones of sustainable economics – social, environmental, and the principles of governance within. As a leader within the automotive industry, we know our role comes well-defined, and we take care to pave the way for the future of the industry, so that a holistically prosperous future is possible for all. When cutting-edge technology is guided by firm principles, this possibility turns into a reality.

To that end, within this report, we have demonstrated our commitment so far, spoken to the challenges we face ahead, and the roadmap we intend to follow for the same.

Environment: This is the most relevant area of concern for us as automotive manufacturers. We ensure the best practices are followed by following the universally approved Global Reporting Initiative (GRI). We are proud of the strides we have in creating a future-ready map for electronic commercial vehicles in India. Our top-of-the-range EVs power deliveries across India, offering substantial reductions in greenhouse gas emissions nationally. Our electronic buses are our pride and are part of the Chandigarh Transport Undertaking. Within the Company too, we run on the 3Rs of Recycle, Reuse, Reduce. During this financial year, we have managed a reduction of 518 tons in the use of wood and corrugated boxes.

Social: VECV strives to create value for all its stakeholders, such as our consumers, community, and importantly, our drivers. Our social outreach activities created a thriving ecosystem within which VECV is proud to stand tall.

Our customers have come to trust the VECV brand, and we blend technology with people to create a seamless experience for them. We ensure that this trust is never flouted by adherence to the strictest methods of data protection.

Our employees form the heart of the Company, and their well-being is a priority. The health and safety of our factory workers is carefully monitored. Occupational training and education is provided to all, and redressal systems for grievances are kept robust and up-to-date.

Our drivers received any beneficiary programs this year, such as eye check-up camps, skill development, and road safety courses.

Value Chain Partners: Our sustainability initiatives include all aspects of our processes, including those with whom we conduct business, our suppliers and dealers. VECV received award from CLAAS Germany for Best Supplier in Innovation Category – this is the first ever award won by EEC in innovation category.

Governance: Our Board of Directors, our committee heads, our management, and our staff conduct themselves with the strongest ethics of business. Our stance as a Company is directed by the decisions taken by a strong core management, and we are able to demonstrate our commitment towards the above mentioned principles due to this.

ANNEXURE

ESG Performance Tables

Environment

Energy Consumption

Particulars	Unit	FY 2020-21	FY 2021-22	FY 2022-23
Total energy consumption within the organization	GJ	6,29,982.06	6,81,990.99	7,42,655.9
Direct energy consumption	GJ	3,74,030.24	3,72,633.44	3,20,857.4
Indirect energy consumption				
Non-Renewable source	GJ	1,82,159.25	2,29,585.09	3,37,802.1
Renewable sources	GJ	73,792.57	79,772.46	83,996.38

Emissions

Particulars	Unit	FY 2020-21	FY 2021-22	FY 2022-23
Total Scope 1 emissions	tCO ₂ e	21,352.86	23,089.21	20,376.01
Total Scope 2 emissions	tCO ₂ e	39,973.84	50,381.17	66,627.41

Water Consumption

Particulars	Unit	FY 2020-21	FY 2021-22	FY 2022-23
Water Purchased	Kl	310,220.43	539,706.96	6,54,944
Water Consumed	Kl	310,220.43	539,706.96	8,38,236.54
Water Discharged	Kl	37,060	50,845	0

Waste Generated

Particulars	Unit	FY 2020-21	FY 2021-22	FY 2022-23
Total hazardous waste generated	Mt	631.089	535.985	1,182.63
Total non-hazardous waste generated	Mt	7,013.551	3,152.655	12,727.65

Social

Health & Safety

Particulars	Employees	Workers
Lost Time Incidents (LTI)	5	9
Lost Days	6.33	25.67
Lost Time Incidents Rate (LTIR)	0.02	0.28
Lost Time Incidents Severity Rate (LTISR)	0.12	0.56
Fatalities	1	0



Employee Turnover

Particulars	<30 years		30-50 years		>50 years	
	Male	Female	Male	Female	Male	Female
Senior management	0	0	41	1	42	0
Middle management	0	0	387	5	83	1
Junior management	1461	148	1,652	61	151	6

Employee Attrition

Particulars	<30 years		30-50 years		>50 years	
	Male	Female	Male	Female	Male	Female
Senior management	0	0	2	0	0	0
Middle management	0	0	38	0	6	0
Junior management	348	44	226	15	1	0

New Joinees

Particulars	<30 years		30-50 years		>50 years	
	Male	Female	Male	Female	Male	Female
Senior management	0	0	0	0	0	0
Middle management	0	0	11	0	0	0
Junior management	786	87	140	9	2	0

GRI CONTENT INDEX

Statement of use	VE Commercial Vehicles Limited (VECV) has reported the information cited in this GRI content index for the period 1st April 2022 to 31st March 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	8, 9
	2-2 Entities included in the organization's sustainability reporting	5
	2-3 Reporting period, frequency and contact point	5
	2-6 Activities, value chain and other business relationships	9, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 36, 76, 77
	2-7 Employees	80
	2-8 Workers who are not employees	80
	2-9 Governance structure and composition	31, 32
	2-11 Chair of the highest governance body	31
	2-16 Communication of critical concerns	34
	2-19 Remuneration policies	33
	2-20 Process to determine remuneration	33
	2-23 Policy commitments	33, 34, 35, 36, 37
	2-24 Embedding policy commitments	33, 34, 35, 36, 37
	2-26 Mechanisms for seeking advice and raising concerns	34
	2-27 Compliance with laws and regulations	35, 74
	2-29 Approach to stakeholder engagement	48, 49
2-30 Collective bargaining agreements	81	

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	39, 40
	3-2 List of material topics	41, 42, 43, 44, 45, 46, 47
	3-3 Management of material topics	41, 42, 43, 44, 45, 46, 47
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	30
	201-4 Financial assistance received from government	30
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	34
	205-2 Communication and training about anti-corruption policies and procedures	34
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	35
GRI 301: Materials 2016	301-1 Materials used by weight or volume	71
	301-2 Recycled input materials used	71
	301-3 Reclaimed products and their packaging materials	71
GRI 302: Energy 2016	302-1 Energy consumption within the organization	55, 100
	302-4 Reduction of energy consumption	55
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	65, 100
	303-2 Management of water discharge-related impacts	65
	303-3 Water withdrawal	65, 100
	303-4 Water discharge	65, 100
	303-5 Water consumption	65, 100
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	54
	305-2 Energy indirect (Scope 2) GHG emissions	54
	305-5 Reduction of GHG emissions	54
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	55
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	69, 70
	306-2 Management of significant waste-related impacts	69, 70
	306-3 Waste generated	69, 70
	306-4 Waste diverted from disposal	69, 70
	306-5 Waste directed to disposal	69, 70

DRIVING SUSTAINABLE MOBILITY

GRI STANDARD	DISCLOSURE	LOCATION
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	75, 76
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	79
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	80
	401-3 Parental leave	80
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	81
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	81
	403-2 Hazard identification, risk assessment, and incident investigation	81
	403-3 Occupational health services	81
	403-4 Worker participation, consultation, and communication on occupational health and safety	81
	403-5 Worker training on occupational health and safety	81
	403-6 Promotion of worker health	39, 81
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	81
	403-8 Workers covered by an occupational health and safety management system	81
	403-9 Work-related injuries	100
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	83, 84
	404-2 Programs for upgrading employee skills and transition assistance programs	84, 85
	404-3 Percentage of employees receiving regular performance and career development reviews	83
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	79, 80
	405-2 Ratio of basic salary and remuneration of women to men	80
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	79
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	81

GRI STANDARD	DISCLOSURE	LOCATION
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	75, 76, 77
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	76, 77
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102
	413-2 Operations with significant actual and potential negative impacts on local communities	87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	73, 74
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	74
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	35
	417-2 Incidents of non-compliance concerning product and service information and labeling	35
	417-3 Incidents of non-compliance concerning marketing communications	35
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	34

NOTES



VE COMMERCIAL VEHICLES
A VOLVO GROUP AND EICHER MOTORS JOINT VENTURE

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