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Ref. VTL:SCY:SEP:2025-26

Dated: 02-Sep-2025

|   |   |
|---|---|
| BSE Limited,<br>New Trading Ring,<br>Rotunda Building, P.J. Towers,<br>Dalal Street, MUMBAI-400001.<br>Scrip Code: 502986 | The National Stock Exchange of India Ltd,<br>Exchange Plaza, Bandra-Kurla Complex,<br>Bandra (East),<br>MUMBAI-400 051<br>Scrip Code: VTL |
|---|---|

**SUB: BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

Dear Sir,

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Business Responsibility and Sustainability Report for the Financial Year 2024-25, which also forms part of the 52<sup>nd</sup> Annual Report of the Company.

Please take the same on records.

Thanking you,

Yours faithfully,  
For VARDHMAN TEXTILES LIMITED

(SANJAY GUPTA)  
COMPANY SECRETARY

# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

- Corporate Identity Number (CIN) of the Listed Entity:** L17111PB1973PLC003345
- Name of the Listed Entity:** Vardhman Textiles Limited
- Year of incorporation:** 1973
- Registered office address:** Vardhman Premises, Chandigarh Road, Ludhiana- 141010
- Corporate address:** Vardhman Premises, Chandigarh Road, Ludhiana- 141010
- E-mail:** [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com)
- Telephone:** 0161-2228943-48
- Website:** [www.vardhman.com](http://www.vardhman.com)
- Financial year for which reporting is being done:** 2024-25
- Name of the Stock Exchange(s) where shares are listed:** BSE Limited and National Stock Exchange of India Limited.
- Paid-up Capital:** ₹57.83 crore
- Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:**

| Sr. No. | Particulars      | Details  |
|---------|------------------|--|
| 1.      | Name             | S K Jhamb  |
| 2.      | Designation      | Chief Sustainability officer   |
| 3.      | Telephone number | 0161-2228943   |
| 4.      | Email id         | <a href="mailto:secretarial.lud@vardhman.com">secretarial.lud@vardhman.com</a> |
- Reporting boundary** - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). : The financial, environmental, social and governance disclosures made in this report are on a standalone basis (i.e. only for the entity).
- Name of assurance provider:** NA
- Type of assurance obtained:** NA

## II. Products/services:

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

| S. No. | Description of Main Activity | Description of Business Activity                               | % of Turnover of the entity |
|--------|------------------------------|--|-----------------------------|
| 1.     | Textile Manufacturing        | Manufacturing of different types of yarn, fabric and garments. | 99.67%                      |

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

| S. No. | Product/Service         | NIC Code | % of Total Turnover Contributed |
|--------|-------------------------|----------|---------------------------------|
| 1.     | Yarn, Fabric & Garments | 131      | 99.67%                          |

## III. Operations

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

| Location      | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National      | 15               | 6                 | 22    |
| International | NIL              | 1                 | 1     |

### 19. Markets served by the entity:

#### a. Number of locations

| Locations                        | Number    |
|----------------------------------|-----------|
| National (No. of States)         | PAN India |
| International (No. of Countries) | 65        |

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

43%

#### c. A brief on types of customers: Vardhman Textiles Limited is a leading player in India's textile industry, known for its diverse range of high-quality yarns and fabrics. Serving a broad customer base, it includes prominent retailers and respected national and international brands. With a focus on innovation and quality, the Company has built a strong reputation for consistently meeting market demands and delivering excellence, solidifying its position as a trusted supplier in the global textile market.

## IV. Employees

### 20. Details as at the end of Financial Year:

#### a. Employees and workers (including differently abled):

| S. No.           | Particulars                    | Total (A) | Male    |         | Female  |         |
|------------------|--------------------------------|-----------|---------|---------|---------|---------|
|                  |                                |           | No. (B) | % (B/A) | No. (C) | % (C/A) |
| <b>EMPLOYEES</b> |                                |           |         |         |         |         |
| 1.               | Permanent (D)                  | 3646      | 3249    | 89%     | 397     | 11%     |
| 2.               | Other than Permanent (E)       | 44        | 39      | 89%     | 5       | 11%     |
| 3.               | <b>Total employees (D + E)</b> | 3690      | 3288    | 89%     | 402     | 11%     |
| <b>WORKERS</b>   |                                |           |         |         |         |         |
| 4.               | Permanent (F)                  | 19550     | 12046   | 62%     | 7504    | 38%     |
| 5.               | Other than Permanent (G)       | 3638      | 2623    | 72%     | 1015    | 28%     |
| 6.               | <b>Total workers (F + G)</b>   | 23188     | 14669   | 63%     | 8519    | 37%     |

At Vardhman Textiles, we believe that diversity and inclusion are essential for organizational success. We are committed to providing equal opportunities for all, empowering individuals from diverse backgrounds to thrive. By embracing diversity, we enhance our talent pool and strengthen our competitive edge. We foster a workplace where every employee is respected, valued and encouraged to contribute his best. Through these efforts, we aim to build a culture of innovation and inclusion, driving our journey towards global leadership in the textile industry.

## b. Differently abled Employees and workers:

| S. No                              | Particulars                               | Total (A) | Male    |         | Female  |         |
|------------------------------------|---|-----------|---------|---------|---------|---------|
|                                    |   |           | No. (B) | % (B/A) | No. (C) | % (C/A) |
| <b>DIFFERENTLY ABLED EMPLOYEES</b> |   |           |         |         |         |         |
| 1.                                 | Permanent (D)                             | 7         | 7       | 100%    | 0       | 0%      |
| 2.                                 | Other than Permanent (E)                  | 0         | 0       | 0%      | 0       | 0%      |
| 3.                                 | Total differently abled employees (D + E) | 7         | 7       | 100%    | 0       | 0%      |
| <b>DIFFERENTLY ABLED WORKERS</b>   |   |           |         |         |         |         |
| 4.                                 | Permanent (F)                             | 13        | 12      | 92%     | 1       | 8%      |
| 5.                                 | Other than permanent (G)                  | 2         | 2       | 100%    | 0       | 0       |
| 6.                                 | Total differently abled works (F + G)     | 15        | 14      | 93%     | 1       | 7%      |

## 21. Participation/Inclusion/Representation of women

|                          | Total (A) | No. and percentage of Females |         |
|--------------------------|-----------|-------------------------------|---------|
|                          |           | No. (B)                       | % (B/A) |
| Board of Directors       | 10        | 3                             | 30%     |
| Key Management Personnel | 3         | 0                             | 0%      |

## 22. Turnover rate for permanent employees and workers

|                     | FY 2024-25<br>(Turnover rate in current FY) |        |       | FY 2023-24<br>(Turnover rate in previous FY) |        |       | FY 2022-23<br>(Turnover rate in the year prior to the previous FY) |        |       |
|---------------------|---|--------|-------|--|--------|-------|--|--------|-------|
|                     | Male  | Female | Total | Male   | Female | Total | Male   | Female | Total |
| Permanent Employees | 17.14                                       | 26.95  | 18.21 | 20.82  | 24.57  | 21.22 | 22.94  | 16.90  | 17.55 |
| Permanent Workers   | 25.09                                       | 40.30  | 30.85 | 35.60  | 47.00  | 40.00 | 31.36  | 34.83  | 33.65 |

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 23. (a) Names of holding/subsidiary/associate companies/joint ventures

| S. No. | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether holding/Subsidiary/ Associate/Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|---|--|-----------------------------------|--|
| 1.     | Vardhman Acrylics Limited   | Subsidiary   | 70.74%                            | No   |
| 2.     | VTL Investments Limited   | Subsidiary   | 100%                              | No   |
| 3.     | Vardhman Special Steels Limited   | Associate  | 23.76%                            | No   |
| 4.     | Vardhman Yarns and Threads Limited  | Associate  | 11%                               | No   |
| 5.     | Vardhman Spinning & General Mills Limited                                   | Associate  | 50%                               | No   |

## VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): YES

a. Turnover (₹ in crores): ₹9587.21 crore

b. Net worth (₹ in crores): ₹9,577.84 crore

## VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No)<br>(If Yes, then provide web-link for grievance redress policy) | FY 2024-25                                 |  |         | FY 2023-24                                 |  |         |
|---|---|--|--|---------|--|--|---------|
|   |   | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Investors (other than shareholders)               | Yes   | NIL  | NIL  | NIL     | NIL  | NIL  | NIL     |
| Shareholders                                      | Yes   | NIL  | NIL  | NIL     | NIL  | NIL  | NIL     |
| Employees and workers                             | Yes   | NIL  | NIL  | NIL     | NIL  | NIL  | NIL     |
| Customers   | Yes   | NIL  | NIL  | NIL     | NIL  | NIL  | NIL     |
| Value Chain Partners                              | Yes   | NIL  | NIL  | NIL     | NIL  | NIL  | NIL     |
| Communities                                       | Yes   | NIL  | NIL  | NIL     | NIL  | NIL  | NIL     |
| Other (please specify)                            | No  | NIL  | NIL  | NIL     | NIL  | NIL  | NIL     |

No Complaints/Grievances from any Shareholder and Customer relating to any of the Principles under NGRBC. Weblink of grievance redressal policy is: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Whistle\\_Blower\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Whistle_Blower_Policy.pdf)

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

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

Recently Double Materiality assessment is conducted to identify Vardhman's key material topics as it is available on our website -<https://www.vardhman.com/Document/ESG/Double%20Materiality%20Report.pdf>

According to this analysis, material topics were identified by benchmarking industry peers and reviewing key ESG standards such as CSRD, GRI & SASB and 20 key material topics were identified out of which 7 high- priority topics are mentioned in the below table-

| S No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity   | In case of risk, approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate positive or negative implication)   |
|-------|---------------------------|--|--|---|---|
| 1.    | Climate Change            | Opportunity & Risk                         | <p><b>Opportunity-</b> Reducing reliance on fossil fuel-intensive processes and shifting to renewable energy helps decrease greenhouse gas emissions, thereby mitigating climate change.</p> <p><b>Risk-</b> Businesses may lose customers who demand high sustainability standards and face regulatory changes like the Eco-design Directives and CBAM. These shifts could impact operations and competitiveness. Compliance may require costly adjustments to meet sustainability targets.</p> | <p>For optimizing our production processes various energy-saving initiatives implemented such as upgrading to more energy-efficient equipment &amp; focusing on the installation of solar plants and rooftop solar panels at our facilities and signing Power Purchase Agreements (PPAs) with renewable energy developers. Key Actions/Plans to address Climate Change are-</p> <ul style="list-style-type: none"> <li>• Reduce Scope 1 &amp; 2 emissions by 42% by 2030, with our plan currently under review through the Manufacturers Climate Action Program (MCAP).</li> <li>• Our goal is to achieve 40% green power generation by 2026.</li> <li>• By the end of 2025, we plan to install 70 MWp of solar power across our units.</li> <li>• Replacement of coal-fired boilers with three 80 TPH biomass boilers at MP unit and a 105 TPH paddy straw-fired boiler with turbine integration in Baddi has been initiated. Biomass includes locally sourced Agri-residues like rice husk and paddy straw. It reduced use of fossil fuels, thereby cutting down GHG emissions.</li> <li>• Installing 12,241 energy-efficient BLDC fans across units, replacing conventional fans to lower energy consumption and reduce electricity bills which are expected to save 18.99 million units of electricity annually, contributing to Scope 2 emission reduction.</li> <li>• Old LRB insulation on thermic fluid pipelines was replaced with high-performance E-glass insulation to minimize heat loss and improve energy efficiency. This resulted in energy savings of ~7.93 lakh Kcal/hr.</li> <li>• Developed a dense urban forest using Miyawaki Methodology (Baddi) on 1 acre land, with 11,000 saplings from 51 native species to support bio-diversity.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Initial Investment:</b><br/>Capital cost for solar installations, shifting from coal to biomass boiler retrofitting capital cost.</li> <li>• <b>Long-Term Benefit:</b><br/>Reduced energy costs and stabilized expenses through decreased reliance on non-renewable resources.</li> </ul> |

| S No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity  | In case of risk, approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate positive or negative implication)  |
|-------|---------------------------|--|---|---|--|
| 2.    | Water Stewardship         | Opportunity and Risk                       | <p><b>Opportunity:-</b> Growing consumer and brand preference for sustainable practices; potential to reduce water consumption and operational costs</p> <p><b>Risk:-</b> Stricter enforcement by pollution control boards on effluent quality and discharge limits</p> | <p><b>Wastewater Recycling and Reuse:</b> All manufacturing facilities are equipped with wastewater treatment systems, including Sewage Treatment Plants (STPs) and Effluent Treatment Plants (ETPs), followed by RO &amp; MEE. The treated wastewater is then repurposed for a variety of applications, significantly reducing our reliance on freshwater resources.</p> <p><b>Electro-Coagulation</b> technology was implemented to reduce 80% of COD and color in wastewater, while also minimizing the chemical consumption in the Effluent Treatment Plant (ETP).</p> <p><b>Modified ETP &amp; ZLD System at VSGM-Ludhiana</b></p> <p>The project has been initiated to retrofit the existing ETP into a Membrane Bio-Reactor (MBR)-based Zero Liquid Discharge (ZLD) system, integrating a 6-stage Reverse Osmosis (RO) and Mechanical Vapor Recompression Evaporator (MVRE). This will help to reduce freshwater dependency by ~80%.</p> <p><b>4<sup>th</sup> Stage RO System at VFB-Budhni</b></p> <p>4<sup>th</sup> stage Reverse Osmosis (RO) System implementation is underway with the existing 3-stage RO set-up to enhance overall water recovery.</p> <p><b>Rainwater Harvesting Systems:</b> Continuously invested in Ground Water Recharging initiatives since 2005, focusing on groundwater recharge, with 52 Rainwater Harvesting Systems (RWH) installed on various premises.</p> | <p><b>Positive-</b> Reduced freshwater consumption leads to long-term cost savings and improved ESG ratings.</p> <p><b>Negative-</b> High compliance costs- failure to comply may lead to penalties or closure of operations.</p> <p><b>Increased capital</b> expenditure for water-saving infrastructure but essential to maintain long-term business continuity.</p> |

| S No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity  | In case of risk, approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate positive or negative implication)  |
|-------|---------------------------|--|---|---|--|
| 3     | Responsible Sourcing      | Opportunity and Risk                       | <p><b>Risk:</b> Our business heavily relies on cotton as a primary raw material and the production and sourcing of conventional fibers pose significant environmental and social challenges. These impacts are becoming a growing concern among stakeholders, particularly, regarding the sustainability of our products.</p> <p><b>Opportunity:</b> By embracing sustainable sourcing practices, we can minimize our environmental and social footprints while simultaneously creating opportunities to embed sustainability into our product design, enhancing both brand reputation and long-term value.</p> | <p>Currently, we are sourcing 36% of sustainable cotton, we have collaborated with Better Cotton as a Programme Partner. This partnership allows us to work closely with over 12,000 farmers, focusing on natural resource management, fair work practices and climate adaptation strategies. Our commitment to responsible sourcing is further validated by the range of globally recognized certifications we hold. These include Regen Agri, GOTS, GRS, Oeko-TEX, Organic, OCS, Recycled Polyester Fiber, CMI, BCI, Fairtrade and FSC certifications.</p>  | <p><b>Long-Term Benefit:</b><br/>                     Emerge as market leader for sustainable products providing end-to-end traceability for customers.</p>  |
| 4.    | Waste Management          | Opportunity and Risk                       | <p><b>Opportunity-</b> Effective waste management practices, significantly reduce greenhouse gas emissions.</p> <p><b>Risk-</b> Inadequate waste management poses risks that can impact a business's legal compliance, reputation, operational effectiveness and its ability to maintain long-term sustainability.</p>  | <ul style="list-style-type: none"> <li>In waste management, we follow the 3R principle - Reduce, Reuse and Recycle to effectively manage and minimize waste.</li> <li>Vardhman's Renova Plant in Baddi is our first recycling facility, enabling us to divert waste from landfills and re-purpose it for use in production.</li> <li>In AT Baddi, a brine recovery unit has been initiated to reclaim salt from the waste water streams of dyeing, enabling its reuse &amp; reduce the salt disposal quantity to landfill.</li> </ul> <p>Target set to reduce 50% hazardous waste send to landfill by 2030.</p> | <p><b>Long-Term Benefit:</b></p> <ul style="list-style-type: none"> <li>Lower disposal expenses and reduced reliance on raw materials through increased recycling and reuse efforts.</li> <li>Create new revenue streams by selling recycled materials or developing eco-friendly products, capitalizing on the rising demand for sustainable goods.</li> <li>Strengthen brand image and market position as a leader in sustainability.</li> </ul> |
| 5.    | Customer Satisfaction     | Opportunity and Risk                       | <p><b>Opportunity-</b> Satisfied customers are more likely to become repeat buyers, contributing to sustained revenue streams.</p> <p><b>Risk-</b> High levels of customer dissatisfaction can significantly undermine trust and loyalty, resulting in reduced sales and potential harm to the Company's reputation.</p>  | <ul style="list-style-type: none"> <li>Maintaining superior quality standards which leads to increased customer satisfaction, loyalty and brand reputation ultimately leading to increased revenue and profitability.</li> </ul>  | <ul style="list-style-type: none"> <li>Developing high-quality, innovative products enables us to differentiate our-self in the market &amp; business can achieve higher profit margins.</li> </ul>  |

| S No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity  | In case of risk, approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate positive or negative implication)   |
|-------|---------------------------|--|---|---|---|
| 6.    | Product Stewardship       | Opportunity and Risk                       | <p><b>Opportunity-</b> Implementing efficient resource utilization and waste reduction strategies, Optimizing production processes, energy consumption &amp; the adoption of circular economy strengthen our brand image.</p> <p><b>Risk-</b> Impact on Company's reputation leading to loss of customer &amp; community trust.</p>   | <ul style="list-style-type: none"> <li>Decrease disposal costs and generate additional revenue from recycled materials (ReNova).</li> </ul>   | <p>Offers both direct and indirect financial benefits:</p> <p><b>Direct Financial Benefits:</b></p> <p><b>a) Revenue Enhancement-</b> sustainably marketed products often achieve higher sales growth compared to conventional products.</p> <p><b>b) Cost Reduction:</b> Implementing sustainable practices, such as energy-efficient technologies and waste reduction, can lead to significant cost savings.</p> <p><b>Indirect Financial Benefits:</b></p> <p><b>a) Risk Mitigation:</b> Proactively addressing environmental and social risks associated with products can prevent costly legal disputes and enhance long-term profitability.</p> <p>b) Enhanced Brand Reputation</p>             |
| 7     | Health & Safety           | Risk & Opportunity                         | <p><b>Risk-</b></p> <ul style="list-style-type: none"> <li>Stringent regulatory standards and stakeholder expectations require consistent compliance to avoid penalties and reputational damage.</li> <li>Inadequate fire safety could lead to severe injuries, asset loss and disruption of operations.</li> <li>Legal and reputational risks associated with safety incidents involving contractual or third-party workers.</li> </ul> <p><b>Opportunity</b></p> <ul style="list-style-type: none"> <li>Proactive safety training reduces workplace incidents, enhances productivity and builds employee trust.</li> <li>Growing awareness and expectations on health &amp; safety from employees and ESG rating agencies.</li> </ul> | <ul style="list-style-type: none"> <li>Periodic HIRA (Hazard Identification &amp; Risk Assessment), implementation of ISO 45001, regular health check-ups and safety audits.</li> <li>Installation of fire detection/suppression systems, mock drills, evacuation plans and third-party fire safety audits.</li> <li>Extension of safety trainings, compliance audits and inclusion of safety KPIs in contractor evaluation.</li> <li>Being an opportunity, this is addressed via continuous training modules, toolbox talks, safety posters and emergency response drills.</li> <li>Extension of safety trainings, compliance audits and inclusion of safety KPIs in contractor evaluation.</li> <li>Implementation of Behavior Based Safety across all the locations.</li> <li>Implementation of Visitor safety briefing system through animated module.</li> </ul> | <ul style="list-style-type: none"> <li>Non-compliance may result in penalties and reputational loss; however, mitigation measures involve moderate cost but prevent larger financial losses.</li> <li>Capital investment in fire systems is required, but long-term asset protection and insurance benefits offset the cost.</li> <li>Monitoring and capacity-building expenses; however, it reduces legal liability and supports ESG ratings.</li> <li>Improves operational efficiency, reduces downtime and potential insurance premium reductions.</li> <li>Enhances employee retention, morale and reduces absenteeism, ultimately contributing to long-term financial sustainability.</li> </ul> |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

| Disclosure Questions   | P 1  | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|--|--|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>Policy and management processes</b>   |  |     |     |     |     |     |     |     |     |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)   | Y  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| b. Has the policy been approved by the Board? (Yes/No)   | Y  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| c. Web Link of the Policies, if available  | Various policies of the Company are available on the website of the Company at <a href="https://www.vardhman.com/Investors/CompanyInformation">https://www.vardhman.com/Investors/CompanyInformation</a>   |     |     |     |     |     |     |     |     |
| 2. Whether the entity has translated the policy into procedures. (Yes/No)  | Y  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No)  | Yes, few of the enlisted policies of the Company have extended coverage to the value chain partners.   |     |     |     |     |     |     |     |     |
| 4. Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.   | ISO 14001:2015,<br>ISO 45001:2018,<br>ISO 9001:2015,<br>Better Cotton Initiative (BCI),<br>Global Organic Textiles Standard (GOTS),<br>Organic Content Standard (OCS),<br>Global Recycle Standard (GRS),<br>Recycled Claim Standard (RCS),<br>OEKOTEX,<br>Cotton Made in Africa (CMIA),<br>Forest Stewardship Council (FSC),<br>Responsible Wool Standard (RWS),<br>U.S. Cotton TRUST PROTOCOL,<br>Fair Trade,<br>Regenagri<br>ZDHC, SMETA,<br>HIGG Index<br>FSLM  |     |     |     |     |     |     |     |     |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any.   | <ul style="list-style-type: none"> <li>42% reduction in Scope 1+2 combined by 2030 &amp; Net Zero by 2045</li> <li>Achieve 40% of green power generation by 2026</li> <li>30% reduction in freshwater consumption by 2030</li> <li>50% reduction in waste sent to landfill by 2030</li> <li>100% sustainable packaging by 2030</li> <li>To reduce virgin plastic by 20% by 2030</li> <li>ZDHC MRSL compliance:100% by 2030</li> <li>Achieving net positive impact (NPI) on biodiversity-By 2050</li> <li>No gross Deforestation by 2045.</li> <li>For Gender Diversity-Increase to 20% At Management level &amp; 45% overall by 2030.</li> </ul> |     |     |     |     |     |     |     |     |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.  |  |     |     |     |     |     |     |     |     |
| <b>Governance, leadership and oversight</b>  |  |     |     |     |     |     |     |     |     |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements: Sustainability is a cornerstone of our business strategy. Recognizing the textile industry's impact on the environment, we are committed to responsible sourcing, environmental conservation and social responsibility. We actively work to minimize our ecological footprint by implementing energy-efficient technologies, reducing water usage and adopting eco-friendly manufacturing processes. Additionally, we prioritize responsible sourcing of raw materials, promote fair trade practices and ensure ethical supply chains, reinforcing our dedication to sustainable and responsible business practices. |  |     |     |     |     |     |     |     |     |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).  | Mr. SK Jhamb<br>Chief Sustainability Officer<br>Email id: <a href="mailto:secretarial.lud@vardhman.com">secretarial.lud@vardhman.com</a><br>Tel. No.: 0161- 2228943  |     |     |     |     |     |     |     |     |

| Disclosure Questions  | P 1  | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|--|-----|-----|-----|-----|-----|-----|-----|-----|
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on Sustainability related issues? (Yes/No). If yes, provide details. | Yes, the ESG Committee constituted by the Board of Directors of the Company to evaluate the sustainability related issues. |     |     |     |     |     |     |     |     |



10. Details of Review of NGRBCs by the Company:

| Subject for Review   | Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee |   |     |     |     |     |     |     |     | Frequency (Annually/Half yearly/Quarterly/Any other – please specify) |     |     |     |     |     |     |     |     |
|--|---|---|-----|-----|-----|-----|-----|-----|-----|---|-----|-----|-----|-----|-----|-----|-----|-----|
|  | P 1   | P 2   | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1   | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|  | Performance against above policies and follow up action                                       | All the policies of the Company are reviewed periodically or on a need basis. The Company complies with the regulations, extant and principles as are applicable. |     |     |     |     |     |     |     |   |     |     |     |     |     |     |     |     |
| Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances |   |   |     |     |     |     |     |     |     |   |     |     |     |     |     |     |     |     |

|   | P 1   | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|-----|-----|-----|-----|-----|-----|-----|-----|
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | Yes, independent assessment was conducted by Intertek.<br><a href="https://www.vardhman.com/Document/ESG/ESG%20Databook.pdf">https://www.vardhman.com/Document/ESG/ESG%20Databook.pdf</a> |     |     |     |     |     |     |     |     |

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

| Questions   | P 1  | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|------|-----|-----|-----|-----|-----|-----|-----|-----|
| The entity does not consider the Principles material to its business (Yes/No)   |      |     |     |     |     |     |     |     |     |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) |      |     |     |     |     |     |     |     |     |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No)                         | N.A. |     |     |     |     |     |     |     |     |
| It is planned to be done in the next financial year (Yes/No)  |      |     |     |     |     |     |     |     |     |
| Any other reason (please specify)   |      |     |     |     |     |     |     |     |     |

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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

### Essential Indicators

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

| Segment                           | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact  | %age of persons in respective category covered by the awareness programme |
|-----------------------------------|--|--|---|
| Board of Directors                | 4  | Yarn & Fabric business performance and strategy, Changes in economic and industrial scenario, CSR, Sustainability initiatives and Renewable energy related matters.  | 100%  |
| Key Managerial Personnel          | 4  | Yarn & Fabric business performance and strategy, Changes in economic and industrial scenario, CSR, Sustainability initiatives and Renewable energy related matters.  | 100%  |
| Employees other than BoD and KMPs | 877  | Human Rights (Taxation, Code of Conduct, Ethic & Integrity, Policies & Procedures), employee well being, ISO 14001 & 45001 Standard, BBS Awareness session, HIRA Awareness, Emergency Evacuation, Accident Prevention Training, skill upgradation and Sustainability (TPM & 5S Awareness, Lean Manufacturing & Kaizen, Problem Solving & Analytical Tools) | 100%  |
| Workers                           | 3580   | Human Rights & Ethics, Employee Well-being Workplace Compliance, Environmental & Sustainability Practices Organizational Policies & Code of Conduct, Road Safety Awareness session, Fire Fighting & Safety Awareness, PPE's awareness and Near-miss related, Electrical Safety Awareness, LOTO Awareness Training, Behavior Based Safety.                  | 100%  |

#### 2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

|                 | NGRBC Principle | Name of the regulatory/enforcement agencies/judicial institutions | Monetary      |   | Has an appeal been preferred? (Yes/No) |
|-----------------|-----------------|---|---------------|---|--|
|                 |                 |   | Amount (In ₹) | Brief of the Case   |  |
| Penalty/Fine    | 6               | PPCB  | 13,20,000     | Compensation was imposed by PPCB on VSGM in the matter relating to non-submission of PERT Chart for installation and commissioning of ZLD in compliance with the provisions of the Water (Prevention and Control of Pollution) Act, 1974. | No                                     |
| Settlement      | NIL             | NIL   | NIL           | NIL   | NIL                                    |
| Compounding Fee | NIL             | NIL   | NIL           | NIL   | NIL                                    |

| Non-Monetary |                 |   |                   |  |
|--------------|-----------------|---|-------------------|--|
|              | NGRBC Principle | Name of the regulatory/enforcement agencies/judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | NIL             | NIL   | NIL               | NIL                                    |
| Punishment   | NIL             | NIL   | NIL               | NIL                                    |

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

| Case Details | Name of the regulatory/enforcement agencies/judicial institutions |
|--------------|---|
| NA           | NA  |

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, we have anti-corruption or anti-bribery policy whose objective is to conduct our operations and business activities in consonance with applicable laws, highest ethical standards and to ensure the prevention as well as the detection of fraud, bribery and corruption. Our policy aligns seamlessly with our unwavering commitment to preventing corruption, as enshrined in the company's Code of Conduct and Ethics. The policy is available on the website of the Company at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Anti-Bribery,\\_Anti-Corruption\\_&\\_Anti-Money\\_Laundering\\_\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Anti-Bribery,_Anti-Corruption_&_Anti-Money_Laundering__Policy.pdf)

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

|           | FY 2024-25 | FY 2023-24 |
|-----------|------------|------------|
| Directors | NIL        | NIL        |
| KMPs      | NIL        | NIL        |
| Employees | NIL        | NIL        |
| Workers   | NIL        | NIL        |

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

|  | FY 2024-25 |         | FY 2023-24 |         |
|--|------------|---------|------------|---------|
|  | Number     | Remarks | Number     | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | NIL        | -       | NIL        | -       |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs      | NIL        | -       | NIL        | -       |

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

Not Applicable

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

|                                     | FY 2024-25 | FY 2023-24 |
|-------------------------------------|------------|------------|
| Number of days of accounts payables | 17         | 14         |

## 9. Open-ness of business

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

| Parameter                  | Metrics  | FY 2024-25 | FY 2023-24 |
|----------------------------|--|------------|------------|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases                               | 25%        | 11%        |
|                            | b. Number of trading houses where purchases are made from                              | 22         | 17         |
|                            | c. Purchases from top 10 trading houses as % of total purchases from trading houses    | 87%        | 94%        |
| Concentration of Sales     | a. Sales to dealers/distributors as % of total sales                                   | 36%        | 31%        |
|                            | b. Number of dealers/distributors to whom sales are made                               | 60         | 52         |
|                            | c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors    | 50%        | 59%        |
| Share of RPTs in           | a. Purchases (Purchases with related parties/Total Purchases)                          | 2.37%      | 1.61%      |
|                            | b. Sales (Sales to related parties/Total Sales)  | 0.51%      | 0.73%      |
|                            | c. Loans & advances (Loans & advances given to related parties/Total loans & advances) | Nil        | Nil        |
|                            | d. Investments (Investments in related parties/Total Investments made)                 | Nil        | Nil        |

## Leadership Indicators

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

| Total number of awareness programmes held | Topics/principles covered under the training   | %age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|--|--|
| 1   | To educate and sensitize vendors about the benefits, functionality and implementation of EPR systems in the plastic manufacturing sector.  | 100%   |
| 366                                       | Training on Climate change & pre Sowing Operations in Cotton for Sustainable cotton production, Soil Health, Decent work on Pest identification, IPM with all other Pest Management aspect Toxicity, Fibre quality, Livelihood |  |
| 81  | Trainings of Lead and Progressive farmers  |  |
| 141                                       | Women Workers Trainings on Different Dicent Work Aspects   | 100%   |
| 104                                       | Women Trainings on SHG and livelihood enterprise development   |  |
| 141                                       | Workers Trainings on Different Dicent Work Aspects   |  |
| 141                                       | PRI and Lead farmers Trainings on awareness on Gender related issues   |  |

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

Yes, the entity has a Code of Conduct that applies to all directors and senior employees. This Code is designed to maintain the highest standards of ethical business practices in alignment with the Company's values. It offers guidance on managing conflicts of interest and ethical challenges, ensuring compliance with relevant laws. All senior employees are required to read, understand and commit to following this Code.

The Code of Conduct can be accessed on the Company's website at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Code\\_of\\_Conduct\\_for\\_Directors\\_&\\_Senior\\_Management.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Code_of_Conduct_for_Directors_&_Senior_Management.pdf)

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

### Essential Indicators

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

|       | Current Financial Year | Previous Financial Year | Details of Improvements in environmental and social impacts   |
|-------|------------------------|-------------------------|---|
| R&D   | -                      | -                       | The expenses cover all costs, encompassing investments in environmental and sustainable initiatives such as researching and implementing wastewater technologies, enhancing energy efficiency, promoting renewable energy, fostering circular economy practices and devising techno-economic solutions for utilizing low carbon technologies. |
| Capex | 10.86%                 | 17.14%                  |   |

- Does the entity have procedures in place for sustainable sourcing?**

We are committed to ensuring that our sourcing practices align with our broader goals of environmental stewardship, fair labor and community well-being. Our focus is prioritizing environmental sustainability, not just within our manufacturing facilities but throughout our entire supply chain. To support this, we have established a sustainable sourcing policy, which is outlined in the attached weblink, in line with our ESG commitments.

[https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Sustainable\\_Sourcing\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Sustainable_Sourcing_Policy.pdf)

We hold a range of green certifications, including Regen Agri, GOTS, GRS, Oeko-TEX, Organic, OCS, Recycled Polyester Fiber, CMI, BCI, Fairtrade, & FSC certification.

The dyes and chemicals used in our manufacturing processes are compliant to ZDHC MRSL standards.

- If yes, what percentage of inputs were sourced sustainably?**

36% of our primary raw material inputs are sourced sustainably (consisting of cotton and fibers). This includes materials certified by BCI, Organic, GOTS, FSC and GRS.

Additionally, 96.66% of the dyes and chemicals used in our manufacturing processes comply with GOTS and ZDHC MRSL standards, underscoring our commitment to environmental responsibility and safety.

Our packaging is 91% paper-based, including cartons, paper cones and paper tubes, all sourced from 100% recycled content or agro-waste paper.

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

The Company is advancing towards sustainable waste management practices. We prioritize the comprehensive recycling of plastic packaging materials used throughout our operations, aligning with the Plastic Waste Management Rules of 2016.

Our collaboration with authorized recyclers enables us to efficiently collect and reprocess the plastic waste we generate. This proactive approach underscores our commitment to taking full responsibility for the end-of-life management of the plastic packaging materials we use.

We have successfully recycled 1698 metric tons (MT) of plastic packaging material & become plastic positive—recycling more plastic than we generate

In line with our dedication to sustainability, we've set up dedicated facilities throughout our entities to manage different types of waste, including hazardous waste, e-waste and scrap materials. To ensure responsible disposal, we partner with authorized recyclers & file returns with the appropriate statutory bodies. Our main goal is to prioritize reduction and reuse, striving to minimize waste.

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

Yes, our entity falls within the purview of Extended Producer Responsibility (EPR) obligations as per the Plastic Waste Management Rules, 2016, duly registered with the Central Pollution Control Board (CPCB) for PWM compliance. We have achieved a commendable target of 1,698 metric tons for Extended Producer Responsibility (EPR). We are plastic positive organization - recycling more plastic than we generate - demonstrating our strong commitment to sustainable waste management and environmental stewardship.

**Leadership Indicators**

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

| NIC Code | Name of Product /Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective/ Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) If yes, provide the web-link. |
|----------|--------------------------|---------------------------------|---|---|--|
|----------|--------------------------|---------------------------------|---|---|--|

Nil

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

| Name of Product/Service | Description of the risk/concern | Action Taken |
|-------------------------|---------------------------------|--------------|
|-------------------------|---------------------------------|--------------|

Nil

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

| Indicate input material     | Recycled or re-used input material to total material |           |
|-----------------------------|--|-----------|
|                             | FY2024-25  | FY2023-24 |
| Recycled Cotton             | 2.52%  | 0.363%    |
| Recycled Polyester          | 11.00%   | 12.733%   |
| Recycled Polyester Filament | 39.00%   | 18.606%   |

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

|                                | FY 2024-25 |          |                 | FY2023-24 |          |                 |
|--------------------------------|------------|----------|-----------------|-----------|----------|-----------------|
|                                | Re-used    | Recycled | Safely Disposed | Re-used   | Recycled | Safely Disposed |
| Plastics (including packaging) | -          | 1698     | -               | -         | 2083     | -               |
| E-waste                        | -          | -        | -               | -         | -        | -               |
| Hazardous waste                | -          | -        | -               | -         | -        | -               |
| Other waste                    | -          | -        | -               | -         | -        | -               |

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

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

Not Applicable

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

**Essential Indicators**

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

| Category                              | % of employees covered by |                  |           |                    |             |                    |              |                    |        |                     |              |
|---------------------------------------|---------------------------|------------------|-----------|--------------------|-------------|--------------------|--------------|--------------------|--------|---------------------|--------------|
|                                       | Total (A)                 | Health insurance |           | Accident insurance |             | Maternity benefits |              | Paternity benefits |        | Day Care facilities |              |
|                                       |                           | Number (B)       | %(B/A)    | Number (C)         | %(C/A)      | Number (D)         | %(D/A)       | Number (E)         | %(E/A) | Number (F)          | %(F/A)       |
| <b>Permanent employees</b>            |                           |                  |           |                    |             |                    |              |                    |        |                     |              |
| Male                                  | 3249                      | 0                | 0%        | 3249               | 100%        | -                  | -            | -                  | -      | -                   | -            |
| Female                                | 397                       | 0                | 0%        | 397                | 100%        | 397                | 100%         | -                  | -      | 397                 | 100%         |
| <b>Total</b>                          | <b>3646</b>               | <b>0</b>         | <b>0%</b> | <b>3646</b>        | <b>100%</b> | <b>397</b>         | <b>10.89</b> | -                  | -      | <b>397</b>          | <b>10.89</b> |
| <b>Other than Permanent employees</b> |                           |                  |           |                    |             |                    |              |                    |        |                     |              |
| Male                                  | 39                        | -                | -         | -                  | -           | -                  | -            | -                  | -      | -                   | -            |
| Female                                | 5                         | -                | -         | -                  | -           | -                  | -            | -                  | -      | -                   | -            |
| <b>Total</b>                          | <b>44</b>                 | -                | -         | -                  | -           | -                  | -            | -                  | -      | -                   | -            |

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

| Category                            | % of employees covered by |                  |            |                    |             |                    |              |                    |        |                     |              |
|-------------------------------------|---------------------------|------------------|------------|--------------------|-------------|--------------------|--------------|--------------------|--------|---------------------|--------------|
|                                     | Total (A)                 | Health insurance |            | Accident insurance |             | Maternity benefits |              | Paternity benefits |        | Day Care facilities |              |
|                                     |                           | Number (B)       | %(B/A)     | Number (C)         | %(C/A)      | Number (D)         | %(D/A)       | Number (E)         | %(E/A) | Number (F)          | %(F/A)       |
| <b>Permanent Workers</b>            |                           |                  |            |                    |             |                    |              |                    |        |                     |              |
| Male                                | 12046                     | 11281            | 94%        | 12046              | 100%        | -                  | -            | -                  | -      | -                   | -            |
| Female                              | 7504                      | 7266             | 97%        | 7504               | 100%        | 7504               | 100%         | -                  | -      | 7504                | 100%         |
| <b>Total</b>                        | <b>19550</b>              | <b>18547</b>     | <b>95%</b> | <b>19550</b>       | <b>100%</b> | <b>7504</b>        | <b>38.38</b> | -                  | -      | <b>7504</b>         | <b>38.38</b> |
| <b>Other than Permanent Workers</b> |                           |                  |            |                    |             |                    |              |                    |        |                     |              |
| Male                                | 2623                      | 2413             | 92%        | 2623               | 100%        | -                  | -            | -                  | -      | -                   | -            |
| Female                              | 1015                      | 966              | 95%        | 1015               | 100%        | 1015               | 100%         | -                  | -      | 1015                | 100%         |
| <b>Total</b>                        | <b>3638</b>               | <b>3379</b>      | <b>93%</b> | <b>3638</b>        | <b>100%</b> | <b>1015</b>        | <b>27.90</b> | -                  | -      | <b>1015</b>         | <b>27.90</b> |

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

|   | FY 2024-25 | FY 2023-24 |
|---|------------|------------|
| Cost incurred on well-being measures as a % of total revenue of the company | 0.12%      | 0.016 %    |

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

| Benefits   | FY 2024-25   |  |  | FY 2023-24   |  |  |
|------------|--|--|--|--|--|--|
|            | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF         | 100%   | 100%   | Y  | 100%   | 100%   | Y  |
| Gratuity   | 100%   | 100%   | Y  | 100%   | 100%   | Y  |
| ESI        | 23.8%  | 92.9%  | Y  | 21.46%   | 94%  | Y  |
| Other(NPS) | 7.6%   | -  | Y  | 7.76%  | -  | Y  |

**3. Accessibility of workplaces**

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, in compliance with the Rights of Persons with Disabilities Act, 2016, we have implemented several measures to ensure our premises are accessible to differently abled employees and workers. For example, Special Washrooms for handicapped and wheelchairs facilities are available. Ramps and elevators have been installed at different entry and exit points to facilitate easy access and movement.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Equal\\_Opportunity\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Equal_Opportunity_Policy.pdf)

Through the Equal Opportunity Policy, as mentioned below, Employees can report incidents of any policy violation through the following channels:

- i. Writing to [ethics@vardhman.com](mailto:ethics@vardhman.com).
- ii. Direct submission to the respective unit grievance committee/in writing to the HR department, outlining the issue and desired resolution.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

| Gender       | Permanent employees |                | Permanent workers   |                |
|--------------|---------------------|----------------|---------------------|----------------|
|              | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male         | Not Applicable      |                |                     |                |
| Female       | 84.61%              | 61.53%         | 51.35%              | 77.77%         |
| <b>Total</b> | <b>84.61%</b>       | <b>61.53%</b>  | <b>51.35%</b>       | <b>77.77%</b>  |

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

|                                | Yes/No<br>(If yes, then give details of the mechanism in brief) |
|--------------------------------|---|
| Permanent Workers              | Yes   |
| Other than Permanent Workers   | Yes   |
| Permanent Employees            | Yes   |
| Other than Permanent Employees | Yes   |

Yes, a grievance redressal mechanism is in place for employees and workers under the Grievance Redressal Policy. This policy defines a clear 3-tier process for addressing and resolving grievances:

**Stage I:** The employee or worker must submit their grievance in writing to their immediate supervisor. If the resolution is unsatisfactory, they can escalate the matter further.

**Stage II:** The grievance can be escalated in writing to the concerned Sectional Head. If the worker remains dissatisfied with the outcome, he/she may escalate the issue to the Head of Department and, if needed, to the Industrial Relations Department.

**Stage III:** If the grievance remains unresolved after Stage II, it can be referred to the Grievance Redressal Committee for a final resolution.

This structured approach ensures that all concerns are addressed fairly and promptly at each level.

Links of the Policies:

Human Right Policy- [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Human\\_Right\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Human_Right_Policy.pdf)

Stakeholders Grievance Redressal Policy- [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Stakeholders\\_Grievance\\_Redressal\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Stakeholders_Grievance_Redressal_Policy.pdf)

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

| Category                         | FY 2024-25   |  |         | FY 2023-24   |  |         |
|----------------------------------|--|--|---------|--|--|---------|
|                                  | Total employees/workers in respective category (A) | No. of employees/workers in respective category, who are part of association(s) or Union (B) | % (B/A) | Total employees/workers in respective category (C) | No. of employees/workers in respective category, who are part of association(s) or Union (D) | % (D/C) |
| <b>Total Permanent Employees</b> | 3646   | 0  | 0%      | 3845   | 0  | 0%      |
| - Male                           | 3249   | 0  | 0%      | 3424   | 0  | 0%      |
| - Female                         | 397  | 0  | 0%      | 421  | 0  | 0%      |
| <b>Total Permanent Workers</b>   | 19550  | 0  | 0%      | 21084  | 0  | 0%      |
| - Male                           | 12046  | 0  | 0%      | 13082  | 0  | 0%      |
| - Female                         | 7504   | 0  | 0%      | 8002   | 0  | 0%      |

#### 8. Details of training given to employees and workers:

| Category         | FY 2024-25<br>(Current Financial Year) |                               |             |                      |               | FY 2023-24<br>(Previous Financial Year) |                               |               |                      |               |
|------------------|--|-------------------------------|-------------|----------------------|---------------|---|-------------------------------|---------------|----------------------|---------------|
|                  | Total (A)                              | On Health and safety measures |             | On skill upgradation |               | Total (D)                               | On Health and safety measures |               | On Skill upgradation |               |
|                  |  | No. (B)                       | %(B/A)      | No. (C)              | %(C/A)        |   | No. (E)                       | %(E/D)        | No. (F)              | %(E/D)        |
| <b>Employees</b> |  |                               |             |                      |               |   |                               |               |                      |               |
| Male             | 3249                                   | 3249                          | 100%        | 2570                 | 79.10%        | 3424                                    | 822                           | 24%           | 3360                 | 98.13%        |
| Female           | 397                                    | 397                           | 100%        | 383                  | 96.47%        | 421                                     | 91                            | 21.62%        | 413                  | 98.10%        |
| <b>Total</b>     | <b>3646</b>                            | <b>3646</b>                   | <b>100%</b> | <b>2953</b>          | <b>80.99%</b> | <b>3845</b>                             | <b>913</b>                    | <b>23.74%</b> | <b>3773</b>          | <b>98.13%</b> |
| <b>Workers</b>   |  |                               |             |                      |               |   |                               |               |                      |               |
| Male             | 12046                                  | 12046                         | 100%        | 11161                | 92.65%        | 13082                                   | 10325                         | 78.39%        | 6036                 | 46.14%        |
| Female           | 7504                                   | 7504                          | 100%        | 7504                 | 100%          | 8002                                    | 8002                          | 100%          | 2780                 | 34.74%        |
| <b>Total</b>     | <b>19550</b>                           | <b>19550</b>                  | <b>100%</b> | <b>18665</b>         | <b>95.47%</b> | <b>21084</b>                            | <b>18327</b>                  | <b>86.92%</b> | <b>8816</b>          | <b>41.81%</b> |

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

| Category         | FY 2024-25   |              |             | FY 2023-24   |              |               |
|------------------|--------------|--------------|-------------|--------------|--------------|---------------|
|                  | Total (A)    | No. (B)      | % (B/A)     | Total (C)    | No. (D)      | % (D/C)       |
| <b>Employees</b> |              |              |             |              |              |               |
| - Male           | 3249         | 3249         | 100%        | 3424         | 3204         | 93.57%        |
| - Female         | 397          | 397          | 100%        | 421          | 379          | 90.02%        |
| <b>Total</b>     | <b>3646</b>  | <b>3646</b>  | <b>100%</b> | <b>3845</b>  | <b>3583</b>  | <b>93.19%</b> |
| <b>Workers</b>   |              |              |             |              |              |               |
| - Male           | 12046        | 12046        | 100%        | 13082        | 12098        | 92.48%        |
| - Female         | 7504         | 7504         | 100%        | 8002         | 7993         | 99.89%        |
| <b>Total</b>     | <b>19550</b> | <b>19550</b> | <b>100%</b> | <b>21084</b> | <b>20091</b> | <b>95.29%</b> |

**10. Health and safety management system:**

**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?**

We have implemented and obtained ISO 45001:2018 Occupational Safety & Health Management System Certification in all our units which is a continuous guiding force for us and a testimonial of our commitment to Internationally accepted Standard. This system helps us to review our compliance to the legal & other requirements & helps in developing a systematic approach to provide a Safe & Healthy Workplace for our employees. ‘Sharing is Caring’ drive, in which we share the information about incidents that happened in all our units and the counter measures taken to prevent them from happening again. For creating a safe & healthy work environment, we conduct health camps, safety training and Emergency Mock drills for our employees & workers.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

At Vardhman, Safety is the top most priority which every employee of ours carries along as a Strong Value. The Company has implemented a comprehensive Hazard Identification & Risk Assessment Approach for identification & mitigation of risks in Routine, Non-routine and Emergency activities. For tasks which are highly risky in nature and are to be executed on a one-time basis, a system of Pre Job-Safety Analysis is implemented.

Many Proactive initiatives have been undertaken such as :

1. Near Miss capturing has been strengthened across all units and an effective framework for capturing the same is in place.
2. Safety Conditions for new Equipment are checked before Installation.
3. As an administrative control, lot of visual displays for cautioning the workmen on the prevalent hazards at their work zones and One-point Lessons are developed & displayed.
4. Layered audit system including the unit safety team, audit committee and corporate health & safety team is implemented group wide.
5. A strong governance system for conducting Health & Safety Reviews is implemented at the group level & the corporate.
6. At Vardhman, we have now adopted Behaviour Based Safety Approach, it a proactive approach to workplace safety that focuses on observing, analyzing and modifying employee behaviors to prevent accidents and injuries.

7. For upgrading the knowledge & Self Auditing skills in assessing hazards, environmental aspects & impacts, planning & implementing the risk control measures, Internal Auditor training programmes on ISO 14001:2015 & ISO 45001:2018 were organized groupwide. A Major drive for conducting risk assessment in non-routine activities has been conducted groupwide.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N):**

Yes, All employees have the access to report near miss incidents, safety suggestions both digitally and through physical modes in various safety committee meetings.

1. QR code-based near miss reporting system has been implemented.
2. In addition to these, we conduct regular Safety Audits and Safety Assessments to identify unsafe acts and conditions in the units through certified safety officers, third party auditors, ISO certification body auditors on a defined frequency.

**d. Do the employees/worker of the entity have access to non-occupational medical and care services? (Yes/No):**

Yes, Vardhman prioritizes health, safety and wellbeing of it's employees and workers. Our company also provides access to non-occupational medical & healthcare services, such as occupational health center, hospitals and health insurance at their respective locations as per applicable policy level wise. Our employees also have access to national health services provided by governments and are facilitated for the same.

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

| Safety Incident/Number  | Category  | FY 2024-25<br>Current Financial Year | FY 2023-24<br>Previous Financial Year |
|---|-----------|--------------------------------------|---------------------------------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0                                    | 0                                     |
|   | Workers   | 3.59                                 | 3.47                                  |
| Total recordable work-related injuries  | Employees | 0                                    | 0                                     |
|   | Workers   | 174                                  | 162                                   |
| No. of fatalities   | Employees | 0                                    | 0                                     |
|   | Workers   | 0                                    | 3                                     |
| High consequence work-related injury or ill-health (excluding fatalities)     | Employees | 0                                    | 0                                     |
|   | Workers   | 0                                    | 0                                     |

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

The Company implements proactive measures to ensure a safe and healthy workplace environment. Regular Hazard Identification and Risk Assessment (HIRA) is conducted to identify and eliminate potential risks effectively in routine and non-routine activities. By addressing these hazards at their source, the Company significantly reduces the likelihood of accidents or injuries. The Company ensures that all employees undergo comprehensive training in occupational health and safety practices which includes Behavior-based safety (BBS), which is a proactive approach to workplace safety that focuses on observing, analyzing and modifying employee behaviors to prevent accidents and injuries. Also we focus on providing required instructions on the safe operation of machinery and equipment, proper handling of hazardous substances and adherence to safety protocols. Moreover, the Company places a high priority on providing appropriate Personal Protective Equipment (PPE) to its employees. Comprehensive training is provided to ensure that employees have access to and are proficient in the correct use of safety gear such as helmets, gloves, safety shoes, goggles and ear protection.

Furthermore, the Company actively promotes visual safety aids and messages throughout its facilities. Utilizing a variety of mediums including Health Camps, Sharing Safety Best Practices & Kaizens, signs, labels, posters and other visual aids, important safety information and reminders are effectively communicated to employees. These visual aids serve as constant reminders of safe practices and play a pivotal role in reinforcing a robust safety culture within the organization.

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

|                    | FY 2024-25            |                                       |         | FY 2023-24            |                                       |         |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                    | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 0                     | 0                                     | -       | 0                     | 0                                     | -       |
| Health & Safety    | 0                     | 0                                     | -       | 0                     | 0                                     | -       |

**14. Assessments for the year:**

|                             | % of your plants and offices that were assessed (by entity or statutory authorities or third parties)   |
|-----------------------------|---|
| Health and safety practices | 100%. We are fully ISO 45001 certified and our safety management systems are continuously assessed through regular evaluations by reputed external auditors. In addition, internal audits are conducted on a routine basis to ensure the ongoing effectiveness and compliance of our health and safety practices. A cross audit by corporate team is also carried out as a best practice. |
| Working Conditions          | 100%. Our working conditions undergo comprehensive evaluations through regular audits, such as SMETA or by third-party agencies nominated by the customers.   |

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

In each of our manufacturing operations, we maintain dedicated safety committees that convene regularly to address safety concerns and develop strategies for fostering a safe work environment. These committees play a vital role in ensuring that safety protocols are upheld and continuously improved upon. Furthermore, we conduct periodic mock drills across all manufacturing operations to simulate emergency scenarios and evaluate the effectiveness of our emergency response procedures. These drills help to ensure that our workforce is well-prepared to handle any potential emergencies that may arise. In our production halls, we replace all the normal wooden and glass doors with fire-rated door. This proactive measure not only reduces the risk of injury due to broken glass but also enhances fire safety measures within the facility. Additionally, to ensure the safety of workers around critical machinery, proper guarding with door interlocking has been provided. This means that access to these machines is restricted and the doors automatically interlock when the machines are in operation, preventing unauthorized entry and minimizing the risk of accidents. These initiatives reflect our commitment to prioritize the safety and well-being of our workforce by implementing robust safety measures to mitigate potential hazards effectively. Safety helmets equipped with 24v torch light provided to mechanical department for trench cleaning. To prevent from fire due to electrical source flame proof lights installed in record rooms. To prevent from road accident at blind corners, convex mirrors installed

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B): Workers (Y/N)?**

The Company offers comprehensive life insurance and compensation packages for employees and workers in the unfortunate event of death. These benefits are provided through a variety of schemes, including Employee State Insurance (ESI), Group Personal Accident (GPA) insurance, Medclaim and an Employee Compensation Policy, which covers fatalities resulting from occupational injuries. In addition, the Company provides the Employees Deposit Linked Insurance (EDLI) scheme, ensuring life insurance coverage in the case of natural death. These initiatives reflect our commitment to supporting our employees and their families during difficult times.

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

The contract agreements with value chain partners include a clear commitment to full compliance with all applicable statutory requirements, ensuring the timely payment and deduction of statutory dues. The Company ensures that all clauses related to statutory compliance are thoroughly reviewed and upheld by both parties involved.

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

|           | Total no. of affected employees/ workers |            | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment |            |
|-----------|--|------------|---|------------|
|           | FY 2024-25                               | FY 2023-24 | FY 2024-25  | FY 2023-24 |
| Employees | 0  | 0          | 0   | 0          |
| Workers   | 0  | 3          | 0   | 0          |

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

No

5. Details on assessment of value chain partners:

|                             | % of value chain partners (by value of business done with such partners) that were assessed                                      |
|-----------------------------|--|
| Health and safety practices | Yes, domain experts from the relevant functions visit our suppliers to evaluate their compliance with our business requirements. |
| Working Conditions          |  |

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

Suggestions for improvement in Working conditions, Health & Safety are given to the value chain partners which include improvements as listed below:

- Guarding of Electric motors at Ginners end.
- Provision of Helmets & Safety Shoes for workers.
- Provision of Caution Signs for electrical safety & mechanical safety.

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

**Essential Indicators**

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

The Company adopts a comprehensive approach for identifying key stakeholder groups, using methods such as surveys, interviews, focus groups and consultation sessions to gather valuable feedback, insights and concerns from a wide range of individuals and groups.

Externally, our key stakeholders include shareholders, investors and suppliers who are integral to our supply chain, as well as local communities impacted by our operations. Internally, stakeholders include our dedicated employees, who are central to our daily operations and overall success and our senior management team, which is responsible for guiding strategic decisions and leadership.

Through active engagement with both internal and external stakeholders, the Company ensures that the needs and expectations of all relevant parties are considered in its decision-making processes. This inclusive approach highlights our commitment to transparency, accountability and sustainable growth, fostering strong relationships and driving long-term success.

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

| Stakeholder Group        | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other                                  | Frequency of engagement (Annually/ Half yearly/Quarterly/ others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement  |
|--------------------------|--|--|--|--|
| Shareholders & Investors | No   | Annual General Meeting, Shareholder Meets, Email, Stock Exchange intimations, Investor Meet, Annual Report, Quarterly Results, Media Releases, Company Website | As and when required   | Profitability & Stability, Growth Prospects, Major Events  |
| Media                    | No   | Press Releases, Quarterly Results, Annual Reports.   | As & when required   | Performance Reporting, Award & Achievements, Initiatives etc. are reported.  |
| Customers                | No   | Email, SMS, Advertisement, Website, Social Media, Customer Surveys, Customer Meets and Business Interactions.  | Regular  | Product Launches, Brand Promotion & Communication Customer Satisfaction & Feedback.  |
| Employees                | No   | Email, SMS, In House Magazines, Engagement Activities, Employee Satisfaction Surveys.  | Regular  | Career Growth, Training & Development, Improvement Plans, Long-Term Strategy, Awareness Campaigns, Health & Safety Initiatives.  |
| Communities              | Yes  | Community & Local Authority Meets, Direct Engagement, Community Visits, Partnership with NGO's.  | Regular  | Need Assessment, Expectation and Feedback on impact/success of CSR Projects.   |
| Value Chain Partners     | No   | Email, SMS, Vendor Visits & Meets  | As & when required   | Quality, Timely Payments, ESG Consideration (Sustainability, Safety Checks, Compliances, Ethical Behavior), ISO & OHSAS Standards, Supply Chain Issues, Technical Training Sessions, New Technology Launches by Vendors. |

## Leadership Indicators

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

The Company has set up dedicated committees to effectively oversee performance in economic and ESG (Environmental, Social and Governance) areas. These include the Audit, Risk Management, Nomination & Remuneration, CSR & ESG, Emissions Reduction, Water Conservation, Health & Safety and Energy Conservation committees.

Each committee meets regularly to assess progress, identify challenges and explore opportunities for improvement. These evaluations are essential for driving positive change and aligning strategies with company goals.

The findings are then presented to the Board, which comprises key stakeholders and decision-makers. The Board thoroughly reviews these reports to gain a comprehensive understanding of the Company's economic and ESG performance, ensuring informed decision-making for continued success.

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

Yes, stakeholder consultation plays a key role in identifying and managing environmental and social issues within our organization. We recognize the value of engaging stakeholders to gather diverse perspectives and incorporate their feedback into our decision-making processes.

- a. Environmental Policy Development:** In developing our environmental policy, we consulted with a wide range of stakeholders, including local communities, environmental organizations and industry experts. These consultations provided valuable insights into concerns like resource depletion and pollution. Stakeholders shared their expectations for sustainable practices and we integrated their feedback into our policy. As a result, we set specific targets for reducing greenhouse gas emissions, transitioning to renewable energy and enhancing waste management.
- b. Social Impact Assessment:** Prior to initiating major projects or expansions, we conduct social impact assessments to evaluate potential effects on local communities. This process involves engaging with stakeholders such as community representatives, NGOs and indigenous groups. Their input allows us to identify and address any negative social impacts, ensuring our initiatives benefit the community.
- c. Supply Chain Management:** To address environmental and social challenges within our supply chain, we actively engage with stakeholders, including suppliers, workers' organizations and human rights advocates. Through continuous dialogue and consultations, we gather feedback on responsible sourcing, labor practices and community welfare, enabling us to improve our supply chain practices and uphold ethical standards.

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

The Company actively contributes to the socio-economic development of the community through various participatory and need-based initiatives in the field of Education, Healthcare, Rural Development & Disaster Relief.

| Vulnerable Group   | Concerns  | Action Taken   |
|--|---|--|
| Underprivileged Community from Rural, Urban and Peri-Urban Areas | Needy People not having access to Healthcare Facilities | <ol style="list-style-type: none"> <li>1. Provided PHACO System to Bhagwan Mahavir Hospital, Lachaur, Jamui, Bihar.</li> <li>2. Organized Health Check-up Camp at VSGM, Ludhiana, offering essential health services to the local community.</li> <li>3. Donated BPL-3 Channel Machine and Multipara Monitor to the Community Health Centre (CHC), Samrala, Ludhiana.</li> <li>4. Supplied Digital X-Ray Machine and Dental Chair to Mahavir Jain Charitable Hospital, Ambala City.</li> <li>5. Strengthened Health Infrastructure by providing a Handheld X-Ray Machine to CHC Nalagarh, Baddi.</li> <li>6. Organized Community Cancer Health Check-up Camps in slum and rural areas of Baddi, raising awareness and early detection of cancer.</li> <li>7. Conducted Health Check-up Camp in the village of Budhni, Sehore.</li> <li>8. Built an OPD Block with 5 rooms at the Government Hospital, Mandideep and improving healthcare accessibility in the region.</li> </ol> |
|  | Disadvantaged Sections of Society                       | <ol style="list-style-type: none"> <li>1. Donated Motorized Wheelchairs and Assistive Devices to students with disabilities at Punjab University, Chandigarh</li> </ol>  |
|  | Underprivileged Women                                   | <ol style="list-style-type: none"> <li>1. Conducted a comprehensive awareness campaign on Menstrual Hygiene Management (MHM), targeting women and adolescent girls in slum areas, along with schoolgirls and rural communities in Baddi (Himachal Pradesh), Budhni and Mandideep (Madhya Pradesh). This initiative also involved the distribution of sanitary pads, fostering better menstrual hygiene, health and empowering women with dignity.</li> </ol>   |
|  | Funds to Needy  | <ol style="list-style-type: none"> <li>1. Donated ₹25 Lac to the Poor Patient Fund of Dayanand Medical College &amp; Hospital Managing Society, supporting the treatment of underprivileged and Below Poverty Line (BPL) families.</li> <li>2. Contributed ₹22 Lac to the Cancer Treatment Fund at the Oncology Department of Christian Medical College &amp; Hospital, Ludhiana, aiding cancer treatment for financially disadvantaged patients.</li> <li>3. Provided ₹22 Lac to the Advanced Eye Research Centre at PGI, Chandigarh, funding corneal transplants for underprivileged and marginalized families.</li> <li>4. Sponsored the annual tuition fees for 15 tribal students at Auro Mira Vidhya Mandir School, Ketchla, Odisha, ensuring educational opportunities for children from economically disadvantaged backgrounds.</li> </ol>   |

## PRINCIPLE 5: Businesses should respect and promote human rights

### Essential Indicators

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

| Category               | FY 2024-25<br>(Current Financial Year) |   |               | FY 2023-24<br>(Previous Financial Year) |   |            |
|------------------------|--|---|---------------|---|---|------------|
|                        | Total<br>(A)                           | No. of employees/workers<br>in covered or Union (B) | %<br>(B/A)    | Total<br>(C)                            | No. of employees/<br>workers covered(D) | %<br>(D/C) |
| <b>Employees</b>       |  |   |               |   |   |            |
| Permanent              | 3646                                   | 1262  | 34.61%        | 3845                                    | 0                                       | 0%         |
| Other than permanent   | 44                                     | 0   | 0.00%         | 0                                       | 0                                       | 0%         |
| <b>Total Employees</b> | <b>3690</b>                            | <b>1262</b>   | <b>34.20%</b> | <b>3845</b>                             | <b>0</b>                                | <b>0%</b>  |
| <b>Workers</b>         |  |   |               |   |   |            |
| Permanent              | 19550                                  | 19550   | 100%          | 21084                                   | 0                                       | 0%         |
| Other than permanent   | 3638                                   | 1020  | 28.02%        | 3027                                    | 0                                       | 0%         |
| <b>Total Workers</b>   | <b>23188</b>                           | <b>20570</b>  | <b>88.71%</b> | <b>24111</b>                            | <b>0</b>                                | <b>0%</b>  |

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

| Category                    | FY 2024-25<br>Current Financial Year |                          |            |                           |            | FY 2023-24<br>Previous Financial Year |                          |            |                           |            |
|-----------------------------|--------------------------------------|--------------------------|------------|---------------------------|------------|---------------------------------------|--------------------------|------------|---------------------------|------------|
|                             | Total<br>(A)                         | Equal Minimum<br>Wage to |            | More than<br>Minimum Wage |            | Total<br>(D)                          | Equal Minimum<br>Wage to |            | More than<br>Minimum Wage |            |
|                             |                                      | No.<br>(B)               | %<br>(B/A) | No.<br>(C)                | %<br>(C/A) |                                       | No.<br>(E)               | %<br>(E/D) | No.<br>(F)                | %<br>(F/D) |
| <b>Employees</b>            |                                      |                          |            |                           |            |                                       |                          |            |                           |            |
| <b>Permanent</b>            |                                      |                          |            |                           |            |                                       |                          |            |                           |            |
| Male                        | 3249                                 | -                        | -          | 3249                      | 100%       | 3424                                  | -                        | -          | 3424                      | 100%       |
| Female                      | 397                                  | -                        | -          | 397                       | 100%       | 421                                   | -                        | -          | 421                       | 100%       |
| <b>Other than Permanent</b> |                                      |                          |            |                           |            |                                       |                          |            |                           |            |
| Male                        | 39                                   | 12                       | 30.77%     | 27                        | 69.23%     | -                                     | -                        | -          | -                         | -          |
| Female                      | 5                                    | 2                        | 40%        | 3                         | 60%        | -                                     | -                        | -          | -                         | -          |
| <b>Workers</b>              |                                      |                          |            |                           |            |                                       |                          |            |                           |            |
| <b>Permanent</b>            |                                      |                          |            |                           |            |                                       |                          |            |                           |            |
| Male                        | 12046                                | -                        | -          | 12046                     | 100%       | 13082                                 | -                        | -          | 13082                     | 100%       |
| Female                      | 7504                                 | -                        | -          | 7504                      | 100%       | 8002                                  | -                        | -          | 8002                      | 100%       |
| <b>Other than Permanent</b> |                                      |                          |            |                           |            |                                       |                          |            |                           |            |
| Male                        | 2623                                 | 2369                     | 90.32%     | 254                       | 9.68%      | 3027                                  | 3027                     | 100%       | -                         | -          |
| Female                      | 1015                                 | 1011                     | 99.61%     | 4                         | 0.39%      | 1839                                  | 1839                     | 100%       | -                         | -          |

### 3. Details of remuneration/salary/wages

|                                  | Male   |   | Female |   |
|----------------------------------|--------|---|--------|---|
|                                  | Number | Median remuneration/salary/wages of respective category | Number | Median remuneration/salary/wages of respective category |
| Board of Director (BoD)          | 7      | 8,12,500  | 3      | 1,14,51,691   |
| Key Managerial Personnel         | 2      | 71,09,061   | 0      | 0   |
| Employees other than BoD and KMP | 3245   | 5,05,074  | 395    | 4,10,004  |
| Workers                          | 12046  | 1,91,659  | 7504   | 1,79,239  |

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

|   | FY 2024-25 | FY 2023-24 |
|---|------------|------------|
| wages paid to females as % of total wages | 29.74%     | 21.20%     |

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

Yes, all employees can reach out to the management to address their concerns and the Company also have grievance redressal mechanism.

Link to policy- [https://www.var dhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Human\\_Right\\_Policy.pdf](https://www.var dhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Human_Right_Policy.pdf)

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

The Grievance Redressal System is governed by the Grievance Handling Policy. Employees have the right to formally submit any grievance in writing to their Head of Department or Supervisor. The complaint will be thoroughly investigated and resolved within a reasonable timeframe from the date it is raised.

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

|                                   | FY 2024-25            |                                       |         | FY 2023-24            |                                       |         |
|-----------------------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                                   | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment                 | 0                     | 0                                     | 0       | 0                     | 0                                     | 0       |
| Discrimination at workplace       | 0                     | 0                                     | 0       | 0                     | 0                                     | 0       |
| Child Labour                      | 0                     | 0                                     | 0       | 0                     | 0                                     | 0       |
| Forced Labour/Involuntary Labour  | 0                     | 0                                     | 0       | 0                     | 0                                     | 0       |
| Wages                             | 0                     | 0                                     | 0       | 0                     | 0                                     | 0       |
| Other human rights related issues | Nil                   | Nil                                   | Nil     | Nil                   | Nil                                   | Nil     |

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

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

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

The Company maintains a zero-tolerance policy towards discrimination and sexual harassment. Any concerns related to these issues are addressed with the utmost confidentiality. Individuals found guilty of such misconduct will be subject to disciplinary action.

Links of the policies:

POSH- [https://vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/POSH\\_Policy.pdf](https://vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/POSH_Policy.pdf)

Human Rights Policy- [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Human\\_Right\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Human_Right_Policy.pdf)

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

**(Yes/No)**

Yes, Human rights requirements form an integral part of our agreements, service PO's and contracts which contain all conditions necessary for ensuring the health, safety, welfare of workmen executing tasks for vardhman. The Annexure of these Terms & Conditions is circulated along with the Work Order Copy.

**10. Assessments for the year:**

|                             | <b>% of your plants and offices that were assessed<br/>(by entity or statutory authorities or third parties)</b> |
|-----------------------------|--|
| Child labour                | 100%   |
| Forced/involuntary labour   | 100%   |
| Sexual harassment           | 100%   |
| Discrimination at workplace | 100%   |
| Wages                       | 100%   |

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

No such incident of non-compliance has been observed during assessment.

**Leadership Indicators**

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

The Company is dedicated to ensuring that all employees are treated with equal dignity, respect and rights. To support this commitment, we have established a Human Rights Policy. The primary goal of this policy is to uphold and protect human rights, while fostering a safe and healthy working environment for all employees.

Links of the policies:

Human Right Policy- [https://vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Human\\_Right\\_Policy.pdf](https://vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Human_Right_Policy.pdf)

Posh Policy- [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/POSH\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/POSH_Policy.pdf)

Whistle Blower Policy- [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Whistle\\_Blower\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Whistle_Blower_Policy.pdf)

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

At Vardhman, we are deeply committed to upholding human rights across all aspects of our operations. Our human rights due diligence process extends to all stakeholders, including employees, contract labor and trainees. We actively work to prevent and address critical issues such as child labour, forced labour, harassment and discrimination, guided by our Human Rights, Anti-Harassment and Supplier Code of Conduct policies.

As an equal opportunity employer, we make all employment decisions based on merit, ensuring a fair and inclusive work environment. To support these efforts, we have established robust systems for due diligence and grievance resolution. These include a dedicated Grievance Redressal Committee at our manufacturing units, as well as the implementation of Standing Orders that clearly define grievance mechanisms. Additionally, we have various committees, such as Internal Committees, Work Committees, POSH Committees and Grievance Committees, both at the corporate and unit levels, to address and resolve concerns promptly.

These initiatives underscore our unwavering commitment to maintaining the highest ethical standards and safeguarding human rights throughout our value chain.

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

Yes

**4. Details on assessment of value chain partners:**

|                                  | <b>% of value chain partners<br/>(by value of business done with such partners) that were assessed</b>                           |
|----------------------------------|--|
| Sexual Harassment                | Yes, domain experts from the relevant functions visit our suppliers to evaluate their compliance with our business requirements. |
| Discrimination at workplace      |  |
| Child Labour                     |  |
| Forced Labour/Involuntary Labour |  |
| Wages                            |  |
| Others – please specify          |  |

Value chain partner assessments are conducted through our own visits, visits organized through our reputed customers including third party auditors as & when required. Lot of improvements have been done based on these assessments across the value chain.

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

Suggestions for improvement in Working conditions, Health & Safety are given to the value chain partners which include improvements as listed below:

- Guarding of Electric motors at Ginners end.
- Provision of Helmets & Safety Shoes for workers.
- Provision of Caution Signs for electrical safety & mechanical safety.

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

### Essential Indicators

#### 1. Details of total energy consumption (in Million GJ) and energy intensity, in the following format:

| Parameter  | FY 2024-25   | FY 2023-24    |
|--|--------------|---------------|
| <b>From renewable sources</b>  |              |               |
| Total electricity consumption (A)  | 0.124        | 0.105         |
| Total fuel consumption (B)   | 1.906        | 1.765         |
| Energy consumption sources (C) through other   | 0            | 0             |
| <b>Total energy consumed from renewable sources (A+B+C)</b>  | <b>2.030</b> | <b>1.870</b>  |
| <b>From non-renewable sources</b>  |              |               |
| Total electricity consumption (D)  | 4.162        | 3.744         |
| Total fuel consumption (E)   | 2.781        | 7.314         |
| Energy consumption Other sources (F) Through   | 0            | 0             |
| <b>Total energy consumed from non-renewable sources (D+E+F)</b>  | <b>6.944</b> | <b>11.058</b> |
| <b>Total energy consumed (A+B+C+D+E+F)</b>   | <b>8.973</b> | <b>12.928</b> |
| <b>Energy intensity per rupee of turnover</b><br>(Total energy consumed/Revenue from operations) million GJ/cr   | 0.00093      | 0.00139       |
| <b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b><br>(Total energy consumed/Revenue from operations adjusted for PPP) Million GJ/Cr USD | 0.0193       | 0.0311        |
| <b>Energy intensity in terms of physical output</b>  |              |               |
| Energy intensity (optional) – the relevant metric may be selected by the entity  |              |               |

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

No

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

Yes, we have sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India. Through the concerted efforts and the implementation of various energy-saving initiatives, the Company has achieved the prescribed targets within the designated time frame. As a result, the Company has been awarded Energy Savings Certificates (ESCerts) under the PAT scheme. These certificates can be redeemed in the market, providing additional incentives for our successful energy efficiency achievements.

| PAT SEC - VARDHMAN GROUP |                          |                             |                      |                    |                            |
|--------------------------|--------------------------|-----------------------------|----------------------|--------------------|----------------------------|
| Sr                       | BUSINESS                 | DESIGNATED CONSUMER REG. NO | Baseline SEC PAT VII | Target SEC PAT VII | SEC Achieved As per Form 1 |
| 1                        | Arisht Spinning Mills    | TXT0009HP                   | 0.3873               | 0.3738             | 0.31                       |
| 2                        | Vardhman Yarns, Satlapur | TXT0087MP                   | 1.4764               | 1.4156             | 0.56                       |
| 3                        | Auro Spinning Mills      | TXT0013HP                   | 0.4686               | 0.4489             | 0.43                       |
| 4                        | Arihant Spinning Mills   | TXT0008PB                   | 0.3535               | 0.3422             | 0.51                       |
| 5                        | VSGM                     | TXT0086PB                   | 0.3060               | 0.3060             | 0.35                       |
| 6                        | VSM                      | TXT0098HP                   | 0.4511               | 0.4328             | 0.45                       |
| 7                        | Vardhman Fabrics         | TXT0085MP                   | 2.1693               | 2.083              | 2.07                       |
| 8                        | Anant Spinning Mills     | TXT0006MP                   | 0.4296               | 0.4130             | 0.41                       |

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

| Parameter  | FY 2024-25 | FY 2023-24 |
|--|------------|------------|
| Water withdrawal by source (in kiloliters)   |            |            |
| (i) Surface water  | 2350640    | 2349107    |
| (ii) Groundwater   | 7084113    | 7691657    |
| (iii) Third party water  | -          | -          |
| (iv) Seawater/desalinated water  | -          | -          |
| (v) Others   | -          | -          |
| <b>Total volume of water withdrawal (In kiloliters) (i + ii + iii + iv + v)</b>  | 9434752.9  | 10040764   |
| <b>Total volume of water consumption (In kiloliters)</b>   | 4448234.9  | 5695455.25 |
| <b>Water intensity per rupee of turnover</b> (Total water consumption/Revenue from operations) KL/Cr   | 463.97     | 612.50     |
| <b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b><br>(Total water consumption/Revenue from operations adjusted for PPP) KL/Cr. USD | 9585.74    | 13720.35   |
| <b>Water intensity in terms of physical output</b>   |            |            |
| <b>Water intensity (optional)</b> – the relevant metric may be selected by the entity  |            |            |

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

No

**4. Provide the following details related to water discharged:**

| Parameter  | FY 2024-25       | FY 2023-24       |
|--|------------------|------------------|
| <b>Water discharge by destination and level of treatment (in kilolitres)</b> |                  |                  |
| (i) To Surface water   | Not Applicable   |                  |
| - No treatment   |                  |                  |
| - With treatment – please specify level of Treatment                         |                  |                  |
| (ii) To Groundwater  | Not Applicable   |                  |
| - No treatment   |                  |                  |
| - With treatment – please specify level of Treatment                         |                  |                  |
| (iii) To Seawater  | Not Applicable   |                  |
| - No treatment   |                  |                  |
| - With treatment – please specify level of Treatment                         |                  |                  |
| (iv) Sent to third-parties (CETP)  |                  |                  |
| - No treatment   | 15105            | 25919            |
| - With treatment – (After Homo tank)   | 2926793          | 3225383          |
| (v) Others (Municipal Sewer)   |                  |                  |
| - No treatment   |                  |                  |
| - With treatment – (Primary, secondary and tertiary water treatment)         | 468247           | 460221           |
| <b>Total water discharged (in kilolitres)</b>                                | <b>34,10,145</b> | <b>37,11,523</b> |

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

No

**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

We currently operate three Effluent Treatment Plants (ETPs) at VSGM, VFB Budhni and Baddi, with a combined treatment capacity of 15,000 KLD. The Budhni facility is equipped with an 8,400 KLD Reverse Osmosis (RO) system, while the Baddi plant features a 2,000 KLD Zero Liquid Discharge (ZLD) system, ensuring efficient water recovery and minimal discharge. Additionally, a 500 KLD RO system at Arihant Spinning Mills in Punjab further supports our recycling initiatives.

To further strengthen our sustainability efforts, we are in the process of installing a 2,500 KLD ZLD system at our VSGM location. We also plan to install a 13,000 KLD ZLD system at the Baddi facility, which will provide comprehensive on-site water treatment, enabling us to recycle and reuse all wastewater and significantly reduce our reliance on the Common Effluent Treatment Plant (CETP).

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

| Parameter                           | Please specify unit | FY 2024-25 | FY 2023-24 |
|-------------------------------------|---------------------|------------|------------|
| NOx                                 | MT                  | 312.6      | 295.9      |
| SOx                                 | MT                  | 507.8      | 432.5      |
| Particulate matter (PM)             | MT                  | 87.0       | 78.32      |
| Persistent organic pollutants (POP) | NIL                 | NIL        | NIL        |
| Volatile organic compounds (VOC)    | NIL                 | NIL        | NIL        |
| Hazardous air pollutants (HAP)      | NIL                 | NIL        | NIL        |
| Others-please specify               | NIL                 | NIL        | NIL        |

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

No

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

| Parameter   | Unit  | FY 2024-25 | FY 2023-24 |
|---|---|------------|------------|
| Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)                           | Metric tonnes of CO <sub>2</sub> equivalent                       | 348977     | 282820     |
| Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)                           | Metric tonnes of CO <sub>2</sub> equivalent                       | 762369     | 746820     |
| Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)   | Metric tonnes of CO <sub>2</sub> Equivalent per rupee of turnover | 115.91     | 110.73     |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted or Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP) | Metric tonnes of CO <sub>2</sub> per cr. USD                      | 2394.89    | 2454.87    |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output  |   |            |            |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity   |   |            |            |

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

Initially, our GHG emission calculations for FY 23-24 utilized EPA emission factors and CEA version 19.0. However, these calculations were later revised to align with CEA version 19.0, revised factor which incorporates renewable energy sources (RES) and captive power injection into the grid. The revised emission figures have been validated by Intertek, a third party assurance provider.

Our Scope 1 and 2 emissions for fiscal year 2024-2025 increased, primarily due to adopting the IPCC Emission Factor library for Scope 1 calculations and an increase in the Grid factor for Scope 2 from 0.716 to 0.727 MT CO<sub>2</sub>e/MWh. Third party validation of this data is currently in progress.

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

The Company is steadfast in its commitment to reducing carbon emissions, exemplified through a series of proactive measures aimed at mitigating Greenhouse gas (GHG) emissions. This year, the company is spearheading a range of initiatives focused on greenhouse gas reduction, including:

- **Expansion of Rooftop Solar Plant-** We have expanded our rooftop solar energy capacity from 31 MWp to 70 MWp across various unit rooftops. This expansion has significantly reduced our reliance on grid-based power, helping to lower our carbon footprint.
- **Biomass based Boilers-** In line with our green energy commitment, we are replacing coal-fired boilers with three 80 TPH biomass boilers at our MP unit and a 105 TPH paddy straw-fired boiler with turbine integration at our Baddi facility. The use of locally sourced agricultural residues such as rice husk and paddy straw not only reduces our fossil fuel consumption but also supports the rural economy and reduces GHG emissions.
- **Switching to E-Glass Insulation in Thermic Fluid Pipeline**  
Replaced old LRB insulation on thermic fluid pipelines with high-performance E-glass insulation to minimize heat loss and improve energy efficiency. This upgrade has resulted in energy savings of approximately 7.93 lakh Kcal/hr, leading to reduced coal and rice husk consumption and a decrease in direct Scope 1 emissions.
- **Sludge Dryer Implementation:** The company has introduced sludge dryers across all three Effluent Treatment Plants (ETPs), effectively mitigating GHG emissions associated with landfill disposal.
- **Sustainable Packaging & EPR Compliance:** The entity demonstrates its environmental stewardship by achieving 100% recycling of plastic packaging waste, minimizing its carbon footprint. 91% of packaging materials are recyclable or biodegradable.
- **Miyawaki Forest Development (Baddi):** Developed a dense urban forest using the Miyawaki method, planting 11,000 saplings from 51 native species over 1 acre of land. Acted as a carbon sink, improved local ecosystem, enhanced green cover and improved air quality.
- **Brine Recovery System at Baddi:** Installing a brine recovery unit to reclaim salt from wastewater streams, enabling its reuse in the dyeing process. It helps to reduce our hazardous waste quantity which goes to landfill in form of MEE Salt and Reduced chemical purchase costs

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

| Parameter  | FY 2024-25   | FY 2023-24 |
|--|--|------------|
| Total Waste generated (in metric tonnes)           |  |            |
| Plastic waste (A)                                  | 1570.01  | 1264.35    |
| E-waste (B)  | 54.36  | 28.71      |
| Bio-medical waste (C)                              | 0.87   | 2.21       |
| Construction and demolition waste (D)              | 51.30  | 453.60     |
| Battery waste (E)                                  | 38.59  | 28.01      |
| Radioactive waste (F)                              | 0  | 0          |
| Other Hazardous waste. Please specify, if any. (G) | 1. SPENT OIL = 96.35 MT<br>2. SLUDGE = 852.78 MT<br>3. MEE Salt = 10456.19 MT<br>4. Empty Barrels = 347.31 MT<br>5. Old & used Asbestos sheet = 1215.47 MT<br>6. Contaminated Cloth = 15.19 MT<br>7. Caustic Soda Lye Scrap = 1575.66 MT<br>8. Paste Liquid/Colour Kit = 19.08 MT<br>9. Dry Cotton Fluff = 55.93 MT<br>10. Other Hazardous waste,<br>(Process waste like Waste Wet Fulff, Waste Caustic Soda Lye Sludge, PVA Waste)= 147.10 MT<br><b>Total Hazardous waste= 14781.042 MT</b> | 12459.58   |

| Parameter   | FY 2024-25  | FY 2023-24      |
|---|---|-----------------|
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)                                 | 1. Cardboard =1603.31MT<br>2. Wood=1203.74 MT<br>3. Paper scrap= 41.30 MT<br>4. Food Waste = 133.34 MT<br>5. Metals =2405.63 MT<br>6. Fly Ash= 81238.90 MT<br>7. Glass = 5.70 MT<br>8. Recover Caustic scrap= 376.78 MT<br>9. Rubber = 50.44 MT<br>10. Garbage = 469.77 MT<br>11. Paper Cone & Paper Tube = 557.81MT<br>12. Tyre= 6.46 MT<br>13. Wax= 7.74 MT<br>14. Glass wool = 151.06 MT<br>15. other miscellaneous waste<br>(Cement bag, Jute bag, Fabric Leftover Pieces & Thread Left Over, bale cloth etc)= 944.24 MT<br><b>Total Non-hazardous waste = 89196.193 MT</b> | 7187.41         |
| <b>Total (A+B + C + D + E + F + G+ H)</b>   | 105692.37   | 21423.87        |
| <b>Waste intensity per rupee of turnover</b> (Total waste generated/Revenue from operations)  | 11.024  | 2.304           |
| <b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated/ Revenue from operations adjusted for PPP) MT/Cr USD | 227.76  | 49.136          |
| <b>Waste intensity in terms of physical output</b>  |   |                 |
| <b>Waste intensity (optional)</b> – the relevant metric may be selected by the entity   |   |                 |
| <b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>                      |   |                 |
| <b>Category of waste</b>  |   |                 |
| (i) Recycled  | 71007.83  | 8139.15         |
| (ii) Re-used  | 120.12  | 1256.12         |
| (iii) Other recovery operations   |   | 0               |
| <b>Total</b>  | <b>71127.95</b>   | <b>9395.27</b>  |
| <b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>   |   |                 |
| <b>Category of waste</b>  |   |                 |
| (i) Incineration  | 207.53  | 63.14           |
| (ii) Landfilling  | 33406.94  | 11965.46        |
| (iii) Other disposal operations   |   | 0               |
| <b>Total</b>  | <b>33614.47</b>   | <b>12028.60</b> |

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

No

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

In waste management, we follow the 3R principle—Reduce, Reuse and Recycle to effectively manage and minimize waste, We've set up dedicated Collection, Storage & Segregation facilities throughout our entities to manage all types of hazardous, non hazardous & other wastes. To ensure responsible disposal in compliance to the applicable Central & State Laws, we partner with authorized recyclers & file returns with the appropriate statutory bodies. Our main goal is to prioritize reduction and reuse, striving to minimizing of the waste generated at source level. We have also set a stringent goal to reduce the amount of waste sent to landfills by 50% by 2030.

| Waste Management Practice                     | Description  |
|---|--|
| 100% Recycling of Plastic Packaging           | Implementation of the Extended Producer Responsibility (EPR) Plan to collect and recycle 100% of plastic packaging waste.  |
| Reusing STP-Generated Sludge for Horticulture | STP-generated sludge, rich in organic matter, is used as organic manure for horticulture rather than being discarded as waste.   |
| Brine Recovery System at Baddi                | Installing brine recovery unit to reclaim salt from wastewater streams, which is then reused in the dyeing process.  |
| Textiles Waste Recycling                      | The Vardhman Recycling Plant, Renova, in Baddi, Himachal Pradesh, With a daily processing capacity of 6 TPD, converts textile waste into new fibers for clothing and textile products. Significantly reduces environmental impact by diverting textile waste from landfills and promoting sustainable recycling practices. |

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

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

The above-mentioned requirement is not applicable to the Company as the Company does not have any of its operations/offices in/around ecologically sensitive areas.

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

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

**13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).**

Yes, the company is compliant with the applicable environmental law/regulations/guidelines in India.

**If not, provide details of all such non-compliances, in the following format:**

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

## Leadership Indicators

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

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

- i. Name of the area- Ludhiana & Malerkotla
- ii. Nature of operations- Spinning Units
- iii. Water withdrawal, consumption and discharge in the following format:

| Parameter   | FY 2024-25     | FY 2023-24    |
|---|----------------|---------------|
| <b>Water withdrawal by source (in kilolitres)</b>                                   |                |               |
| (i) Surface water   | Not Applicable |               |
| (ii) Groundwater  | 1073996        | 1067739       |
| (iii) Third party water   | Not Applicable |               |
| (iv) Seawater/desalinated water   | Not Applicable |               |
| (v) Others  | Not Applicable |               |
| <b>Total volume of water withdrawal (in kilolitres)</b>                             | 1073996        | 1067739       |
| <b>Total volume of water consumption (in kilolitres)</b>                            | 1073996        | 1067739       |
| <b>Water intensity per rupee of turnover (Water consumed/turnover)</b>              | 112.02         | 114.83        |
| <b>Water intensity(optional)</b> –the relevant metric may be selected by the entity | -              | -             |
| <b>Water discharge by destination and level of treatment (in kilolitres)</b>        |                |               |
| (i) Into Surface water  | -              | -             |
| - No treatment  | -              | -             |
| - With treatment–please specify level of treatment                                  | -              | -             |
| (ii) Into Groundwater   | -              | -             |
| - No treatment  | -              | -             |
| - With treatment–please specify level of treatment                                  | -              | -             |
| (iii) Into Seawater   | -              | -             |
| - No treatment  | -              | -             |
| - With treatment–please specify level of treatment                                  | -              | -             |
| (iv) Sent to third-parties  | -              | -             |
| - No treatment  | -              | -             |
| - With treatment–please specify level of treatment                                  | -              | -             |
| (v) Others (Municipal Sewer)  | -              | -             |
| - No treatment  | -              | -             |
| - With treatment–(Primary, Secondary & Tertiary)                                    | 468247         | 460221        |
| <b>Total water discharged (in kilolitres)</b>                                       | <b>468247</b>  | <b>460221</b> |

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

No

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

| Parameter   | unit  | FY 2024-25<br>Current Financial<br>Year | FY23-24<br>Previous<br>Financial Year |
|---|---|---|---------------------------------------|
| Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent |   |                                       |
| Total Scope 3 emissions per rupee of turnover   |   | -                                       | -                                     |
| Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity   | Metric tonnes of CO <sub>2</sub> equivalent |   |                                       |

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

No

**3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

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

| Sr. No. | Initiative undertaken                         | Details of the initiative (Web-link, if any, may be provided along-with summary)  | Outcome of the initiative   |
|---------|---|---|---|
| 1       | Installation of Electro-Coagulation System    | Electro-Coagulation technology was installed after the dyeing and printing machines to pre-treat the effluent. This system helps in removing color, COD and suspended solids before the effluent enters the main ETP, thereby improving overall efficiency.                           | Achieved up to 80% reduction in color and COD, decreasing the chemical requirement in the ETP. Leads to improved treated water quality, reduced sludge generation and better compliance with effluent standards |
| 2       | Expansion of Rooftop Solar Plant              | The expansion of solar energy capacity from 31 MWp to 70 MWp has been initiated across various unit rooftops and unused lands to enhance reliance on renewable power  | Helped offset a large portion of grid-based power, reducing carbon footprint.   |
| 3       | Green Energy Initiative – Biomass Boilers     | Replacement of coal-fired boilers with three 80 TPH biomass boilers at MP unit and a 105 TPH paddy straw-fired boiler with turbine integration in Baddi has been initiated. Biomass includes locally sourced Agri-residues like rice husk and paddy straw.                            | Reduced use of fossil fuels, thereby cutting down GHG emissions. Also supports the circular rural economy by utilizing agricultural waste and improving air quality.  |
| 4       | 4 <sup>th</sup> Stage RO System at VFB–Budhni | In response to increased production demand, a 4 <sup>th</sup> -stage Reverse Osmosis (RO) system is being implemented in series with the existing 3-stage RO setup to enhance overall water recovery efficiency.  | Enabled high recovery of water (>97%), significantly reducing the load on the Multi Effect Evaporator (MEE) and achieving ~40% energy savings in the water treatment process.                                   |
| 5       | Modified ETP & ZLD System at VSGM–Ludhiana    | The project has been initiated to retrofit the existing ETP into a Membrane Bio-Reactor (MBR)-based Zero Liquid Discharge (ZLD) system, integrating a 6-stage Reverse Osmosis (RO) and Mechanical Vapor Recompression Evaporator (MVRE) to enable complete water recycling and reuse. | Reduced freshwater dependency by ~80%, enhanced water circularity and aligned with Zero Liquid Discharge mandates. Boosted environmental compliance and sustainability of operations                            |
| 6       | Brine Recovery System at Baddi                | A brine recovery unit is being installed to reclaim salt from the waste water streams of dyeing, enabling its reuse in the dyeing process again and promoting chemical circularity.   | Reuse of recovered salt helped reduce chemical purchase costs, improved effluent salinity management and strengthened sustainable chemical practices.   |

| Sr. No. | Initiative undertaken                        | Details of the initiative (Web-link, if any, may be provided along-with summary)   | Outcome of the initiative   |
|---------|--|--|---|
| 7       | E-Glass Insulation in Thermic Fluid Pipeline | Old LRB insulation on thermic fluid pipelines was replaced with high-performance E-glass insulation to minimize heat loss and improve energy efficiency.   | Resulted in energy savings of ~7.93 lakh Kcal/hr, leading to lower coal and rice husk consumption and reduction in direct Scope 1 emissions.                  |
| 8       | Waste Heat Recovery via Heat Exchanger       | Implemented heat exchanger systems to recover heat from high-temp effluent, used to preheat process water from 45°C to 65°C. Capacity ~300 KL/day.         | Recovered heat allowed saving of ~10 MT of steam per day, reducing boiler load, fuel usage and related GHG emissions.   |
| 9       | Sustainable & Manmade Cotton Procurement     | Sourced 31% of cotton from sustainable sources (e.g., BCI, organic, recycled) and increased use of manmade fibers with lower environmental impact.         | Helped reduce Scope 3 emissions, ensured responsible supply chain practices and aligned with sustainability certifications like GOTS, OCS, etc.               |
| 10      | Sustainable Packaging & EPR Compliance       | 91% of packaging material is recyclable or biodegradable. Additionally, 1,698 MT of plastic waste was collected and recycled under EPR, exceeding targets. | Reduced environmental impact from plastic packaging, improved brand image and demonstrated strong regulatory compliance under Plastic Waste Management Rules. |
| 11      | Miyawaki Forest Development (Baddi)          | Developed a dense urban forest using Miyawaki methodology on 1-acre land, with 11,000 saplings from 51 native species to support biodiversity.             | Improved local ecosystem, acted as a carbon sink, boosted green cover, improved air quality and supported urban biodiversity conservation.                    |
| 12      | Installation of BLDC Fans                    | Installed 12,241 energy-efficient BLDC fans across units, replacing conventional fans to lower energy consumption and reduce electricity bills.            | Expected to save 18.99 million units of electricity annually, contributing to Scope 2 emission reduction and improving operational energy efficiency.         |

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

Yes, the company has a comprehensive disaster management plan in place. Recognizing the unpredictable nature of emergencies, we have developed an emergency preparedness and response program to ensure the safety of our employees, local communities and the environment. This plan outlines actions for addressing local emergencies and includes regular testing through management reviews, third-party audits and mock drills to evaluate its effectiveness. By continuously assessing and improving our response capabilities, we ensure that our systems are well-prepared to handle unforeseen events and minimize any adverse environmental impacts from our operations.

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

According to the available information, the Company's value chain has not led to any significant negative environmental impacts. We are committed to conducting our operations in an environmentally sustainable way and actively work to reduce any potential harmful effects on the environment across our value chain.

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

Some of the value chain partners were assessed for environmental impacts.

**8 a. Green credits generated or procured by the entity**

NA

**8 b. Green credits generated or procured by top ten value chain partners (in terms of value of purchases and sales respectively)**

NA

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

**Essential Indicators**

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

9

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

| S. No. | Name of the trade and industry chambers/associations            | Reach of trade and industry chambers/associations (State/National) |
|--------|---|--|
| 1      | Confederation of Indian Industries (CII)                        | National   |
| 2      | Federation of Indian Chamber of Commerce and Industries (FICCI) | National   |
| 3      | Confederation of Indian Textile Industry (CITI)                 | National   |
| 4      | Texprocil   | National   |
| 5      | Synthetic & Rayon Textiles Export Promotion Council (SRTEPC)    | National   |
| 6      | Apex chamber of commerce  | State  |
| 7      | Textiles Committee  | National   |
| 8      | Federation of Indian Export Organization (FIEO)                 | National   |
| 9      | The International Textile Manufacturers Federation (ITMF)       | International  |

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

| Name of authority | Brief of the case | Corrective action taken |
|-------------------|-------------------|-------------------------|
|                   | None              |                         |

**Leadership Indicators**

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

| S. No | Public policy advocated                              | Method resorted for such advocacy                                    | Whether information available in public domain? (Yes/No) | Frequency of Web Review by Link, if Board available (Annually/Half yearly/Quarterly/ Others – please specify) |
|-------|--|--|--|---|
| 1     | Various Issues affecting textile industry in general | Representation through industry associations like CITI/Texprocil/CII | Yes  | NA  |

## PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

### Essential Indicators

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

| Name and brief details of project | SIA Notification No. | Date of notification | Whether Results conducted by independent in external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant Web link |
|-----------------------------------|----------------------|----------------------|--|--|-------------------|
|-----------------------------------|----------------------|----------------------|--|--|-------------------|

Not Applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|--------|--|-------|----------|---|--------------------------|---|
|--------|--|-------|----------|---|--------------------------|---|

Not Applicable

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

The stakeholders can send their grievances to the Compliance Officer at [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com) or [mngt@vardhman.com](mailto:mngt@vardhman.com)

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

|   | FY 2024-25 | FY 2023-24 |
|---|------------|------------|
| Directly sourced from MSMEs/small producers | 29.25%     | 28.93%     |
| Directly from within India                  | 78.10%     | 82.65%     |

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

| Location     | FY 2024-25<br>Current Financial Year | FY 2023-24<br>Previous Financial Year |
|--------------|--------------------------------------|---------------------------------------|
| Rural        | 0%                                   | -                                     |
| Semi-urban   | 68.81%                               | 62.82%                                |
| Urban        | 7.68%                                | 9.86%                                 |
| Metropolitan | 23.51%                               | 27.32%                                |

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

### Leadership Indicators

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

| Details of negative social impact identified | Corrective action taken |
|--|-------------------------|
|--|-------------------------|

None

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

| S. No. | State  | Aspirational District | Amount spent (In INR) |
|--------|--------|-----------------------|-----------------------|
| 1.     | Bihar  | Jamui                 | 30 lacs               |
| 2.     | Odisha | Koraput               | 9.75 Lacs             |

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

No

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

Not Applicable

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

Not Applicable

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

| S. No. | Intellectual Property based on traditional knowledge | Owned/Acquired (Yes/No) | Benefit shared (Yes/No) | Basis of calculating benefit share |
|--------|--|-------------------------|-------------------------|------------------------------------|
| Nil    |  |                         |                         |                                    |

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

| Name of authority | Brief of the Case | Corrective action taken |
|-------------------|-------------------|-------------------------|
| Not Applicable    |                   |                         |

6. Details of beneficiaries of CSR Projects:

| S. No. | CSR Project  | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|--------|--|---|--|
| 1      | Project NANDINI- An awareness programme on Menstrual Hygiene Management (MHM) and distribution of Sanitary Pads among women and adolescence girls living slum area of Baddi, Himachal Pradesh & Budhni & Mandideep Madhya Pradesh. | 31000                                       | 100%   |
| 2      | Provided artificial limbs to disabled people (artificial limbs and polio calipers) in Punjab, Himachal Pradesh & Madhya Pradesh.   | 47  | 100%   |
| 3      | Provide Financial Contribution to Cancer Treatment Fund at Oncology Department of Christian Medical College & Hospital, Ludhiana.  | 11  | 100%   |
| 4      | Organized medical health check-up camps in VSGM adjoining areas Ludhiana.  | 251   | 100%   |
| 5      | Provided Financial Assistance to the Nobel Foundation it is working for providing primary education to children living in slums areas at various location of Ludhiana.   | 2000  | 100%   |
| 6      | Provided stitching machine for school uniforms to Ajeevika self-help groups (SHGs) in District Malerkotla  | 100   | 100%   |
| 7      | Provided Financial Support to PGIMER, Chandigarh, for the poor patient's welfare Fund and Advance Eye Research Centre for Corneal transplantation of needy and marginalized families.  | 50  | 100%   |
| 8      | Provided financial contribution to the poor patient fund of Dayanand Medical College & Hospital Managing Society to support the treatment of needy and below poverty line (BPL) families.  | 30  | 100%   |
| 9      | Provided financial support to Handimachal Therapy Centre in Kullu, HP, for the rehabilitation of Children with special needs.  | 280   | 100%   |
| 10.    | Provided financial support for annual tuition fee for 15 tribal students of Auro Mira Vidhya Mandir School, Ketchla Dist. Koraput, Odisha  | 15  | 100%   |

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

### Essential Indicators

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

We have a robust Stakeholders Grievance Redressal Policy in place, the objective of which is to provide a formalized mechanism for stakeholders to express their grievances, enabling them to voice concerns in a transparent manner. The grievance process aims to manage complaints effectively, reduce conflicts and foster trust. This way, the process strengthens the relationship between the Company and its stakeholders, ensuring that their concerns are addressed in a timely and equitable manner. Apart from this, we have business wise specific mechanisms for customer complaint management namely Fabric Supply Chain Management System (FSCMS) and Yarn Planning System (YPS) in place to handle the Fabric & yarn business customer grievances, respectively.

Grievance handling mechanism is defined based on the principles of legitimacy, accessibility, predictability, equitability and transparency. Each grievance is treated according to the following procedure:



We have a specific Grievance Reporting Channel. Stakeholders may register their grievances/complaints at [ethics@vardhman.com](mailto:ethics@vardhman.com).

Link of Stakeholders Grievance Redressal Policy:- [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Stakeholders\\_Grievance\\_Redressal\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Stakeholders_Grievance_Redressal_Policy.pdf)

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

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

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

|                                | FY 2023-24               |                                   | Remarks | FY 2022-23               |                                   | Remarks |
|--------------------------------|--------------------------|-----------------------------------|---------|--------------------------|-----------------------------------|---------|
|                                | Received during the year | Pending resolution at end of year |         | Received during the year | Pending resolution at end of year |         |
| Data privacy                   | None                     | None                              | NA      | None                     | None                              | NA      |
| Advertising                    | None                     | None                              | NA      | None                     | None                              | NA      |
| Cyber-security                 | None                     | None                              | NA      | None                     | None                              | NA      |
| Delivery of essential Services | None                     | None                              | NA      | None                     | None                              | NA      |
| Restrictive Trade Practices    | None                     | None                              | NA      | None                     | None                              | NA      |
| Unfair Trade Practices         | None                     | None                              | NA      | None                     | None                              | NA      |
| Other                          | None                     | None                              | NA      | None                     | None                              | NA      |

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

|                   | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | 0      | NA                 |
| Forced recalls    | 0      | NA                 |

**5. Does the entity have a framework/policy on cyber security and risks related to data privacy?**

Yes. The policy can be accessed on the following link: <https://vardhman.com/Document/11.03%20Privacy%20and%20Data%20Protection%20Policy%20-%20PDF.pdf>

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

Not Applicable

**7. Provide the following information relating to data breaches:**

- a. Number of instances of data breaches - Nil
- b. Percentage of data breaches involving personally identifiable information of customers - Nil
- c. Impact, if any, of the data breaches - NA

**Leadership Indicators**

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

[www.vardhman.com](http://www.vardhman.com)

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

We have a dedicated sales team that provides comprehensive support from pre-sale to post-sale services. Our post-sale services are designed to ensure seamless product usage and address any issues through a collaborative approach, fostering long-term relationships with our customers.

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

We maintain active communication channels with our customers, including instant email support and SMS messaging. These channels serve as an effective means to proactively inform customers about any potential disruptions or discontinuations of essential services.

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

Yes, we disclose all the information on our labels in compliance with the legal requirements so as to enable customers to make an informed decision. The Company engages with its customers and conducts annual consumer surveys to assess the satisfaction levels related to different products. These surveys are aimed at gathering feedback from customers in order to understand their preferences and satisfaction. The company has a dedicated market research department responsible for conducting these surveys and providing valuable insights to the respective business teams. The findings from these surveys play a crucial role in guiding new product developments and identifying areas that may require remedial action. By actively seeking customer feedback, the company strives to enhance customer satisfaction and improve its overall offerings.