



**Vardhman**

Delivering Excellence. Since 1965.

# ASSESSING WATER RISK FOR SUPPLIERS

**FY 2024-2025**





## 1. INTRODUCTION

Vardhman Textiles Limited is the largest vertically integrated textile manufacturer in India. We have the largest spindle count & are the largest producer of hand-knitting yarn count in India., Vardhman operates state-of-the-art facilities across multiple states, producing premium-quality yarns, fabrics and garments

At Vardhman, we view sustainability as a shared journey rather than just a corporate obligation. This journey encompasses all stakeholders, including our employees, suppliers, customers, and communities.

Our ambitious 'GreenWeave' initiative underscores Vardhman Textiles' comprehensive strategy for enhancing our ESG performance. With unwavering efforts, our ESG DJSI score stood increased substantially from 20 to 72.

To expedite our sustainability journey, we have partnered with the Manufacturer Climate Action Program (MCAP) to achieve a 42% reduction in our Scope 1 and Scope 2 emissions by 2030. By shifting to biofuels, we are creating a greener and cleaner energy mix that reflects our dedication to sustainability. In addition to energy transition, we are also focusing on water conservation by establishing advanced Effluent Treatment Plants (ETPs) and Sewage Treatment Plants (STPs) across our operation units. We also promote circular fashion practices, ReNova plant is one of our state of the art manufacturing unit to promote textile waste recycling. We are also committed to enhancing our social and governance frameworks, understanding that a holistic ESG approach must include ethical business practices, community involvement, and robust corporate governance.



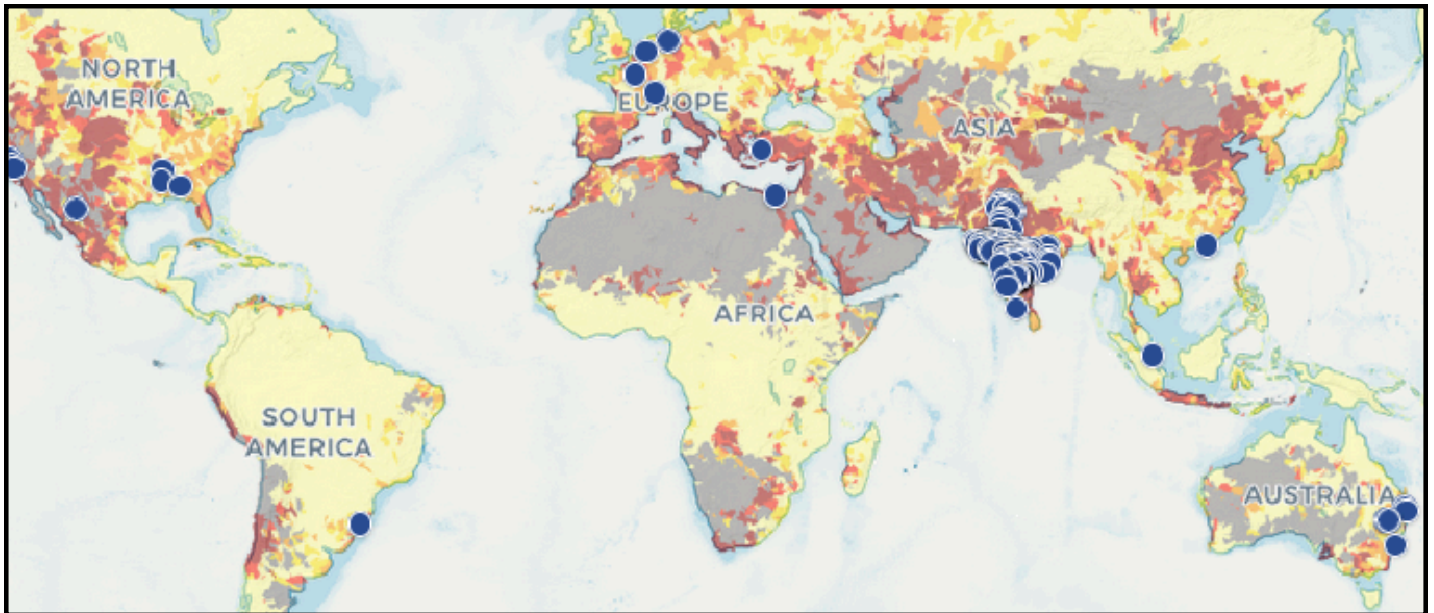
## 2. ABOUT THIS REPORT

Vardhman has carried out a comprehensive water risk assessment for all of their suppliers (specifically for raw material—cotton) using the WRI Aqueduct tool for the fiscal year 2024-2025. This evaluation encompasses both domestic and imported cotton purchases, analyzing each supplier's water stress risk on a scale ranging from low to extremely high, as defined by the WRI Aqueduct tool.

Water stress occurs when the demand for clean, usable water exceeds the available supply in a given area within a specific timeframe. This critical issue affects human health, agriculture, industry, and ecosystems. By identifying high-risk regions, the report helps prioritize effective risk mitigation strategies.



### 3. WATER STRESS ASSESSMENT FOR GLOBAL SUPPLIERS: COTTON RAW MATERIAL (FY 2024-2025)



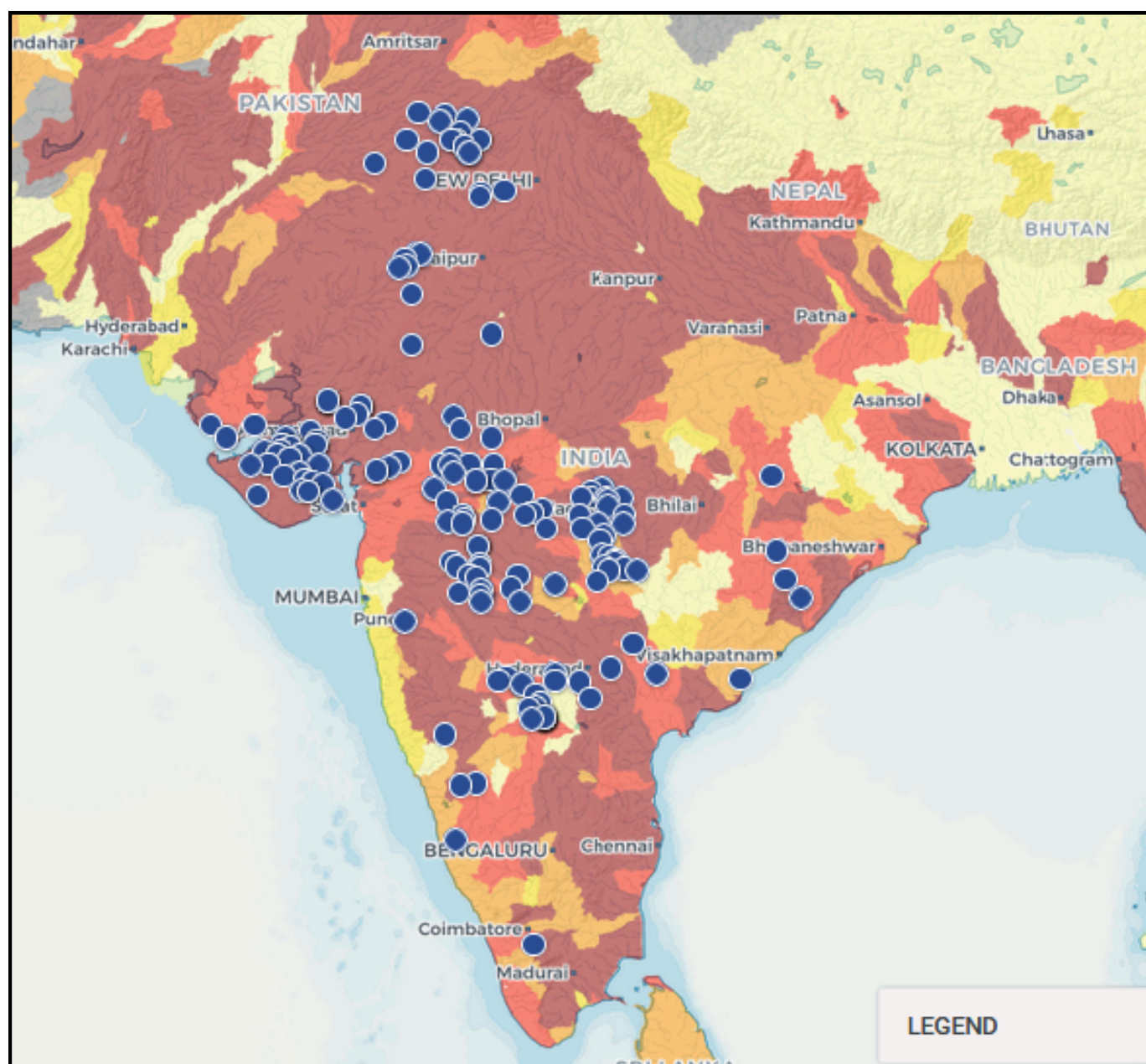
Water Stress



Water Stress Level	% Total Cotton suppliers
Low (<10%)	14.3%
Low - Medium (10-20%)	2.8%
Medium - High (20-40%)	3.6%
High (40-80%)	25.5%
Extremely High (>80%)	53.8%
Total Suppliers- 251	



## 4. DOMESTIC COTTON SOURCING



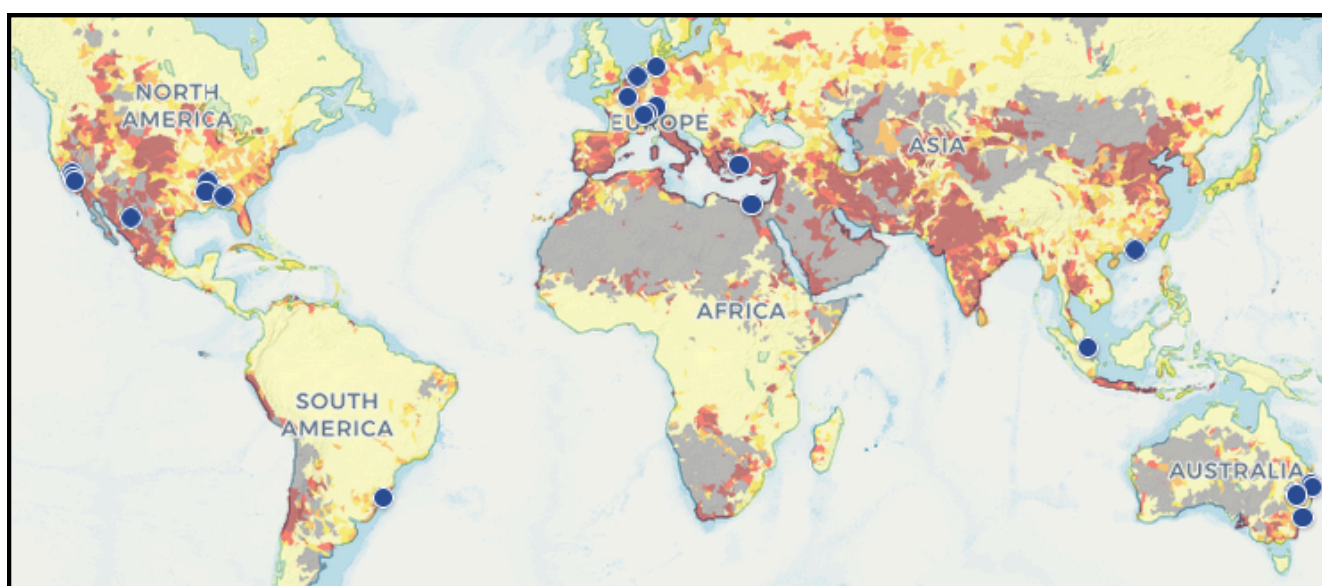
**Water Stress**



Out of the total number of suppliers, 224 are located in India, from whom we source domestic cotton. The water stress levels of these suppliers are assessed using the WRI Aqueduct tool, and we rated them on a scale of low to extremely high, as demonstrated in the accompanying map.

Water Stress Level	% Domestic supplier
Low (<10%)	11.6%
Low - Medium (10-20%)	0.4%
Medium - High (20-40%)	3.1%
High (40-80%)	27.2%
Extremely High (>80%)	57.5%
Total Domestic Suppliers- 224	

## 5. IMPORTED COTTON SOURCING



**Water Stress**



Out of all our suppliers, 27 are based outside of India, providing us with imported cotton. We evaluate the water stress levels of these suppliers using the WRI Aqueduct tool, and rate them on a scale ranging from low to extremely high, as shown in the map. The majority of our procurement, specifically 37%, comes from areas and suppliers with low water stress levels.

Water Stress Level	% Imported supplier
Low (<10%)	37%
Low - Medium (10-20%)	22%
Medium - High (20-40%)	7%
High (40-80%)	11%
Extremely High (>80%)	22%
Total Imported Suppliers- 27	

## 6. MITIGATION MEASURES

### GOALS & TARGETS AT OUR OWN OPERATIONS

We are dedicated to sustainable water management, encompassing both water withdrawal and discharge. We adhere to all relevant environmental laws, international standards, and regulations. We have taken a target to reduce 30 % of fresh water consumption by 2030 in our own operations.

### MAJORITY OF OUR SOURCING FROM RAINFED AREAS

Increased procurement of cotton from rain-fed areas - In the fiscal year 2024-2025, 35% of domestic cotton is sourced from rain-fed areas- Maharashtra, Telangana, Andhra Pradesh, Karnataka, and Tamil Nadu.

[https://caionline.in/uploads/publications/doc/ISSUE\\_NO\\_\\_51\\_18-03-2025.pdf](https://caionline.in/uploads/publications/doc/ISSUE_NO__51_18-03-2025.pdf)





## DRIP IRRIGATION TECHNOLOGY

As per our BCI Cotton Initiative, We promote & train farmers on drip irrigation technology to optimize water usage in agriculture.



## REPAIR WORK ON CHECK DAM

Collaborative water stewardship initiatives are undertaken involving the village panchayat members and beneficiaries to undertake repair work on the check dams. Shown below is an example of our work in Ravna village in district Rajkot, Gujarat



## IMAGES BEFORE THE REPAIR WORK





**AFTER THE REPAIR WORK**

## WATERSHED ACTIVITY DETAILS

- In Jakkanyankoppa Village - To reduce water runoff, an intensive rainwater harvesting system has been established in a 15 x 15-foot area with a depth of 4 feet. This initiative has intensively benefited 43 surrounding farmers' fields.
- In Gudkatti Village, Small trenches have been intensively created across the slope to enhance the groundwater table. These trenches also intensively assist in minimizing soil erosion. Fields adjacent to these trenches have shown significant improvement. Trench Size: 1 meter wide and 1 meter deep (20 trenches).
- In Malgali Village, An intensive watershed project aimed at providing drinking water for animals has been implemented. This initiative has also contributed to intensively recharging the groundwater table, positively impacting the residents of Malgali village.





## Awareness Training

### Greenweave Program for Responsible Supply Chain

- As part of **Vardhman's Greenweave Program**, training is given to our supply chain focused on water stress and strategies to mitigate it. This includes methods to reduce its impact, such as enhancing water efficiency through the adoption of technologies like water recycling systems, rainwater harvesting, and advanced irrigation techniques, including drip irrigation.





## Promote the Alternate Furrow Irrigation Method under BCI Project

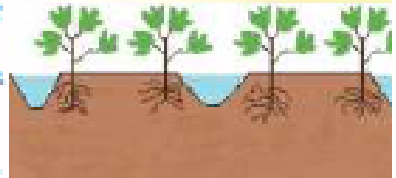
As part of our BCI initiative, we promote water conservation and stewardship techniques to reduce the water footprints in cotton cultivations through various methods instead of flood irrigation such as use of alternate Furrow Irrigation (AFI) system and ridge and furrow method to boost water efficiency, decrease irrigation volume, and either maintain or improve cotton yields. This method serves as an effective water-saving strategy particularly suited for semi-arid regions. In addition to this, we also promote Drip irrigation, reduced tillage etc.

Field studies indicate that AFI can save 15-40% of irrigation water, depending on soil type and irrigation management, by minimizing deep percolation and surface runoff



**Glimpses of BCI Project & Booklet Distributed to Farmers.**  
We are promoting Alternate Furrow Irrigation through the distribution of our booklet to farmers

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Cotton irrigation with furrow system

*Don't let our future dry up—Let's unite to save water*