

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. **Corporate Identity Number (CIN) of the Listed Entity:** L17111PB1973PLC003345
2. **Name of the Listed Entity:** Vardhman Textiles Limited
3. **Year of incorporation:** 1973
4. **Registered office address:** Vardhman Premises, Chandigarh Road, Ludhiana- 141010
5. **Corporate address:** Vardhman Premises, Chandigarh Road, Ludhiana- 141010
6. **E-mail:** secretarial.lud@vardhman.com
7. **Telephone:** 0161-2228943-48
8. **Website:** www.vardhman.com
9. **Financial year for which reporting is being done:** 2024-25
10. **Name of the Stock Exchange(s) where shares are listed:** BSE Limited and National Stock Exchange of India Limited.
11. **Paid-up Capital:** ₹57.83 crore
12. **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	secretarial.lud@vardhman.com
13. **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).
14. **Name of assurance provider:** NA
15. **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)
EMPLOYEES						
1.	Permanent (D)	3646	3249	89%	397	11%
2.	Other than Permanent (E)	44	39	89%	5	11%
3.	Total employees (D + E)	3690	3288	89%	402	11%
WORKERS						
4.	Permanent (F)	19550	12046	62%	7504	38%
5.	Other than Permanent (G)	3638	2623	72%	1015	28%
6.	Total workers (F + G)	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)
DIFFERENTLY ABLED EMPLOYEES						
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%
DIFFERENTLY ABLED WORKERS						
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 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)			FY 2022-23 (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) (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

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>Opportunity- Reducing reliance on fossil fuel-intensive processes and shifting to renewable energy helps decrease greenhouse gas emissions, thereby mitigating climate change.</p> <p>Risk- 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 & focusing on the installation of solar plants and rooftop solar panels at our facilities and signing Power Purchase Agreements (PPAs) with renewable energy developers.</p> <p>Key Actions/Plans to address Climate Change are-</p> <ul style="list-style-type: none"> • Reduce Scope 1 & 2 emissions by 42% by 2030, with our plan currently under review through the Manufacturers Climate Action Program (MCAP). • Our goal is to achieve 40% green power generation by 2026. • By the end of 2025, we plan to install 70 MWp of solar power across our units. • 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. • 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. • 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. • 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. 	<ul style="list-style-type: none"> • Initial Investment: Capital cost for solar installations, shifting from coal to biomass boiler retrofitting capital cost. • Long-Term Benefit: Reduced energy costs and stabilized expenses through decreased reliance on non-renewable resources.

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>Opportunity:- Growing consumer and brand preference for sustainable practices; potential to reduce water consumption and operational costs</p> <p>Risk:- Stricter enforcement by pollution control boards on effluent quality and discharge limits</p>	<p>Wastewater Recycling and Reuse: All manufacturing facilities are equipped with wastewater treatment systems, including Sewage Treatment Plants (STPs) and Effluent Treatment Plants (ETPs), followed by RO & MEE. The treated wastewater is then repurposed for a variety of applications, significantly reducing our reliance on freshwater resources.</p> <p>Electro-Coagulation 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>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). This will help to reduce freshwater dependency by ~80%.</p> <p>4th Stage RO System at VFB-Budhni 4th stage Reverse Osmosis (RO) System implementation is underway with the existing 3-stage RO set-up to enhance overall water recovery.</p> <p>Rainwater Harvesting Systems: 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>Positive- Reduced freshwater consumption leads to long-term cost savings and improved ESG ratings.</p> <p>Negative- High compliance costs- failure to comply may lead to penalties or closure of operations.</p> <p>Increased capital 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>Risk: 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>Opportunity: 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>	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>Long-Term Benefit:</p> <p>Emerge as market leader for sustainable products providing end-to-end traceability for customers.</p>
4.	Waste Management	Opportunity and Risk	<p>Opportunity- Effective waste management practices, significantly reduce greenhouse gas emissions.</p> <p>Risk- 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"> In waste management, we follow the 3R principle - Reduce, Reuse and Recycle to effectively manage and minimize waste. 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. In AT Baddi, a brine recovery unit has been initiated to reclaim salt from the waste water streams of dyeing, enabling its reuse & reduce the salt disposal quantity to landfill. <p>Target set to reduce 50% hazardous waste send to landfill by 2030.</p>	<p>Long-Term Benefit:</p> <ul style="list-style-type: none"> Lower disposal expenses and reduced reliance on raw materials through increased recycling and reuse efforts. Create new revenue streams by selling recycled materials or developing eco-friendly products, capitalizing on the rising demand for sustainable goods. Strengthen brand image and market position as a leader in sustainability.
5.	Customer Satisfaction	Opportunity and Risk	<p>Opportunity- Satisfied customers are more likely to become repeat buyers, contributing to sustained revenue streams.</p> <p>Risk- 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"> Maintaining superior quality standards which leads to increased customer satisfaction, loyalty and brand reputation ultimately leading to increased revenue and profitability. 	<ul style="list-style-type: none"> Developing high-quality, innovative products enables us to differentiate our-self in the market & business can achieve higher profit margins.

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>Opportunity- Implementing efficient resource utilization and waste reduction strategies, Optimizing production processes, energy consumption & the adoption of circular economy strengthen our brand image.</p> <p>Risk- Impact on Company's reputation leading to loss of customer & community trust.</p>	<ul style="list-style-type: none"> Decrease disposal costs and generate additional revenue from recycled materials (ReNova). 	<p>Offers both direct and indirect financial benefits:</p> <p>Direct Financial Benefits:</p> <p>a) Revenue Enhancement:- sustainably marketed products often achieve higher sales growth compared to conventional products.</p> <p>b) Cost Reduction: Implementing sustainable practices, such as energy-efficient technologies and waste reduction, can lead to significant cost savings.</p> <p>Indirect Financial Benefits:</p> <p>a) Risk Mitigation: 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>Risk-</p> <ul style="list-style-type: none"> Stringent regulatory standards and stakeholder expectations require consistent compliance to avoid penalties and reputational damage. Inadequate fire safety could lead to severe injuries, asset loss and disruption of operations. Legal and reputational risks associated with safety incidents involving contractual or third-party workers. <p>Opportunity</p> <ul style="list-style-type: none"> Proactive safety training reduces workplace incidents, enhances productivity and builds employee trust. Growing awareness and expectations on health & safety from employees and ESG rating agencies. 	<ul style="list-style-type: none"> Periodic HIRA (Hazard Identification & Risk Assessment), implementation of ISO 45001, regular health check-ups and safety audits. Installation of fire detection/suppression systems, mock drills, evacuation plans and third-party fire safety audits. Extension of safety trainings, compliance audits and inclusion of safety KPIs in contractor evaluation. Being an opportunity, this is addressed via continuous training modules, toolbox talks, safety posters and emergency response drills. Extension of safety trainings, compliance audits and inclusion of safety KPIs in contractor evaluation. Implementation of Behavior Based Safety across all the locations. Implementation of Visitor safety briefing system through animated module. 	<ul style="list-style-type: none"> Non-compliance may result in penalties and reputational loss; however, mitigation measures involve moderate cost but prevent larger financial losses. Capital investment in fire systems is required, but long-term asset protection and insurance benefits offset the cost. Monitoring and capacity-building expenses; however, it reduces legal liability and supports ESG ratings. Improves operational efficiency, reduces downtime and potential insurance premium reductions. Enhances employee retention, morale and reduces absenteeism, ultimately contributing to long-term financial sustainability.

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
Policy and management processes									
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 https://www.vardhman.com/Investors/CompanyInformation								
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, ISO 45001:2018, ISO 9001:2015, Better Cotton Initiative (BCI), Global Organic Textiles Standard (GOTS), Organic Content Standard (OCS), Global Recycle Standard (GRS), Recycled Claim Standard (RCS), OEKOTEX, Cotton Made in Africa (CMIA), Forest Stewardship Council (FSC), Responsible Wool Standard (RWS), U.S. Cotton TRUST PROTOCOL, Fair Trade, Regenagri ZDHC, SMETA, HIGG Index FSLM								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<ul style="list-style-type: none">• 42% reduction in Scope 1+2 combined by 2030 & Net Zero by 2045• Achieve 40% of green power generation by 2026• 30% reduction in freshwater consumption by 2030• 50% reduction in waste sent to landfill by 2030• 100% sustainable packaging by 2030• To reduce virgin plastic by 20% by 2030• ZDHC MRSL compliance:100% by 2030• Achieving net positive impact (NPI) on biodiversity-By 2050• No gross Deforestation by 2045.• For Gender Diversity-Increase to 20% At Management level & 45% overall by 2030.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									
Governance, leadership and oversight									
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 Chief Sustainability Officer Email id: secretarial.lud@vardhman.com 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. https://www.vardhman.com/Document/ESG/ESG%20Databook.pdf								

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

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

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

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.
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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
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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
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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)
Permanent employees											
Male	3249	0	0%	3249	100%	-	-	-	-	-	-
Female	397	0	0%	397	100%	397	100%	-	-	397	100%
Total	3646	0	0%	3646	100%	397	10.89	-	-	397	10.89
Other than Permanent employees											
Male	39	-	-	-	-	-	-	-	-	-	-
Female	5	-	-	-	-	-	-	-	-	-	-
Total	44	-	-	-	-	-	-	-	-	-	-

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)
	Permanent Workers										
Male	12046	11281	94%	12046	100%	-	-	-	-	-	-
Female	7504	7266	97%	7504	100%	7504	100%	-	-	7504	100%
Total	19550	18547	95%	19550	100%	7504	38.38	-	-	7504	38.38
	Other than Permanent Workers										
Male	2623	2413	92%	2623	100%	-	-	-	-	-	-
Female	1015	966	95%	1015	100%	1015	100%	-	-	1015	100%
Total	3638	3379	93%	3638	100%	1015	27.90	-	-	1015	27.90

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

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

- Writing to ethics@vardhman.com.
- 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%
Total	84.61%	61.53%	51.35%	77.77%

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 (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

Stakeholders Grievance Redressal Policy- 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)
Total Permanent Employees	3646	0	0%	3845	0	0%
- Male	3249	0	0%	3424	0	0%
- Female	397	0	0%	421	0	0%
Total Permanent Workers	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 (Current Financial Year)					FY 2023-24 (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)
				Employees						
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%
Total	3646	3646	100%	2953	80.99%	3845	913	23.74%	3773	98.13%
				Workers						
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%
Total	19550	19550	100%	18665	95.47%	21084	18327	86.92%	8816	41.81%

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)
Employees						
- Male	3249	3249	100%	3424	3204	93.57%
- Female	397	397	100%	421	379	90.02%
Total	3646	3646	100%	3845	3583	93.19%
Workers						
- Male	12046	12046	100%	13082	12098	92.48%
- Female	7504	7504	100%	8002	7993	99.89%
Total	19550	19550	100%	21084	20091	95.29%

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 Current Financial Year	FY 2023-24 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"> 1. Provided PHACO System to Bhagwan Mahavir Hospital, Lachaur, Jamui, Bihar. 2. Organized Health Check-up Camp at VSGM, Ludhiana, offering essential health services to the local community. 3. Donated BPL-3 Channel Machine and Multipara Monitor to the Community Health Centre (CHC), Samrala, Ludhiana. 4. Supplied Digital X-Ray Machine and Dental Chair to Mahavir Jain Charitable Hospital, Ambala City. 5. Strengthened Health Infrastructure by providing a Handheld X-Ray Machine to CHC Nalagarh, Baddi. 6. Organized Community Cancer Health Check-up Camps in slum and rural areas of Baddi, raising awareness and early detection of cancer. 7. Conducted Health Check-up Camp in the village of Budhni, Sehore. 8. Built an OPD Block with 5 rooms at the Government Hospital, Mandideep and improving healthcare accessibility in the region.
	Disadvantaged Sections of Society	<ol style="list-style-type: none"> 1. Donated Motorized Wheelchairs and Assistive Devices to students with disabilities at Punjab University, Chandigarh
	Underprivileged Women	<ol style="list-style-type: none"> 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.
	Funds to Needy	<ol style="list-style-type: none"> 1. Donated ₹25 Lac to the Poor Patient Fund of Dayanand Medical College & Hospital Managing Society, supporting the treatment of underprivileged and Below Poverty Line (BPL) families. 2. Contributed ₹22 Lac to the Cancer Treatment Fund at the Oncology Department of Christian Medical College & Hospital, Ludhiana, aiding cancer treatment for financially disadvantaged patients. 3. Provided ₹22 Lac to the Advanced Eye Research Centre at PGI, Chandigarh, funding corneal transplants for underprivileged and marginalized families. 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.

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

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

Category	FY 2024-25 Current Financial Year					FY 2023-24 Previous Financial Year				
	Total (A)	Equal Minimum Wage to		More than Minimum Wage		Total (D)	Equal Minimum Wage to		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
				Employees						
Permanent										
Male	3249	-	-	3249	100%	3424	-	-	3424	100%
Female	397	-	-	397	100%	421	-	-	421	100%
Other than Permanent										
Male	39	12	30.77%	27	69.23%	-	-	-	-	-
Female	5	2	40%	3	60%	-	-	-	-	-
				Workers						
Permanent										
Male	12046	-	-	12046	100%	13082	-	-	13082	100%
Female	7504	-	-	7504	100%	8002	-	-	8002	100%
Other than Permanent										
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.vardhman.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

Human Rights Policy- 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:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
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

Posh Policy- 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

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:

	% of value chain partners (by value of business done with such partners) that were assessed
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 Ginnars 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
From renewable sources		
Total electricity consumption (A)	0.124	0.105
Total fuel consumption (B)	1.906	1.765
Energy consumption sources (C) through other	0	0
Total energy consumed from renewable sources (A+B+C)	2.030	1.870
From non-renewable sources		
Total electricity consumption (D)	4.162	3.744
Total fuel consumption (E)	2.781	7.314
Energy consumption Other sources (F) Through	0	0
Total energy consumed from non-renewable sources (D+E+F)	6.944	11.058
Total energy consumed (A+B+C+D+E+F)	8.973	12.928
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations) million GJ/cr	0.00093	0.00139
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP) Million GJ/Cr USD	0.0193	0.0311
Energy intensity in terms of physical output		
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 (ESCs) 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	-	-
Total volume of water withdrawal (In kiloliters) (i + ii + iii + iv + v)	9434752.9	10040764
Total volume of water consumption (In kiloliters)	4448234.9	5695455.25
Water intensity per rupee of turnover (Total water consumption/Revenue from operations) KL/Cr	463.97	612.50
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP) KL/Cr. USD	9585.74	13720.35
Water intensity in terms of physical output		
Water 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

4. Provide the following details related to water discharged:

Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(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
Total water discharged (in kilolitres)	34,10,145	37,11,523

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 ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	348977	282820
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ 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 ₂ 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 ₂ 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 CO₂e/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)	<ol style="list-style-type: none"> 1. SPENT OIL = 96.35 MT 2. SLUDGE = 852.78 MT 3. MEE Salt = 10456.19 MT 4. Empty Barrels = 347.31 MT 5. Old & used Asbestos sheet = 1215.47 MT 6. Contaminated Cloth = 15.19 MT 7. Caustic Soda Lye Scrap = 1575.66 MT 8. Paste Liquid/Colour Kit = 19.08 MT 9. Dry Cotton Fluff = 55.93 MT 10. Other Hazardous waste, (Process waste like Waste Wet Fulff, Waste Caustic Soda Lye Sludge, PVA Waste)= 147.10 MT Total Hazardous waste= 14781.042 MT	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 2. Wood=1203.74 MT 3. Paper scrap= 41.30 MT 4. Food Waste = 133.34 MT 5. Metals =2405.63 MT 6. Fly Ash= 81238.90 MT 7. Glass = 5.70 MT 8. Recover Caustic scrap= 376.78 MT 9. Rubber = 50.44 MT 10. Garbage = 469.77 MT 11. Paper Cone & Paper Tube = 557.81MT 12. Tyre= 6.46 MT 13. Wax= 7.74 MT 14. Glass wool = 151.06 MT 15. other miscellaneous waste (Cement bag, Jute bag, Fabric Leftover Pieces & Thread Left Over, bale cloth etc)= 944.24 MT Total Non-hazardous waste = 89196.193 MT	7187.41
Total (A+B + C + D + E + F + G+ H)	105692.37	21423.87
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	11.024	2.304
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/ Revenue from operations adjusted for PPP) MT/Cr USD	227.76	49.136
Waste intensity in terms of physical output		
Waste intensity (optional) – the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	71007.83	8139.15
(ii) Re-used	120.12	1256.12
(iii) Other recovery operations		0
Total	71127.95	9395.27
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	207.53	63.14
(ii) Landfilling	33406.94	11965.46
(iii) Other disposal operations		0
Total	33614.47	12028.60

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
Water withdrawal by source (in kilolitres)		
(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	
Total volume of water withdrawal (in kilolitres)	1073996	1067739
Total volume of water consumption (in kilolitres)	1073996	1067739
Water intensity per rupee of turnover (Water consumed/turnover)	112.02	114.83
Water intensity(optional) –the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(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
Total water discharged (in kilolitres)	468247	460221

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 Current Financial Year	FY23-24 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ 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 ₂ 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 th Stage RO System at VFB–Budhni	In response to increased production demand, a 4 th -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
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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)
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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 or 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 Current Financial Year	FY 2023-24 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.

Link of Stakeholders Grievance Redressal Policy:- 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:

- Number of instances of data breaches - Nil
- Percentage of data breaches involving personally identifiable information of customers - Nil
- 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

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.