

22.0 Environment, Social & Governance
P22.2 Biodiversity Protection and No Deforestation Policy
Vardhman Group

Document Attributes

Policy Document Number	VG/ ESG/ P22.2 Biodiversity Protection and No Deforestation Policy	
Policy Owner(s)	Functional Head	
Process Approvers	Board Chairperson	
Process Council	ESG Committee	
Applicability	Vardhman Group	
Review Frequency	As & When	
Version and Issue Date	Version 01.0	January 2025

Table of Contents

22.2.1.	Objectives	3
22.2.2.	Scope & Applicability.....	3
22.2.3.	Preamble	3
22.2.4.	Policy Statement	3
22.2.5.	Framework for Managing Biodiversity at Vardhman	3
22.2.6.	Roles & Responsibilities.....	4
22.2.7.	Our Policy Commitments.....	4
22.2.8.	Biodiversity Mitigation Framework.....	5
22.2.9.	Awareness & Capacity Building Program	6
22.2.9.1.	Events & Celebrations.....	6
22.2.9.2.	Training & Workshops.....	6
22.2.10.	Governance	7
22.2.11.	Policy Review.....	7

22.2.1. Objectives

The objective of this policy is to ensure strict compliance with all applicable laws, guidelines, and policies related to the environment, forests, and wildlife, with a focus on biodiversity conservation and management. It also emphasizes to implementation of modern, sustainable practices aimed at minimizing the adverse impacts of industrial activities on local biodiversity and ecosystems and extending biodiversity conservation efforts beyond regulatory requirements, with a continuous focus on enhancing biodiversity in and around Vardhman's areas of operation, contributing positively to the local environment.

22.2.2. Scope & Applicability

This policy applies to all existing and upcoming business units of the Vardhman's Group, including manufacturing facilities, processing units, and project sites. Every employee, regardless of their role or location, is a partner in implementing and upholding this policy. The commitment to biodiversity conservation is embedded in the responsibilities of all employees, ensuring that biodiversity protection is integrated into everyday business practices across the organization.

22.2.3. Preamble

Vardhman Group believes in achieving sustainable growth through its business operations while placing equal emphasis on environmental conservation and social responsibility. As a key player in the textile industry, we recognize the importance of minimizing our environmental impact and preserving biodiversity within and around our areas of operation.

Conservation of the environment is one of the core values of the Vardhman's Group, and we are committed to integrating biodiversity protection into every aspect of our operations.

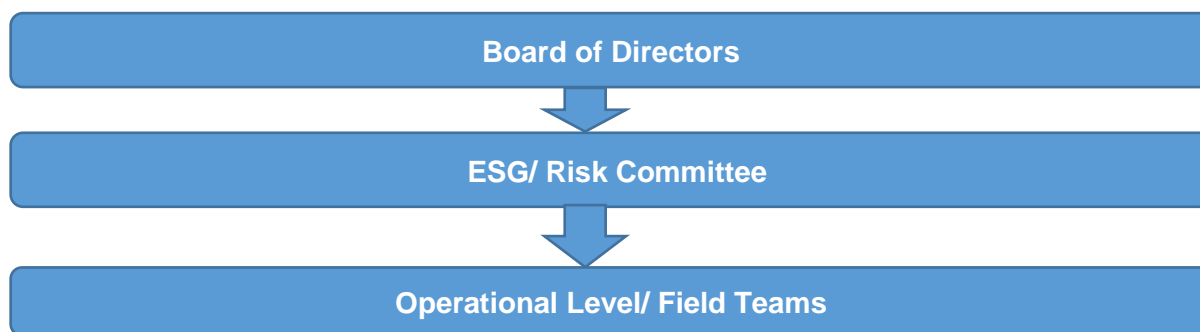
Vardhman's Biodiversity Policy aims to strengthen environmental stewardship by addressing the potential impacts of our manufacturing activities on ecosystems and biodiversity, ensuring a balance between industrial growth and nature.

22.2.4. Policy Statement

Vardhman Group is committed to sustainable manufacturing by adhering to environmental safeguard measures and implementing best practices for the conservation of biodiversity. We strive to minimize the ecological impact of our operations and are dedicated to protecting and enhancing biodiversity in and around all our manufacturing units, processing facilities, and project sites. Through responsible resource management and compliance with environmental regulations, we aim to contribute positively to the ecosystems in which we operate.

22.2.5. Framework for Managing Biodiversity at Vardhman

Vardhman follows a robust and structured framework for managing the conservation, restoration, and enhancement of biodiversity. This framework clearly defines accountability across various organizational levels, ensuring effective integration of biodiversity management throughout the company's operations.



22.2.6. Roles & Responsibilities

- a. **Board of Directors:** The Board of Directors holds overall responsibility for the successful implementation of biodiversity management strategies. This includes overseeing biodiversity conservation and restoration initiatives, as well as projects aimed at enhancing local ecosystems.
- b. **ESG/Risk Committee:** The Committee plays a pivotal role in developing policies, guidelines, and long-term strategies for biodiversity management. They are responsible for providing the necessary resources and support for biodiversity initiatives, ensuring alignment with Vardhman's sustainability sourcing and ESG (Environmental, Social, and Governance) policies. The team also monitors progress against biodiversity goals and makes strategic decisions to address emerging challenges, ensuring continuous improvement.
- c. **Operational Level/ Field Teams:** At the Operational Level, the Field Teams are directly accountable for the day-to-day execution of biodiversity conservation and engage with local communities and stakeholders. These teams report progress and challenges to the senior management/ Risk committee, ensuring effective communication and alignment across all levels of the organization. This framework ensures Vardhman's approach to biodiversity management & also clarifies roles and responsibilities at each level, enabling the company to achieve its biodiversity conservation goals.

22.2.7. Our Policy Commitments

1. We will maintain strict compliance with all biodiversity-related laws and regulations, ensuring our operations meet legal standards.
2. Undertaking activities that create environmentally, socially, and economically positive impacts to enhance our Net Positive Impact on biodiversity while minimizing negative effects.
3. We are committed to No gross Deforestation within our operations and will ensure that our suppliers uphold similar commitments throughout their supply chains.
4. We commit to achieving a Net Positive Impact on biodiversity across our company's value chain by 2050.
5. Encouraging the sustainable use of resources through practices that focus on recycling, reusing, and reducing products to limit our environmental footprint.

6. We will encourage initiatives that promote nature-based solutions to enhance ecosystem resilience and support sustainable practices across our operations, partners, and supply chains.
7. Work collaboratively with external stakeholders to implement actions aimed at protecting and restoring biodiversity, as well as regenerating natural ecosystems.
8. We are committed to regularly monitoring and verifying the social and environmental performance of our supply chains in relation to our commitments and time-bound targets.
9. Conduct regular assessments to evaluate the impact of our operations on local biodiversity and ecosystems.
10. Provide comprehensive training for our employees to enhance their understanding and awareness of biodiversity issues, fostering a culture of environmental stewardship.
11. We will actively partner with local communities, NGOs, and governmental organizations to support and strengthen biodiversity conservation efforts.

22.2.8. Biodiversity Mitigation Framework

Vardhman Group is committed to the conservation of biodiversity and the sustainable management of natural resources. This framework prioritizes actions to avoid, minimize, and where necessary, rehabilitate or restore biodiversity values impacted by our activities.

1. Avoidance

The primary objective is to proactively avoid any negative impacts on biodiversity by preventing activities that could harm ecosystems, natural habitats, or endangered species.

- **Sustainable Sourcing:** Vardhman will prioritize the responsible sourcing of raw materials, including cotton, wool, and other fibers, from regions that adhere to sustainable agricultural practices. We will work closely with suppliers to ensure that our entire supply chain remains ecologically responsible and does not contribute to habitat degradation or deforestation.
- **Site Selection for Manufacturing Facilities:** New manufacturing facilities will be strategically located to avoid ecologically sensitive regions, including protected forests, wetlands, and biodiversity hotspots.
- **Environmental Impact Assessments (EIA):** All proposed projects will undergo comprehensive EIAs to identify potential risks to biodiversity. If a project poses a significant risk, it will either be redesigned or relocated to minimize ecological disruption.

2. Minimization

Where avoiding biodiversity impacts is not entirely possible, we focus on **minimizing** the negative effects of our processes through operational efficiencies and mitigation measures.

- **Water Management:** Vardhman will adopt water-efficient techniques in dyeing, finishing, and washing processes, such as water recycling and reducing wastewater discharges through better treatment processes.
- **Waste Reduction and Circular Economy:** We will minimize waste through improved recycling and upcycling practices within our manufacturing processes, reducing the overall waste sent to landfills and reducing the demand for raw materials.
- **Energy Efficiency:** By using energy-efficient machinery and renewable energy sources, Vardhman aims to reduce its carbon footprints. This not only reduces greenhouse gas emissions but also mitigates broader environmental impacts that could affect biodiversity in surrounding ecosystems.
- **Sustainable Packaging:** Minimizing the impact of packaging materials by opting for recyclable and biodegradable packaging to reduce pollution.

3. Restoration

In cases where biodiversity impacts are unavoidable, Vardhman is committed to restoring or rehabilitating affected ecosystems to return them to a natural or more sustainable state.

- **Ecosystem Restoration:** Vardhman will engage in habitat restoration activities for areas impacted by its operations, particularly in regions where raw material sourcing (e.g., cotton farming) may have caused soil degradation or loss of vegetation. This includes replanting native species, restoring soil health, and improving ecosystem function.

By adhering to this hierarchy of avoidance, minimization, and restoration, we aim to contribute to the global effort of biodiversity conservation while ensuring that our activities remain sustainable and environmentally responsible.

22.2.9. Awareness & Capacity Building Program

22.2.9.1. Events & Celebrations

Vardhman Textiles Ltd. will celebrate events such as World Environment Day and Van Mahotsav, incorporating topics on biodiversity conservation and management to raise awareness among employees and the community.

22.2.9.2. Training & Workshops

Regular capacity-building programs will be organized to educate employees and stakeholders on biodiversity conservation issues, promoting best practices and fostering a culture of environmental stewardship within the organization.

22.2.10. Governance

- The Environment, Social & Governance (ESG) Committee of the Board shall govern the Biodiversity Protection and No Deforestation Policy.
- A designated committee oversees the implementation and adherence to this policy.
- This committee is responsible for periodic assessments and reporting compliance to the management.

22.2.11. Policy Review

The policy shall be reviewed As & When needed, to integrate updates that address evolving business and environmental needs. Additionally, interim reviews may be conducted if there are substantial changes in environmental regulations or industry standards, ensuring that the policy remains relevant, effective, and in full compliance with current requirements.