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**Business  
Responsibility and  
Sustainability Report  
2023-24**

Vardhman Textiles Ltd.

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1.	<b>Corporate Identity Number (CIN) of the Listed Entity</b>	L17111PB1973PLC003345															
2.	<b>Name of the Listed Entity</b>	Vardhman Textiles Limited															
3.	<b>Year of incorporation</b>	1973															
4.	<b>Registered office address</b>	Vardhman Premises, Chandigarh Road, Ludhiana- 141010															
5.	<b>Corporate address</b>	Vardhman Premises, Chandigarh Road, Ludhiana- 141010															
6.	<b>E-mail</b>	<a href="mailto:secretarial.lud@vardhman.com">secretarial.lud@vardhman.com</a>															
7.	<b>Telephone</b>	0161-2228943-48															
8.	<b>Website</b>	www.vardhman.com															
9.	<b>Financial year for which reporting is being done</b>	2023-24															
10.	<b>Name of the Stock Exchange(s) where shares are listed</b>	BSE Limited and National Stock Exchange of India Limited.															
11.	<b>Paid-up Capital</b>	₹ 57.83 crore															
12.	<b>Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report</b>	<table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Particulars</th> <th>Details</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Name</td> <td>Neeraj Jain</td> </tr> <tr> <td>2.</td> <td>Designation</td> <td>Joint Managing Director</td> </tr> <tr> <td>3.</td> <td>Telephone number</td> <td>0161-2228943</td> </tr> <tr> <td>4.</td> <td>Email id</td> <td><a href="mailto:secretarial.lud@vardhman.com">secretarial.lud@vardhman.com</a></td> </tr> </tbody> </table>	Sr. No.	Particulars	Details	1.	Name	Neeraj Jain	2.	Designation	Joint Managing Director	3.	Telephone number	0161-2228943	4.	Email id	<a href="mailto:secretarial.lud@vardhman.com">secretarial.lud@vardhman.com</a>
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4.	Email id	<a href="mailto:secretarial.lud@vardhman.com">secretarial.lud@vardhman.com</a>															
13.	<b>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)</b>	The financial, environmental, social and governance disclosures made in this report are on a Standalone basis (i.e. only for the entity).															
14.	<b>Name of assurance provider</b>	NA															
15.	<b>Type of assurance obtained</b>	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.	99.60

#### 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	99.60

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	7	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)	62

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

41% (approx.)

c. A brief on types of customers:

The Company is one of the leading textile companies of India. It manufactures a diverse range of yarn and fabric for its customers. It's customer includes numerous retailers and reputed national and international brands.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	3845	3424	89.05%	421	10.95%
2.	Other than Permanent (E)	0	0	0	0	0
3.	<b>Total employees (D + E)</b>	<b>3845</b>	<b>3424</b>	<b>89.05%</b>	<b>421</b>	<b>10.95%</b>
<b>WORKERS</b>						
4.	Permanent (F)	21084	13082	62.05%	8002	37.95%
5.	Other than Permanent (G)	3027	1839	60.75%	1188	39.25%
6.	<b>Total workers (F + G)</b>	<b>24111</b>	<b>14921</b>	<b>61.88%</b>	<b>9190</b>	<b>38.12%</b>

At Vardhman Textiles, we firmly believe that fostering diversity and inclusion is essential for the success of any organization. We understand the importance of representing the broader society and creating equal opportunities for all segments of the population. It is not only our duty to employ individuals from diverse backgrounds but also to empower them to thrive and develop equally within our organization.

Our philosophy values each individual's uniqueness, driving us to cultivate an inclusive environment. By embracing diversity, we tap into a broader talent pool, enhancing our competitiveness. We're dedicated to creating a workplace where every employee feels respected, valued and empowered to contribute his best. Through our efforts, we aim to build a culture that celebrates differences, fosters innovation and drives our journey to global leadership in the textile industry.



## b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	5	5	100%	0	-
2.	Other than Permanent (E)	0	0	-	0	-
3.	<b>Total differently abled employees (D + E)</b>	<b>5</b>	<b>5</b>	<b>100%</b>	<b>0</b>	<b>-</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	45	43	95.56%	2	4.44%
5.	Other than Permanent (G)	-	-	-	-	-
6.	<b>Total differently abled workers (F + G)</b>	<b>45</b>	<b>43</b>	<b>95.56%</b>	<b>2</b>	<b>4.44%</b>

**21. Participation/Inclusion/Representation of women**

(as on 31st March, 2024)

	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**

Particulars	FY 23-24 (Turnover rate in current FY)			FY 22-23 (Turnover rate in previous FY)			FY 21-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Permanent Employees	20.82	24.57	21.22	22.94	16.90	17.55	24.93	13.01
Permanent Workers	35.60	47.00	40.00	31.36	34.83	33.65	39.26	38.09	43.16

**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	23.84%	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 (₹ crores): 9,298.68
- b. Net worth (₹ in crores): 8,804.95

**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 2023-24			FY 2022-23		
		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
Communities	Yes	NIL	NIL	NIL	NIL	NIL	NIL
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
Other (please specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL

No Complaints/ Grievances from any Shareholder and Customer relating to any of the Principles under NGRBC.

Weblink of grievance redressal policy is: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Whistle\\_Blower\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Whistle_Blower_Policy.pdf)

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

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

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.	Corporate Governance	Opportunity	Impact on the ethical fabric of the organization	Eminent personalities on the Board for maintaining checks and balances; maker-checker approach for all processes organization-wide	Positive as it Uplifts our business to new heights
2.	Occupational health & safety	Risk	The health and safety of our employees are critical priorities, ensuring a work environment that values both mental and physical well-being. Not adhering to safety standards can cause frequent health and safety issues, which can negatively impact short-term operational efficiency and erode long-term trust in the Company.	Aligning with statutory safety standards to achieve Zero-accident status. The Company continues to innovate in reviewing and auditing facilities through both virtual and physical methods. Numerous efforts and initiatives have been established to ensure the health and safety of employees.	Failure to comply with statutory norms can pose serious reputational and financial risks.

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.	People management	Opportunity	Strong Employee Relationships to Drive Growth	A well-connected and engaged workforce can enhance productivity, encourage innovation and contribute significantly to the Company's success. By prioritizing people management and creating a supportive work environment, we can harness the full potential of our employees.	Effective people management result in cost savings as well as increased revenue from enhanced performance and innovation.
4.	Quality management	Opportunity	Superior quality to enhance respect and returns	Focusing on superior quality in our products and services not only elevates our reputation but also drives financial returns. By consistently delivering high-quality offerings, we earn the respect and trust of our customers, leading to increased loyalty and long-term profitability.	Maintaining superior quality standards can lead to increased customer satisfaction, loyalty and brand reputation ultimately leading to increased revenue and profitability.
5.	Waste Management	Opportunity	Strengthens the sustainability quotient	<ul style="list-style-type: none"> <li>Vardhman is proactively engaged in waste and wastewater management by adopting best practices to minimize waste generation. For wastewater management, we have implemented Zero Liquid Discharge (ZLD) systems, which enhance the recycling of wastewater and reduce groundwater extraction. In waste management, we follow the 3R principle—Reduce, Reuse and Recycle to effectively manage and minimize waste.</li> <li>Vardhman's Renova Plant in Baddi is our first recycling facility, enabling us to divert waste from landfills and repurpose it for use in production.</li> </ul>	Initial investment is required for installing ZLD systems or adopting new technologies. However, in the long term, these investments align with our sustainability goals and provide significant benefits to contribute to operational efficiency.
6.	Customer Management	Opportunity	Superior service to enhance business opportunities	Consistently delivering high-quality products, providing excellent customer service and introducing innovative and sustainable products allow us to strengthen our	Positive

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)
				<p>customer relationships. This strategy not only boosts customer satisfaction and loyalty but also generates new business opportunities and enhances our market position. By focusing on these essential aspects, we can establish long-term partnerships and foster significant business growth.</p>	
7.	Energy Management	Opportunity	<p>The Company has an opportunity to adopt innovative processes that enhance energy efficiency. By implementing advanced technologies and practices and increasing our reliance on renewable energy sources such as solar, we can reduce our dependence on non-renewable resources. This shift not only lowers our energy expenses but also aligns with global sustainability goals by significantly cutting our carbon emissions. Overall, these initiatives present a strategic advantage, driving both economic and environmental benefits.</p>	<ul style="list-style-type: none"> <li>• We are focusing on the installation of solar plants and rooftop solar panels at our facilities &amp; signing power purchase agreements (PPAs) with renewable energy developers.</li> <li>• Implementing various energy-saving initiatives such as upgrading to more energy-efficient equipment &amp; optimizing our production processes.</li> <li>• We are transitioning from fossil fuel boilers to biomass and incorporating turbines to generate renewable energy.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Initial Investment:</b> Capital cost for installation of solar &amp; turbines and purchase of green energy.</li> <li>• <b>Long-Term Benefit:</b> Reduced energy costs and stabilized expenses through decreased reliance on non-renewable resources.</li> </ul>
8.	Local community	Opportunity	<p>Stronger relations leading to a thriving ecosystem</p>	<p>The Company actively engages in activities aimed at the overall development, focusing on the socio-economic advancement of local communities. Our efforts are focused in key areas such as Rural Transformation, Health and Education. These programs are designed to tackle a variety of social issues, fostering overall well-being and supporting community growth.</p>	<p>The positive impact of our efforts on the community helps generate goodwill and strengthens our reputation, leading to long-term financial benefits for the Company.</p>

## 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	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	N	Y	N	Y	N
c. Web Link of the Policies, if available	Various policies of the Company are available on the website of the Company <a href="https://www.vardhman.com/Investors/CompanyInformation">https://www.vardhman.com/Investors/CompanyInformation</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, few of the enlisted policies of the Company have extended coverage to the value chain partners.								
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	N	Y	Y	Y	Y	Y	Y	Y	Y
		ISO 14001:2015, ISO 45001:2018, ISO 9001:2015, Better Cotton Initiative (BCI), Global Organic Textiles Standard (GOTS), Organic Content Standard (OCS), 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	Y	Y	Y	Y	Y	Y	Y
			ISO45001:2018, GOTS, ZDHC, SMETA	ISO45001:2018, GOTS, ZDHC, SMETA	ISO 14001:2015, HIGG Index (FSLM)	ISO 14001:2015, GOTS, ZDHC, OEKOTEX, Global Recycle Standard (GRS)		HIGG Index (FSLM), SMETA, Fair Trade	
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Though not set any specific commitment goals, we continue to adhere all the guiding principles.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Though not set any specific commitment goals, we continue to adhere all the guiding principles.								



Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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**Governance, leadership and oversight**

7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:	Sustainability is a key pillar of our business strategies. We understand the critical role that the textile industry plays in environmental conservation, responsible sourcing and social responsibility. We have taken concrete steps to minimize our ecological footprint by implementing energy-efficient technologies, reducing water consumption and adopting eco-friendly manufacturing processes. Furthermore, we ensure responsible sourcing of raw materials, promoting fair trade practices and ethical supply chains.
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Neeraj Jain Joint Managing Director DIN: 00340459 Email id: <a href="mailto:secretarial.lud@vardhman.com">secretarial.lud@vardhman.com</a> Tel. No.: 0161- 2228943
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 Risk Management Committee and the Corporate Social Responsibility Committee constituted by the Board of Directors of the Company evaluate the sustainability related issues from time to time.

**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)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Performance against above policies and follow up action Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances																	

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.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.									N

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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)									N.A.

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									N.A.
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

- 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	250	Labour Laws, Managing Seniors Expectations & Service Orientation, Problem Solving Tools (KK).	74%
Workers	6701	PACE, Fire safety, First- aid, Energy Saving, PPE's, Do's and Don'ts at shop floor, Technical, TPM, Health and Hygiene, Waste Management.	85%

- 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):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	NIL	NIL	NIL	NIL
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. The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Uniform Listing Agreement aims to provide a channel to the employees and directors to report to the Management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or Policy. The mechanism provides for adequate safeguards against victimization of employees and also provide for direct access to the Chairman/ Chairman of the Audit Committee in exceptional cases.

The vigil mechanism/ whistle blower policy is available at the Company's website at the link [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Whistle\\_Blower\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Whistle_Blower_Policy.pdf)

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 2023-24	FY 2022-23
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

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

	FY 2023-24		FY 22-23	
	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 2023-24	FY 2022-23
Number of days of accounts payables	23.32	16.21

## 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 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	11%	25%
	b. Number of trading houses where purchases are made from	17	20
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	94%	85%
Concentration of Sales*	a. Sales to dealers / distributors as % of total sales	31%	33%
	b. Number of dealers / distributors to whom sales are made	52	49
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	59%	61%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	1.61%	2.96%
	b. Sales (Sales to related parties / Total Sales)	0.73%	0.86%
	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

\*Based on domestic sales only

### 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
1077	1. Water Stewardship at Cotton Farms 2. Water Budgeting 3. How Agriculture is affecting the Climate change and what are the mitigation and adaptations which farmers can adopt to address climate change 4. Soil health management practices 5. Non Chemical based practices to maintain soil health 6. Enhancing biodiversity and preservation of biodiversity 7. Importance of Riparian zones and importance of its protection 8. Practices to Enhance livelihood of village community, 9. Awareness on child labour and forced labour, minimum wages and safe working conditions for workers.	-
437	1. Non-chemical based crop protection practices 2. Safe use, handling, storage and application of pesticides 3. Importance of Plant protection equipment (PPEs) 4. Safe disposing of empty pesticide containers.	-
460	1. Training on how to maintain fibre quality of cotton 2. Problem of contamination in cotton and measures to address it.	-
101	1. Women improvement 2. Measure to upliftment of disadvantage groups through linkage with Govt. Schemes 3. Livelihood 4. Domestic violence and importance of Girl education.	-

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 uphold the highest standards of business conduct in accordance with the Company's ethics. It provides guidance for navigating conflicts of interest and moral dilemmas, ensuring compliance with all applicable laws. All senior employees are required to read, understand and agree to adhere to this Code.

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

**PRINCIPLE 2**

**Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

1. 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.

	<b>Current Financial Year</b>	<b>Previous Financial Year</b>	<b>Details of Improvements in environmental and social impacts</b>
R&D	-	0.65%	The expenses cover all costs, encompassing investments in environmental and sustainable initiatives such as researching and implementing wastewater technologies like Eco coagulation, recycling of sewage treatment plant water, research and development expenses on reverse osmosis (RO) and nanofiltration technologies for salt recovery, ground water impact assessments, reducing reliance on freshwater consumption, enhancing energy efficiency, promoting renewable energy, fostering circular economy practices and devising techno-economic solutions for utilizing low carbon technologies.
Capex	17.14%	2.44%	

2. **a. Does the entity have procedures in place for sustainable sourcing?**

Yes, our entity is committed to sustainable sourcing practices. We use cotton as a key input material and have collaborated with Better Cotton as a Programme Partner. Through this collaboration, we work with approximately 12,000 farmers to focus on crucial areas such as natural resource management, fair work practices, livelihood enhancement and climate change adaptation and mitigation. Gender inclusion and equality are integral to our approach, ensuring that these values are embedded throughout the communities we engage with.

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.

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

Yes, 28% of our inputs were sourced sustainably, including cotton and fibers with certifications such as Better Cotton, Organic, GOTS, FSC certification & GRS.

Additionally, 97% of the dyes and chemicals used in our manufacturing processes are compliant to GOTS and ZDHC MRSL standards, reflecting our commitment to environmental and safety compliance.

3. 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 recycler 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 2,083 metric tons (MT) of plastic packaging material.

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. Our proactive approach is evident through the timely submission of annual returns for the fiscal year 2022-2023, also, we have achieved a commendable target of 2083 metric tons for Extended Producer Responsibility (EPR). Achieving 100% recycling of our plastic packaging through authorized recyclers signifies our commitment to circularity and prioritizes eco-friendly practices.

### Leadership Indicators

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

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

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

Name of Product / Service	Description of the risk / concern	Action Taken
	Nil	

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

Indicate input material	Recycled or re-used input material to total material	
	FY2023-24	FY2022-23
Recycled Cotton	0.363%	0.024%
Recycled Polyester	12.733%	0.950%
Recycled Polyester Filament	18.606%	0.117%

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 2023-24			FY 2022-23		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	-	2083	-	-	1296	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not Applicable

### PRINCIPLE 3

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

#### Essential Indicators

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

	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		No. (B)	%(B/A)	No. (C)	%(C/A)	No. (D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
<b>Permanent employees</b>											
Male	3424	0	0%	3424	100%	NA	NA	NA	NA	NA	NA
Female	421	0	0%	421	100%	421	100%	NA	NA	421	100%
<b>Total</b>	<b>3845</b>	<b>0</b>	<b>0%</b>	<b>3845</b>	<b>100%</b>	<b>421</b>	<b>10.95%</b>	<b>NA</b>	<b>NA</b>	<b>421</b>	<b>10.95%</b>
<b>Other than Permanent employees</b>											
Male	Not Applicable										
Female	Not Applicable										
<b>Total</b>	Not Applicable										

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

	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		No. (B)	%(B/A)	No. (C)	%(C/A)	No. (D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
<b>Permanent Workers</b>											
Male	13082	11324	86.56%	13082	100%	NA	NA	NA	NA	NA	NA
Female	8002	6848	85.58%	8002	100%	8002	100%	N.A.	N.A.	8002	100%
<b>Total</b>	<b>21084</b>	<b>18172</b>	<b>86.19%</b>	<b>21084</b>	<b>100%</b>	<b>8002</b>	<b>37.95%</b>	<b>NA</b>	<b>NA</b>	<b>8002</b>	<b>37.95%</b>
<b>Other than Permanent Workers</b>											
Male	1839	1391	75.64%	1839	100%	Nil	Nil	Nil	Nil	Nil	Nil
Female	1188	817	68.77%	1188	100%	1188	100%	Nil	Nil	Nil	Nil
<b>Total</b>	<b>3027</b>	<b>2208</b>	<b>72.94%</b>	<b>3027</b>	<b>100%</b>	<b>1188</b>	<b>39.25%</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

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

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.016%	0.021%

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

Benefits	FY 2023-24			FY 2022-23		
	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	21.46%	94%	Y	30%	97%	Y
NPS	7.76%	-	Y	7%	-	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, ramps and elevators have been installed at different entry and exit points to facilitate easy access.

## 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.

The Company is committed to providing equal opportunities to all employees, including those with disabilities, in accordance with the Rights of Persons with Disabilities Act, 2016. However, there is no formal policy laid in this regard.

## 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	100%	100%	100%	100%
Total	100%	100%	100%	100%

## 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 mechanism is available for employees and workers to receive and redress grievances under the Grievance Redressal Policy. This policy outlines a 3-tier grievance redressal mechanism:

**Stage I:** An aggrieved worker must submit their grievance in writing to their immediate supervisor. If the resolution provided is unsatisfactory, the worker can proceed to the next stage.

**Stage II:** The grievance can be escalated in writing to the concerned Sectional Head. If the worker is still not satisfied with the outcome, they can further escalate the issue to the Head of Department and subsequently to the Industrial Relations Department.

**Stage III:** If the worker remains dissatisfied after Stage II, they can escalate their grievance to the Grievance Redressal Committee for final resolution.

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

	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D /C)
<b>Total Permanent Employees</b>	NIL	NIL	NIL	NIL	NIL	NIL
- Male	--	--	--	--	--	--
- Female	--	--	--	--	--	--
<b>Total Permanent Workers</b>	NIL	NIL	NIL	NIL	NIL	NIL
- Male	--	--	--	--	--	--
- Female	--	--	--	--	--	--

8. Details of training given to employees and workers:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	On Health And safety measures		On skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (E/D)
<b>Employees</b>										
Male	3424	822	24.01%	3360	98.13%	3543	1625	45.87%	2961	83.57%
Female	421	91	21.62%	413	98.10%	401	138	34.41%	357	89.03%
<b>Total</b>	<b>3845</b>	<b>913</b>	<b>23.75%</b>	<b>3773</b>	<b>98.13%</b>	<b>3944</b>	<b>1763</b>	<b>44.70%</b>	<b>3318</b>	<b>84.13%</b>
<b>Workers</b>										
Male	13082	10325	78.93%	6036	46.14%	13891	9679	69.68%	4798	34.54%
Female	8002	8002	100%	2780	34.74%	7359	5565	75.62%	2509	34.09%
<b>Total</b>	<b>21084</b>	<b>18327</b>	<b>86.92%</b>	<b>8816</b>	<b>41.81%</b>	<b>21250</b>	<b>15244</b>	<b>71.74%</b>	<b>7307</b>	<b>34.39%</b>

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

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D /C)
<b>Employees</b>						
- Male	3424	3204	93.57%	3543	3256	91.90%
- Female	421	379	90.02%	401	342	85.29%
- <b>Total</b>	<b>3845</b>	<b>3583</b>	<b>93.19%</b>	<b>3944</b>	<b>3598</b>	<b>91.23%</b>
<b>Workers</b>						
- Male	13082	12098	92.48%	13891	13745	98.95%
- Female	8002	7993	99.89%	7359	7358	99.99%
- <b>Total</b>	<b>21084</b>	<b>20091</b>	<b>95.29%</b>	<b>21250</b>	<b>21103</b>	<b>99.31%</b>

## 10. Health and safety management system:

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

Yes, our organization has implemented an occupational health and safety management system, as evidenced by our ISO 14001:2015 certification. The coverage of this system includes various measures aimed at achieving a zero-accident workplace.

To ensure the health and safety of our employees, we have organized various health check-up camps at all our units regularly over the past year. Additionally, we have established occupational health centers staffed by qualified healthcare professionals.

Furthermore, our commitment to safety is demonstrated through regular fire mock drills conducted by the security department on a weekly basis, as well as mock drills and emergency evacuation drills conducted every six months.

Moreover, we actively engage in different safety campaigns such as State and National Safety Weeks, World Environment Day, Fire Service Week, World Ozone Day, Water Conservation Day, etc., to raise awareness and promote a culture of safety within our organization.

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

Yes, the Company has established a comprehensive approach to identify work-related hazards and assess risks on both routine and non-routine bases, primarily through the Hazard Identification and Risk Assessment (HIRA) process.

We have implemented a systematic procedure to identify risks which involves a thorough examination of hazards associated with each activity, determining their aspects and impacts and prioritizing risks accordingly. By concentrating on activities with heightened risk levels, we enact measures to effectively mitigate these risks.

Furthermore, we actively encourage worker involvement in hazard identification through near miss reporting, recognizing it as a valuable tool for pinpointing hazards in work areas. The input and insights provided by our workers are highly valued in this process.

Additionally, we employ various methods such as audits, surveys and cross-functional team meetings to analyze problems and enhance our understanding of hazards and risks across the organization. Discussions held during Management Review meetings further contribute to this understanding.

Moreover, our commitment to safety is reinforced through monthly incident and accident analysis, which enable us to identify major contributing factors. Based on these findings, we offer targeted training on workplace safety procedures to effectively address identified risks.

Through these integrated processes, we proactively identify and address work-related hazards, implement appropriate control measures and continuously strive to minimize risks to our workforce, fostering a safer working environment for all.

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

Yes, the Company has a process in place for workers to report work-related hazards and to remove themselves from such risks. This includes the implementation of Unsafe Activity & Unsafe Condition reporting registers in all units, providing a platform for workers to report any unsafe acts or conditions observed in the workplace. This system encourages active employee participation in hazard identification and promotes a culture of safety. We review sources such as OSHA standards, management views, corporate guidance, industry consensus standards and engineering reports to identify potential hazards and control measures. We actively seek input from workers who may suggest and evaluate solutions based on their knowledge of the facility, equipment and work processes. Furthermore, we have additional mechanisms such as near-miss reporting systems and suggestion schemes to further identify problems and solutions within the workplace.

By incorporating these processes and fostering collaboration between workers and management, we ensure the well-being of our workforce and strive to minimize accidents or incidents effectively.



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

Yes

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

Safety Incident/Number	Category	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	3.41	52.568
Total recordable work-related injuries	Employees	0	0
	Workers	162	0
No. of fatalities	Employees	0	0
	Workers	3	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	11

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 assessments, including the Hazard Identification and Risk Assessment (HIRA) process, are conducted to identify and eliminate potential risks effectively. 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. This includes instruction 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 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 2023-24			FY 2022-23		
	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	-	-	-	365	42	-
Health & Safety	-	-	-	266	11	-

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% (All units of Vardhman Textiles including assessment by both internal & external parties)
Working Conditions	

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.

### 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)?

Yes, the Company extends life insurance and compensatory packages in the event of the death of employees and workers. The Company offers benefits under various schemes such as Employee State Insurance (ESI), Group Personal Accident (GPA) insurance, Medclaim and an Employee Compensation Policy specifically designed to cover death resulting from occupational injuries. Additionally, the Company offers the Employee's Deposit Linked Insurance (EDLI) scheme, which provides life insurance coverage in case of natural death.

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 agreement with the value chain partners incorporates strict adherence to all applicable statutory provisions, including the timely payment and deduction of statutory dues. The Company ensures that all relevant clauses pertaining to statutory compliance are thoroughly validated 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 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY202 FY 2022-23 (Previous Financial Year) 2-23
Employees	0	0	0	0
Workers	3	1	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:

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Health and safety practices	Yes, the domain expert from respective functions visit our suppliers and assess conformance to 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:

Not Applicable

**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 employs a comprehensive and diverse approach to identify key stakeholder groups, utilizing methods such as surveys, interviews, focus groups and consultation sessions. These activities are aimed at gathering valuable feedback, opinions and concerns from various individuals and groups.

Externally, our key stakeholders include shareholders, investors and suppliers who play crucial roles in our supply chain, as well as local communities impacted by our operations. Internally, stakeholders encompass our dedicated employees, who drive our daily operations and contribute significantly to our success and our senior management team, responsible for steering strategic decision-making and leadership.

By actively engaging with both external and internal stakeholders, the Company ensures that it takes into account the needs and expectations of all relevant parties in its decision-making processes. This holistic approach underscores our commitment to transparency, accountability and sustainable growth, fostering mutually beneficial relationships and promoting long-term success.

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

<b>Stakeholder Group</b>	<b>Whether identified as Vulnerable &amp; Marginalized Group (Yes/No)</b>	<b>Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other</b>	<b>Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)</b>	<b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>
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.

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
Customers	No	Email, SMS, Advertisement, Website, Social Media, Customer Surveys, Customer Meets, 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 established several committees dedicated to economic and ESG (Environmental, Social and Governance) domains to effectively monitor performance in these areas. These include the committees on Audit, Risk Management, Nomination & Remuneration, CSR & Sustainability, Reducing Emissions, Water Conservation, Health & Safety and Energy Conservation.

These committees meet regularly to appraise performance in the respective domains, evaluating the Company's achievements, challenges and opportunities. These evaluations are crucial for identifying areas of improvement and implementing strategies to drive positive change.

These reports are then presented to the Board. The Board, comprised of key stakeholders and decision-makers, actively analyzes reports to gain a holistic understanding of the Company's economic and ESG performance.

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 is indeed utilized to support the identification and management of environmental and social topics within our entity. We recognize the importance of engaging with stakeholders to gather diverse perspectives and incorporate their inputs into our decision-making processes.

- a. Environmental Policy Development: When formulating our environmental policy, we conducted consultations with various stakeholders, including local communities, environmental organizations and industry experts. Through these consultations, we received valuable insights on environmental concerns, such as resource depletion and pollution. Stakeholders shared their suggestions and expectations regarding sustainable practices and we incorporated their inputs into our policy framework. This led to the inclusion of specific targets for reducing greenhouse gas emissions, adopting renewable energy sources and implementing waste management strategies.
- b. Social Impact Assessment: Before undertaking major projects or expansions, we conduct social impact assessments to understand the potential effects on local communities. As part of this process, we engage with stakeholders, including community representatives, non-governmental organizations and indigenous groups. Their input helps us identify and mitigate any adverse social impacts.
- c. Supply Chain Management: To address social and environmental concerns in our supply chain, we actively involve stakeholders such as suppliers, workers' organizations and human rights advocates. Through ongoing dialogues and consultation sessions, we gather feedback and suggestions on responsible sourcing, labor practices and community well-being.

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

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

Vulnerable Group	Concerns	Action Taken
Underprivileged Community from Rural, Urban and Peri-Urban Areas	Needy People not having access to Healthcare Facilities	<ol style="list-style-type: none"> <li>1. Supported the Mandke Foundation in their noble endeavor to sponsor medical treatment for economically disadvantaged patients at the renowned Kokilaben Dhirubhai Ambani Hospital &amp; Medical Research Institute in Mumbai.</li> <li>2. Organized Health Check-up Camps in the vicinity of VSGM, Ludhiana.</li> <li>3. We have provided various medical equipment to several government healthcare facilities, including Government Hospital of Ludhiana, SDH Samrala, CHC Manupur, CHC Hathur, CHC Pahowal, MCH Vardhman, DMC Office and the Civil Surgeon Office. The equipment includes 2 Digital X-Ray Machines, 2 Semi Auto Analyzers, 12 ECG Machines, a Microscope, a Labour Bed, 2 Inverters and 2 Steel Almirahs.</li> <li>4. Provided a Colour Doppler Ultrasound Machine (Samsung HS-50) with Convex, Linear, TVS and Echo probes, along with a thermal printer and UPS, to Ek Noor Neki Da Hospital in Alamgir, which is run by an NGO.</li> </ol>



Vulnerable Group	Concerns	Action Taken
	Disadvantaged Sections of Society	1. Provided artificial limbs to individuals with disabilities, empowering them to regain mobility and independence.
	Underprivileged Women	1. We have initiated an impactful awareness program focused on Menstrual Hygiene Management (MHM) and the distribution of sanitary pads to women and adolescent girls residing in the slum areas as well as to school girls of Baddi. 2. Introduced "Project Chetna," a comprehensive women's awareness initiative focused on promoting women's rights and empowerment under various government schemes.
	Funds to Needy	1. Contribution of ₹ 25.00 lac to Poor Patient fund of DMC Hospital, Ludhiana. 2. Financial contribution of ₹ 18.00 lac to Cancer Treatment Fund at Oncology Department of Christian Medical College & Hospital, Ludhiana. 3. Financial contribution of ₹ 15.00 lac to Advance Eye Research Centre, PGI, Chandigarh for Corneal transplantation of poor, needy and marginalized families.

## PRINCIPLE 5

Businesses should respect and promote human rights

### Essential Indicators

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

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (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)
<b>Employees</b>						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
<b>Total Employees</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Workers</b>						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
<b>Total Workers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Benefits	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	%(B/A)	No. (C)	%(C/A)		No. (E)	%(E/D)	No. (F)	%(E/D)
<b>Employees</b>										
<b>Permanent</b>										
Male	3424	-	-	3424	100%	3543	-	-	3543	100%
Female	421	-	-	421	100%	401	-	-	401	100%
<b>Other than Permanent</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Workers</b>										
<b>Permanent</b>										
Male	13082			13082	100%	13891	232	1.67%	13659	98.33%
Female	8002			8002	100%	7359	407	5.53%	6952	94.47%
<b>Other than Permanent</b>										
Male	1839	1839	100%	-	-	1447	1447	100%	-	-
Female	1188	1188	100%	-	-	1642	1642	100%	-	-

3. Details of remuneration/salary/wages Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD)	7	540000	3	10846891
Key Managerial Personnel	2	5945167	0	-
Employees other than BoD and KMP	3424	490000	419	362000
Workers	13082	136968	8002	129792

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

Particulars	FY 2023-24	FY 2022-23
	Current Financial Year	Previous Financial Year
Gross wages paid to females as % of total wages	21.20%	20.15%

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 has grievance redressal mechanism.

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. The employee having a cause for complaint has a right to present his/her case in writing to the Head of the Department/Supervisor for investigation and consideration within a reasonable period from the date of arising of said cause.

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

Benefits	FY 2023-24			FY 2022-23		
	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:

Particulars	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	-
Complaints on POSH as a % of female employees / workers	Nil	-
Complaints on POSH upheld	Nil	-

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

There is zero tolerance with regards to concerns of discrimination and sexual harassment. Any concerns related to these issues are dealt with confidentiality. The person found guilty is subject to disciplinary action.

[https://www.var dhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Anti\\_Sexual\\_Harassment\\_Policy.pdf](https://www.var dhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Anti_Sexual_Harassment_Policy.pdf)

## 9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

## 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%
Others – please specify	100%

## 11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

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

**Leadership Indicators**

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

The Company recognizes its responsibility of treating all employees equal in dignity, respect and rights. We have a Human Rights Policy. The objective of this policy is to respect and protect human rights and to provide a safe and healthy working environment for all the employees.
- Details of the scope and coverage of any Human rights due-diligence conducted.

The Company is committed to a value-based culture which is embodied in our code of conduct and ethics. We have a Code of Conduct Policy to outline the standards and behaviors that Company upholds as a company and that it expects from its employees. This code provides a guide to the values, behaviors and ways of working. We have a learning portal for our employees which includes topics on human rights also. Our vendor assessments include human rights related assessments.
- 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
- Details on assessment of value chain partners:

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual Harassment	No assessment conducted during the year 2023-24. We are aiming to conduct assessments in the future.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	
- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

**PRINCIPLE 6**

**Businesses should respect and make efforts to protect and restore the environment**

**Essential Indicators**

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

<b>Parameter</b>	<b>FY 2023-24</b>	<b>FY 2022-23</b>
<b>From renewable sources</b>		
Total electricity consumption (A)	0.105	0.09
Total fuel consumption (B)	1.765	0
Energy consumption through other sources (C)	0.000	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>1.870</b>	<b>0.09</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	3.744	3.32
Total fuel consumption (E)	7.314	4.95
Energy consumption through other sources (F)	0.000	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>11.058</b>	<b>8.27</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>12.928</b>	<b>8.36</b>
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations) (million GJ/Crore)	0.00139	0.00084

Parameter	FY 2023-24	FY 2022-23
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP) (million GJ/USD)	0.0311	0.0191
<b>Energy intensity in terms of physical output</b>		
Energy intensity (optional) – the relevant metric may be selected by the entity		

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

No

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

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

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

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

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	2349107	2198355
(ii) Groundwater	7691657	7143308
(iii) Third party water		-
(iv) Seawater / desalinated water		-
(v) Others		-
<b>Total volume of water withdrawal (In kiloliters) (i + ii + iii + iv + v)</b>	<b>10040764</b>	<b>9341663</b>
<b>Total volume of water consumption (In kiloliters)</b>	<b>5695455.25</b>	<b>9341663</b>
<b>Water intensity per rupee of turnover</b> (Total water consumption / Revenue from operations) (KL/Crore)	612.50	949.27
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP) (KL/USD)	13720.35	21425.34
<b>Water intensity in terms of physical output</b>		
<b>Water intensity</b> (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 2023-24	FY 2022-23
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	Not Applicable	Not Applicable
- No treatment		
- With treatment – please specify level of Treatment		
(ii) To Groundwater	Not Applicable	Not Applicable
- No treatment		
- With treatment – please specify level of Treatment		
(iii) To Seawater	Not Applicable	Not Applicable
- No treatment		
- With treatment – please specify level of Treatment		
(iv) Sent to third-parties (CETP)		
- No treatment	25919	16950
- With treatment (After Homo tank)	3225383	3306624
(v) Others (Municipal Sewer)		
- No treatment		
- With treatment (Primary, secondary and tertiary treatment)	460221	484622
<b>Total water discharged (in kilolitres)</b>	<b>3711523</b>	<b>3808196</b>

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

No

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

The Company is committed to environmental sustainability, exemplified by our concerted efforts to minimize water consumption and adopt eco-friendly practices across our operations. At all our facilities, we adhere strictly to the Pollution Control Board (PCB) norms.

Our two sites are equipped with advanced ZLD systems—Budhni, our largest integrated facility, boasts a ZLD System with an effluent treatment capacity of 11,000 KLD. Utilizing a bio-oxidation process, this plant achieves remarkable COD and BOD removal efficiencies of 90-92% and 96-98% respectively, without chemical treatment. Approximately 8,400 KLD of biologically treated effluent is recycled through reverse osmosis (RO) and mechanical vapor compression (MEE) for process reuse, while the remaining treated water contributes to Green Belt Development. Achieving a recovery rate of 99.0% through RO and MEE, the salt recovered by MEE is disposed of at government authorized facilities.

Similarly, our Baddi location operates a ZLD system with an effluent capacity of 2000 KLD, employing a bio-oxidation process followed by recycling through RO-MEE for process reuse, further exemplifying our commitment to sustainable water management practices across our operations.

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

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	MT	295.9	201
SOx	MT	432.5	332
Particulate matter (PM)	MT	78.32	52
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 2023-24	FY 2022-23
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	282924.00	323221.74
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	857272.48	727830.980
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) (tCO <sub>2</sub> /Crore)	Metric tonnes of CO <sub>2</sub> Equivalent per rupee of turnover	122.619	106.806
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted or Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) (tCO <sub>2</sub> /USD)	Metric tonnes of CO <sub>2</sub> per USD	2746.73	2410.61
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>			
<b>Total Scope 1 and Scope 2 emission intensity (optional)</b> – the relevant metric may be selected by the entity			

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

FY 23-24 GHG Emission data under Third party assurance.

FY 22-23 GHG Emission data is verified by Earthood Pvt Ltd

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:

- Utilization of Agri-based Biomass as Renewable Fuel: Embracing sustainability, the Company is incorporating agri-based biomass as a renewable fuel source to generate green steam at various sites, notably VSGM, Auro Textiles & VFB sites.
- Investment in Renewable Energy: The Company is significantly investing in renewable energy, primarily through solar and biomass technologies. By expanding its solar power capacity from 19.2 MW to 53 MW by 2025, the entity is bolstering its portfolio of renewable energy, furthering its mission to combat GHG 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.
- Plastic Packaging Waste Recycling: The entity demonstrates its environmental stewardship by achieving 100% recycling of plastic packaging waste, minimizing its carbon footprint.
- Implement an energy-efficient pump in the TFH (Thermic Fluid Heater), which is air-cooled, reducing energy consumption by 50% and removing the need for water in pump cooling.



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

Parameter	FY 2023-24	FY 2022-23
Plastic waste (A)	1264.35	1290.411
E-waste (B)	28.71	35.794
Bio-medical waste (C)	2.21	0.1765
Construction and demolition waste (D)	453.60	61.22
Battery waste (E)	28.01	16.856
Radioactive waste (F)	0	-
Other Hazardous waste. Please specify, if any. (G)	12459.58	25060.653
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	7187.41	15928.45
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>21423.87</b>	<b>42393.56</b>
<b>Waste intensity per rupee of turnover</b> (Total waste generated / Revenue from operations) (MT/Crore)	2.304	4.308
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP) (MT/USD)	49.136	117.05
<b>Waste intensity in terms of physical output</b>		
<b>Waste intensity</b> (optional) – the relevant metric may be selected by the entity		
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	8139.15	28313.04
(ii) Re-used	1256.12	5785.771
(iii) Other recovery operations	0	0
<b>Total</b>	<b>9395.27</b>	<b>34098.811</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	63.14	0
(ii) Landfilling	11965.46	14492.45
(iii) Other disposal operations	0	0
<b>Total</b>	<b>12028.60</b>	<b>14492.45</b>

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

No

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

The Company is actively involved in better waste management practices, we prioritize waste reduction, maximize recycling and reuse opportunities and ensure responsible disposal of waste. Here are a few points that highlight the positive aspects of Vardhman's waste management practices:

**Textiles Waste Recycling:** We actively explore opportunities to reuse materials within our operations. One exemplary initiative is the Vardhman Recycling Plant, Renova, located in Baddi, Himachal Pradesh. This facility converts textile waste into new fibers, which are then used to create new clothes or other textile products. By diverting textiles from landfills to recycling, the plant significantly reduces the environmental impact of textile waste.

**Follow 3R's of waste management:** We prioritize waste reduction by identifying operational areas where waste can be minimized through process optimization and adoption of alternative practices. Our commitment extends to recycling various waste types, such as plastic, wood, cardboard and plastic cones, by entrusting them to authorized vendors.

For waste that cannot be reduced, recycled or reused, we ensure it is disposed of properly. Hazardous waste like chemical containers and empty barrels including waste oil through authorized recyclers other hazardous waste like ETP Sludge, MEE Salt and biomedical waste are handed over to Treatment, Storage and Disposal Facilities (TSDFs) authorized by the State Pollution Control Board. Similarly, non-hazardous waste and e-waste are given to vendors authorized by the State Pollution Control Board. This ensures that the disposal of such waste follows all necessary regulations and guidelines.

**100% Recycling of Plastic Packaging:** Implementation of the Extended Producer Responsibility (EPR) Plan, specifically for the collection and recycling of 100% of plastic packaging waste.

**Using STP-generated sludge for horticulture:** Sludge, which is a byproduct of sewage treatment, is typically rich in organic matter and nutrients. Instead of considering it as waste we utilize it for horticulture as valuable organic manure.

By adopting these waste management practices, Vardhman is contributing to a circular economy where materials are reused, recycled and repurposed. This aligns with the principles of sustainability, promoting responsible resource management and reducing the overall environmental footprint.

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 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	Not Applicable	Not Applicable
(ii) Groundwater	1067739	1287786
(iii) Third party water	Not Applicable	Not Applicable
(iv) Seawater / desalinated water	Not Applicable	Not Applicable
(v) Others	Not Applicable	Not Applicable
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>1067739</b>	<b>1287786</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>1067739</b>	<b>1287786</b>
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover) (KL/ Crore)	114.83	130.86
<b>Water intensity</b> (optional)–the relevant metric may be selected by the entity	-	-
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment–please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment–please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment–please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment–please specify level of treatment	-	-
(v) Others (Municipal Sewer)	-	-
- No treatment	-	-
- With treatment–(Primary, secondary & tertiary treatment)	460221	484622
<b>Total water discharged (in kilolitres)</b>	<b>460221</b>	<b>484622</b>

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

No

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

Parameter	Unit	FY 2023-24	FY 2022-23
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)		-	-
<b>Total Scope 3 emissions per rupee of turnover</b>			
<b>Total Scope 3 emission intensity</b> (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

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:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Enhance capacity of STP & establish RO	Increased STP capacity by 300 KLD and install a 500 KLD RO system to attain 100% utilization of STP water at Arihant Spinning Mills, a unit in Punjab.	Aim to Achieve zero liquid discharge; enhanced capacity to treat waste water effectively, ensuring compliance with environmental regulations.
2.	Renovate Existing STP to MBBR technology	Upgrade existing STP with MBBR technology at one of the MP locations for maximum utilization of treated water in secondary applications like urinal flushing, cleaning and gardening.	Optimize treated water utilization; improve efficiency and effectiveness of waste water treatment, reducing environmental impact.
3.	Installation of 10 MLD Homogenization System prior to CETP tank	Installed Homogenization system before CETP tank at Baddi plant to balance effluent load, facilitating easier CETP operation and better results at the CETP outlet.	Improve CETP efficiency; streamline waste water treatment processes, ensure consistent quality of treated effluent and regulatory compliance.
4.	Optimization ZLD system in two plants	Implemented ZLD system in two Vardhman plants, utilizing 100% of wastewater through multistage RO system for primary applications such as fabric production & utilities.	Attain complete waste water utilization; minimize water wastage, enhancing sustainability and resource efficiency in manufacturing processes.
5.	Waste Management	<p><b>Implementation of Sludge Dryer</b></p> <p>Introduced sludge dryer technology at Punjab and Baddi locations to address the challenge of sludge generated through ETP operation.</p> <p><b>100% Recycling of Plastic Packaging</b></p> <p>Implement a comprehensive recycling program to recycle 100% of plastic packaging consumed, mitigating the environmental impact of plastic usage.</p>	<p>Efficiently manage ETP sludge; reduce volume and weight of sludge for easier disposal, minimizing environmental impact and operational costs.</p> <p>Reduce plastic pollution; promote circular economy by reusing plastic materials, conserving resources and reducing landfill waste.</p>

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
6.	Ground water recharging initiatives	Continuously invest in water conservation initiatives since 2005, focusing on groundwater recharge, with 52 Rainwater Harvesting Systems (RWH) installed on premises.	These rainwater harvesting systems have a capacity to recharge 1.75 million KL of water annually.
7.	Installation of Rooftop Solar Plants	Install rooftop solar plants and sign Power Purchase Agreements (PPA) with Renewable Energy (RE) Power Developers.	Harness solar energy for electricity generation; reduce dependence on non-renewable energy sources, lower carbon emissions and potentially save on electricity costs.
8.	Green Fuel in Boilers	Utilization of Biomass as fuel in power plant boilers to reduce coal usage and installation of turbines for green energy generation.	Reducing GHG emissions and transitioning to a more sustainable energy future.
9.	Safety and Sustainability	Promote safety and sustainability among employees and workers through theme-based campaigns covering topics such as machine guarding, electrical safety, forklift and driving safety,	Enhance workplace safety; instill a sense of responsibility towards safety and sustainability practices, reducing accidents and environmental impact
10.	Awareness Programs	To spread awareness about environmental protection measures, every year, we celebrate Earth Day, Environment Day, Environment Week and Water Saving Week. The activities held during such programs include Tree Plantation, Drawing Competition, Slogan Competition, Social media campaign etc	A collective effort that addresses environmental challenges more effectively and promotes a greener and more sustainable future.
11.	Green Energy Initiative	Signed a Power Purchase Agreement (PPA) to establish a 11.5 MW Wind-Solar Hybrid Power Plant in Madhya Pradesh.	Resulting in a notable decrease in carbon emissions and promoting a more sustainable and environmentally friendly energy portfolio.

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

The Company acknowledges the unpredictable nature of emergencies and disasters, which can strike without warning. To ensure the safety of our employees, surrounding communities and the environment, we have established an effective emergency preparedness and response program. 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. This plan serves as a guide to facilitate the planning and execution of appropriate actions in response to local emergencies. To maintain the effectiveness of our emergency preparedness plan, we conduct rigorous testing and evaluation. This includes management reviews, third-party audits and mock drills. Through these measures, we assess the readiness of our systems, identify areas for improvement and make necessary adjustments to enhance our emergency response capabilities.

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.

Based on the available information, the Company's value chain has not resulted in any significant adverse impacts on the environment. We are committed to conducting our business operations in an environmentally responsible manner and strive to minimize any potential negative effects on the environment throughout 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.

**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.  
10
- 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.		Reach of trade and industry chambers/ associations (State/ National)
No.	Name of the trade and industry chambers/ associations	
1	Confederation of Indian Industries (CII)	National
2	Federation of Indian Chamber of Commerce and Industries (FICCI)	National
3	PHD Chamber of Commerce and Industries (PHDCCI)	National
4	Confederation of Indian Textile Industry (CITI)	National
5	Texprocil	National
6	Synthetic & Rayon Textiles Export Promotion Council (SRTEPC)	National
7	Apex chamber of commerce	State
8	Textiles Committee	National
9	Federation of Indian Export Organization (FIEO)	National
10	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.	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](mailto:secretarial.lud@vardhman.com) or [mngt@vardhman.com](mailto:mngt@vardhman.com)

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

Parameter	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	28.93%	30%
Sourced directly from within the district (out of total input)	5.65%	3%
Sourced directly from neighboring districts (out of total input)	94.35%	97%

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

Parameter	FY 23-24 Current Financial Year	FY 22-23 Previous Financial Year
Rural	-	-
Semi-urban	62.82%	63.74%
Urban	9.86%	9.98%
Metropolitan	27.32%	26.28%

(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
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Not Applicable



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 ₹)
1.	Bihar	Jamui	30 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 adolescent girls living in slum areas of Baddi, Himachal Pradesh and Budhni, Madhya Pradesh.	30,000	100%
2	Provided artificial limbs to disabled people (artificial limbs and polio calipers) in Punjab, Himachal Pradesh & Madhya Pradesh.	44	100%
3	Contribution to Tribal Welfare Council, MP for the welfare activities in School for tribal students.	200	100%
4	Financial assistance to AFPRO for implementing Project – Pragati.	350	100%
5	Providing financial support to OELP for running five remedial centre at Ajmer, Rajasthan.	1000	100%
6	Contributed ₹ 5 lacs to Armed Forces Flag Day Funds (AFFDF) for the welfare of Ex- Servicemen and Indian Defence Forces.	350	100%
7	Provided woollen sweaters to school students.	32,000	100%
8	Provided financial support to school students of Auro Mira Vidya Mandir, Kechala, Odisha.	5	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.

The customer complaint handling protocol involves a streamlined process. It begins with complaint generation by the corporate department, who receives customer complaints through various channels. The complaints are then analyzed by the Customer Service and Technical Support (C&TS), Quality Assurance (QA), Production and Unit Head departments. After a thorough investigation, the findings and recommendations are compiled and shared with the Corporate. The report is then reviewed by Business Heads, who assess the impact and provide insights if needed. Finally, a suitable resolution is determined and communicated to the customer, ensuring their satisfaction. The complaint is considered closed once the necessary actions have been implemented.

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

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

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

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

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

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

Not Applicable

7. Provide the following information relating to data breaches:
  - a. **Number of instances of data breaches** - Nil
  - b. **Percentage of data breaches involving personally identifiable information of customers** - Nil
  - c. **Impact, if any, of the data breaches** - Nil

#### **Leadership Indicators**

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

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

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

We have a dedicated sales team to ensure pre to post sale services to our customer. Post-sale service ensures smooth usage of our products and problem solving through a partnership approach that helps us forge long-lasting 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.

5. Provide the following information relating to data breaches:

- a) **Number of instances of data breaches along-with impact.:**

Nil

- b) **Percentage of data breaches involving personally identifiable information of customers:**

Nil



# Vardhmān

Delivering Excellence. Since 1965.

## Vardhman Textiles Limited

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CIN: L17111PB1973PLC003345

