BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L17111PB1973PLC003345
2.	Name of the Listed Entity	Vardhman Textiles Limited
3.	Year of incorporation	1973
4.	Registered office address	Vardhman Premises, Chandigarh Road, Ludhiana- 141010
5.	Corporate address	Vardhman Premises, Chandigarh Road, Ludhiana- 141010
6.	E-mail	secretarial.lud@vardhman.com
7.	Telephone	0161-2228943-48
8.	Website	www.vardhman.com
9.	Financial year for which reporting is being done	2025-26
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited.
11.	Paid-up Capital	₹57.86 crore

12. Details of the person who may be contacted in case of any queries on the BRSR report.

S. No.	Name	Telephone	Email
1	S K Jhamb Designation-Chief Sustainability officer	0161-2228943	secretarial.lud@vardhman.com

13. Reporting boundary - Standalone Basis

The financial, environmental, social and governance disclosures made in this report are on a standalone basis (i.e. only for the entity).

14. Name of assurance provider **Intertek India Pvt Ltd**

15. Type of assurance obtained **Reasonable Assurance (for BRSR Core Indicators)**

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.	99.59

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	99.59

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	13	6	19
International	0	1	1

19. Markets served by the entity

a. Number of locations

Locations	Number
National (No. of States)	PAN India
International (No. of Countries)	67

19. b. What is the contribution of exports as a percentage of the total turnover of the entity? 42%

19. c. A brief on types of customers

Vardhman Textiles Limited is a leading player in India's textile industry, offering a diverse portfolio of high quality yarns, fabrics and garments. The Company serves a wide customer base, including reputed domestic and international brands as well as prominent retailers. Driven by a strong focus on innovation, quality, and operational excellence Vardhman has consistently met evolving market requirements, reinforcing its position as a reliable and trusted value chain partner in the global textile market.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			Employees			
1	Permanent (D)	3592	3208	89%	384	11%
2	Other than permanent (E)	44	36	82%	8	18%
3	**Total Employees (D+E)**	**3636**	**3244**	**89%**	**392**	**11%**
			Workers			
4	Permanent (F)	20505	12355	60%	8150	40%
5	Other than permanent (G)	4051	2791	69%	1260	31%
6	**Total Workers (F+G)**	**24556**	**15146**	**62%**	**9410**	**38%**

At Vardhman, we are committed to fostering a diverse and inclusive workplace with a strong focus on enhancing female participation across all levels, particularly at the worker level. Women constitute 35% of our total workforce, including 40% of permanent workers, reflecting our continued efforts to create equitable employment opportunities. We have set a target to achieve 45% overall gender diversity by 2030 through focused hiring, development, and retention initiatives, while ensuring a safe, supportive, and inclusive work environment for all.

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1	Permanent (D)	7	7	100%	0	0%
2	Other than permanent (E)	0	0	0%	0	0%
3	Total differently abled employees (D + E)	7	7	100%	0	0%
	DIFFERENTLY ABLED WORKERS					
4	Permanent (F)	27	22	81%	5	19%
5	Other than permanent (G)	1	0	0%	1	100
6	Total differently abled workers (F + G)	28	22	79%	6	21%

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	4	33%
Key Management Personnel	3	0	0

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2026 (Turnover rate in current FY)			FY 2025 (Turnover rate in current FY)			FY 2024 (Turnover rate in current FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	15%	22%	16%	17.14	26.95	18.21	20.82	24.57	21.22
Permanent Workers	35%	54%	42%	25.09	40.30	30.85	35.60	47.00	40.00

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	20.08%	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)

(ii) Turnover (₹ in crores) = **9,652.33**

(ii) Net worth (₹ in crores)= **10,187.73**

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 2026 Current Financial Year			FY 2025 Previous Financial Year		
		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)		NIL	NIL	NIL	NIL	NIL	NIL
Shareholders		NIL	NIL	NIL	NIL	NIL	NIL
Employees and workers		NIL	NIL	NIL	NIL	NIL	NIL
Customers		NIL	NIL	NIL	NIL	NIL	NIL
Value chain partners		NIL	NIL	NIL	NIL	NIL	NIL
Others (please specify)		NIL	NIL	NIL	NIL	NIL	NIL

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

Weblink of grievance redressal policy is:

https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Whistle_Blower_Policy.pdf

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

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

Vardhman has conducted a Double Materiality Assessment to identify and prioritize its key material sustainability topics. The assessment findings are publicly available on the Company's website and guide its sustainability strategy and stakeholder engagement efforts.

https://www.vardhman.com/Document/ESG/Double%20Materiality%20Report.pdf

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 implications)
1.	Climate Change	Opportunity & Risk	• **Opportunity:** Transitioning from fossil fuel-intensive processes to renewable energy sources significantly reduces greenhouse gas (GHG) emissions, supporting climate change mitigation and enhancing sustainability performance. • **Risk:** Increasing regulatory requirements (such as CCTS & Eco-design Directives) and evolving customer expectations for Low carbon product may impact market access and competitiveness. Non-compliance or delayed adaptation could lead to increased operational costs and potential loss of business opportunities.	The Company is focusing on energy efficiency, renewable energy adoption, and emission reduction across its operations and value chain. Key Actions/ Plans to address Climate Change are- Target: 42% reduction in Scope 1+2 combined by 2030. Performance: Achieved a 14% reduction in Scope 1 and Scope 2 GHG emissions compared to FY 2023-24 (base year). 68 MWp solar installed (expanding upto 70 MWp) Reduction in carbon intensity across operations. • Long term Open Access Projects for our Madhya Pradesh (30.5MW Hybrid (Wind + Solar) & Punjab Units (31.9 MWp Solar). As part of its GHG emission mitigation strategy, the Company has initiated the replacement of coal-fired boilers with three 80 TPH biomass boilers (total capacity: 240 TPH) at the MP unit and a 105 TPH paddy straw-fired boiler integrated with a turbine at Vardhman Fabrics, Budhni & Auro Textiles, Baddi. • Vardhman has also taken steps to reduce Scope 3 emissions from downstream transportation by partnering with DHL under its GoGreen Plus (GGP) programme. • Company encourages low-carbon commuting by facilitating employee loan schemes for electric two-wheelers, extending emission reduction efforts beyond direct operations.	**Negative (Short-Term):** The transition to low-carbon operations involves substantial capital expenditure, including investments in solar power installations, renewable energy infrastructure, and retrofitting of existing coal-based systems to biomass. **Positive (Long-Term):** Over time, these investments result in significant financial benefits through reduced energy consumption costs and lower dependence on fossil fuels.

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 implications)
2.	Water Stewardship	Opportunity and Risk	• **Opportunity:** Increasing customer and brand preference for sustainable practices creates opportunities to reduce water consumption and achieve operational cost savings. • **Risk:** Stricter regulations by pollution control boards on effluent discharge and water use may lead to higher compliance requirements and operational challenges if not managed effectively.	The Company has implemented comprehensive water management practices focused on conservation, recycling, and advanced treatment: • Established advanced Effluent Treatment Plants (ETPs) and Sewage Treatment Plants (STPs) across its operations. • Expanding Zero Liquid Discharge (ZLD) capacity upto 10 MLD at the VFB, Budhni, MP. • Implemented a state-of-the-art ZLD system at VSGM, Punjab, with advanced MBR, RO, and MVRE technologies to maximize water recovery and reuse. • Installed a 2 MLD Brine Recovery System in the dyeing operations at Auro Textiles, Baddi, HP, enhancing salt and water recovery while reducing freshwater consumption. • Adoption of Electro-Coagulation technology to reduce ~80% of COD and colour in wastewater while lowering chemical consumption. • RO Capacity Enhancement at VFB Location, the treatment capacity increased from 8,400 KLD to 10,000 KLD, Additionally, a new 750 KLD fourth-stage RO is installed to increase recovery from waste water.	**Positive:** Reduced freshwater consumption leads to long-term cost savings and improved ESG ratings. **Negative:** High compliance costs- failure to comply may lead to penalties or closure of operations. Increased capital expenditure for water-saving infrastructure but essential to maintain long-term business continuity.

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 implications)
3	Responsible Sourcing	Opportunity and Risk	**Opportunity:** By embracing sustainable sourcing practices, we can minimize our environmental and social footprints while simultaneously creating opportunities to embed sustainability into our product design, enhancing both brand reputation and long-term value. **Risk:** Our business heavily relies on cotton as a primary raw material and the production & sourcing of conventional fibres pose significant environmental and social challenges. These impacts are becoming a growing concern among stakeholders, particularly, regarding the sustainability of our products.	• To mitigate supply chain and sustainability risks, the Company prioritizes responsible sourcing of raw materials, our total 33.6% raw material is sourced sustainably. • As a Programme Partner of Better Cotton, we work with over 14,107 farmers to promote sustainable farming practices, efficient natural resource management, fair working conditions, and climate resilience. • Our responsible sourcing approach is supported by globally recognized certifications, including Regen Agri, GOTS, GRS, Oeko-TEX, Organic, OCS, Recycled Polyester, CMI, Better Cotton, Fairtrade, and FSC.	**Long-Term Benefit:** Emerge as market leader for sustainable products providing end-to-end traceability for customers.
4.	Waste Management	Opportunity and Risk	**Opportunity:** Effective waste management practices, significantly reduce greenhouse gas emissions. Risk- Inadequate waste management poses. **Risk:** That can impact a business's legal compliance, reputation, operational effectiveness and its ability to maintain longterm sustainability.	In waste management, we follow the 3R principle - Reduce, Reuse and Recycle to effectively manage and minimize waste. To reduce textile waste and support circular economy practices, the Company increased the capacity of its Renova recycling facility from 6 TPD to 12 TPD, enabling higher recycling and recovery of textile waste. To advance towards Zero Waste to Landfill, the Company implemented a Brine Recovery System that diverts over 85% of salt from landfill through recovery and reuse. 50% hazardous waste send to landfill by 2030.	**Long-Term Benefit:** • Lower disposal expenses and reduced reliance on raw materials through increased recycling and reuse efforts. • Create new revenue streams by selling recycled materials or developing eco-friendly products, capitalizing on the rising demand for sustainable goods. • Strengthen brand image and market position as a leader in sustainability

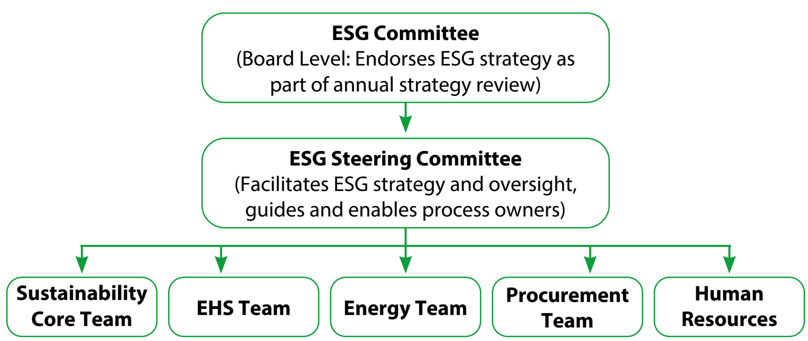
S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Customer Satisfaction	Opportunity and Risk	**Opportunity:** Satisfied customers are more likely to become repeat buyers, contributing to sustained revenue streams. **Risk:** High levels of customer dissatisfaction can significantly undermine trust and loyalty, resulting in reduced sales and potential harm to the Company's reputation.	Maintaining superior quality standards which leads to increased customer satisfaction, loyalty and brand reputation ultimately leading to increased revenue and profitability.	Developing high-quality, innovative products enables us to differentiate our-self in the market & business can achieve higher profit margins.
6.	Product Stewardship	Opportunity and Risk	**Opportunity:** Implementing efficient resource utilization and waste reduction strategies, optimizing production processes, energy consumption & the adoption of circular economy strengthen our brand image. **Risk:** Impact on Company's reputation leading to loss of customer & community trust.	Decrease disposal costs and generate additional revenue from recycled materials (ReNova).	Offers both direct and indirect financial benefits: **Direct Financial Benefits:** a) Revenue Enhancement:- sustainably marketed products often achieve higher sales growth compared to conventional products. b) Cost Reduction: Implementing sustainable practices, such as energy efficient technologies and waste reduction, can lead to significant cost savings. **Indirect Financial Benefits:** a) Risk Mitigation: Proactively addressing environmental and social risks associated with products can prevent costly legal disputes and enhance long-term profitability. b) Enhanced Brand Reputation

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 implications)
7	Health & Safety	Risk & Opportunity	• **Risk:** Stringent regulatory standards and stakeholder expectations require consistent compliance to avoid penalties and reputational damage. • Inadequate fire safety could lead to severe injuries, asset loss and disruption of operations. • Legal and reputational risks associated with safety incidents involving contractual or third-party workers. • **Opportunity:** Proactive safety training reduces workplace incidents, enhances productivity and builds employee trust. • Growing awareness and expectations on health & safety from employees and ESG rating agencies.	• Periodic HIRA (Hazard Identification & Risk Assessment), implementation of ISO 45001, regular health check-ups and safety audits. • Installation of fire detection/ suppression systems, mock drills, evacuation plans and third-party fire safety audits. • Extension of safety trainings, compliance audits and inclusion of safety KPIs in contractor evaluation. • Being an opportunity, this is addressed via continuous training modules, toolbox talks, safety posters and emergency response drills. • Extension of safety trainings, compliance audits and inclusion of safety KPIs in contractor evaluation. • Implementation of Behaviour Based Safety across all the locations. • Implementation of Visitor safety briefing system through animated module.	• Non-compliance may result in penalties and reputational loss; however, mitigation measures involve moderate cost but prevent larger financial losses. • Capital investment in fire systems is required, but long-term asset protection and insurance benefits offset the cost. • Monitoring and capacity building expenses; however, it reduces legal liability and supports ESG ratings. • Improves operational efficiency, reduces downtime and potential insurance premium reductions. • Enhances employee retention, morale and reduces absenteeism, ultimately contributing to long-term financial sustainability

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	Various policies of the Company are available on the website of the Company at https://www.vardhman.com/Investors/CompanyInformation								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, few of the enlisted policies of the Company have extended coverage to the value chain partners.								
4. Name of the national and international codes/ certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) (e.g., SA 8000,OHSAS, ISO, BIS) adopted by your entity andmapped to each principle.	National Guidelines on Responsible Business Conduct (NGRBC), ISAE3000 (revised)	ISO 14001:2015, ISO 45001:2018, ISO 9001:2015, Better Cotton Initiative (BCI), Global Organic Textiles Standard (GOTS), Organic Content Standard (OCS), Global Recycle Standard (GRS), Recycled Claim Standard (RCS), OEKOTEX, Cotton Made in Africa (CMIA), Forest Stewardship Council (FSC), Responsible Wool Standard (RWS), U.S. Cotton TRUST PROTOCOL, Fair Trade, Regenagri, ZDHC, SMETA, HIGG Index, FSLM	ISO 45001:2018, SMETA, Higg FSLM	SMETA, Fairtrade, Better Cotton (BCI), CMIA	SMETA, Higg FSLM, Fairtrade, Better Cotton (BCI), CMIA, BSCI	ISO 14001:2015, ISO 45001:2018, ZDHC, HIGG Index, ISAE 3410	Task Force on Climate related Financial Disclosures (TCFD), NGRBC	BSCI,SMETA	ISO 27001, ISO 9001:2015

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	• 42% reduction in Scope 1+2 combined by 2030 & Net Zero by 2045 • Target to achieve 40% of green power adoption by 2026 • 30% reduction in freshwater consumption by 2030 • Reduce landfill waste disposal by 50% by 2030. • 100% sustainable packaging by 2030 • To reduce virgin plastic by 20% by 2030 • ZDHC MRSL compliance:100% by 2030 • Achieving net positive impact (NPI) on biodiversity-By 2050 • For Gender Diversity-Increase to 20% at Managerial position & 45% overall by 2030.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	• 14% Reduction in Scope 1 and Scope 2 emissions has been achieved by FY 2025–26, compared to the FY 2023–24 baseline (tCO_2e) Achieved 32% green energy share in the overall energy mix during FY 2025-26. • 25% reduction in fresh water consumption in FY 25-26 as compared to FY 23-24 • Sustainable Packaging: Achieved 90% sustainable packaging adoption across operations. • ZDHC MRSL Compliance: Attained 99% compliance with the ZDHC Manufacturing Restricted Substances List (MRSL) requirements. • Gender Diversity: Women represent 35% of the total workforce, reflecting our commitment to building a diverse and inclusive workplace.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Sustainability is a core pillar of our business strategy. We recognize the significant responsibility the textile industry holds in environmental stewardship, responsible sourcing, and social accountability. Accordingly, we have implemented concrete measures to reduce our Carbon footprint, including the adoption of energy-efficient technologies, optimized water management practices, and environmentally responsible manufacturing processes. In parallel, we are committed to responsible sourcing of raw materials, reinforcing fair trade principles and maintaining ethical, transparent supply chains.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. S K Jhamb Chief Sustainability Officer Email id: secretarial.lud@vardhman.com 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 ESG Committee, constituted by the Board, provides oversight and strategic guidance on sustainability-related matters. 								

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	All policies aligned with NGRBC Principles P1 to P9 are periodically reviewed and updated, as required. The Company ensures compliance with all applicable statutory requirements, regulations, standards, and principles relevant to its operations.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company complies with all applicable statutory and regulatory requirements relevant to Principles. Any instances of non-compliance, if identified, are addressed through appropriate corrective and preventive actions in a timely manner.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

Yes, independent assessment was conducted by Intertek.

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 question is not applicable to us as all the above principles are covered under our policies.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be Save in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by awareness programmes
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	262	Human Rights ,Taxation, Code of Conduct, Ethic & Integrity, Policies & Procedures, employee wellbeing, skill upgradation and Sustainability & ESG, Safety ,TPM & 5S Awareness, Lean Manufacturing & Kaizen, Problem Solving & Analytical Tools.	100%
Workers	1612	Human Rights & Ethics, Employee Well-being, Workplace Compliance, Environmental & Sustainability Practices, Organizational Policies & Code of Conduct, Health & Safety, Road Safety Awareness session, Fire Fighting & Safety Awareness, PPE's awareness and Near-miss related, Electrical Safety Awareness.	100%

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

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

S. No.	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. To promote ethical conduct and ensure transparency across operations, the Company has put in place a formal whistleblowing framework supported by its Anti-Bribery and Anti-Corruption Policy, in line with applicable listing requirements. This framework empowers employees and members of the Board to securely and discreetly highlight concerns relating to unethical behaviour, suspected financial irregularities, non-adherence to the Code of Conduct, or violations of internal governance policies.

The framework is designed with strong protective safeguards to ensure that individuals raising such concerns are not subjected to any form of discrimination, harassment or adverse consequences. Where circumstances so warrant, the matter may be escalated directly to senior governance authorities, including the Chairman of the Board or the Chairperson of the Audit Committee.

Details of the whistleblowing framework and related policies are hosted on the Company's website and can be accessed at:

https://vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Anti-Bribery,_Anti-Corruption_&_Anti-Money_Laundering__Policy.pdf

In addition, under the provisions of the Company's Equal Opportunity Policy, employees are encouraged to report any instance of noncompliance or workplace grievances through structured internal channels. Complaints may be communicated confidentially via email at ethics@vardhman.com, or raised formally with the designated grievance committee at the unit level. Employees may also submit their concerns in writing to the Human Resources function, clearly articulating the nature of the issue and the outcome sought.

The Equal Opportunity Policy is available for reference at:

https://vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Equal_Opportunity_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:

Designation	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

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

	FY 2025-26 (Current Financial Year)		FY 2024-25 (Previous Financial Year)	
	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. Provides details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies / judicial institutions, on case of corruption and conflicts of interest:

Not Applicable

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

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Number of days of accounts payables	24.78	17

***Reasonable assurance for FY 2025-26 has been carried out by Intertek India Pvt. Ltd.**

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 2025-26 Current	FY 2024-25 Previous
Concentration of Purchases	a. Purchase from trading houses as % of total purchases	56%	25%
	b. Number of trading houses where purchases are made from	1848	22
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	73%	87%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	11%	36%
	b. Number of dealers / distributors to whom sales are made	55	60
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	61 %	50%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	1.98%	2.37%
	b. Sales (Sales to related parties / Total Sales)	0.76%	0.51%
	c. Loans and advances (Loans and advances given to related parties / Total loans and advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	Nil	Nil

***Reasonable assurance for FY 2025-26 has been carried out by Intertek India Pvt. Ltd.**

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
78	Trainings of our Supply chain partners on water stress and mitigation strategies, general safety, and plastic waste management.	50%
430	Farmers' training under the Better Cotton Standard focusing on sustainable management of natural resources—soil, water, and biodiversity—integrated with climate-smart agriculture and climate change adaptation measures.	100%
430	Training on Integrated Pest Management (IPM) aims to equip farmers with knowledge and practical skills to manage crop pests in an effective, economical, and environmentally sustainable manner while minimizing risks to human health and ecosystems.	100%
430	Training on Decent Work focuses on building farmers' and workers awareness and capacity to ensure fair, safe, and respectful working conditions on farms. The training covers prevention of child labour and forced labour, non-discrimination and equal opportunity, fair wages, and respect for workers' rights. It also emphasizes occupational health and safety, including hazard identification, safe use of agrochemicals, provision and use of personal protective equipment (PPE), and access to clean drinking water, sanitation, and first-aid facilities. Also training on fibre quality management through clean picking, handling and storage practices	100%
5	Training of Lead farmers and progressive farmers	100%
144	Women trainings on different decent work aspects	100%
144	Women trainings on Self Help Groups and Livelihood entrepreneur development	100%
144	Workers training on different Decent workers aspects	100%
144	PRI trainings and lead farmers trainings on gender issues	100%
98	Training was provided on environmental compliance, responsible labour practices, and ethical business conduct in cotton ginning operations. They were sensitized to customer sustainability requirements and the role of ginners in responsible supply chains.	63%
112	Training on maintaining importance of traceability and what is expected from them. Ginners were trained on documentation and data management in view of above	72 %
140	Participants were trained on best practices to prevent contamination from foreign materials such as plastic, polypropylene, and other impurities during ginning and storage. Emphasis was placed on quality control measures to improve cotton quality and meet buyer specifications.	90%

2. Does the entity have processes in place to avoid / manage conflict of interests involving members of Board? If Yes, provide details of the same

   Have Process: Yes / No:

   Details: Yes, the Company has established process to avoid any conflict of interest through Code of Conduct.

   https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Code_of_Conduct_Policy.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.

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	11.24%	10.86%	The expenses cover all costs, encompassing investments in environmental and sustainable initiatives such as researching and implementing wastewater technologies, enhancing energy efficiency, promoting renewable energy, fostering circular economy practices and devising techno-economic solutions for utilizing low carbon technologies.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, the entity has established robust procedures for sustainable sourcing while procuring basic raw materials for its manufacturing operations. Supplier selection and evaluation process incorporate environmental, social and ethical criteria including responsible sourcing of raw materials in compliance with applicable regulations and adherence to fair labour practises.

The Company prioritizes sourcing of certified and sustainable materials including BCI, organic cotton, fairtrade etc: recycled fibres such as recycled polyester and cotton fibre and responsible sourced inputs. It works with suppliers who comply with globally recognized standards such as GOTS, GRS, FSC, Fairtrade, Oekotex etc.

https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Sustainable_Sourcing_Policy.pdf

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

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

33.6% of our primary raw material inputs are sourced sustainably (consisting of cotton and fibres). This includes materials certified by BCI, Organic, GOTS, FSC and GRS.

Additionally, **99% of the dyes and chemicals** used in our manufacturing processes comply with GOTS and ZDHC MRSL standards, underscoring our commitment to environmental responsibility and safety.

Our packaging is **90% paper-based**, including cartons, paper cones and paper tubes, all sourced from 100% recycled content or agro-waste paper.

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 continues to strengthen its sustainable waste management framework, with a focused emphasis on the systematic recycling of plastic packaging materials used across its operations, in line with the Plastic Waste Management Rules, 2016. By engaging authorized recyclers, we ensure responsible collection, recycling, and endoflife management of plastic waste, reinforcing our commitment to a circular economy.

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.

   The Company is covered under the Extended Producer Responsibility (EPR) framework as per the Plastic Waste Management Rules, 2016 and is duly registered with the Central Pollution Control Board (CPCB). As per the CPCB EPR Portal, the Company's total obligation is 1,241 MT (496 MT recycling and 745 MT end-of-life disposal), of which the EOL target has already been achieved. The Company remains committed to fulfilling its entire obligation through authorized collection and recycling channels, while progressing towards plastic neutrality.

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 results communicated in public domain, provide the web-link.
131	Virgin Cotton Yarn Recycle Cotton Yarn	-	Cradle to Gate	Yes	Yes	https://www.vardhman.com/Document/Report/Financials/Annual/Vardhman%20Textiles%20Ltd/Annual_Report_2024-25.pdf

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
Virgin Cotton Yarn	Virgin cotton yarn has high water consumption & GHG emission.	Promote Water Stewardship through BCI Project & Sustainable sourcing

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	
	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Recycled Cotton	1.82%	2.52%
Recycled Polyester staple fibre	14.00%	11.00%
Recycled Polyester Filament	13.90%	39.00%
Sustainable Packaging	90.00 %	91 .00%

* Above mentioned data is on Weight basis.

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 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	496	745	-	1698	-
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
Nil	

PRINCIPLE 3

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

Essential Indicators

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

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	3208	0	0%	3208	100%	NA	NA	NA	NA	NA	NA
Female	384	0	0%	384	100%	384	100%	NA	NA	384	100%
Total	3592	0	0%	3592	100%	384	100%	NA	NA	384	100%
Other Than Permanent employees											
Male	36	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	8	NA	NA	NA	NA	8	100%	NA	NA	8	100%
Total	44	NA	NA	NA	NA	8	100%	NA	NA	8	100%

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

Category	Total (A)	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	12355	11828	96%	12355	100%	-	-	-	-		
Female	8150	8149	100%	8150	100%	8150	100%	-	-	8150	100%
Total	20505	19977	97%	20505	100%	8150	100%	-	-	8150	100%
Other Than Permanent workers											
Male	2791	2553	91%	2791	100%	-	-	-	-	-	-
Female	1260	1260	100%	1260	100%	1260	100%	-	-	1260	100%
Total	4051	3813	94%	4051	100%	1260	100%	-	-	1260	100%

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

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company	0.12 %	0.12%

***Reasonable assurance for FY 2025-26 has been carried out by Intertek India Pvt. Ltd.**

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

Benefits	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	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
ESI	20.1%	90.4%	Y	23.8%	92.9%	Y
Gratuity	100%	100%	Y	100%	100%	Y
Others (NPS)	7.3%	0%	Y	7.6%	-	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? (Yes/No) If not, whether any steps are being taken by the entity in this regard

In alignment with the provisions of the Rights of Persons with Disabilities Act, 2016, the Company has undertaken focused initiatives to create an inclusive and barrier free physical environment for employees and workers with disabilities. Infrastructure modifications have been incorporated to enhance mobility and independent access across workplace locations. These include the provision of suitably designed ramps and the integration of lift facilities at identified access points, ensuring safe and convenient movement within the premises.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016 (Yes / No). If so, provide a web-link to the policy.

   Yes, https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Equal_Opportunity_Policy.pdf

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	NA	NA	NA	NA
Female	100%	80%	98%	55%
Total	100%	80%	98%	55%

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

The Company has instituted a structured grievance resolution framework for employees and workers in accordance with its Grievance Redressal Policy. This framework is designed to ensure that workplace concerns are addressed in a fair, transparent, and timebound manner through a clearly defined multilevel escalation process.

At the initial level, an aggrieved worker is required to formally communicate the concern in writing to their immediate reporting authority. In instances where the response or resolution at this level does not meet expectations, the matter may be progressed further.

The second level of escalation allows the grievance to be submitted in writing to the relevant Sectional Head. If the issue continues to remain unresolved or the worker remains dissatisfied, it may be escalated sequentially to the Head of Department and thereafter to the Industrial Relations Department for further review and intervention.

In cases where the grievance is not resolved through the above channels, a final appeal may be made to the Grievance Redressal Committee. The Committee reviews the matter comprehensively and provides a conclusive resolution.

Links of the Policies:

Human Right Policy- https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Human_Right_Policy.pdf

Stakeholders Grievance Redressal Policy- https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Stakeholders_Grievance_Redressal_Policy.pdf

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

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total permanent Employees	3592	0	0%	3646	0	0%
- Male	3208	0	0%	3249	0	0%
- Female	384	0	0%	397	0	0%
Total permanent Workers	20505	0	0%	19550	0	0%
- Male	12355	0	0%	12046	0	0%
- Female	8150	0	0%	7504	0	0%

8. Details of training given to employees and workers:

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / D)	Number (F)	% (F / D)
Employees										
Male	3208	2429	75.72%	1866	58.17%	3249	3249	100%	2570	79.10%
Female	384	316	82.29%	264	68.75%	397	397	100%	383	96.47%
Total	**3592**	**2745**	**76.42%**	**2130**	**59.30%**	**3646**	**3646**	**100%**	**2953**	**80.99%**
Workers										
Male	12355	12355	100%	10411	84.26%	12046	12046	100%	11161	92.65%
Female	8150	8150	100%	6777	83.15%	7504	7504	100%	7504	100%
Total	**20505**	**20505**	**100%**	**17188**	**83.82%**	**19550**	**19550**	**100%**	**18665**	**95.47%**

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

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total* (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	2798	2798	100%	3249	3249	100%
Female	328	328	100%	397	397	100%
Total	**3126**	**3126**	**100%**	**3646**	**3646**	**100%**
Workers						
Male	12355	12355	100%	12046	12046	100%
Female	8150	8150	100%	7504	7504	100%
Total	**20505**	**20505**	**100%**	**19550**	**19550**	**100%**

*No. of employees eligible for performance and career development reviews.

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. The Company has implemented a comprehensive Occupational Health and Safety (OHS) Management System across its manufacturing units, warehouses, and corporate-controlled operations. The system covers all employees, contract workers, trainees, and visitors entering operational premises. The OHS Management System includes:

    - Hazard Identification and Risk Assessment (HIRA)
    - Safe Work Permit System
    - Incident Reporting and Investigation
    - Emergency Preparedness and Response Plans
    - Fire and Life Safety Management
    - Occupational Health Surveillance and Medical Examination Programs
    - Safety Training and Competency Development
    - Contractor Safety Management
    - Legal Compliance Monitoring and Audits
    - Periodic Internal and External Safety Assessments

    The system is implemented across all manufacturing facilities of the Company and is aligned with applicable statutory requirements and recognized occupational health and safety management standards, where applicable.

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

    At Vardhman, we have established a structured process for identifying workplace hazards and assessing risks across its manufacturing operations. The key processes include:

    - Hazard Identification and Risk Assessment (HIRA) conducted periodically for all operational activities.
    - Job Safety Analysis (JSA)/Safe Operating Procedures (SOPs) for critical and high-risk tasks.
    - Pre-Job Risk Assessment and Toolbox Talks before commencement of non-routine jobs.
    - Work Permit System for activities such as hot work, confined space entry, work at height, electrical isolation, excavation, and line breaking.
    - Process Safety Reviews and Management of Change (MOC) assessments for new projects, process modifications, equipment changes, and capacity expansions.
    - Safety Inspections and Audits conducted by line management, EHS teams, and external agencies.
    - Incident, Near-Miss, and Unsafe Condition Reporting to identify emerging hazards and implement corrective actions.
    - Occupational Health Risk Assessments covering exposure to dust, noise, chemicals, heat stress, and ergonomic hazards.
    - Contractor Safety Assessments before and during execution of contract activities.
    - Emergency Preparedness Reviews and Mock Drills to evaluate risks associated with abnormal and emergency situations.

    These processes are applied to both routine manufacturing activities and non-routine operations, ensuring systematic identification, evaluation, and control of occupational health and safety risks across all the facilities of the Company.

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

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

1. QR code-based near miss reporting system has been implemented.

2. In addition to these, we conduct regular Safety Audits and Safety Assessments to identify unsafe acts and conditions in the units through certified safety officers, third party auditors, ISO certification body auditors on a defined frequency.

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

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

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

Safety Incident/Number	Category	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.13	0
	Workers	1.32	3.59
Total recordable work-related injuries	Employees	1.0	0
	Workers	65	174
No. of fatalities	Employees	0	0
	Workers	2	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	2	0

*Including in the contract workforce

***Reasonable assurance for FY 2025-26 has been carried out by Intertek India Pvt. Ltd.**

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Vardhman is committed to providing a safe, healthy, and injury-free workplace for all employees, contract workers, and visitors. The following measures have been implemented across its operations:

- Implementation of a structured Hazard Identification and Risk Assessment (HIRA) process to identify workplace hazards and establish effective risk control measures.
- Deployment of Behavior-Based Safety (BBS) programs to promote safe behaviors, strengthen safety culture, and encourage employee participation in safety improvement initiatives.
- Provision and enforcement of appropriate Personal Protective Equipment (PPE) based on task-specific risk assessments.
- Regular safety training, induction programs, refresher trainings, and toolbox talks to enhance employee competency and awareness.
- Display of safety signs, caution boards, machine safety labels, posters, and visual safety aids at workplaces to reinforce safe work practices.
- Promotion of Kaizen and continuous improvement initiatives focused on hazard elimination, risk reduction, ergonomics, and workplace safety enhancements.

- Implementation of standardized safe operating procedures (SOPs), permit-to-work systems, and critical safety standards for high-risk activities.
- Periodic safety inspections, audits, and workplace monitoring to identify unsafe conditions and ensure compliance with safety requirements.
- Regular safety communication campaigns, awareness programs, safety alerts, theme-based observances, and sharing of lessons learned from incidents and near misses.
- Conduct of occupational health surveillance, medical examinations, health camps, wellness programs, and health awareness initiatives to safeguard employee health.
- Maintenance of emergency preparedness systems including firefighting infrastructure, emergency response teams, and mock drills.
- Active employee participation through safety committees, suggestion schemes, and reporting of unsafe conditions and near misses.

Through these integrated measures, the Company strives to continuously improve workplace health and safety performance, prevent occupational injuries and illnesses, and foster a strong culture of safety across all its operations

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

Assessment Type	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year:

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

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

The Company follows a structured incident management and corrective action process to address safety-related incidents, near misses, unsafe conditions, and significant risks identified through audits, inspections, HIRA studies, and workplace assessments.

Key corrective actions undertaken include:

- Detailed root cause analysis (RCA) of incidents and near misses, followed by implementation of corrective and preventive actions (CAPA).
- Revision and strengthening of Standard Operating Procedures (SOPs), work instructions and risk control measures based on investigation findings.

- Engineering improvements such as installation of machine guards, interlocks, emergency stop systems, barriers, improved ventilation, ergonomic modifications, and automation of high-risk activities.
- Enhancement of Behavior-Based Safety (BBS) interventions, targeted awareness campaigns, and focused training programs to address unsafe behaviors.
- Upgradation of PPE specifications and strengthening of compliance monitoring where risk assessments indicate additional protection requirements.
- Closure of observations identified during safety audits, inspections, legal compliance reviews, and HIRA assessments within defined timelines.
- Implementation of workplace improvements through Kaizen initiatives to eliminate hazards and reduce operational risks.
- Strengthening of contractor safety controls, permit-to-work systems, and supervision for high-risk activities.
- Corrective actions arising from occupational health assessments, including improvements in dust control, noise reduction, ergonomics, workplace ventilation, and employee wellness programs.
- Sharing of incident learnings, safety alerts, and best practices across units to prevent recurrence of similar incidents.
- The effectiveness of corrective actions is monitored through periodic reviews, inspections, audits, and management oversight to ensure sustained improvement in health, safety, and working conditions across all operations.

Leadership Indicators

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

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

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

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

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

	Total no. of affected employees/ workers		**No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment**	
	FY 25-26 (Current Financial Year)	**FY 2024-25 (Previous Financial Year)**	**FY 25-26 (Current Financial Year)**	**FY 2024-25 (Previous Financial Year)**
Employees	0	0	0	0
Workers	4	0	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? (Yes/ No)

   No

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Yes, 20.47% of our value chain partners were assessed in respective Indicators.
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

   Based on the observations identified during assessments of value chain partners, the following corrective actions have been initiated

   - Partners have been instructed to install appropriate safety and hazard signage at prominent locations within the premises
   - Immediate directive issued to display mandatory compliance boards highlighting prohibition of child and forced labour
   - Suppliers have been advised to install machine guarding systems and ensure compliance with safe operating procedures
   - Partners directed to ensure provision and mandatory use of safety shoes and relevant PPE for all workers
   - Partners advised to construct separate and adequate sanitation facilities for female workers

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

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

   The Company adopts a comprehensive approach for identifying key stakeholder groups, using methods such as surveys, interviews, focus groups and consultation sessions to gather valuable feedback, insights and concerns from a wide range of individuals and groups. Externally, our key stakeholders include shareholders, investors and suppliers who are integral to our supply chain, as well as local communities impacted by our operations. Internally, stakeholders include our dedicated employees, who are central to our daily operations and overall success and our senior management team, which is responsible for guiding strategic decisions and leadership. Through active engagement with both internal and external stakeholders, the Company ensures that the needs and expectations of all relevant parties are considered in its decision-making processes. This inclusive approach highlights our commitment to transparency, accountability and sustainable growth, fostering strong relationships and driving long-term success.

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

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

Leadership Indicators

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

The Company has set up dedicated committees to effectively oversee performance in economic and ESG (Environmental, Social and Governance) areas. These include the Audit, Risk Management, Nomination & Remuneration, CSR & ESG, Emissions Reduction, Water Conservation, Health & Safety and Energy Conservation committees. Each committee meets regularly to assess progress, identify challenges and explore opportunities for improvement. These evaluations are essential for driving positive change and aligning strategies with company goals. The findings are then presented to the Board, which comprises key stakeholders and decision-makers. The Board thoroughly reviews these reports to gain a comprehensive understanding of the Company's economic and ESG performance, ensuring informed decision-making for continued success.

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

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

a. Environmental Policy Development: In developing our environmental policy, we consulted with a wide range of stakeholders, including local communities, environmental organizations and industry experts. These consultations provided valuable insights into concerns like resource depletion and pollution. Stakeholders shared their expectations for sustainable practices and we integrated their feedback into our policy. As a result, we set specific targets for reducing greenhouse gas emissions, transitioning to renewable energy and enhancing waste management.

b. Social Impact Assessment: Prior to initiating major projects or expansions, we conduct social impact assessments to evaluate potential effects on local communities. This process involves engaging with stakeholders such as community representatives, NGOs and indigenous groups. Their input allows us to identify and address any negative social impacts, ensuring our initiatives benefit the community.

c. Supply Chain Management: To address environmental and social challenges within our supply chain, we actively engage with stakeholders, including suppliers, workers' organizations and human rights advocates. Through continuous dialogue and consultations, we gather feedback on responsible sourcing, labor practices and community welfare, enabling us to improve our supply chain practices and uphold ethical standards.

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

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

Vulnerable Group	Concerns	Action Taken
Underprivileged Community from Rural, Urban and Peri-Urban Areas	Needy People not having access to Healthcare Facilities	1. Financial Support for Dental Equipment to the Dentistry Unit at PGIMER, Chandigarh. 2. Provided Medical Mobile Unit (Ambulance to Urban Community Health Centra (UCHC), Subhash Nagar, Ludhiana. 3. Financial support for Medical Equipment to Rai Bahadur Sewak Ram Maternity Hospital, Jalandhar. 4,. Provided Nutrition Kits to TB (Tuberculosis) patient under TB Mukt Bharat Abhiyaan, Nalagarh,Baddi, District Solan. 5. Provide DR -DXD Digital X-ray Unit to Vijayanand Diagnosis Centre, Ludhiana. 6. Financial Contribution to Christian Medical College Ludhiana for CT scan and Cath Lab. 7. Provided Truant 4 Module System Machine for T.B Patients at Civil Hospital, Malerkotla. 8. Provided CBC machine & fully automated biochemistry analyser to Civil Hospital Haroli District Una, Himachal Pradesh. 9. Provided Digital X-Ray Machine to Community Health Centre, Syari, District Solan, Himachal Pradesh.

Vulnerable Group	Concerns	Action Taken
	Disadvantaged Sections of Society	1. Distribution of Artificial Limbs to Disabled individual in Punjab, Madhya Pradesh & Himachal Pradesh region. 2. Provided Motorized Wheelchairs to 10 differently abled persons in District Ludhiana, Punjab. 3. Financial contribution for construction of multi-story building at Guru Amar Das Apahaj Ashram, village Sarabha, Ludhiana, Punjab. 4. Provided 15 Motorized Wheel Chair to Disabled Person in District Malerkotla, Punjab. 5. Provided Automated Sanitary napkin vending machine and incineration, Wheel chair Motorized, Tri cycle Motorized, Sewing Machine to disabled persons of District Una, Himachal Pradesh. 6. Provided battery operated tricycle to 20 Disabled students of District. Sehore, Madhya Pradesh. 7. Provided Stitching Machine and other usable items to Bhavishya Divyang Jan Sanstha, District Narmadapuram, Madhya Pradesh.
	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 slum areas as well as to girls of various schools and villages in Baddi, Himachal Pradesh, Budhni & Mandideep, Madhya Pradesh and Punjab.
	Funds to Needy	1. Provided Financial Contribution to Cancer Treatment Fund at Oncology Department of Christian Medical College & Hospital, Ludhiana, Punjab. 2. Provided Financial Assistant to DMCH HEART for the treatment of poor people in Ludhiana, Punjab.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

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

Category	FY 25-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	3592	1411	39.28%	3646	1262	34.61%
Other than permanent	44	0	0%	44	0	0.00%
Total Employees	3636	1411	38.81%	3690	1262	34.20%
Workers						
Permanent	20505	20505	100%	19550	19550	100%
Other than permanent	4051	753	18.59%	3638	1020	28.02%
Total Workers	24556	21258	86.57%	23188	20570	88.71%

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

Category	FY 25-26 (Current Financial Year)					FY 2024-25 (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)	% (F / D)
Employees										
Permanent										
Male	3208	0	0%	3208	100%	3249	-	-	3249	100%
Female	384	0	0%	384	100%	397	-	-	397	100%
Other than Permanent										
Male	36	0	0%	36	100%	39	12	30.77%	27	69.23%
Female	8	0	0%	8	100%	5	2	40%	3	60%
Workers										
Permanent										
Male	12355	95	1%	12260	99.23%	12046	-	-	12046	100%
Female	8150	429	5%	7721	94.73%	7504	-	-	7504	100%
Other than Permanent										
Male	2791	1730	62%	1061	38%	2623	2369	90.32%	254	9.68%
Female	1260	1227	97%	33	3%	1015	1011	99.61%	4	0.39%

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in ₹)	Number	Median remuneration/ salary/ wages of respective category (in ₹)
Board of Directors (BoD)	8	7,45,000	4	1,80,32,449
Key Managerial Personnel	2	74,56,956	0	0
Employees other than BoD and KMP	3204	4,96,167	382	3,95,263
Workers	12355	165414	8150	153977

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

	FY 25-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Gross wages paid to females as % of total wages	23%	29.74%

***Reasonable assurance for FY 2025-26 has been carried out by Intertek India Pvt. Ltd.**

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

Link to policy-

https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Human_Right_Policy.pdf

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

Yes, it can be accessed by considering the attached document,

https://vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Human_Right_Policy.pdf

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

Complaint type	FY 25-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	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	0	0	0	0	0	0

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

	FY 25-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Complaints reported under the Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

***Reasonable assurance for FY 2025-26 has been carried out by Intertek India Pvt. Ltd.**

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

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

Link of the policy

POSH- https://vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/POSH_Policy.pdf

Human Rights- https://vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Human_Right_Policy.pdf

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

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

10. Assessments for the year:

Assessment Type	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced Labour/Involuntary Labour	
Sexual Harassment	
Discrimination at workplace	
Wages	
Others	

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

Based on the observations identified during assessments of value chain partners, the following corrective actions have been initiated

- Partners have been instructed to install appropriate safety and hazard signage at prominent locations within the premises
- Immediate directive issued to display mandatory compliance boards highlighting prohibition of child and forced labour
- Suppliers have been advised to install machine guarding systems and ensure compliance with safe operating procedures

- Partners directed to ensure provision and mandatory use of safety shoes and relevant PPE for all workers
- Partners advised to construct separate and adequate sanitation facilities for female workers

Leadership Indicators

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

   The Company is firmly committed to upholding an inclusive and equitable workplace where every employee is accorded fairness, respect, and equal treatment. In furtherance of this commitment, a comprehensive Human Rights Policy has been adopted to embed human rights principles across all aspects of employment and workplace practices.

   The policy serves as a guiding framework to promote respect for fundamental human rights, while actively supporting the creation and maintenance of a safe, healthy, and dignified working environment for all personnel.

   Links of the policies:

   Human Right Policy-

   https://vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Human_Right_Policy.pdf

   Posh Policy-

   https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/POSH_Policy.pdf

   Whistle Blower Policy-

   https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Whistle_Blower_Policy.pdf

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

   At Vardhman, respect for human rights forms a core element of the Company's governance philosophy and operational practices. The Company applies a comprehensive policyled approach to human rights across its workforce and extended stakeholder ecosystem, including permanent employees, contract labour, and trainees. Human rights considerations are embedded within internal policies and reinforced through structured due diligence mechanisms implemented across operations.

   Key risks such as child labour, forced or involuntary labour, workplace harassment, and discriminatory practices are proactively identified and addressed through a combination of the Human Rights Policy, Anti Harassment Policy, and the Supplier Code of Conduct. As an organisation committed to equal opportunity, employment and workplace decisions are driven strictly by merit, competence, and role requirements.

   To ensure effective oversight and resolution of concerns, the Company has institutionalised multiple grievance handling and escalation mechanisms. These include dedicated Grievance Redressal Committees at manufacturing locations, clearly defined grievance procedures outlined in Standing Orders, and the functioning of various statutory and nonstatutory committees such as Internal Committees, Works Committees, POSH Committees, and Grievance Committees at both corporate and unit levels. Collectively, these mechanisms reinforce the Company's commitment to ethical conduct, accountability, and the protection of human rights across its entire value chain.

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

   Yes

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Yes, 20.47% of our value chain partners were assessed in respective Indicators.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

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

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

Based on the observations identified during assessments of value chain partners, the following corrective actions have been initiated:

- Partners have been instructed to install appropriate safety and hazard signage at prominent locations within the premises
- Immediate directive issued to display mandatory compliance boards highlighting prohibition of child and forced labour
- Suppliers have been advised to install machine guarding systems and ensure compliance with safe operating procedures
- Partners directed to ensure provision and mandatory use of safety shoes and relevant PPE for all workers
- Partners advised to construct separate and adequate sanitation facilities for female workers

PRINCIPLE 6

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

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 25-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
From renewable sources (in Million Gigajoules)		
Total electricity consumption (A)	1.214	0.124
Total fuel consumption (B)	1.545	1.906
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	2.759	2.030
From non-renewable sources (in Gigajoules)		
Total electricity consumption (D)	2.632	4.162
Total fuel consumption (E)	3.626	2.781
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	6.258	6.944
Total energy consumed (A+B+C+D+E+F)	9.017	8.973
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) million GJ/cr	0.00093	0.00093
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity(PPP) (Total energy consumed / Revenue from operations adjusted for PPP) Million GJ/Cr USD	0.0190	0.0193
Energy intensity in terms of physical output GJ/MT	0.000033	-
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.

Yes, *Reasonable assurance for FY 2025-26 has been carried out by Intertek India Pvt. Ltd.

The revenue from operations has been adjusted using the purchasing power parity (PPP) conversion factor for India (20.34), based on the latest data published by the International Monetary Fund (IMF) for the year 2026.

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, 08 no. of VTxL units are identified as designated consumers (DCs).

During the reporting period, India's energy performance regulatory framework continued its transition from the Perform, Achieve and Trade (PAT) scheme to the Carbon Credit Trading Scheme (CCTS). Consequently, no remedial actions were required in relation to PAT target compliance during the reporting period.

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

Parameter	FY 25-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	1407548	2350640
(ii) Groundwater	5680847.71	7084113
(iii) Third party water	452929	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	7541324.71	9434752.9
Total volume of water consumption (in kilolitres)	2631262.91	4448234.9
Water intensity per rupee of turnover (Total Water consumption / Revenue from operations) KL/Cr	272.60	463.97
Water intensity per rupee of turnover adjusted for Purchasing Power Parity(PPP)(Total water consumption / Revenue from operations adjusted for PPP) KL/Cr. USD	5544.76	9585.74
Water intensity in terms of physical output KL/MT	27.49	-
Water intensity (optional) – the relevant metric may be selected by the entity		

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

Yes, *Reasonable assurance for FY 2025-26 has been carried out by Intertek India Pvt. Ltd.

The revenue from operations has been adjusted using the purchasing power parity (PPP) conversion factor for India (20.34), based on the latest data published by the International Monetary Fund (IMF) for the year 2026.

4. Provide the following details related to water discharged:

Parameter	FY 25-26 (Current Financial Year)	FY 24-25 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(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((with primary,seconadry & tertiary treatment)	891449.80	-

Parameter	FY 25-26 (Current Financial Year)	FY 24-25 (Previous Financial Year)
(iii) To Seawater	Not Applicable	Not Applicable
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties-CETP		
- No treatment	14142	15105
- With treatment – please specify level of treatment– (After Homo tank)	3539114	2926793
(v) Others (Municipal Sewer)		
- No treatment		
- With treatment – please specify level of treatment – (Primary, secondary and tertiary water treatment)	465356	468247
Total water discharged (in kilolitres)	4910061.80	3410145.00

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.

Yes, *Reasonable assurance for FY 2025-26 has been carried out by Intertek India Pvt. Ltd.

The revenue from operations has been adjusted using the purchasing power parity (PPP) conversion factor for India (20.34), based on the latest data published by the International Monetary Fund (IMF) for the year 2026.

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

   We have implemented Zero Liquid Discharge (ZLD) systems at our VFB and Auro Textiles facilities, ensuring complete recycling and reuse of wastewater within our operations. To further enhance this effort, we are installing a 2,500 KLD ZLD system at our VSGM location, which helps us to achieve 100% water recycling at these sites. Also at our AT location, we are in process for installation of new 2000 KLD of STP plant. With RO Capacity Enhancement at VFB Location, the treatment capacity will increase from 8,400 KLD to 10,000 KLD. Additionally, a new 750 KLD fourth-stage RO is to be installed to increase recovery from waste water.

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

Parameter	Please specify unit	FY 25-26 (Current Financial Year)	FY 24-25 (Previous Financial Year)
NOx	MT	90.378	312.6
SOx	MT	150.943	507.8
Particulate matter (PM)	MT	65.649	87.0
Persistent organic pollutants matter (POP)	NIL	NIL	NIL
Volatile organic compounds (VOC)	NIL	NIL	NIL
Hazardous air pollutants (HAP)	NIL	NIL	NIL
Others – please specify	NIL	NIL	NIL

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

Parameter	Unit	FY 25-26 (Current Financial Year)	FY 24-25 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	363905.26	362,777.00
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	519070.35	554952.80
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO2 equivalent/ Crore	91.48	95.72
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO2 equivalent/ Crore	1860.66	1998.71
Total Scope 1 and Scope 2 emission intensity in terms of physical output	KL/MT	3.22	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Metric Tonne/ INR		

Note:

GHG Data of FY 24-25 has been revised based on third party audited report. (Refer page 5-8 of ESG Databook FY 2024-25 available on the website of the Company at the link- https://www.vardhman.com/Document/ESG/ESG%20Data%20Book%20FY%2024-25.pdf)

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

Yes, *Reasonable assurance for FY 2025-26 has been carried out by Intertek India Pvt. Ltd.

The revenue from operations has been adjusted using the purchasing power parity (PPP) conversion factor for India (20.34), based on the latest data published by the International Monetary Fund (IMF) for the year 2026.

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

1. Green Power Investment-

We have committed ₹850 crore toward renewable and clean energy infrastructure, reinforcing our long-term vision for a low-carbon future.

Our investments include:

- Biomass-based energy systems
- Solar power installations

By aligning capital allocation with sustainability priorities, we are ensuring that our environmental commitments translate into measurable impact.

Power Purchase Agreements (PPAs)- Vardhman Textiles Ltd. is accelerating its Net Zero journey through long-term Open Access renewable power procurement, ensuring deep decarbonization of electricity consumption across key manufacturing clusters in Madhya Pradesh and Punjab.

Hybrid Renewable Power – Wind + Solar (30.5 MW):

- 11.5 MW Hybrid PPA for Anant Spinning Mills
- 19 MW Hybrid PPA for Vardhman Fabrics – Budhni Unit & Vardhman Yarns Unit

Large-scale Solar Open Access (31.9 MWp):

31.9 MWp Solar PPA finalized for Arihant Spinning Mills and Vardhman Spinning & General Mills

2. **We are using 90% of the recyclable packaging materials to mitigate the GHG Emission.**

3. **Scope 3 (Downstream Transportation)**- Vardhman has implemented a dedicated GHG reduction initiative targeting Scope 3 emissions from downstream transportation through its partnership with DHL under the GoGreen Plus (GGP) programme. As part of this project, DHL deploys Sustainable Aviation Fuel (SAF) for air freight services, resulting in a measurable reduction in transportation related greenhouse gas emissions. This initiative represents Vardhman's proactive approach to decarbonizing logistics, supporting lowercarbon supply chains and contributing to longterm Scope 3 emission reduction goals.

4. **Advancing circularity** - Through our ReNova recycling plant, we are currently processing 12 tonnes of textile waste per day, converting both pre and post-consumer waste into reusable fibres, thereby contributing to a more circular and resource-efficient textile ecosystem.

5. **Waste Diversion and Landfill Reduction Efforts** - We have enhanced our recycling initiatives, resulting in increased recycling rates for paper, plastics and metals. This ensures these materials are effectively repurposed and kept out of landfills. In FY 25-26 total 100% of fly ash generated at VFB location is diverted from landfill to brick making or road construction.

6. **Brine Recovery System** – Installed an advanced salt recovery system to reduce freshwater consumption and minimize landfill footprint by reutilizing brine/salt waste, particularly from dyeing operations. This high-end technology uses specialized UF and NF membranes to produce high-quality brine, allowing it to be reused safely in the process. The system is expected to save approximately 2 MLD of fresh water while enabling the recovery of nearly 80% brine from wastewater, further strengthening our circular water and chemical management approach.

7. **Sustainable Raw Material Sourcing (Scope 3 – Category 1)** : To reduce upstream Scope 3 emissions, Vardhman prioritizes the procurement of sustainably sourced and certified raw materials, including BCI, organic and recycled cotton, and recycled polyester (rPET). 33.6 % of primary raw material inputs are sourced sustainably, supported by certifications such as BCI, Organic, GOTS, FSC and GRS, contributing to lower value chain emissions.

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

Parameter	FY 25-26 (Current Financial Year)	FY 24-25 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	1415.24	1570.01
E-waste (B)	25.33	54.36
Bio-medical Waste (C)	0.347	0.87
Construction and demolition waste (D)	0	51.30
Battery Waste (E)	37.75	38.59
Radioactive Waste (F)	0	0

Parameter	FY 25-26 (Current Financial Year)	FY 24-25 (Previous Financial Year)
Other Hazardous waste. Please specify, if any. (G)	Spent Oil =78.79 MT ETP Sludge= 795.73 MT MEE Salt=9259.96 MT Empty Barrels =362.97 MT Old & used Asbestos sheet= 881.99 MT Contaminated Cloth= 35.93 MT Caustic Lye=2223.57 MT	1. SPENT OIL = 96.35 MT 2. SLUDGE = 852.78 MT 3. MEE Salt = 10456.19 MT 4. Empty Barrels = 347.31 MT 5. Old & used Asbestos sheet = 1215.47 MT 6. Contaminated Cloth = 15.19 MT 7. Caustic Soda Lye Scrap = 1575.66 MT 8. Paste Liquid/Colour Kit = 19.08 MT 9. Dry Cotton Fluff = 55.93 MT 10. Other Hazardous waste, (Process waste like Waste Wet Fulff, Waste Caustic Soda Lye Sludge, PVA Waste)= 147.10 MT Total Hazardous waste= 14781.04 MT
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Cardboard & Corrugated = 1280.21MT Wood = 1606.26 MT Paper scrap = 17.60 MT Food Waste = 134.40 MT Metals = 2690.39 MT Fly Ash = 116766.42 MT Glass wool = 126.90 MT Glass = 16.01 MT Rubber = 100.96 MT Paper Cone & Paper Tube = 521.81 MT	1. Cardboard =1603.31MT 2. Wood=1203.74 MT 3. Paper scrap= 41.30 MT 4. Food Waste = 133.34 MT 5. Metals =2405.63 MT 6. Fly Ash= 81238.90 MT 7. Glass = 5.70 MT 8. Recover Caustic scrap= 376.78 MT 9. Rubber = 50.44 MT 10. Garbage = 469.77 MT 11. Paper Cone & Paper Tube = 557.81MT 12. Tyre= 6.46 MT 13. Wax= 7.74 MT 14. Glass wool = 151.06 MT 15. other miscellaneous waste (Cement bag, Jute bag, Fabric Leftover Pieces & Thread Left Over, bale cloth etc)= 944.24 MT Total Non-hazardous waste = 89196.193 MT
Total (A + B + C + D + E + F + G + H)	138378.58	105692.37
Waste intensity per rupee of turnover (Total Waste generated / Revenue from operations) MT//Cr	14.34	11.024

Parameter	FY 25-26 (Current Financial Year)	FY 24-25 (Previous Financial Year)
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste generated / Revenue from operations adjusted for PPP) MT/Cr USD	291.60	227.76
Waste intensity in terms of physical output KL/MT	0.50	-
Waste intensity (optional) – the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
(i) Recycled	105584.30	71007.83
(ii) Re-Used	54.95	120.12
(iii) Other recovery operations		
Total	105639.30	71127.95
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
(i) Incineration	36.27	207.53
(ii) Landfilling	32703.05	33406.94
(iii) Other disposal operations		
Total	32739.33	33614.47

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.

Yes, *Reasonable assurance for FY 2025-26 has been carried out by Intertek India Pvt. Ltd.

The revenue from operations has been adjusted using the purchasing power parity (PPP) conversion factor for India (20.34), based on the latest data published by the International Monetary Fund (IMF) for the year 2026.

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 follows the Reduce, Reuse and Recycle (3R) principle to manage and minimize waste generated across its operations. Dedicated collection, storage and segregation facilities are in place at all manufacturing locations for systematic handling of hazardous, nonhazardous and other waste streams. Disposal is undertaken in compliance with applicable Central and State environmental regulations through engagement with authorized recyclers and treatment facilities, and statutory returns are filed with the relevant authorities.

The Company's waste management strategy emphasizes reduction and reuse at source, supported by a defined target to reduce waste sent to landfills by 50% by 2030.

Key Waste Management Initiatives

- **Plastic Packaging Waste Management:** Implementation of the Extended Producer Responsibility (EPR) plan to ensure systematic collection and recycling of plastic packaging waste.
- **Textile Waste Recycling:** Textile waste is recycled at the Company's RENOVA recycling facility in Baddi, Himachal Pradesh, converting waste into reusable fibres and reducing dependence on landfill disposal.
- **Reuse of STP Sludge:** Organic rich sludge generated from sewage treatment plants is reused for horticulture applications, avoiding disposal.

- **Brine Recovery System (Baddi):** A brine recovery system has been installed to recover salts from waste water streams and enable reuse in dyeing operations, supporting waste reduction and resource efficiency.
- **Hazardous Waste Management:** Hazardous waste streams are handled, stored and disposed of strictly through authorized disposal and co-processing facilities, with manifestbased traceability.
- **Operational Controls and Awareness:** Periodic employee awareness programs and internal reviews are conducted to strengthen segregation practices and minimize waste generation during operations

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 no, the reasons thereof and corrective action taken, if any.
None of our plants operate in the ecological sensitive area.			

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

S. No.	Specify the law / regulation / guidelines which was not complied	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):

   (i) Name of the area- Ludhiana & Malerkotla

   (ii) Nature of operations- Spinning Units

Parameter	FY 25-26 (Current Financial Year)	FY 24-25 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	Not Applicable	Not Applicable
(ii) Groundwater	868828	1073996
(iii) Third party water	Not Applicable	Not Applicable
(iv) Seawater / desalinated water	Not Applicable	Not Applicable
(v) Others	Not Applicable	Not Applicable
Total volume of water withdrawal (in kilolitres)	868828	1073996
Total volume of water consumption (in kilolitres)	384,199.20	1073996

Parameter	FY 25-26 (Current Financial Year)	FY 24-25 (Previous Financial Year)
Water intensity per rupee of turnover (Water consumed / turnover) (in kilolitres/ Cr)	39.80	112.02
Water intensity(optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	Not Applicable	Not Applicable
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		Not Applicable
- No treatment		
- With treatment – please specify level of treatment	19272.80	
(iii) Into Seawater	Not Applicable	Not Applicable
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties	Not Applicable	Not Applicable
- No treatment		
- With treatment – please specify level of treatment		
(v) Others MC Sewer		
- No treatment		
- With treatment – please specify level of treatment – (Primary, Secondary & Tertiary)	465356.00	468247
Total water discharged (in kilolitres)	484628.80	468247

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

Parameter	Unit	FY 25-26 (Current Financial Year)	FY 24-25 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Metric tonnes of CO2 equivalent	-	-

3. With respect to the ecologically sensitive areas reported at Question 11 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	Expansion of Rooftop Solar Plant	Enhanced solar capacity upto 70 MWp through rooftop and ground-mounted installations across operational sites. Outcome of the Initiative: Increased renewable energy usage, reduced grid power consumption, and supported emissions reduction and decarbonization goals.	Helped offset a large portion of grid-based power, reducing carbon footprint
2	Green Energy Initiative – Biomass Boilers	Initiated the replacement of coal-fired boilers with three 80 TPH biomass boilers at the MP unit and a 105 TPH paddy straw-fired boiler integrated with a turbine at the Baddi facility. The biomass fuel mix primarily comprises locally sourced agricultural residues, including rice husk and paddy straw.	Reduced dependence on fossil fuels, resulting in lower greenhouse gas emissions. The initiative also promotes the productive use of agricultural residues, supports rural livelihoods, and contributes to improved local air quality.
3	4th Stage RO System at VFB–Budhni	Implemented a fourth-stage Reverse Osmosis (RO) system in series with the existing three-stage RO setup to enhance water recovery efficiency and support increasing production requirements.	Achieved water recovery levels exceeding 97%, substantially reducing the load on the Multi-Effect Evaporator (MEE) and delivering approximately 40% energy savings in the water treatment process.
4	ZLD System at VSGM–Ludhiana-2.5 MLD	Zero Liquid Discharge (ZLD) System Implementation at VSGM–Ludhiana (2.5 MLD) Commissioned a 2.5 MLD Zero Liquid Discharge (ZLD) system to maximize wastewater recovery and reuse, thereby strengthening water circularity within operations.	Significantly increased water circularity through extensive wastewater recovery and reuse, lowered freshwater withdrawal by ~80%, strengthened regulatory compliance, and advanced long-term water stewardship goals.
5	Brine Recovery System at Baddi	Commissioned a brine recovery system at the Baddi facility to enable the recovery and reuse of brine generated during the dyeing process. The system facilitates the recycling of 100% of the recovered brine for subsequent dyeing applications, promoting resource efficiency and circularity in operations.	Reduced consumption of fresh salt and associated procurement costs, improved effluent salinity management, minimized waste generation, and strengthened sustainable chemical and water management practices.
6	Sustainable Packaging & EPR Compliance	90%-of packaging material is recyclable or biodegradable. Additionally, 100% plastic waste was collected and recycled under EPR.	Reduced environmental impact from plastic packaging, improved brand image and demonstrated strong regulatory compliance under Plastic Waste Management Rules.
7	Biomass Ash Handling Project-VSGM	In partnership with Vardhman Special Steel, a scientific trial was initiated for the use of biomass ash as an insulating material in molten steel applications. The trial has now been successfully stabilized, enabling the diversion of biomass ash from landfill disposal to co-processing, thereby supporting waste utilization and sustainability objectives.	Helps to achieve zero waste to landfill.
8	Long-Term Open Access Renewable Energy for Net Zero- Power Purchase Agreements (PPAs)	• 11.5 MW Hybrid PPA for Anant Spinning Mills. • 19 MW Hybrid PPA for Vardhman Fabrics, Budhni & Vardhman Yarns, Satlapur. • 31.9 MWp Solar PPA finalized for Arihant Spinning Mills and Vardhman Spinning & General Mills.	Accelerating our Net Zero journey through long-term Open Access renewable power procurement, ensuring deep decarbonization of electricity consumption.

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

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

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

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

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

   Yes, 20.47% of our value chain partners were assessed in respective Indicators.

8 a. Green credits generated or procured by the entity

   - Nil

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

   - Nil

PRINCIPLE 7

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

Essential Indicators

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

   9

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

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

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

Name of authority	Brief of the case	Corrective action taken
	None	

Leadership Indicators

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

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
			None		

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.

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
			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:

Project Name	SIA Notification	Date Notification	Conducted by independent	Result Communicated	Web link
			Not Applicable		

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

The stakeholders can send their grievances to the Compliance Officer at secretarial.lud@vardhman.com or mngt@vardhman.com

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

	FY 25-26 (Current Financial Year)	FY 24-25 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	14.03	29.25
Directly from within India	70.03	78.10

***Reasonable assurance for FY 2025-26 has been carried out by Intertek India Pvt. Ltd.**

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

Location	FY 25-26 (Current Financial Year)	FY 24-25 (Previous Financial Year)
Rural	0%	0%
Semi-urban	77.3 %	68.81%
Urban	8.5 %	7.68%
Metropolitan	14.2%	23.51%

***Reasonable assurance for FY 2025-26 has been carried out by Intertek India Pvt. Ltd.**

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments

Negative social impact	Corrective action
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	S. No. State Aspirational District	Amount spent (In ₹)
		Not Applicable	

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

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

Not Applicable

3. (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:

Intellectual property	Owned / Acquired	Benefit shared	How benefit share was calculated
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.

Authority name	Brief case	Corrective action
	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, Budhni, Madhya Pradesh & Punjab.	36000	100%
2	Provided artificial limbs to disabled people (artificial limbs and polio calipers) in Punjab, Himachal Pradesh & Madhya Pradesh.	244	100%
3	Scholarship provided to students under Shakun Oswal Scholarship Program in the state of Punjab, Himachal Pradesh & Madhya Pradesh.	215	100%
4	Distribution of winter wears to students living in government hostels in Raisen, Madhya Pradesh.	3100	100%

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

2 ZERO HUNGER
4 QUALITY EDUCATION
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
14 LIFE BELOW WATER
15 LIFE ON LAND

Essential Indicators

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

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

Receive & Acknowledge Grievance → Investigate Grievance → Resolve Grievance → Communicate & Close Grievance

We have a specific Grievance Reporting Channel. Stakeholders may register their grievances/complaints at ethics@vardhman.com.

Link of Stakeholders Grievance Redressal Policy:- https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Stakeholders_Grievance_Redressal_Policy.pdf

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

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

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

Complaint Type	FY 2025-26 Current Financial Year		Remarks	FY 2024-25 Prev Financial Year		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data Privacy	None	None	NA	None	None	NA
Advertising	None	None	NA	None	None	NA
Cyber Security	None	None	NA	None	None	NA
Delivery of essential services	None	None	NA	None	None	NA
Restrictive trade practices	None	None	NA	None	None	NA
Unfair trade Practices	None	None	NA	None	None	NA
Others	None	None	NA	None	None	NA

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

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

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

   Yes. The policy can be accessed on the following link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Privacy_&_Data_Protection_Policy.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

      ***Reasonable assurance for FY 2025-26 has been carried out by Intertek India Pvt. Ltd.**

   b. Percentage of data breaches involving personally identifiable information of customers

      Nil

   c. Impact, if any,of 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). Channels/Platforms available (Yes / No)

   Web Link: www.vardhman.com

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

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

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

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

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

   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.

intertek
Total Quality. Assured.

Independent Reasonable Assurance Statement to Vardhman Textiles Limited on their Business Responsibility & Sustainability Report (BRSR) Core Disclosures as part of the Annual Report FY2025-26.

To the Board of Directors of Vardhman Textiles Limited

Introduction

Intertek India Private Limited ("Intertek") was engaged by Vardhman Textiles Limited ("Vardhman") to provide an independent Reasonable Assurance on its BRSR (Business Responsibility & Sustainability Report) Core disclosures as a part of the Annual Report FY2025-26 ("the Report"). The scope of the Report comprises the reporting periods of FY2025-26. The Report is prepared by Vardhman based on SEBI's (Securities and Exchange Board of India) BRSR guidelines. The assurance was performed in accordance with the requirements of International Federation of Accountants (IFAC), International Standard on Assurance Engagement (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information.

Objective

The objectives of this reasonable assurance engagement were, by review of objective evidence, to confirm whether the sustainability related disclosures in the Report are in alignment with the Business Responsibility and Sustainability Report (BRSR) requirements laid down by SEBI and were accurate, complete, consistent, transparent and free of material errors or omission in accordance with the criteria outlined below.

Intended Users

This Assurance Statement is intended to be a part of the Annual Report FY 2025-26 of Vardhman Textiles Limited.

Responsibilities

The management of Vardhman Textiles Limited is solely responsible for the development of Report and its presentation. Management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report so that it is free from material misstatement, whether due to fraud or error.

Intertek's responsibility, as agreed with the management of Vardhman, is to provide assurance and express an opinion on the data and assertions in the Report based on our verification following the assurance scope and criteria given below. Intertek does not accept or assume any responsibility for any other purpose or to any other person or organization. This document represents Intertek's independent and balanced opinion on the content and accuracy of the information and data held within.

Assurance Scope

The assurance has been provided for selected sustainability performance disclosures as per BRSR core disclosures with reference to Business Responsibility and Sustainability Reporting by listed entities as per SEBI Master Circular no. HO/49/14/14(7)2025-CFDPOD2/ I/3762/2026 on 30th January 2026, presented by Vardhman in its Annual Report FY2025-26. The assurance boundary included data and information for the operations of Vardhman at its 13 manufacturing facilities located in Punjab, Madhya Pradesh, and Himachal Pradesh, along with its Corporate Office at Ludhiana. Our scope of assurance included verification of internal control systems, data and information on BRSR core disclosures reported as summarized below:

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

- Number of days of accounts payable.
- Concentration of purchases & sales done with trading houses, dealers, and related parties.

- Loans and advances & investments with related parties

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

- Cost incurred on well-being measures as a % of total revenue of the company.
- Safety related incidents (LTIFR, Fatality, Permanent Disabilities) for employees and workers.

Principle 5: Businesses should respect and promote human rights:

- Gross wages paid to females as percentage of wages paid.
- Complaints on POSH

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

- Total Scope 1 and Scope 2 emissions
- GHG emissions intensity (scope 1 and 2).
- Total water consumption, water consumption Intensity and water discharge by destination and levels of treatment.
- Total energy consumed, % of energy consumed from renewable sources and energy intensity.
- Total waste generated (category-wise); waste intensity; Total waste recovered through recycling, re-using or other recovery operations; Total waste disposed by nature of disposal method; waste diverted from landfill.

Principle 8: Businesses should promote inclusive growth and equitable development

- Input material sourced (from MSMEs/ small producers and from within India)
- Job creation in smaller towns– Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost

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

- Instances involving loss / breach of data of customers as % of total data breaches or cyber security events

Assurance Criteria

Intertek conducted the assurance work in accordance with the requirements of 'Reasonable Assurance' procedures as per the following standard:

- International Standard on Assurance Engagements (ISAE) 3000 (revised) for 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'.
- International Standard on Assurance Engagements (ISAE) 3410 for 'Assurance Engagements on Greenhouse Gas Statement

A reasonable assurance engagement involved assessing the risks of material misstatement of the agreed indicators/parameters whether due to fraud or error, responding to the assessed risks as necesaary in the circumtances. A materiality threshold level of 5% was applied.

Limitations

We have relied on the information, documents, records, data, and explanations provided to us by Vardhman for the purpose of our review.

The assurance scope excludes:

- Any disclosures beyond those specified in the Scope section above.
- Data and information falling outside the defined reporting period.
- Data pertaining to the Company's financial performance, strategy, and associated linkages articulated in the Report.
- Assertions made by the Company encompassing expressions of opinion, belief, aspiration, expectation, forward-looking statements, and claims related to Intellectual Property Rights and other competitive issues.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within software/IT systems.

Methodology

Intertek performed assurance work using risk-based approach to obtain information, explanations and evidence that was considered necessary to provide a reasonable level of assurance. The assurance was conducted by desk reviews, visit to Vardhman's corporate office and manufacturing site in Ludhiana and stakeholder interviews with regards to the reporting and supporting records for the FY2025-26. Our assurance task was planned and carried out during June-July 2026. The assessment included the following:

- Assessment of the select sustainability performance disclosures in accordance with the SEBI's BRSR Core guidelines.
- Review of processes and systems used to gather and consolidate data.
- Examined and reviewed documents, data and other information made available at selected Vardhman's operational sites and digitally.
- Conducted physical and remote interviews with key personnel responsible for data management from selected Vardhman's operational site and corporate office.
- Assessment of appropriateness of various assumptions, estimations and thresholds used by Vardhman for data analysis.
- Review of BRSR core disclosures for the duration from 1st April 2025 to 31st March of 2026 for Vardhman was carried out onsite at Vardhman's corporate office and select business locations.
- Appropriate documentary evidence was obtained to support our conclusions on the information and data reviewed and details were provided in a separate management report.

Conclusions

Intertek reviewed the BRSR Core Indicators in the "Report" for the reporting period from 1st April 2025 to 31st March 2026. Based on the scope of our review, we conclude with Reasonable Assurance that the sustainability data and information is fairly presented in all material aspects as per BRSR Core guidelines.

Intertek's Competence and Independence

Intertek is a global provider of assurance services with a presence in more than 100 countries employing approximately 43,500 people. The Intertek assurance team included competent sustainability assurance professionals, who were not involved in the collection and collation of any data except for this assurance opinion. Intertek maintains complete impartiality towards any people interviewed.

For Intertek India Pvt. Ltd.

Priyanka Agrawal	**Shilpa Naryal**
Manager- Sustainability	Head of Sustainability
Intertek India	Intertek South Asia & MENAP
2026/07/24	2026/07/24

No member of the verification team (stated above) has a business relationship with Vardhman Textiles Limited stakeholders beyond that is required of this assignment. No form of bribe has been accepted before, throughout and after performing the verification. The verification team has not been intimidated to agree to do this work, change and/or alter the results of the verification. The verification team has not participated in any form of nepotism, self-dealing and/or tampering. If any concerns or conflicts were identified, appropriate mitigation measures were put in place, documented and presented with the final report. The process followed during the verification is based on the principles of impartiality, evidence, fair presentation and documentation. The documentation received and reviewed supports the conclusion reached and stated in this opinion.