

VEDANT FASHIONS LIMITED

Business Responsibility and Sustainability Reporting Policy



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1. INTRODUCTION

Vedant Fashions Limited ('the Company' or 'VFL') (formerly known as 'Vedant Fashions Private Limited') is a public limited company incorporated on May 24, 2002, under the erstwhile Companies Act, 1956 (now the Companies Act, 2013) having Corporate Identity Number as L51311WB2002PLC094677.

The equity shares of the Company are listed on the BSE Limited and National Stock Exchange of India Limited since 16th February 2022 and as such the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') are applicable and binding on it.

This Policy has been developed in accordance with the requirements of the Listing Regulations and validates that the Company's commitment to follow the principles laid down in the National Guidelines on Responsible Business Conduct on Social, Environmental and Economic responsibilities of Business brought out by the Ministry of Corporate Affairs. All the stated principles form part of the Business Responsibility policy of the Company.

2. OBJECTIVE

The objective of this policy is to -

- Ensure a unified and common approach to the dimensions of Business Responsibility across Vedant Fashions Limited
- Act as a strategic driver that will help the Company to respond to the complexities and challenges that keep emerging and to align with the best of global business conduct principles.

3. PURPOSE & APPLICABILITY

For a holistic sustainable development, the management of the Company strives towards creating an equilibrium between the economic, social, and environmental performance with respect to dealings with different stakeholder groups of the Company, namely, customers, investors, vendors, jobbers, manufacturer, and the society.

This overall Policy and all its components extend to all the Directors and Employees of the Company across all functions and units.



4. AUTHORITY

This overall Policy and all its components have been adopted by the Board of Directors ('Board') of the Company at its Board Meeting dated March 27, 2023.

5. IMPLEMENTATION & MONITORING

- i. The Business Responsibility Policies of the Company are communicated to all employees and workers across all departments, functions, teams, and verticals and is also displayed on the Company's internal communication portals.
- ii. The Managing Director and Senior Management shall have the absolute authority to supervise and oversee the implementation of these Policies.
- iii. The Functional and Vertical Heads of each Departments/Units of the Company shall be responsible for ensuring that the policies are administered throughout the operations and businesses of the Company.
- iv. Adherence and compliance with the Policies shall be monitored and evaluated by the respective Functional Heads of the Departments/ Unit Heads of the Company at regular intervals.
- v. All grievances/complaints with respect to breach of the policies shall be reported to the Head – Human Resources who would communicate the same to the Company Secretary for presenting the same before the Board.

6. REVIEW & AMENDMENT

This set of policies shall be reviewed and evaluated as and when required to establish and confirm that it meets the objectives of the relevant legislation and remains effective. The Board has the complete right to make amendments to this Policy in whole or in part, at any point of time without assigning any reason, whatsoever.



7. KEY PRINCIPLES & POLICIES

The Company has adopted separate policies related to the nine principles of Business Responsibility mentioned below as prescribed in the SEBI guidelines:

- **Principle 1:** Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.
- **Principle 2:** Businesses should provide goods and services in a manner that is sustainable and safe.
- **Principle 3:** Businesses should respect and promote the well-being of all employees, including those in their value chains.
- **Principle 4:** Businesses should respect the interests of and be responsive to all its stakeholders.
- **Principle 5:** Businesses should respect and promote human rights.
- **Principle 6:** Businesses should respect and make efforts to protect and restore the environment.
- **Principle 7:** Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- **Principle 8:** Businesses should promote inclusive growth and equitable development.
- **Principle 9:** Businesses should engage with and provide value to their consumers in a responsible manner.



POLICIES

Ethics, Transparency and Accountability Policy

The Company recognizes that ethics, transparency, and accountability are the key pillars to a sound governance. Deeply instilled within us are our values, which ensure business is conducted in accordance with applicable laws, rules, and regulations and with highest standards of business ethics in dealing with stakeholders.

The Company shall endeavour to:

- Ensure compliance with statutory obligations enabling fair competition and treat all its stakeholders in an equitable manner.
- Ethically and truthfully discharge their responsibilities on financial and other mandatory disclosures.
- Transparently communicate with its stakeholders and assure access to information about the policies, procedures, and performance regarding its material topics
- Prevent illegal and abusive practices, bribery, and corruption, and ensure any concerns of misconduct/unlawful conduct can be timely reported in a responsible and confidential manner through its Vigil Mechanism.
- Avoid complicity with the actions of any third party that violates any of the principles contained in these Guidelines.
- Ensure the effective implementation of all mechanisms and procedures to address incidents of conflicts of interest involving its directors, employees, and business partners.
- Ensure that the business contributes to public finances by timely and complete payment of all applicable taxes in the letter and spirit of the laws and regulations governing such payments.
- Monitor, measure, and review progress against the policy on a periodic basis.



Product Stewardship Policy

The Company believes that every input material or product whether in raw, fresh, semi-processed, or finished form and packaging materials have far reaching environmental and social impacts throughout all life cycle stages whether in production, use or at end-of-life.

As a responsible product steward, we are committed towards reducing impacts whilst maximizing economic benefits. Accordingly, the Company seeks to ensure that those who design, manufacture, transport, retail and use our products take responsibility to reduce negative impacts to the environment, economy, public health & safety, human rights, and worker health & safety.

The Company shall endeavour to:

- Comply with legislative requirements related to product safety, quality, public health, and environment as applicable.
- Use resource-efficient and low-carbon processes and technologies to minimize adverse environmental and social impacts.
- Engage with our suppliers to support them in complying with all applicable laws; legal regulations, directives, and guidelines; and all obligations in any contract a supplier may have with us.
- Engage with and sensitize stakeholders across value chain on the environmental and social issues and impacts across product life cycle from design to disposal and their responsibility.
- Encourage our suppliers to adopt sustainable practices in their supply chain and operations.
- Work with experts and value chain members to identify existing and potential environment, health and safety risks and inherent hazards of materials, if any, used in production and in disposal.
- Design for the environment and consider the end-of-life impacts of products and packaging during the earliest stages of design.
- Redesign as reasonably practical and manage end of life disposal and recovery challenges.
- Safely collect, reuse, and recycle our packaging material at end of life to comply with the Brand Owner obligations under the Plastic Waste Management Rules, 2022 and Extended Producer Responsibility (EPR) guidelines where applicable.
- Develop key performance indicators and define roles and responsibilities in order to effectively implement, maintain and improve the Product Stewardship performance.
- Monitor, measure and report progress against this policy and review performance on a periodic basis on product changes from design to end-of-life management, distribution, reduced use of toxic and hazardous substances, reduced carbon footprint, increased product longevity, and design for recyclability to ensure continual improvement and move product stewardship forward.



Employee Welfare Policy

The Company recognizes the role of its all employees in generating, growing, and sustaining the business. Accordingly, it is committed to creating and maintaining fair, safe, healthy, nurturing, and vibrant work environment, across all its operations.

Committed towards wellbeing of all employees, the Company shall endeavour to:

- Comply with the applicable national and local regulatory requirements pertaining to its employees, and that there are systems and processes.
- Ensure equal opportunities to all employees during the time of hiring and induction as well as throughout the course of employment till the time of separation irrespective of gender, caste, creed, colour, religion disability or sexual orientation.
- Ensure implementation of appropriate systems and processes in place to support the work-life balance of all its employees.
- Abide by the “Human Rights Policy” and ensure diverse, inclusive, and equitable work environment built on respect and dignity.
- Provide a workplace that is safe and hygienic for all categories of employees and contractors.
- Maintain positive legal compliance to workplace safety regulations and other requirements.
- Develop the will, knowledge, and skill among employees / contractors / partners to demonstrate their involvement, responsiveness, and accountability to achieve sound safety practices and performance.
- Report and investigate all incidents for learning and to prevent reoccurrence.
- Ensure facilities accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016
- Ensure a workplace where employees feel safe and secure in delivering their responsibilities and free from any form of harassment.
- Communicate and inform all its employees about all the policies related to them, to keep them educated and aware of the same.
- Monitor, measure, and review progress against the policy on an annual basis.



Stakeholder Engagement Policy

The Company recognizes the need for meaningful stakeholder engagement to improve decision making and accountability. Engaging with stakeholders builds trust, encourages transparency and better management of risk.

The Company shall endeavour to:

- Establish engagement processes that are inclusive, material, and responsive for key stakeholder groups beyond grievance mechanisms.
- Undertake responsibility and ensure transparency about the impact of their policies, decisions, products and associated operations on all stakeholders, and the natural environment.
- Define mechanisms to identify its stakeholders, understand their expectations and concerns, define the purpose and scope of the engagement.
- Establish mechanisms to resolve any grievances arising from business operations in a just, fair, and constructive manner.
- Integrate stakeholder engagement into governance and relevant decision-making processes that contributes to developing or improving organizational strategy, identifying, and addressing operational issues.
- Ensure benefits derived from business is fairly distributed amongst stakeholders.
- Monitor and record stakeholder engagement activities, review the mechanism and report progress annually.



Human Rights Policy

The Company is committed to upholding human rights aligned with national and international regulations as applicable. Protecting and respecting human dignity is central to our everyday business operations. Respect for human rights includes ensuring that business uphold decent work, do not encourage child labour, forced labour, non-discrimination, and provide opportunities to employees to express their concerns through forums and representation.

The Company shall endeavour to:

- Be compliant with applicable labour laws related to human rights.
- Promote employee's right to form, join and organize trade unions/associations of their choice and bargain collectively and ensure fair and constructive negotiations to reach mutual agreements with a view to negotiate the terms and conditions of employment under prevailing statute and framework.
- Settle all collective disputes through negotiations or through the available conciliation machinery / arbitration and settlement of all individual disputes through a defined grievance redressal procedure and Standing Orders of the Company.
- Prohibit employee recruitment based on individual bond, debt or obligations towards the Company or its representatives. Acceptance of cash deposits or a recruitment fee to secure employment are also prohibited.
- Prohibit child labour and ensure the minimum age standard is set at 18 years for employment opportunities.
- Offer fair living wages exclusive of overtimes that shall meet the needs of the employee as per local living standards.
- Ensure fair treatment of all employees with dignity and ensuring no tolerance to any form of discrimination, harassment or abuse based on caste, race, birth, nationality, gender, origin, religion, disability, family responsibility, marital status, political opinion, age, union membership and sexual orientation.
- Ensure employees and representatives are informed within a reasonable timeframe in case of change in operations.
- Avoid complicity with human rights exploitations and abuses by a third party.
- Sensitize employees of the human rights content of the Constitution of India, relevant national laws and policies, and the International Bill of Human Rights and their application to businesses as outlined in the United Nations Guiding Principles for Business and Human Rights.
- Empower employees and value chain members through communication and training to identify and report cases of non-compliance that shall be investigated on confidential basis.
- Obtain employee feedback in regular intervals to ensure an equitable working environment.
- Undertake third party audits to build trust in our assessment for external stakeholders and to identify the non-conformities.
- Develop remediation plan for cases resulting in violation of labour priorities.
- Monitor, measure, and report progress against this policy on risk identification, mitigation, training and awareness, functioning grievance mechanism, supply chain compliance and review performance on a periodic basis to ensure ongoing management of human rights.



Environment Policy

The Company is firmly committed towards protecting the environment and strives towards continuous improvement on our environmental performance to minimize our impact on the local and global environment.

Our concern and consciousness towards the environment are contained in the Environmental Policy which applies to all our businesses and extends to our value chain members.

The Company shall endeavour to:

- Comply and/or exceed all applicable environmental legislation(s).
- Proactively assess risks and opportunities and take business decisions to enable sustained environmental performance.
- Formulate relevant policies, procedures, and mechanisms to assess, measure and resolve its adverse impacts on the environment at all its locations, at all stages of its lifecycle from formation to disposal.
- Outline all measurable key performance indicators and targets to monitor and track their performance on various material environmental aspects.
- Improve their environmental performance by adopting innovative, resource-efficient, and clean technologies and solutions.
- Improve their resource productivity and conserve resources by applying the 4R principles (reduce, reuse, recycle, recover) and promoting the same amongst their value chain members.
- Ensure safe disposal of waste and abate pollution with due regard to interests of the communities and other stakeholders.
- Encourage environmental accountability, responsibility, and awareness among value chain partners through demonstration of good practices, training, and communication.
- Conduct due diligence on environmental parameters for all mergers and acquisitions.
- Review the implementation of policy and management systems on a periodic basis.



Responsible Advocacy Policy

The Company recognizes its role in actively expressing its concerns on the policies framed by the competent authorities on behalf of its stakeholders. The Company expresses its concerns by actively participating by itself or through competent associations to advocate for or against changes in policies.

The Company shall endeavour to:

- Ensure its advocacy positions are aligned with principles of responsible business.
- Engage actively with its stakeholders to develop strategies that are inclusive of stakeholder concerns and in the context of business.
- Address grievances pertaining to any legislative / regulatory authority or framework collectively through policy advocacy.
- Provide an unbiased and balanced viewpoint in the interest of its stakeholders and business continuity.
- Effectively utilize the trade and industry chambers and associations and other relevant platforms to undertake such policy advocacy.
- Ensure the promotion of fair and transparent competition and respect.



Inclusive Growth and Equitable Development Policy

The Company is committed towards conducting business responsibly in recognition to the social and economic development concerns and builds upon the national and local sustainable development agenda.

We believe inclusive growth is achieved through strengthening our communities including local suppliers and fostering innovations that address a plethora of environmental and social needs.

The Company shall endeavour to:

- Comply with local, regional, and national legislative requirements.
- Assess and understand the various impacts of its operations on social and economic development and intervene through appropriate action to abate and mitigate its undesirable impacts on the society.
- Engage, collaborate, and seek feedback from all concerned stakeholders and communities to enhance knowledge on environmental and social concerns to meet the national and local development priorities through its CSR programs.
- Innovate and develop products, technologies and processes that promote the well-being of all segments of the society, including vulnerable and marginalized groups.
- Respect all forms of intellectual property and traditional knowledge and make efforts at the same time to ensure that benefits derived from their knowledge are shared equally and impartially.
- Ensure suitable relocation and rehabilitation of communities who have been displaced owing to their business operations.
- Monitor, measure, and review progress against the policy on a periodic basis.



Customer Relations Policy

Customer-centricity is one of the key pillars to the long-term business sustainability of the Company. In an endeavour to be recognized as the preferred choice for customers and achieve long-lasting competitive advantage in the industry, the Company aims at building consistent customer satisfaction by providing high-quality customer experience that delivers superior value.

The Company shall endeavour to:

- Comply with local, regional, and national legislative requirements on customer complaints management and data protection.
- Define customer satisfaction metrics and targets.
- Ensure freedom of choice and free competition in any form while formulating, promoting, and selling their products or services.
- Endorse and promote their products or services in ways that do not mislead or blur the consumers or disturb any of the principles in these Guidelines.
- Bring forth awareness among consumers of their rights through awareness, education, product labelling, useful marketing communication, comprehensive details of contents and configuration and promotion of safe usage and disposal of their products and services and eliminate over consumption.
- Make available to customers environment friendly products and services.
- Incorporate efficient grievance handling mechanisms that are transparent, fair, and accessible to address customers queries and feedback.
- Maintain privacy of consumer's private and confidential data in the normal course of its business.
- Make essential services available and should enable universal access for it.
- Ensure that services if discontinued for any reason, is done in a non-discriminatory, ethical, and responsible manner.
- Monitor, measure and report progress against this policy and review performance on a periodic basis to ensure ongoing management of customer relations.



8. DISCLOSURE

This policy shall be hosted on the website of the Company. The salient features of the policy and changes therein, if any, along with the web address of the policy shall be provided in the annual report of the Company. The necessary disclosure about the policy further, if any, will also be made as per requirements of the applicable laws and regulations.

9. VERSION HISTORY

Sr. No.	Version	Created by	Reviewed and Recommended by	Approved By	Approval Date	Amendment Summary
1	1.0	Secretarial	NA	Board of Directors	March 27, 2023	
